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LEBANESE AMERICAN UNIVERSITY

THE SOCIAL AND ECONOMIC REASONS FOR THE LEBANESE WAR OF 1975

By

Joumana Makarem

A thesis submitted in partial fulfillment of the requirements for the Degree of Masters of Arts to the Department of International Affairs of the Faculty of Arts and Sciences at the Lebanese American University

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To
Nader, May, and Ussama

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Business Reporter (97)
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Art, sports, traveling

Introduction

This thesis is an empirical study of the internal social and economic factors that played a role in the initiation of the 1975 war in Lebanon. It is an analytical and critical endeavor, which attempts to investigate, explore, and finally reach certain conclusions on some of the internal causes behind the 1975 conflict. The theme to be highlighted in this study is that the rigid structure of the traditional government in Lebanon failed to keep abreast with the rapid economic, social, and demographic changes occurring in the country since independence in 1943, leading to dire, even tragic consequences in 1975.

This thesis argues that major significance should be assigned to the role played by the internal social, economic, and demographic factors leading to the 1975 war. It attempts to emphasize the role of such factors in causing the 1975 war, without denying the importance and existence of other internal and foreign influences. This study covers the period between the mid-nineteenth century and 1975.

Before providing a detailed account of the chapters involved in this study, I shall reflect briefly on a 'warning' made several decades ago by Mohandas K. Gandhi advising against the seven social sins of a state or society. These sins include, "politics without principles, wealth without work, commerce without morality, pleasure without conscience, education without character, science without humanity, and worship without sacrifice". (Wallis, p.xi) In his book, *The Soul of Politics*, Jim Wallis, an acclaimed writer on political morality, explains that the social sins recited

by Gandhi, define and determine the social and economic patterns of modern states today. (Wallis, p.xi) They are the accepted practices of the life of modern states, including the modern state of Lebanon, whose social and economic developments shall be analyzed and examined in the course of this study.

Taking a general look, we may notice that the modern state of Lebanon is indeed slowly perishing beneath the heavy load of these sins. From its shanty neighborhoods to its luxurious shopping malls; from the muffled cries of its children in poverty to the lavish feasts of its elite; from the claims of consumerism to the old and outdated products crowding its markets; from its toxic wastes to the absence of effective protection measures; from its religions of entertainment over dinner tables to the entertainment of fanatics; from all the substances we abuse to the economic and political institutions that abuse us; we are a society that has lost its way.

The first chapter of this study will be mainly theoretical. It shall present introductory remarks on certain political terms such as 'internal wars', 'nationalism', and 'power sharing'. Some of the topics discussed in chapter one include an account of the birth of Lebanon in 1943, the structure of the National Pact, the absence of a sense of nationalism in Lebanon, and the question of governmental competence in the post independence years. Also, in chapter one, an account of the Lebanese personal characteristics will be presented along with a critique of the term 'civil' in describing the Lebanese war. This chapter will be, in many ways, introductory and brief. The main aim of the chapter is to emphasize the absence of a common sense of nationalism and identity in Lebanon, and the lack of effective governmental efforts to institute unity among the Lebanese. Subsequent chapters will delve directly into the core of the

subject by analyzing the internal economic and social developments in Lebanon, which arguably played a significant role in the eruption of war in 1975.

Chapter two will begin by giving a historical account of the development of the Lebanese economy during the nineteenth century. The decline of the feudal economy of the nineteenth century and the emergence of its successor, the capitalist economy in Lebanon, will be addressed in this chapter, along with the influence of French imperialist policies over the Lebanese economy during the period of the French mandate.

Issues to be handled here include the incorporation of the Levant into the world economy and the rise of a new urban middle class whose fortunes were linked to agricultural exports to the west. The aim of this chapter is to show how a new economic reality came to exist in Lebanon as a result of European expansionist policies in the Ottoman Levant. From being the principle port of the Ottoman Levant, Lebanon became under the French mandate the economic capital of the Levant. This chapter will touch on some of the weaknesses of the Lebanese economy, characterized mainly by an imbalance in its different economic sectors. While trade and commerce prospered under European expansionist policies, Lebanese internal production of agricultural goods declined leading to a dependent and unstable economy in Lebanon.

Chapter three shall attempt to examine the economic significance of political independence in Lebanon from 1943 onwards. This chapter will illustrate the strengths and weaknesses of the Lebanese economy, characterized mainly by strong growth, although arguably unbalanced and extraverted. Topics discussed here will

include, among others, Muslim discontent and the virtual absence of governmental social responsibilities and economic reform, and a strong imbalance in wealth distribution among different regions and communities in independent Lebanon.

The question of the 'traditional' versus the more 'modern' style of government will be alluded to in this chapter; although analyzed in more detail in chapter four. If the traditional system (1943-1958 and 1970-1975) constituted a 'power sharing' model where the economic interests of the elite in power were favored over the economic interest of the general population, the Chehabist era (1958-1970) constituted a 'strong state' alternative where efforts towards economic reform were introduced. This chapter will attempt to show how, from an economic perspective, the dominance of the service economy of the traditional government, after relative reform efforts under Chehabism, during a time of volatile domestic changes on the social and demographic levels, led to the eruption of violence in 1975. Generally, the main aim of chapters two and three is to provide an economic and historic background to this study, which is necessary if we are to reach a clearer understanding of the political and economic situation in the 1970s.

Chapter four will examine the style of government adopted in post independence Lebanon, focusing mainly on the clientalist system of government, and its ability or, rather, its inability to cope with the general demographic and economic developments in the country. This chapter will be concerned with the structure and control of the clientalist system, its historic origins, and the role of the za'im or patron in politics and government. The aim in this chapter is to highlight the absence of a dominant, centralized political authority in Lebanon, and its consequences.

Chapter four will show how, at the most general level, the vitality of traditional ties and loyalties tended to thwart the development of a sense of civility and public mindedness in Lebanon. It will illustrate how the Lebanese remained more concerned with the interests of their own secterianly-defined community than with those of their country. Additionally, the very fact that clientelism in Lebanon had a confessional character where conflicts between different patrons could degenerate, as often-demonstrated in Lebanese history, into bloody sectarian strife, make this chapter even more relevant in our analysis of the 1975 war. An attempt will be made in the course of chapter four at examining the 1975 war from the perspective of features internal to society, primarily a weak state structure and a clientalist system of government.

Chapter five will be concerned with the changing social and economic environment, in which the Lebanese government operated. It will examine the demographic, social and economic developments taking place in Lebanon during the post independence decades, and the incompetence of the traditional government in dealing with these changes. This chapter will illustrate how rapid economic growth and the absence of parallel structural change and redistribution of wealth led to a sense of dissatisfaction and even victimization among a large portion of the Lebanese population. It will also focus on the rapid and lopsided growth of Beirut as an economic center, and the resulting rural-urban migration, as well as the emergence of a new social class structure characterized by a growing gap between rich and poor.

Among the topics discussed here are the economic forces, which played a detrimental role in the political alienation and leftist radicalism, and the emergence of political parties. The absence of a strong central government in Lebanon and the

failure of the existing clientalist government to control the increasingly dissatisfied population will also be among the subjects analyzed in chapter four.

In conclusion, this thesis will present certain undeniable questions concerning the necessity of the 1975 war in Lebanon. Was a violent conflict really needed in Lebanon, or could it have been avoided had other regional factors not intervened. Furthermore, what elements, if any, are needed in present day Lebanon, to forestall the possibilities of other future conflicts? Finally, what did the 1975 war achieve, besides its brutal destruction of stone and life? What lessons if any at all did the Lebanese war teach us? All these questions will be addressed in some detail and handled carefully in the concluding chapter of this study.

Chapter One

Coexistence and the Question of Identity in Prewar Lebanon

What Kind of War was the Lebanese War?

The term 'civil war' used in describing the 1975 conflict in Lebanon is, in many ways, misleading. According to David Gordon, a writer on Lebanese history, such a term was used simply for the purpose of brevity. Its use does not imply any normative or ideological position, however. Taking a closer look, one may realize that the war in Lebanon was much more than civil. "It was a war between the 'haves' and the 'have nots', Christians and Muslims, Lebanese nationalists and non-Lebanese Palestinians, as well as a war between rival Arab states and ideologies on Lebanese soil, and part of the confrontation between Israel and the Arabs and more!" (Gordon, p.234) This study will refrain from the use of the term 'civil' in describing the Lebanese war, as it regards it as subjective, opinionated, limited and misleading. Instead, we shall refer to the war in Lebanon as internal or domestic.

