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TRAPPED BY CONSOCIATIONALISM: THE CASE OF LEBANON

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Abstract

Motivated by the fact that Lebanon's consociational democracy has failed to prevent the outbreak of a long lasting civil conflict and periodic political crises, we re-examine the role that its political formula had played in this regard. We argue that consociationalism has exactly cemented what it was supposed to overcome, namely vertical and horizontal inequality. As Lebanon remained socially divided, it became vulnerable for internal conflict, which in turn was fueled by external factors. Our empirical results suggest that Lebanon is extremely unequal relative to its democratic and economic development level and that this inequality has substantial power in explaining armed conflict. A transition towards a fully fledged democracy would further reduce Lebanon's conflict potential.

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I. Introduction

Whereas sectarian power sharing might have proven successful in preventing domestic conflict in a number of countries, it failed in Lebanon. Neither could consociationalism prevent a 16-year lasting civil war beginning in 1975, nor could a modified version of it, which was re-negotiated in 1989, eliminate Lebanon's internal and external conflict risk. In this paper we argue that Lebanon's consociationalism is the culprit of this instability, not the solution. Lebanon has been trapped by sectarian based consociationalism, which has rendered it greatly vulnerable to destabilizing outside shocks. Only a transition towards a full fledged secular democracy that mandates greater political accountability and economic governance and promotes increased equality of access to economic opportunities would permit Lebanon to build immunity against destabilizing external influences emanating from its geopolitical position. In this paper we focus on the role of economic inequality in contributing to Lebanon's vulnerability

The remainder of the paper is organized as follows: Section two discusses Lebanon's consociationalism as a fragile political model. A brief review of the causes of Lebanon's civil war and their links to consociationalism follows in section three. Section IV assesses empirically how the failure of the country's consociational system to reduce vertical and horizontal inequality was a contributing factor to war likelihood. Section V concludes with a summary of our major findings and outlook.

II. Lebanon's Consociationalism: A Fragile Political Model

The basic argument for consociationalism, as opposed to a simple majority rule, is that it prevents the outbreak of open conflict in socially heterogeneous societies (see Lijphart, A., 1984, Andeweg, R., 2000). Moreover, in places where domestic conflicts arise, especially in developing countries, a consociational form of democracy is more likely to restore lasting peace (see Binningsbo, H. M., 2005). However, there are many cases of failed consociationalism. For a review of some prominent cases see Schneckener (2002).

Ethnically, Lebanon is virtually homogenous. Yet, on the eve of independence in 1943, its population was divided almost equally between Christians and Muslims. These religious communities are further broken down to 18 recognized religious sects with three principal communities: Maronite Christians, Sunni, and Shi'a Muslims. In theory, therefore, Lebanon was a good candidate for adopting the consociational model. The three principal communities gained the most political power with clear advantages being initially accorded to the Maronites. This was to assure that the political supremacy they enjoyed under the French mandate would not diminish after independence.

Article 95 of Lebanon's 1943 constitution stated that for a temporary but unspecified period, religious communities would be equitably represented in public employment and cabinet posts. The principle of equitable representation was not defined. An unwritten national accord reached among political leaders on the eve of independence specified that the president would be Maronite, the speaker of the house Shia, and the prime minister Sunni. The president appointed the prime minister and cabinet members and could, with the approval of the council of ministers, dissolve the parliament. Under the national accord, Christians enjoyed a 5 to 4 majority in parliament.

A sectarian formula has been assiduously applied to cabinet posts among the three largest religious communities followed by the other communities. Depending on the cabinet size, other officially recognized small communities may or may not be represented but an equal balance between Christians and Muslims has always been maintained. Under the sectarian power sharing formula, individual citizens from different religious communities, while assuming the same obligations vis-à-vis the state, enjoy unequal political rights. Different standards also pertain to personal status laws of marriage, divorce and inheritance, which fall under the jurisdiction of the official bodies of the respective religious communities.

Maintaining a sectarian balance implied that no single political or religious group, or the army, could impose its hegemony or ideology on the society. With the exception of the civil war period, this helped foster civil liberties such as freedom of speech, media plurality, and parliamentary elections.