Like most internal wars, the Lebanese conflict came as a result of a combination of varying elements of domestic rivalry and external intervention. Local and external ambitions, interests, and convictions, as well as jealousy and envy, worked to fuel the Lebanese war in 1975. In his book, *Coexistence in Wartime Lebanon*, Theodor Hanf explains that internal conflicts may be described as 'revolutionary' or 'wars by proxy', or a combination of both. The first type of internal conflict is characterized by a clear dominance of local motivations and resources. In such a case, we may speak of an 'authentic internal war or revolution' in the country.

If, however, outside manpower, motives, money and other resources appear to be committed to the struggle on both sides of the conflict, then we are inclined to speak of a war by proxy. This type of war defines an international conflict between two foreign powers fought out on the soil of a third country. In such a case, the possibly problematic issues of the third country involved, are used as a mask to conceal a predominantly foreign battle fought out on its soil. (Hanf, p.180) Both modes of conflict were visible in the Lebanese war, which between 1975 and 1976 alone, claimed the lives of at least 60,000 people, and left around 200,000 wounded.

This thesis does not deny the role of external factors in the initiation of conflict in 1975. The Arab Israeli war, the Cold war, and Intra-Arab rivalries as well as internal factors such as confessionalism, are accepted as major reasons for the 1975 war. This thesis argues, however, that major significance should also be assigned to the domestic, social and economic, factors that also constituted to the eruption of hostilities in 1975.

Is the Lebanese Inherently Predisposed to Violence?

The main question to be examined in this study is why did Lebanon prove to be such a fertile land for war in 1975? What internal weaknesses in the country allowed for and fueled such a bitter conflict? Some sociologists argue that a country's fate is partly determined by the temperaments and characteristics distinguishable to its own population. If any truth were to be attributed to this statement, it would follow that certain inherent characteristics to the Lebanese people played some part in the 1975

war. For this reason, a brief and general examination of the Lebanese character is viewed as complimentary to this study.

Again, an account on the Lebanese personality may help enhance our understanding of the inherently human factors involved in the 1975 war. In describing the Lebanese personality, I shall borrow from the findings of other researchers such as David Gordon and Albert Hourani. To start, the Lebanese people are essentially the products of the Levant, an area that expanded over the eastern Mediterranean coast and into the internal hinterlands of Syria, Jordan, and present day Israel. This being the case, Levantine characteristics are still inherently present in the inhabitants of the area, including present day Lebanon.

In his book, *Lebanon the Fragmented Nation*, Gordon explains that the term Levantine (coming from Levant) best describes the Lebanese people. After careful research of the Levantine personality, Gordon describes the 'Levantine' Lebanese as a person, "usually of mixed and minority national background of the Ottoman Eastern Mediterranean, who served as an agent to Western business enterprises". Gordon adds that the stereotype Levantine was an image of a "shifty, rootless person with no real culture and no loyalty but to himself, an inborn 'merchant' divided between the West whom he willingly served and the East to which he felt himself superior". (Gordon, P.20)

The late professor and acclaimed writer on Lebanese and Middle Eastern history and politics, Albert Hourani, also carried out extensive studies on the

Levantine personality. Writing in the mid 1940s, he noted: "To be a Levantine is no longer to have a standard of values of one's own, not to he able to create, but to imitate, and not even to imitate correctly as that requires certain originality. It is to belong to no community, and possess nothing of one's own. It reveals itself in lostness, pretentiousness, cynicism, and despair." (Gordon, 20-21)

If any of these attributes defining the Levantine personality still roam in Lebanese blood, it would not be too difficult to expect the worst scenarios in present day Lebanon. Today, the question remains whether it is possible to evoke in the Lebanese a genuine desire to transcend our more selfish interests, and respond to a larger vision that gives us, the Lebanese, a sense of purpose, meaning and even community. In the following section I shall present some introductory remarks on the birth of the Lebanese state from the core of the Levant, concentrating mainly on the virtual absence of a sense of nationalism and community among its population and the dire consequences of this situation on the newly born country, Lebanon.

The Birth of Lebanon

In 1943, Lebanon acquired its full independence. With the birth of an independent Lebanon, the Lebanese were encouraged towards adopting a more 'nationalistic' posture. Early Lebanese leaders, in 1943, called for a 'modern Lebanese nation' in a land of diverse multi-sectarian communities. These leaders including national heroes such as Bishara al Khuri (elected president), Riyad al Solh (Prime Minister), Sabri Hamadeh (speaker of parliament), Camille Chamoun, and Majid

Areslan, among others, unanimously demanded independence in Lebanon in 1943, and the immediate annulment of the French mandate and French rule in the country. (Touaini, p.11-18)

Writing on nationalism in Lebanon, Tabitha Petran notes that the spontaneous gathering in 1943 to protest France's presence in Lebanon displayed a national will for independence by the Lebanese that overrode their sectarian complexities. Petran adds, however, that the experience of national awakening in Lebanon was brief, and that sectarian loyalties soon reemerged when independence was achieved in 1943. (Petran, p.34)

Nationalism, a child of the French Revolution, and essentially a western concept, took a 'voluntaristic' form in Lebanon. Theodor Hanf explains that nationalism, in general, has two main forms. One is 'subjectively political' or voluntaristic, and the other is 'objectively cultural' or deterministic. The main difference between these two forms of nationalism is that the former can be created through the allocation of state boundaries, a central government, and a demarcated population. As for the latter, it cannot be created as it already exists and is determined by common origin, language, religion, and culture. An objectively cultural nation does not require a state to enhance its sense of nationalism whereas state boundaries and a central government are needed to enhance a sense of nationalism in a more pluralistic or multi-communal society.
(Hanf, p.7)

Nationalism in Lebanon had to be artificially contrived. Lebanon is primarily a multi-communal country whose boundaries were artificially drawn during the French mandate following the First World War. The leaders and citizens of the newly founded state identified themselves primarily as members of their respective regions and religious communities rather than as citizens of the state. Communal loyalties remained as strong in the decades following independence, where the new generations of Lebanese continued, albeit with a few exceptions, to exhibit the same rigid parochial tendencies of their forefathers. Such religious and communal affiliations diluted, if not destroyed, any hopes of a commonly accepted sense of nationalism in Lebanon.

Additionally, Lebanon suffered from a dual affiliation. Poised between East and West, part of its population identified with the 'revolutionary ferment' of the Arab world, with its anti-western characteristics, and another part was receptive to western ideas and policies. Most of the Christian community, which had a long history of trade and commerce with the west, mainly France, continued to seek western, primarily French, involvement in Lebanon. While most of the Muslim community who historically had close ties with the Levantine interior continued to be suspicious of any western interference in Lebanon. Writing about the popular mood in Syria; and the mood of many Muslim Lebanese during World War One, David Fromkin notes: "other than the Maronites, a Christian sect with ties to the French, most Syrians who held political views objected to the prospect of being ruled in the postwar world by France..." (Fromkin, p.93)

Furthermore, starting in the nineteenth century, Maronite Christians, in an attempt to disassociate themselves from the Arabs and Islam, became constantly preoccupied in establishing hereditary ties with the Phoenicians or Maradites. "Anything toward a pre-Islamic existence was grist to the Maronite mill, or rather to that part of the Maronite mind which rejected the Arab world and its culture..." (Awar, p.25). What the newly independent state lacked was a sense of nationalism and common identity needed to unite the Lebanese people irrespective of their sectarian backgrounds or affiliations.

The National Pact and Nationalism

One of the main aims of the National pact of 1943 was to present an agreed upon identity for Lebanon. This was theoretically reached through the process of 'double negation'. The National Pact provided that Lebanon would be neither eastern nor western, but a country with "Arab features and an Arabic tongue". (Touaini, p.30) Christians agreed to renounce the protection of western powers while Muslims renounced any union with Syria or any other Arab state. Besides a definition of Lebanon's character and identity, the Pact included guidelines for Lebanese foreign policy, as well as the basic agreements over proportional power sharing between the country's differing communities. The Pact maintained that all communities were to be included in the exercise of power with only the Maronite Christians eligible for the position of president, however, and Sunni Muslims for the position of Prime Minister. As for the allocation of positions in cabinet and public services, they were to be

adequately and proportionally distributed among all religious communities of Lebanon. (Petran, p.33)

Ironically, the Pact did not refer to any social or economic issues. It lacked any form of social perspective. By focusing mainly on proportionality in the distribution of power and spoils, the pact presented a rigid and limited structure, which could not easily adapt to future changes on the demographic and social levels. Ignoring social and demographic issues is criticized as one on the weaknesses of the Pact. Hanf tries to explain this weakness by referring to the intentions of leaders at the time to restrict themselves to certain basic principles of power sharing. Such leaders were primarily concerned with the affirmation of a peaceful coexistence of all communities in Lebanon, as well as the participation of all communities in the exercise of power. (Hanf, p.74)

Furthermore, the boom witnessed in the early post independence years may also be regarded as an important factor that influenced the cool stance the pact adopted regarding social and economic issues. During economically prosperous times, more urgent and pressing issues in government, primarily those of proportional power sharing came first in the constitution of the National Pact. (Hanf, p.72)

On another level, the National Pact also failed to provide a clear description of the Lebanese identity, and did not institute a sense of nationalism between the diverse communal groups in Lebanon. This complicated and even prevented the emergence of a modern secular state that would devote considerable efforts to ameliorating social

Chapter Two

From a Feudal to a Capitalist Economy in Lebanon

A Glance into the History of the Lebanese Economic System

In his article, *The Creation of the Lebanese Economy: Economic Growth in the Nineteenth and Early Twentieth Centuries*, Paul Saba describes the development of the Lebanese economy as a process involving two opposing dynamics. The first of these dynamics was the disintegration of the feudal system, which characterized the nineteenth century Lebanese economy, and the second was the emergence of capitalist relations in Lebanon. Saba claims that the second dynamic influenced the broad course of Lebanon's economy well into this century. (Saba, p.1)

Nineteenth century Lebanon was composed of regions governed by a ruling class of landlords (muqata'jiis) in the matrix of the Ottoman Empire. These landlords constituted of a small number of titled families of sheiks and emirs. Economically, the basic revenue of the landlords came from a regular portion of the land tax collected on behalf of the Ottoman Government. A second source of landlord revenue came from the rent taken from peasant cultivators who worked their land, and who also cultivated their own small parcels of land. It has been estimated that landlords took up to 75 per cent of the produce cultivated by peasants working their land. And, according to Saba, only the surplus of the cultivated produce remaining after its distribution to both landlord and commoner families was used in trade. (Saba, p.2)

Barter was the common method of trade in nineteenth century Lebanon. Produce was placed for exchange in small local markets, which were organized on fixed dates. Barter exchange eventually developed into a wider system of exchange, which constituted a principle source of money revenue to traders in various regions of Lebanon. Such was the case with tobacco, cotton and wood, for example, produced in the districts south of Sidon, and of the olive oil and raw silk produced in the region north of its port, and purchased mainly by European merchants.

The feudal structure of the nineteenth century Lebanese economy (characterized mainly by commoners working and living of the lands of respective muqata'jis) was facing certain challenges as a result of gradual socioeconomic developments on the domestic and international levels. First among these was the rise in agriculture trade and export as a result of increased regional and European demand for Lebanese agricultural produce. This increase in demand came as result of several regional and international factors such as the French revolution (1789-1799), the industrial revolution (1700-1950), the Napoleonic wars (1799-1815), and the economic policies of Muhammad Ali Pasha of Egypt in (1832-1840), all of which are not the subject matter of this paper. We will be concerned, however, with their main outcomes and effects on the early socioeconomic balance in the feudal structure of the Lebanese economy.

Regional Centrality and the Early Lebanese Economy

The early structure of production and exchange, which was characterized by the limited volume of marketable products, developed in the nineteenth century through an increase in regional and European demand for Lebanese agricultural products, mainly silk. This led to an increase in regional crop specialization and trade within Lebanon. (Saba, p.1)

Prime examples of regional crop specialization centers were the towns of Zahle and Dayr-Al-Qamar . In her article, *Zahle and Dayr-Al-Qamar*, Leila Fawaz explains that by the middle of the nineteenth century Zahle was Lebanon's largest commercial center in Lebanon. The main reason for its commercial prosperity was its strategic location on the western edge of the Bekaa valley that lies between Lebanon and the Syrian hinterland. Zahle became a main commercial center, which traded in grain, cotton, and silk. Its strategic geographical location allowed for quick and easy access to trade and exchange of its produce in the regions of Beirut, Mount Lebanon, the Bekaa, and the Syrian hinterlands. (Fawaz, pp.49-52)

As for Dayr-Al-Qamar, located in the southern districts of Mount Lebanon, it functioned as a trading link between Sidon, the mountainous hinterland, Damascus and the Syrian interior beyond. One of its major items of trade was also raw silk, which had been cultivated in the mountains since the seventeenth century and sold to France since the early eighteenth. From Dayr-Al-Qamar, silk was sold to traders coming from Sidon and Beirut as well as Syrian traders coming from, among other places,

Damascus, Aleppo, Homs, and Hama. Besides trade in silk, the town also traded in cotton cloth and held a local grain and live stock market. The contribution of the silk industry to Lebanon's nineteenth century economy was immense, however. History has it that on the eve of the First World War silk related products comprised over 70 per cent of Mount Lebanon's production. Furthermore, more than 60 per cent of the Mountain's exports constituted of silk goods; over 35 per cent of Mount Lebanon's total revenues originated from the silk industry; and about 50 per cent of the working population was employed in silk related industries. (Gates, p.10) The commercial success of Zahle and Dayr al Qamar among other trade centers in Lebanon may well be attributed to two main factors: the growing demand for Lebanese agricultural products, mainly silk, in the Egyptian, Syrian and European markets; and the centrality and strategic location of these towns on major road junctions in the Levant. (Fawaz, pp.49-52)

Demographic Changes and the Rise in Living Standards

Between 1827 and 1862 the amount of British and French trade passing through Beirut increased by nine folds or 800 per cent. A direct result of this economic boom was the expansion of the population size. The population of Beirut grew from around 8000 to around 50,000 and reached approximately 100,000 by the end of the nineteenth century. The population of Zahle rose from around 5000 to around 10,000; and the population of Dayr-Al-Qamar increased from 4000 to around 15,000 people. (Saba, p.7)

Along with the sharp increase in population and family numbers, economic prosperity in the mid-nineteenth century also led to the rise in basic standard of living and family expenses. Besides wasteful expenditures on local and European luxury products, expenses included huge sums for political bribes, and the expenses of equipping and supplying armed partisans that facilitated the businesses of individual sheiks or emirs. Other expenses, claims Saba, were more generally produced by the widening pattern of the foreign trade itself. By 1860, the European purchases of skins, hides, and wool had driven the price of sheep upwards. Also, European increased demand for wheat, especially during the period of the Crimean War (1853-1856), may have led to the increase in grain prices. (Saba, p.9)

To make matters worse, the rise in expenditure was, in mid nineteenth century, coupled with a decline in money income among many Lebanese landlords. This came as a result of a decline in European demand for Lebanese agricultural produce, which mainly harmed the Lebanese silk industry. History has it that during the period of rapid growth of the nineteenth century French economy, French silk producers invested in Mount Lebanon's silk industry, making it one of the most profitable activities to the mountain's economy. On the negative side, however, the dependence of Mount Lebanon's political economy on French demand and trade, resulted in a weak and dependent Lebanese economy suffering of chronic trade deficits. Gates describes the nineteenth century economy in Mount Lebanon as dependent on unequal commercial economic relations with Europe, namely France, resulting in foreign commercial domination of the Lebanese economy. On the positive side, however, French investment and involvement in the Lebanese economy, mainly through its silk

industry, was an important modality by which conditions for capitalist developments in the Levant were established. (Gates, p.11)

Money Lending Houses and the Rise in Debts

Several factors namely the increase in expenditure, the decline of revenue, and growing influx of European money and manufactures, furthered the development of money-lending houses in Lebanon. According to Saba, these houses were established by commoners through revenues they accumulated through agricultural production, and by other Christian and Muslim merchants coming from the coastal areas of Lebanon and the Syrian hinterland. There were cases where the sons and grandsons of the Emir Bachir Chehab, among other notables, had to resort to borrowing from a new class of merchants in order to cover their ever-growing expenses. This led to an increasing number of such notables to become heavily in debt. In the middle of the nineteenth century, the sum of the debt of such notables, with interest was estimated as amounting to fifty per cent of their revenues. (Saba, p.10)