At the same time, the dictum of the delicate sectarian balance led to the emergence of a weak state that failed to implement effective political and administrative programs. For example, serious social policy reforms initiated by President Fouad Chehab in 1958–59 to promote improved public sector performance and greater equality largely failed to take hold. This was due to opposition by entrenched politico-sectarian special interests that feared redistributive reforms.

Provoked by the fall of the pro-Western monarchy in Iraq in 1958 and the unification of Egypt and Syria as the United Arab Republic, a limited civil conflict broke out between pro- and anti-Western factions in Lebanon. Its settlement resulted in President Chehab assuming the presidency as a compromise candidate. Although minor, this conflict already demonstrated the country's vulnerability to outside events. Yet, the most crucial moment was clearly the 1967 Arab-Israeli war and the resulting influx of Palestinian refugees. The 1967 war and the Palestinian problem created a political and economic shock that Lebanon could not absorb or accommodate peacefully, which, combined with its religious divisions, eventually paved the way for the outbreak of the civil war in 1975.

The war was formally settled by the Taif Accord in 1989, which was brokered in the Saudi city of Taif, following diplomatic efforts by Saudi Arabia and Western powers. It was incorporated in the Lebanese Constitution in 1990. The Accord led to a more balanced sectarian formula of power sharing, a long standing demand of the Muslim community in the pre-war years. For example, it established parity in parliamentary representation between the Christian and Muslim communities. During the Taif negotiations, there was not a single political actor who could have advocated immediate political reforms towards a full fledged democracy. Nonetheless the Taif Accord included a provision that allowed for the establishment of a national body whose task would be to look into the elimination of the confessional nature of the system. Until today this body has not been established, leaving the country hostage to sectarian strangleholds. Although the Taif Accord led to a settlement of the civil war, Lebanon has yet to tackle the major problems of the sectarian system with its inherent negative impact on economic and social development.

In addition, the Taif Accord allowed for the temporary stationing of Syrian troops in Lebanon to help re-establish order. In effect, they remained until April 2005 when, following the assassination of former Prime Minister Rafic Hariri on February 14, they were forced to withdraw under Western pressure and recurring street demonstrations. Throughout their stay, Syria's political interests dictated how the domestic politico-sectarian balance was to be maintained, and how simmering political differences were to be resolved. This was done irrespective of whether or not their resolution was in concurrence with the provisions of the Taif Accord.

After the withdrawal of Syria, the country slid into a deep national political crisis with two major opposing political camps vying for power. The first included the opposition parties Hizbullah and Amal (both Shi'a) and the National Free Movement (primarily Maronite), along with allies from various religious groups. The second comprised pro-government parties, including the al Mustaqbal (Future) Movement (Sunni), the Progressive Socialist Party (Druze), the Lebanese Forces (Maronite) and their allies.

Similar to the civil war experience, each camp has been again supported by foreign powers that seek to promote their own regional political agenda. The crisis intensified especially after the Israeli onslaught of July 23, 2006 that followed the capture of two Israeli soldiers by Hizbollah in a cross border raid. It lasted until August 14 of that summer and followed the UN Security Resolution 1701 of August 11, 2006 that called for a cease fire (but not heeded until a few days later) and for a substantial enhancement of UN peace keeping forces in South Lebanon. In addition to the loss of human lives and damage to its economic base, Lebanon sank further in the quagmire of regional and international political rivalries.

The period that followed the summer 2006 war witnessed rising political tensions between the two camps. A government crisis provoked by resignations of the opposition cabinet ministers led to a de facto closure of Parliament for several months. It was occasioned by a constitutional dispute between the government and opposition, prolonged strikes in downtown Beirut, huge demonstrations and counter demonstrations, and the inability to agree on a successor to the president when his term ended on November 22, 2007. All factors together brought the country to

the verge of renewed civil conflict in the first week of May, 2008. Only after renewed Arab league mediation efforts, led by Qatar, the protagonists could agree on a settlement of their dispute. The so-called Doha agreement of August 15, 2008 was a compromise settlement - though more in favor of the opposition parties - that specified the immediate election of the chief of the army as the compromise presidential candidate, the formation of a new government with an agreed upon division of cabinet seats between the two camps, and the modification of the electoral law that had been a demand mainly of the Christian opposition. The new president of the republic was elected on May 25, 2008 and a new government was formed shortly afterwards (for a more detailed review of these developments see Makdisi, Kiwan and Marktanner, 2010).