In an effort to pay their debts, landlords turned to selling parcels of their land to the new class of 'mercantile bourgeoisie', while increasing the tax burden on the poorer mass of commoners. This led to an increase in tensions between landlords, the emerging class of Christian bourgeoisie, and the mass of commoners. Saba argues that from an economic standpoint, in their attempt to regain what they believed was rightfully theirs, indebted landlords declared war on the emerging class of Christian merchants through arousing sectarian identities among the commoners. Druze sheiks,

Christian merchants, better to do peasant landowners, and the mass of Christian and Druze commoners, were caught up in bitter struggles over debt and dues. In an attempt to resolve their economic problems, Druze sheiks and Christian landowners resorted to arousing sectarian identities and loyalties in the poorer Druze and Christian peasants. (Saba, p.11)

Mount Lebanon was host to various forms of conflict most notably in 1840 through 1845, in 1852, 1858, and 1860. Of these the 1841-42, 1845 and 1860 conflicts amounted to bloody sectarian wars. During this period in the history of Mount Lebanon, the Egyptians were expelled; the Druze-Maronite Imarah came to an end; and the formal structures of the feudal system were abolished. (Winslow, p.29)

Among the first issues that faced Mount Lebanon after the Egyptian withdrawal in 1840 was the return of the Druze Chiefs from their forced exile under the brief Egyptian occupation, and their demands to be reinstated with their estates which, in the southern districts, had been handed over to Christian landlords. The Christians, during the Druze's absence, had become a majority in the Druze areas, and wealthy owners of many of their lands.

The Druze who had cooperated with the Christians in the rebellion that ended the Egyptian rule expected to return to their feudal privileges once the war was over. Bashir III, Hakim of Mount Lebanon at the time, refused the Druze claims outright,

and went a step further to reduce their judicial functions as well. This soon led to the 1841 sectarian war, which amounted to more than 3000 lives lost. (Winslow, p.29-30)

The Ottomans intervened in 1841 ending the Imarah and dividing Mount Lebanon into two districts: the northern one administered by the Maronites and the southern district administered by the Druze. While the socio-political structure of commoners and the hereditary landlords were, since the early seventeenth century, subject to local emirs, after 1841 they became subjects to a governor or Kaymakam, one appointed for the Druze district and one for the Christian district. (Johnson, p.217)

But the fact that many villages were inhabited by both Druze and Christians made matters complicated as neither the Druze nor the Christians would cooperate satisfactorily with the new arrangement, and it was impossible to find a way to give representation to those persons living in the mixed districts. The district-structured polity in Mount Lebanon was not strong enough to sustain peace for long. And too soon, the 1845 war erupted between the Druze and Maronites. The Ottomans intervened once again, this time, however, with a more promising arrangement. This included a council composed of various sects (Sunni, Druze, Maronites, Greek Orthodox, and Greek Catholics) to assist the two Kaymakamate. This arrangement seemed to work well until 1858, when Maronite peasants revolted against their Maronite landlords, the Khazin Sheiks in the Kisirwan region. Winslow explains that the worsening economic conditions of the Khazin Sheiks made them more demanding

of the peasants working their land. They acted as if the owned the peasants, when in fact they were a little more than landlords. (Winslow, p.34-36)

The Maronite Patriarch encouraged the peasant revolt; and furthermore believed that if it were acceptable for the commoners to free themselves from Maronite chiefs, it was just as necessary for them to be free of their Druze chiefs. The call for action in the mixed districts could not, however, be called for on the basis of feudal status, but only on the basis of religious sect. When Druze peasants showed no sign of rebelling against their chiefs, the rebellion in the South meant that the Christian peasants would ipso facto be opposing the Druze. Differences would not be that of status, but that of sect. (Winslow, p.37) Very soon the 1860 war between the Druze and Maronites, one of the bloodiest in the history of Lebanon, erupted. The result of these combined events and wars in Mount Lebanon led to the gradual, but definite disintegration of the feudal system and the emergence of its successor, the capitalist economy.

Increased European Penetration of the Lebanese Economy

The foundations of the Lebanese economy were laid in the nineteenth century, and greatly expanded after the Second World War. In her article, *The Historical Role of Political Economy in the Development of Modern Lebanon*, Carolyn Gates explains that the Lebanese economy was characteristically driven by external rather than internal interests clearly displayed by Western economic penetration, which dominated internal power and social relations in Lebanon. (Gates, p.5)

Lebanon was incorporated into the world capitalist market by trading with imperialist Europe of the nineteenth century. Increased European penetration of the Lebanese economy occurred between 1832 and 1840, during the brief Egyptian occupation of Syria. In her thesis, *Lebanon During the Rule of Ibrahim Pasha*, Rosemarie Said notes that following the Egyptian reign, Lebanon could no longer return to what it had been before the advent of Ibrahim Pasha. In other words, Lebanon could not return to being a semi-independent and remote province of the Ottoman Empire once again. The author adds that the brief Egyptian rule over Syria abruptly flung the region into the international arena of politics and economics dominated in the nineteenth century by Imperialist Europe. (Said, pp.3-4)

Among the factors that made the Levant more attractive to European imperialism were Ibrahim Pasha's liberal economic policies, which emphasized and encouraged the expansion of industrial export crops, mainly raw silk, as well as the external orientation of local economies. Additionally, the establishment of certain commercial treaties during this period led to a restriction of Ottoman internal monopolies and favored European imports over local production. In Lebanon, between 1825 and 1865, sixty five per cent of imports were covered by exports, dropping to 60 per cent from 1870 to 1900, despite the expansion of silk exports. This share declined to about 50 per cent in 1920, and to about 25 per cent during the first decade of the French mandate. (Gates, pp.11-12)

European capitalists, in the last decade of the nineteenth century and early years of the twentieth century, invested relatively large sums in the establishment of

Liban, Roger Owen explains that by splitting off Greater Lebanon from its natural hinterland in 1920, the French not only confirmed the financial and commercial hegemony of Beirut over the mountain, but also strengthened a pattern of economic activity in which agriculture and industry had become increasingly subordinate to the banking and trade sectors. (Owen, p.24)

The sway towards trade and commerce was mainly characterized by an active encouragement of French imports. Also, French economic policies re-asserted trade relationships in a closed economic system designed to exclude other foreign traders and shipping. This resulted in low volume and value of Lebanese exports and increased import activity. (Gates, p.12) As for what remained of Lebanese industry from the eighteenth and nineteenth centuries, it was allowed to die off from the lack of support by the French or other financiers and from the lack of demand from Europe or the Syrian hinterland for Lebanese produce. (Owen, p.26)

To summarize briefly, the financial, commercial and communication structure created by European-Lebanese capital, was mainly intended to service the European and mainly the French economies rather than to promote internal economic development in the Levant. Lebanon, with the alliance and cooperation of its bourgeoisie with the West, was becoming a market for foreign capital, as well as a distributor of European goods and services in the Middle East. In its single-minded aspiration to serve the western market, the Lebanese economy shifted towards externally oriented production and services while virtually ignoring its internally oriented agricultural and industrial sectors.

Such an economic strategy primarily benefited the Lebanese bourgeoisie and their Western allies, while ignoring the needs of the Lebanese population as a whole. Furthermore, concentrating on services and commerce while ignoring the industrial and agricultural sectors, worked to produce the foundations of a weak, dependent, and unstable economy in Lebanon. The consequences of the imbalance between sectors of the Lebanese economy, which dates back to the nineteenth century, will be further examined in the course of the thesis. In the next chapter, we shall continue our study of the development of the Lebanese economy and its political consequences, focussing mainly on the post independence years.

Chapter Three

The Post Independence Economy (1943-1975)

Limited State Intervention and a Free Economy

Under the free, 'laissez faire' principles of the post independence economy of president Bishara Al Khuri (1943-1952), the financially powerful bloc who came to govern Lebanon in 1943 passed laws creating an economic atmosphere conducive to expanding Lebanon's 'traditional' role in the international political economy. In other words, the ruling bloc's primary objective was to promote liberal economic policies that encourage externally oriented capitalist development while limiting state intervention in the economy and society.

It is important to note here that the interests of the ruling elite had little to do with the pursuit of competitive internal production based on classical capitalism. Some of the most enthusiastic liberals were the leading executors of price fixing and various forms of market manipulation made possible by their commercial monopolies. (Gates, p.18) Charles Rizk, a writer on the subject and a keen supporter of Chehabism, labels this brand of liberalism in independent Lebanon as fraudulent. In a quote from Gates, Rizk observed that "this brand of liberalism was a cue word for a particular type of economic development based on Lebanon's intermediary role, the domination of mercantile-financial interests, and the quasi-city-state of Beirut." (Gates, p.18)

Quick Profit and a Service Based Economy

The Lebanese 'merchant republic' continued under Camille Chamoun's administration (1952-1958) which attempted to weaken political influence of the old quasi-feudal land owning elite and to strengthen the base of the international service economy. The implementation of a service-based economy, which favored the narrow financial interests of the tiny power bloc continued to be a principal barrier to Lebanese industrial and agrarian development. The industrial and agricultural sectors had less accesses to capital than the service oriented sectors. This was the direct result of the actions of the ruling elite who limited the potentially productive local enterprise through their monopolization of the economy, while encouraging trade and services. The ruling power bloc used their influence on the state apparatus as well as their control over the market, credit, and imported capital, to enhance the service sector and, therefore, maximize their own gains.

As a result, agriculture's share of GDP fell from 20 per cent in 1950 to 8 per cent in 1971, while the share of industry and construction fluctuated between 15 and 19 per cent. The service sector of the economy, showed a steady relative growth, however, which amounted to 73 per cent of the GDP by 1971 compared to 63 per cent in 1950. (Johnson, p.3 I) Furthermore, trade and commerce provided almost a third of the national income while it employed only 12 per cent of the working population. By contrast, agriculture, which contributed only 15.6 per cent of GNP in the same year, contained almost half of the labor force. As for planned government expenditure, it stood at 13.7 per cent of national income in 1958, (a figure seen as low if compared to

that of Syria and Tunisia at the same period of time, which reached 23.5 per cent and 20.3 per cent respectively). While the level of corruption and tax evasion by substantial levels at around 66 per cent in 1957. (Owen, p.28)

The absence of an effective government expenditure plan as well as the unbalanced structure of the economy favoring services and trade over industry and agriculture were largely due to the political and economic interests, strength, and dominance of the ruling financial bourgeoisie. The ruling elite's biggest mistake in prewar Lebanon was their refusal to provide the little essential reforms needed to bridge the ever growing gap in economic activities between the varying regions, communities, and sectors of the Lebanese economy. This directly led to an ever-increasing gap between rich and poor.

Bishara al Khuri criticized his fellow notables when he asserted that there was no hope of obtaining funds for development and socioeconomic programs from this 'class' of elite which he described as: "entirely selfish, demanded enormous returns, and have never demonstrated a high sense of social responsibility." (Gates, p.34) Bishara al Khuri, nevertheless, did not attempt to weaken the influences of such a class. On the contrary, he and his entourage benefited from the prevailing spoils of power.

An Economic Crisis

The virtual absence of governmental social responsibility and economic reform in the 1950s was displayed in the failure of the government to introduce a basic system of social security and to institute development programs in the rural more backward areas. According to Owen, many of the stresses and strains during this period were revealed in the crisis of 1958. Owen explains that the 1958 crisis had less to do with president Chamoun's decision to unconstitutionally extend another term in office at a time of great regional tensions, and more to do with the tension coming from the lower class urban Muslims who felt their community, which by then, constituted a majority of the Lebanese population, "was being discriminated against and improvised by the country's wealthy, predominantly Christian, rulers." (Owen, p.28)

While the bourgeoisie in Lebanon tended to be mainly Christian, the proletariat working class and most of the poor rural population was mainly Muslim. In a sample survey of 207 leading businessmen in the early 1960s, only one sixth were Muslims. Christians outnumbered Muslims in ratios of 10:2 in industry, 11:2 in banking, and 16:2 in services. (Johnson, p.33) Johnson adds that Christian financial dominance over the economy made it more difficult for Muslims to penetrate some of the private sectors of the economy such as banking and services. Under the traditional system of government the political elite preferred to offer jobs and financial assistance to people of their own religion. Johnson explains that because the Muslim bourgeoisie was relatively smaller, Muslims usually faced more problems in finding work and attaining financial assistance. (Johnson, p.33-34)

Muslim Claims of Inequality

During the Chamoun era, Muslim discontent with the existing political and economic status quo was loudly voiced. Muslims claimed that Christians were no longer a majority in Lebanon, and that almost all power in government was concentrated in the hands of the president, whereas the functions of both the Prime Minister and speaker of parliament were 'ceremonial'. Muslims also claimed that Christian parts of the country got economic preference and that the government subsidized Christian private schools, while Muslim parts and Muslim schools were neglected. Furthermore, it was alleged that Muslims were under-represented in the civil service and that Christians were in full control of the army, the police, customs, and the judiciary. On an even more micro level, Muslims criticized the rental policies in Lebanon claiming that the freeze on rents apply only to old buildings (most of which belonged to Muslims), and not to new buildings (most of which belonged to Christians). (Hanf, p.115)

This under-representation in the Muslims in the economy led to stiffening of their resolve against the Christian elite who they viewed as unwilling to incorporate the Muslims into the Lebanese economy. Muslim discontent coincided with changes in the regional environment. Between the mid and late 1950s, Arabism and Naserism were at their political peak in the region. The Egyptian president, after his political victory in the Suez war of 1956, was a hero throughout the Arab world, and among the Lebanese Muslims too. Naser's rhetoric was definitely anti-western; and he strongly denounced western involvement in the affairs of the Middle Eastern region.

The US was fearful of Naser's increasingly anti-Western rhetoric, and the possible spread of communism and its dominance in the Middle East. This being the case, US Congress adopted a joint resolution in March 1957, providing that US military and economic aid might be supplied to countries in the area that felt threatened by regional anti-western developments and who requested help. The resolution, which was intended to supplement other US defensive arrangements, and which became known as the Eisenhower Doctrine, was immediately requested in Lebanon by its pro-western president, Camille Chamoun. (Lenczowski, pp. 52-54) A more previous demonstration of Chamoun's pro-Western foreign policy was obvious during the Suez Crisis of 1956, were along with his Greek Orthodox foreign minister Charles Malek, Chamoun continued to maintain diplomatic relations with the two European allies of Israel, France and England. (Lenczowski, p.59)

By firmly allying himself to the west, Chamoun antagonized the Arab world, as well as the Muslim community within Lebanon. His foreign policy topped domestic Muslim discontent, which soon resulted in open rebellion in May 1958.

The Chehabist Regime (1958-1970)

After the 1958 war, Chamoun's term in office ended, and he stepped down to make way for a new more moderate regime of national unity under President Fouad Chehab, the Commander-in-Chief of the Lebanese army. Chehabist policies initiated by President Fouad Chehab (1958-1964) and continued under his protege Charles Helou (1964-1970), attempted, with some success, to weaken the powers of the

'traditional elite' and to improve the social and economic circumstances of the rural population (mainly Muslims), and their representation and administration in such a way as to secure their allegiance to the existing Lebanese political structure.

Fouad Chehab's government promoted economic and social development as well as new, more comprehensive, social security laws, and increased educational expenditure. By 1964, the government's total expenditures reached a third of the National income, almost the same portion as that of Syria. (Owen, p.29) Lebanese government expenditure increased from 8.1 per cent to 18.2 per cent in 1961 and 23.2 per cent at the end of Chehab's term in 1964. (Johnson, p.139) Furthermore, Chehab's socioeconomic policies undermined the powers of the traditional political elite, and advanced to a more prominent position, a new class of intellectuals, professionals, merchants, and workers in commerce, agriculture and industry whose attitudes may be described as rational and bureaucratic.