As of this writing, the country awaits the outcome of the parliamentary elections scheduled for June 7, 2009. Whatever the outcome, we argue that as long as the present sectarian model stays in place, Lebanon will remain vulnerable to destabilizing external threats. We agree with Hudson (1997) that Lebanon's precarious political system can only be resolved by transiting from the present consociational sectarian model to a full fledged secular democracy.

III. Causes of the Lebanese Civil War, 1975-1990: A Brief Review

Lebanon is home to a substantial part of the factors that dominate the literature on the causes of civil conflict. This literature focuses mainly on the concepts of greed, often associated with the exploitation of natural resource wealth, and grievance, generally the result of poverty, political, economic and social inequities (see Collier P. and Hoeffler A., 2004; Collier, P. and Sambanis, N., 2005; Berdal, M. and Malone D. M., 2000; Arnson C. J. and Zartman I.W., 2005; UNCTAD, 2004). The interaction of social, ethnic and sectarian heterogeneity with economic factors incorporates a particularly strong conflict risk (Keen, D., 2000; Sambanis, 2000; and Reynal-Querol, M. 2002). However, the complexity of the causes of civil conflicts is not limited to greed and grievance and their interaction with social factors. External intervention is another important cause of conflict as well as its duration (see for example Elbadawi I. and N. Sambanis N., 2000).

Economic factors did not play a decisive role in the onset of the Lebanese civil war. In fact, shortly before the civil war, Lebanon had a vibrant merchant class, comparatively high per capita

incomes, an economy growing at considerable rates, and expanding employment opportunities. These conditions weaken the economic causes for civil conflict. Yet, economic development was regionally and horizontally highly unequal. Rural regions with Shi'a dominance were generally the poorest. Regional economic disparities in income distribution led to migration from rural to urban centers and to an unchecked and rapid growth of poor suburbs around major cities, particularly Beirut.

The overlap of economic inequality with sectarian divisions had political consequences. For example, in 1974 the religious leader of the Shi'a community, Imam Musa al Sadr, launched the Amal movement. Mobilizing political support with the objective of enhancing the lagging political but especially economic status of the Shi'a community in the country, Amal presented itself as a movement of the dispossessed. A second goal of Amal was to act as a countervailing force to the growing influence of Palestinian organizations in South Lebanon. After 1982, it grew into one of the major warring factions in the Lebanese civil war.

Thus while the primary causes of the civil war might have related to domestic political grievance, simultaneously fed and exploited by external powers in pursuit of their own regional agendas (Makdisi and Sadaka, 2005), prevailing economic inequalities also played a role, as we demonstrate below, by contributing to a high level of war likelihood.

Muslim political leaders regularly articulated political grievance issues and called for more equal power sharing with the Christians and economic benefits, including greater access to public sector employment as well as opportunities to participate in or control private economic enterprises. Yet, as the Maronite establishment regularly resisted such calls, fearing the loss of political power, coalition building with external parties in support of domestic agendas followed. In turn, external parties exploited domestic political conflict to further their own interests.

The external factors, which placed increasing strains on the Lebanese political system, were related to the rising military power of resident Palestinian political and military organizations, particularly after the 1967 Arab-Israeli war. While their activity was directed at keeping the Palestinian cause alive, these organizations' presence became intricately linked to Lebanese

domestic political affairs. The domestic and regional political agendas could hardly be separated. The prevailing weaknesses of the sectarian system were exploited by Palestinian organizations to strengthen their political and military positions. For this purpose, they forged alliances with disenchanted Lebanese sectarian (Muslim) and non-sectarian (leftist and nationalist) political parties. They regarded such alliances a means to pressure the Maronite political establishment to accept political reforms and greater sharing of economic opportunities. These developments inevitably invited external interventions, most notably by Syria and Israel, both of which had their own respective regional political agendas. Thus Lebanon became increasingly vulnerable to outside destabilizing influences.