This small category of people, who included many technocrats, were put in charge of the development of several governmental agencies largely independent of the official and more traditional civil service. These agencies were primarily loyal to the president, and during Charles Helou's term, they formed a powerful part of the bureaucratic apparatus of the State. The main aim of such agencies was towards serving the economy as a whole. They included the Public Service Council, the Institute of Public Administration, the Planning Board, the Executive Board for Large Scale Projects, the Office of Social Development, the Central Office of Statistics, the

Litani River Authority, the National Reconstruction Agency, and the Public Service Council, among others. (Johnson, p.142)

Reform and Development across Lebanon

These agencies flourished given the education and professionalism of the new class of technocrats who believed in the notion of modernity and wanted to bring order to the Lebanese economy which had allowed the privileged few to grow even wealthier while the mass remained poor. These technocrats believed that rationality, education, science and technology would transform Lebanon into a modern and developed nation. These technocrats were largely independent of the political elite, adopting modern rather than traditional economic policies which aimed at benefiting the country as a whole. Furthermore, this class of technocrats was protected under 'Chehabism' from the narrow interests of the traditional power bloc. (Johnson. p.142)

Elias Sarkis, who ran the presidential Secretariat under Chehab's regime, is a good example of a technocrat. Sarkis came from a humble background and worked as a clerk to finance his university studies. An able and incorruptible civil servant, Sarkis represented the Chehabist concept of a strong state and progressive social policies. He was a strong supporter of a modern Lebanon, which attended to the social needs of its rural areas and worked for a more egalitarian distribution of wealth among the Lebanese regions. (Hanf, p.119)

Returning to Fouad Chehab, it may be safely claimed that he was the first Lebanese president to grasp that the division of political power as agreed in the National Pact could survive only if complemented by a social and economic pact. (Hanf, p.121) According to Takieddine Solh, a former Prime Minister, "Christian society is more advanced than Muslim in almost all spheres. This is chiefly because the Muslims took far longer than the Christians to open themselves to Western civilization..." (Hanf, p.374) Solh added that the main mistake made by the Christians after independence was that they neglected to develop the Muslim regions. "President Chehab realized this and tried to institute development policies for Muslim regions. He knew that social inequalities could imperil Lebanon." (Hanf, p.374)

Reforming the Civil Service Sector in 1958-59, for example, shows the government's efforts to limit the powers of the ruling political elite. The Chehabist government accomplished this by first removing the responsibility of recruiting civil servants from the individual ministries and giving them to a new and relatively autonomous civil servant council. Secondly, the government raised entrance requirements and introduced a new system of examination. Additionally, recruitment to civil service was to be on the basis of rank order in examination and not personal recommendation by a patron and other intermediaries. Finally, promotion was to be based on merit and length of service. The introduction of such reforms worked well to cut off direct patronage by the political elite while enhancing a more equitable system in which equal opportunities for positions was stressed and implemented. (Johnson, p.142)

Other reform efforts under Chehab included the establishment of the 'law of currency and credit', projects in social security, projects in regional development, Green projects and so on. Such reforms carried out under the Chehabist regime did not aim at changing the political structure in Lebanon, or the agreed upon system of proportionality in politics and government. They aimed, however at weakening the system of patronage and the control of the traditional elite within it.

A Blooming Economy: How Stable?

During the reform era of the Chehabist regime, the Lebanese economy continued to grow at an average annual rate of 7 per cent between 1950 and 1974, while per capita income grew at an average annual rate of 3 to 4 per cent. In his article, *Economic dimensions of the Lebanese War: The Political Economy of War, Settlement, and Reconciliation in Lebanon*, Sami Baroudi explains that only 3 countries in the region reported a higher rate of economic growth than Lebanon during that time frame. (Baroudi, p.20)

The main sectors to profit from the economic growth in Lebanon were the financial and services sectors. Financial and banking services were among the sectors that bloomed in Lebanon acquiring national, regional and international power and influence. Up until 1966 Lebanon's financial bourgeoisie played a significant role in the development of local banking activities. The number of banks (foreign and Lebanese) in Lebanon rose from 7 in 1945 to 22 in 1955, forty in 1960 and 93 in 1964. (Petran, p.59)

Of these banks, Intra (International Traders), was the most influential and controlled a number of corporations in Lebanon such as the Middle East Airlines, the Societe du Port de Beyrouth, Radio Orient, and other commercial, industrial, and real estate companies. Johnson explains that the outstanding success of Intra, nationally and internationally, was one of the most important factors contributing to Beirut's becoming a major financial center in the Middle East. (Johnson, p.31) Writing on the Intra crash, Tabitha Petran explains that within 3 years of Intra's fall the number of Lebanese banks fell from 55 to 38. (Petran, p.64) Michael Johnson adds that only five years later, in 1974, only 25 Lebanese banks remained active. And while their share in total banking activities had been 30 per cent in 1966, it dropped to around 15 per cent in 1975. (Johnson, p.31)

Since the Intra collapse, it became virtually impossible to establish new banks apart from medium term credit institutions. Increasingly, following the Intra crash, foreign banks and interests controlled Lebanese banks. In the early 1970s, over three-quarters of bank deposits in Lebanon were under the control of foreign interests closely associated with the interests of the Lebanese financial bourgeoisie. (Murray, 128)

Petran explains that within six years of the Intra crash, western banks controlled nearly sixty per cent of banking activity in Lebanon, while the remaining 40 per cent were equally divided between Arab and Lebanese banks. The dominance of foreign banks in Lebanon led to credit policies that favored sectors, in which foreign capital was involved, mainly trade. (Petran, p.64) The reasons for the Intra crash in 1966 are not the concern of this study. We are more concerned, however, with the

effects this crash had on the subsequent economic policies adopted in the country. These shall be carefully studied in the following section.

A Turn towards Industry and Agriculture

The temporary slump in the trade and finance sectors, which followed the Intra bank crash, and the 1967 Arab Israeli war, resulted in a turn towards investments in domestic industry and agriculture and a tightening of regulations in the service and banking sector. Following the crash, the government adopted economic policies favoring and encouraging industry and agriculture. Decree laws issued in 1967 under President Charles Helou, for example, were designed to prevent dumping, subsidize exports, allow for tax exemptions to industrial enterprise, and give preference to locally produced goods. As a result of such economic policies, annual industrial growth rate rose by an average of 10 per cent between 1967 and 1973. (Johnson, p.146) Also, at the end of Helou's regime in 1970, food processing, textiles and building materials accounted for 67 per cent of industrial production. During those years the contribution of industry to the GDP rose to an average of 13.6 per cent in 1970, up from 12.9 per cent in 1967. (Johnson, p.146)

The interest of the financial bourgeoisie remained focused on trade and banking services, however. These sectors continued to expand during the late 1960s contributing to 70 per cent of the GDP in 1970 as compared to 68 per cent in 1967. The constant expansion of the tertiary sector of the economy clearly reflected the

resistance of the financial bourgeoisie to any kind of governmental action favoring industry to trade and services. (Johnson, p.147)

The Elitist Resistance to 'Chehabism' and the Assent of Franjieh

Major government schemes for agricultural development met with failure in the 1960s. The Litani project for example started out in 1954 on a bumpy track and failed to improve in the 1960s. The Litani project failed to achieve its main aim, that of irrigation, despite vast expenditure of government money. Besides the Litani project another ambitious government project known as the Green Plan was established in 1963 to develop agriculture by land reclamation, building service roads, small reservoirs, and distributing and planting fruit trees. Johnson explains that obstruction of the Green Plan, among other government schemes in agriculture, came from the resistance of the commercial financial bourgeoisie to any proper planning of agricultural development. Johnson adds that there was undoubtedly strong potential for growth in particular sectors of agriculture. (Johnson, p.147) Commenting on the production of tobacco and sugar beat, Johnson illustrates how in the 1960s, the action of merchants and financiers effectively blocked such a development. Johnson explains that after 1965, the monopoly 'Regie des Tabacs', stopped granting new licenses to plant tobacco. Merchants who imported foreign cigarettes used their political influence to prevent Regie from expanding its processing activities and developing a national tobacco industry, satisfying this way their profits from trade. Similarly, the only sugar beet processing factory in Lebanon was owned by the major importers of

sugar, and they apparently used political pressures to prevent the establishment of a second refinery in order to protect their profitable import trade. (Johnson, p.148)

The elite's banking and commercial interests were perceived as becoming increasingly under threat by the 'Chehabist' policies of Helou's regime. The traditional elite's interests were united in opposing governmental policies which required an increase in taxation, interference in their economic affairs, as well as the development of an industrial pressure group, which might challenge the basic orientation of the 'traditional' service based economy and specifically that of banking.

The financial bourgeoisie were increasingly uncomfortable with the Chehabist regime, and its diminution of their own goals on the economic and political levels. Owen explains that this class of financial bourgeoisie saw 'Chehabism' as a direct threat on their own position of political and economic power through the "extension of government authority into parts of the country (and economy) they had previously ruled supreme, or through the activities of the Deuxieme Bureau in supporting smaller rivals against them." (Owen, p. 30) Furthermore, the Chehabist government was reducing the power of the elite by replacing them in offering its citizens jobs and assisting the sick and unemployed whose needs were previously almost ignored by the State.

This added to the intensity of their dissatisfaction with the Chehabist regime. The elite's opposition was so powerful that, in 1970, the final coup was given at the end of Charles Helou's term by the defeat of Chehabist candidate for presidency, Elias

Sarkis, and the ascent of Suleiman Franjieh, a traditional za'im in every sense of the word, who received the blessings of the traditional ruling class.

The Return to the Traditional Government

While Elias Sarkis followed the Chehabist line and represented the concept of a strong state and a compensatory social policy, Franjieh favored the traditional style of government. Franjieh headed a traditional conservative alliance with Saeb Salam and Kamil al As'ad. This Tripartite Alliance was instrumental in the 'overthrow' of Chehabism under Charles Helou after 1967. Under Franjieh, the coordinated development policies and large development projects of the Chehabist regime were soon abandoned and forgotten. Hanf explains that the abrupt break in Chehabist policies of social reform served to increase perceptions of relative deprivation under the term of President Franjieh. The class of proletariats, sub- proletariats, peasantry, and petty bourgeoisie, that saw some economic prosperity during the Chehabist era, became increasingly self-conscious of their relative deprivation and misfortune during the Franjieh era. (Hanf, p.129) The Franjieh regime, which returned to the 'traditional' style of government and the system of patronage favoring the political elite rather than the population as a whole, led Lebanon towards an economic and political crisis in the few years to follow

One of the main features of the traditional style of government was that it represented an agreement to maintain the economic and political system from which the leaders themselves derived maximum gains at the expense of the general

population. This style of government aimed mainly at improving the country's infrastructure and the bank accounts of the small group of clientele, as well as the businesses of the ruling elite, while ignoring the needs of people living in the more backward rural areas and the growing shanty towns surrounding Beirut.

By destroying the beginnings of a welfare state, the Franjieh regime exacerbated a social crisis, which weakened the loyalty of a broad part of the population to the Lebanese system of government. What made the social and economic crises of the early 1970s so much more intense was the fact that they came after a lengthy period of economic and social improvement. Differences in income and standards of living between strata, regions, and communities, which had narrowed considerably during the Chehabist years, returned and increased during the Franjieh era. The reconstituted traditional government, under Franjieh, showed no sympathy or understanding for equal wealth distribution, balanced economic reform, or developmental projects benefiting the more backward areas.

Before venturing any further, it is important to stop in our tracks for a moment and explain what is meant exactly by the term 'traditional' in describing the government of prewar Lebanon.

Chapter Four

The Traditional versus the Modern Form of Government in Lebanon

A Government of Notables

Historically, the ancestors of the present day notable families, or political elite, originated from the class of feudal lords and mercantile bourgeoisie of the nineteenth century. Their wealth was inherited from feudal lords and merchants who were active in the late nineteenth and early twentieth centuries. (Johnson, p.45) Examples of descendents of old feudal families are the Shi'ite As'ads and Hamades (respectively from the south Lebanon and the northern Bekaa valley), the Druze Jumblats (from the Shuf region of Mount Lebanon), and the Maronite Franjieh (from Zgharta in north Lebanon).

In post independence Lebanon, it was these notable families who inherited the reigns of power. Their wealth allowed them access to status and contacts, which were used to build a clientele that formed the basis of their electoral support in independent Lebanon. The clientele was bound to their patron by a network of economic ties which came in the form of assistance to the urban poor, providing jobs, money, and welfare services as well as mediating in disputes and performing other political activities. Notables or patrons distributed such services in return for political loyalty and votes. (Johnson, p.46)

The term 'traditional' may be used in describing the system of government in post independence Lebanon whose main feature was its patron-client form of control

or governmental relations. In his book, *Class and Client in Beirut*, Michael Johnson explains that it was partly the affinity between urban mercantile notables and the descendents of old feudal families, which gave the patron-client system in post independence Lebanon its character. (Johnson, p.102)

This affinity was clearly observed in the early years of Lebanese independence where the percentage of landowners among parliamentary members accounted for over 50 per cent of all deputies. Although a decline was witnessed in the middle of the 1960s, Johnson argues that the 'za'im' or patronage style of politics was set in the 1940s and continued at least until the outbreak of the 1975 war. Again, the links between the mercantile and financial families in the cities and the landlords in the countryside stemmed from the long established financial, trade and political ties developed in the Ottoman and French mandate periods. Together, the landlord and mercantile bourgeoisie descendents ruled in post independence Lebanon. (Johnson, p.102)

Role of the Za'im in Post Independence Lebanon

In independent Lebanon the zu'ama (singular of za'im, meaning patron) took a comprehensive interest in their clients, which could involve settling difficulties with the authorities, arbitrating conflict within their groups and arranging for jobs, loans and businesses for individuals. The zu'ama were the most important intermediaries between individuals and the state. They were political brokers who concerned

themselves not only with the political interest of their voters, but also with their socioeconomic interests.

Votes for the zu'ama or notables came from the extended family institution. In their article, *Urban Networks and Political Conflict in Lebanon*, Samir Khalaf and Guilian Denoeux explain that the family was the main institution in Lebanon that provided strong social and economic ties in a country they described as individualistic and fragmented. Family attachments provided the Lebanese with a sense of identity, security, and intimacy in a rapidly changing and modernizing society: "In a highly individualistic, fragmented, and competitive society, the sense of unity the family and community provided, helped maintain a relatively high level of cohesion, unity and solidarity". (Khalaf and Denoeux, p.182) To some extent this may also account for the low level in deviant and disorganized behavior in a society undergoing rapid economic and social changes.

Family interests found political expression in Lebanon where the head of a family, if he can depend on his relations following his instructions, becomes their voice in politics. By offering a candidate the votes of his clan, he can be sure of the latter's services should he be elected. This is a very common feature of the election campaign in Lebanon. The candidate would be a winner if he can win the support of 'key voters' (*mafateeh intikhabiyya*) and thus a substantial body of votes. Political support was bargained in return for patron client services including the assistance in the appointment or approval of civil servants, building approvals, trading licensee's etc. (Hanf, p.80)

Repeated studies carried out before the outbreak of civil hostilities show the continuing strength of traditional ties and patron client relations in politics and government. Such strengths led to the weakening of an effective central government in Lebanon. After careful examination of the Lebanese social formation, Khalaf and Denoeux, proclaim that the majority of the Lebanese population tends to avoid the impersonal, formal, large-scale institution of a central government. In general the Lebanese reaction tends to sway away from institutional centrality in government. They react by rapidly attaching themselves and identifying with their traditional leader, family ideologies, or sectarian community. The general population tends to remain more loyal and less suspicious of their patrons or political leaders. As for the government, it was generally regarded with suspicion and mistrust. (Khalaf and Denoeux, pp.181-182)

In such a country where the central authority remained weak and the government regarded with suspicion, informal networks of confessionalism, communalism, family associations, and political patronage were more effective on the local level in holding society together. These networks were used for political mediation, participation, and political integration. Their presence was also crucial in allowing the majority of the population to cope with a difficult environment characterized by material scarcity and sense of instability and insecurity.

On the other hand, such an informal network of traditional ties and loyalties had certain negative consequences. At the general level, traditional ties and loyalties tended to thwart the development of a sense of civility and public mindedness of the

population as a whole. Thus the Lebanese remained more concerned with the interests of their own community rather than with their country as a whole.
(Khalaf and Denoeux, p.182)

The Absence of a Lebanese Centralized Authority

According to Khalaf and Denoeux, in relatively institutionalized societies, community leaders or patrons are often agents of the central bureaucracy. If they are not, they often work under the auspices of the central authority, since it is this authority that makes or unmakes patrons. In Lebanon, however, this was not the case. Patrons were recognized as leaders by the street and not through any form of central authority or institution. In centralized polities patrons are expected to belong to the same institutional structure preventing them from working independently or at cross-purpose to one another. In the presence of no such government in Lebanon, patrons competed against one another to maximize their profits and extend the bases of their clientele, and were more concerned with the shortsighted search for immediate political advantage, regardless of the long-term impact of their strategies on the country as a whole. (Khalaf and Denoeux, p.183)