IV. An Empirical Approach to Lebanon's Consociational Trap

Our main argument is that consociationalism has failed in Lebanon, thus helping pave the way towards the civil war. There are major aspects to this failure. Our focus here is on one major aspect, namely how the failure of Lebanon's consociational system to reduce the level of inequality, if not actually increasing, has contributed to raising the level of the country's vulnerability to war. We approach this hypothesis empirically from a cross-sectional perspective as follows. First, we argue that if Lebanon's consociational model had succeeded, it should have aligned Lebanon's vertical inequality much more with its general level of economic development. We though suspect that Lebanon's level of inequality is statistically significantly greater than what is predicted by its political and economic level of development, bearing in mind that vertical inequality has also a strong horizontal dimension. If indeed there is empirical evidence for an equality deficit, which we argue is a major indicator for democracy failure, the question we then would like to address pertains to the role this equality deficit plays in explaining Lebanon's war likelihood.

In order to tackle this question, we build a panel dataset that consists of all countries in the world for which observations were available in the 2005 World Bank Development Indicator Database. For each country, nine observations are taken, corresponding to eight consecutive five-year averages beginning with the 1961-1965 period and ending with the one of 1996-2000 as well as

the four-year average of the 2001-2004 period. Averages were chosen in order to smooth out the observations and to obtain a more balance panel dataset. Table 1 summarizes data and sources.

Table 1: Data and Sources

Variable	Description	Source
Per Capita Income (Income)	Per capita income in 2000 USD, natural log	2005 World Bank Development Indicator Database (WDI).
Polity	Polity 2 Score; ranges between -10 and +10 with higher scores indicating greater democratic practices.	Gurr, Marshall, and Jagers (2007), Polity IV Dataset.
Inequality	Estimated Household Income Inequality Indicator. Reads like Gini-coefficient. Missing values were estimated using ARIMA (1,0,0) forecasting.	University of Texas Income Inequality Data Project (UTIP)
Muslim-Christian Polarization (MCP)	Likelihood of obtaining a Muslim and a Christian in two random drawings from population. Assumed to be constant.	Calculated using data from the World Christian Encyclopedia.
Regional Oil (LnRegOil)	Population-weighted fuel exports as a percentage of GDP per region (natural log)	2005 World Bank Development Indicator Database (WDI).
Regional Polity (RegPoL)	Population-weighted Polity score per region	
Regional Refugee Density (LNRegRefDens)	Regional average refugee densities (refugees per 100,000, natural log)	WDI for non Palestinian refugees and United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).
War Country (WarCtry)	Dummy for a country that experienced at least one year of armed conflict during the observations.	Uppsala Conflict Data Program (UCDP) and International Peace Research Institute, Oslo (PRIO): Armed Conflicts Dataset.

We specify the following pooled OLS equation

$$\begin{aligned} \text{Inequality}_i = & \beta_0 + \beta_1 \text{Income}_i + \beta_2 \text{Polity}_i + \beta_3 \text{MCP}_i + \beta_4 \text{RegPol}_i + \beta_5 \text{LnRegOil}_i \\ & + \beta_6 \text{LnRegRefDens}_i + \beta_7 \text{Lebanon Dummy}_i + \varepsilon_i \end{aligned} \quad (1)$$

and logistic regression

$$\begin{aligned} \text{LN} \left[\frac{P(\text{War Country}_i)}{P(\text{No War Country}_i)} \right] = & \beta_0 + \beta_1 \text{Income}_i + \beta_2 \text{Polity}_i + \beta_3 \text{MCP}_i + \beta_4 \text{RegPol}_i + \\ & + \beta_5 \text{LnRegOil}_i + \beta_6 \text{LnRegRefDens}_i + \varepsilon_i \end{aligned} \quad (2)$$

We begin with a discussion of equation (1), whose results are summarized in Table 2.

Table 2: OLS Results of Determinants of Inequality

	I	II	III	IV	V	VI	VII
Const	61.03 (66.7)****	58.89 (56.82)****	58.10 (51.5)****	58.57 (56.5)****	57.6 (58.1)****	62.1 (30.0)****	63.5 (30.6)****
Income	-2.35 (-19.8)****	-2.03 (-14.7)****	-1.94 (-14.4)****	-2.00 (-14.4)****	-2.07 (-15.6)****	-1.72 (-8.9)****	-1.75 (-9.2)****
Polity		-0.11 (-3.9)****	-0.11 (-3.81)****	-0.05 (-1.6)*	-0.05 (-1.6)*	-0.20 (-3.8)****	-0.21 (-4.1)****
Muslim-Christian Polarization			0.02 (0.9)				
Regional Polity				-0.13 (-3.3)****	0.04 (1.0)		
Regional Oil (ln)				1.4 (9.3)****	0.94 (3.3)****	0.88 (3.1)****	
Reg. Ref. Dens. (Ln)					-0.81 (-3.3)****	-0.98 (-4.0)****	
Lebanon Dummy						11.4 (3.6)****	
N	1,146	1,146	972	1,015	1,013	388	388
Cross Units	146	146	125	131	131	130	130
F-Stat	391.6	184.6	111.2	127.9	128.0	46.9	41.4
Adj. R ²	0.25	0.27	0.25	0.27	0.33	0.32	0.34

**** = significant at 1%, *** = significant at 5%, ** = significant at 10%, * = significant at 15%, t-stat in parentheses.

The regression results of Table 2 show that income, political development, the regional economic structure and regional refugee density are significant explanatory factors of inequality. All coefficients carry the expected sign except for refugee density. Thus, higher incomes and more advanced democratic practices reduce inequality while the presence of high regional oil rents, which is an indicator for the lack of economic diversification, undermine equitable social development. Counter-intuitively though, higher refugee densities correlate inversely with inequality, which most probably captures the fact that richer and more equal countries are more likely to host more refugees. Regional polity is not robust although it carries the expected sign. Neither is the Muslim-Christian polarization variable a significant explanatory variable.

The most important result of Table 2 is that the Lebanon dummy is highly significant, indicating that Lebanon's level of income inequality is roughly 11 points higher than predicted. Yet, it is important to note that the Estimated Household Income Inequality Dataset did not have an observation for Lebanon. Gates (1998, p. 143), however, documents a Gini coefficient of 53.7 for 1960. For the year 1997, the Food and Agricultural Organization (online) lists Lebanon with a Gini coefficient of 56. We therefore assumed for Lebanon a value of 53 for all observations, which is probably a rather conservative estimate.

Turning to equation (2), whose results are summarized in Table 3, among the determinants explaining whether a country is a war country, per capita income, polity, and inequality are the only significant variables. Thus, as per capita incomes, democratic practices, and equality increases, the likelihood of being a war country decreases. This, of course, does not mean that regional factors are not relevant in the case of Lebanon. The opposite has been qualitatively discussed in the previous sections. It simply states that they are not significant from a cross-sectional perspective.

Table 3: Logistic Regression Results of Determinants of the Likelihood of Facing at Least One Year of Armed Conflict during Observations

	I	II	III	IV	V	VI	VII	VIII
Const	5.38 (15.6)****	4.61 (11.5)****	1.19 (1.5)*	1.31 (1.6)*	1.19 (1.5)*	1.31 (1.6)*	1.51 (0.9)	1.43 (1.8)**
Income	-0.67 (-15.1)****	-0.52 (-9.9)****	-0.37 (-6.2)****	-0.39 (-6.2)****	-0.38 (-6.2)****	-0.38 (-6.1)****	-0.35 (-3.8)****	-0.39 (-6.3)****
Polity		-0.04 (-4.3)****	-0.04 (-3.6)****	-0.04 (-3.6)****	-0.05 (-3.7)****	-0.04 (-3.6)****	-0.06 (-2.5)***	-0.04 (-3.6)****
Inequality			0.06 (4.7)****	0.06 (4.7)****	0.06 (4.8)****	0.05 (4.2)****	0.05 (2.3)***	0.05 (4.3)****
Muslim-Christian Polarization				0.00 (-0.3)				
Regional Polity					0.02 (1.3)			
Regional Oil (ln)						-0.01 (0.8)		
Reg. Ref. Dens. (Ln)							-0.03 (-0.3)	
Lebanon Dummy								10.3 (0.1)
N	1,358	1,144	1,115	972	1,015	1,013	388	1,015
Cross Units	182	153	131	125	131	131	130	131
Percent Correctly Classified	70.5%	73.9%	76.3%	75.7%	76.2%	76.2%	77.1%	77.1%

**** = significant at 1%, *** = significant at 5%, ** = significant at 10%, * = significant at 15%, t-stat in parentheses.

With the war country equation at hand, we can next elaborate more on how Lebanon is trapped by consociationalism. To illustrate this we use the parameters of Model III, which is the most parsimonious, in order to estimate the likelihood of being a war country according to

$$\text{Likelihood War Ctry}_i = \frac{1}{1 + \text{Exp}(-(1.19 + 0.06 \text{Ineq}_i - 0.37 \text{Income}_i - 0.04 \text{Polity}_i))} \quad (3)$$

We begin by estimating Lebanon's war country likelihood using some stylized facts that roughly characterize Lebanon in 1975, the year the civil war erupted. Assuming a per capita income level of 4,000 (in 2000 USD), an inequality indicator of 53, and a polity score of 4, Lebanon's likelihood of being a war country is 70.4%. If Lebanon's equality deficit had been dismantled and been 42 instead of 53, the war country likelihood would be 56.4%. Had Lebanon been additionally a full democracy with a polity score of 10, which implies the overcoming of the confessional system, the war likelihood would have been 50.5%. Thus, from a cross-sectional perspective, Lebanon could reduce its war country likelihood by almost 20 percentage points, had it dismantled its equality deficit and advanced democratization to a fully fledged democracy. Lastly, had Lebanon's per capita income been \$5,000, its war country likelihood would have been below 50%. At least from a statistical perspective, Lebanon is thus substantially trapped in a situation with a high war likelihood, which can be attributed to the system's inability to reduce prevailing inequalities and to advance further in democratic capacity building.

V. Conclusions: Towards Secular Democracy

The most beneficial outcome of Lebanon's consociational democracy is that it allowed for levels of freedom and civil rights that placed Lebanon well ahead of other Arab countries. Nonetheless, the Lebanese experience demonstrates that neither consociationalism nor relatively high per capita income and rapid economic development are sufficient guarantees against the onset of domestic conflicts in developing countries with significant social or religious divisions. This is especially the case when such

countries are vulnerable to destabilizing or negative regional influences from ongoing conflicts and non-democratic neighboring regimes. Under such conditions, consociationalism may serve a useful purpose, but only as a temporary political arrangement towards a more viable political system. The ultimate objective must be to shield the country against destabilizing external factors through social cohesion building. Lebanon has not accomplished this objective.

The qualitative analysis of our paper shows how external factors, namely the Arab-Israeli conflict but also the prevalence of highly autocratic regimes in the region dragged Lebanon into a maelstrom of political mistrust and uncertainty. Politics, which is supposed to become a positive sum game, was increasingly perceived as a zero-sum game. Yet, our empirical exercise has also shown that Lebanon's consociational model has failed to create a more equal economic opportunity society and that from a cross-sectional perspective, unequal opportunities are a highly robust predictor of armed conflict. Whether Lebanon could have prevented the civil war if it had had a substantially more equal society is, in light of the country's exposure to adverse geoeconomic and geopolitical influences, difficult to answer. There is, however, little doubt that its vulnerability to outside-intervening factors would have been much less.

As vulnerability to destabilizing external interventions has been one of Lebanon's major weaknesses, it follows that the objectives of any political reform must be to strengthen its ability to shield itself from the combined influences of sectarian divisions and external interventions. In our view, the move towards a secular multiparty democracy provides the most appropriate conditions for a stable political system and sustained development for Lebanon. The case of Lebanon has shown that sectarianism has cemented initial inequalities rather than helped to overcome them. Redirecting political leadership away from de facto intra- towards inter-sectarian political accountability will promote better governance, improved redistributive policies, and strengthen Lebanon's immunity against domestic conflicts.

Lebanon is not yet ready to adopt a completely secular system. The initiation of a transitional phase of reforms that would eventually lead to a fully-fledged secular democracy is necessary. This process entails the resolution of a number of national issues that range from the redefinition of the economic constitution and the completion the division of power to personal status laws, electoral reforms, and deconfessionalization of political and public institutions. As Lebanon is famous for its economic entrepreneurship, it remains to be hoped that political entrepreneurship will eventually follow to resolve Lebanon's trap of consociationalism.

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