Problems arose on many intervals between competing za'ims, when the President was not seen to be fair in his distribution of patronage and when lesser politicians did not accept the leadership of the major za'ims and squabbled over shares of economic profit. Johnson explains that the system peacefully resolved these problems, internally, by regularly changing the composition the cabinet so that as

many notables as possible could get their hands on the spoils of office. Statistics show that on average the cabinet lasted approximately 8 months under Bishara al Khuri, 6 months under Camille Chamoun 10 months under Fouad Chehab by, and 7 months under Charles Helo. (Johnson, p.100)

These regular cabinet changes were indicative of two things. One was the absence of a central authority, which led to an inconsistency in government policies. And two, that the interest of the commercial financial bourgeoisie, mainly the political elite in power, were better and more widely achieved in a changing cabinet, weak government, and non-interventionist state. (Johnson, p.100)

The constant rotation of cabinet members which allowed for a wider distribution of the spoils of government and the achievement of maximum economic gains among the ruling class, maintained the possibility of a peaceful settlement of disputes in post independence Lebanon. Whether Muslims or Christians, the majority of the Lebanese political elite were wealthy members of the upper strata. No matter how divided they were on power sharing, their economic interests were virtually identical. (Hanf, p.109)

Additionally, the liberal, 'laissez faire' government and free economy were adopted in Lebanon to best serve the economic interests of the dominant economic class. They were readily violated to preserve the principles of the ruling class whenever under political and economic threat. The active abuse of political power and

the refusal of patrons to adapt to the changing socioeconomic face of Lebanon will be discussed in chapter four, focusing mainly on their direct consequences.

Rigid Political Structure

From the national perspective, the clientalist party system was a hierarchy descending from the president who had ultimate control of state patronage. The system was structured in such a way where the President controlled the za'ims, the za'ims controlled the parliamentary allies and core lieutenants, and the latter helped control the local clienteles which amounted to thousands of individuals. Some of the major zu'ama under the Franjieh presidency, for example, were Sa'ib Salam (Sunni), Kamil al-As'ad (Shi'ite), Majid Arslan (Druze), and Pierre Gemayel, Camille Chamoun, and Raymond Edde (Maronite), while associated with the opposition were Rashid Karami (Sunni), Suleiman al Ali (Sunni), Sabri Hamada (Shi'ite), Kamal Jumblat (Druze), and Khalil al Khuri (Maronite).

The above data clearly shows that notable families often have precedence over the reigns of political power in Lebanon. The strength and the persistence of notables in the political structure of Lebanon are rooted in the peculiarities of the Lebanese society and its development. According to Hanf, "even today extended families and family clans are the most important social institution for most people in Lebanon. Urbanization and economic modernization have not lessened their importance: they have simply adapted to changing circumstances, and in certain spheres are more important than ever before". (Hanf, p.79)

Besides being heavily influenced by kinship and family structures, it may be important to note for a moment, that the Lebanese political system was also fixed in such a manner as to represent all the major sects. The principle of 'fixed proportional sectarian representation', known as confessionalism, applied not only to the highest offices, but also extended throughout the political system of Lebanon. On this basis, the 99 member Chamber of Deputies up to 1968 allocated 54 seats to Christians and 45 to non-Christians. Also, positions within the state bureaucracy were allocated along similar lines, with sect taking priority over merit as a criterion of employment from the highest to the lowest levels. (Hudson, p.286)

Table. 1
Allocation of Seats in the Lebanese Chamber of Deputies According to Religious Sects (1968)

Christians (54)		**Non-Christians (45)**	
Maronites	20	Sunni Muslims	20
Greek Orthodox	11	Shi'i Muslims	19
Greek Catholic	6	Druze	6
Armenian Orthodox	4		
Minorities	3		

(Hudson, p.286)

The Elitist Grip over Power

From the political leaders, proportionally allocated from the notable families, a hierarchy of clientalist exchanges is descended into the localities, and in a city like Beirut, a za'im would have about 15 to 20 core lieutenants who would organize and control his clientele among the mass population. In west Beirut the members of the core lieutenants were usually the qabadays, or 'strong men'. Petran explains that a qabaday is a neighborhood or 'gang boss' who carries out the zaim's responsibilities to his clientele. (Petran, p.36) An example of those qabadays was Ibrahim Qulaylat, who was a communal champion and a quarter boss of Tariq al Jadida in a Sunni quarter of Beirut. Qulaylat, who first established his qabaday reputation at the barricades of the 1958 war, became after the 1975 war the leader of a Muslim militia called *al Murabitun*, which was one of several Lebanese militias in the 1975 war. (Johnson, pp.83-84)

As for the eastern part of Beirut, qabadays were generally more formally organized in political parties such as the Kata'ib, which again used qabadays as agents of control over the masses. The assassination of one such Christian qabaday, Joseph Abi 'Assi in Ain al Rimaneh, was one event that triggered the fierce eruption of violence in April 13, 1973, one of many other eruptions which led to the 17 year old war in Lebanon.

Lebanon's polity was dominated by these locally powerful political bosses who developed sophisticated methods to recruit and control their clienteles. In general,

these political bosses genuinely believed they were helping the poor, while the poor were often extremely grateful for the job, promotion, or welfare service they received from their patron. (Johnson, p.5) To maintain their political power over the population, patrons generally encouraged fragmentation and individualism and suppressed any form of class-consciousness or revolutionary zeal among the urban poor. In many cases patrons continued to subdue class-consciousness among the deprived and alienated through the arousal of confessional and religious feelings.

Before advancing any further, it is crucial to note the absolute resolve of the political elite to maintain the status quo at any cost. The political elite of prewar Lebanon was almost unanimously in favor of maintaining the status quo, and heavily rejected a more central and interventionist form of government. In general, the za'ims accepted the rules of the game where each kept to his own locality and did not make claims to national leadership. The political elite met any suggestions or steps towards changing the status quo with active rejection. When Chamoun, for example, tried to neutralize the parochial za'ims, he was faced with a full-scale revolt in 1958. And when Kamal Jumblat attempted to promote himself as a socialist national leader he was also counter attacked by the dominant political leaders. As history has revealed, the price the elite paid, in their stubborn resolve for political and economic power, went far beyond any of their furthest expectations.

By the early 1970s, a more accommodating system of government was needed to keep abreast of the new demographic and socioeconomic realities in Lebanon. The traditional government, saddled by clientelism, showed no willingness for compromise

and no interest in responding to the rapid internal developments in the country. In the following chapter we shall shed some light on the internal demographic, and socioeconomic developments Lebanon underwent from independence till the early 1970s. We shall also examine how the traditional government failed in dealing with the new realities of a developing nation.

Chapter Five

Economic Imbalance and the Role of the Government

Socioeconomic Consequences of a Centralized and Lopsided Economy

The traditional government based on patron client relations came under threat following the changing demographic, economic and social realities faced in Lebanon during the decades following independence. Several economic factors worked to intensify the problematic outcomes of these internal demographic and social developments. First among these was the role Lebanon played as an economic center in the Middle East, and the role Beirut took as the financial and business center of Lebanon. Although one may argue that such developments illustrate the strengths rather than weaknesses of the Lebanese economy, it may be argued that the economic centrality of trade in Lebanon, without parallel economic adjustments and a balanced distribution of income, would lead to grave consequences on the Lebanese social and economic levels. This point will be explained further in the following section.

To start, since its independence in 1943, the Lebanese economy had been clearly characterized a very powerful trend of centralization of wealth and economic activities. External factors such as the Second World War and the expenditure of Allied forces stationed in Lebanon and Syria stimulated an economic boom in Lebanon which lasted until the mid 1960s and established the country as the major commercial and financial center of the region. (Johnson, p.29) In her thesis, *The Political and Social Basis of Economic Development in Lebanon*, Madeleine Bardawil asserts that

the Second World War brought nothing but gain to Lebanon, where allied expenditure in Lebanon and Syria amounted to 76 million Lebanese/Syrian pounds. Bardawil adds that during this period, the profits of businessmen, merchants and financiers, increased several folds and the reserves accumulated by them during the war must have amounted to $100 million. (Bardawil, p.30)

Until the mid 1950s, the economy had a healthy growth rate with Net National Product growing at an average rate of 7.6 per cent per annum between 1950 and 1955. Although this rate dropped to 4.7 per cent as a result of the political crisis in 1958, with the new political regime of Fouad Chehab, and the restoration of confidence, the average growth rate went as high as 10.5 per cent per annum between 1960 and 1965. (Johnson, p.30)

Additionally, between 1950 and 1974, the tertiary (trade, banking, and services) sector of the economy increased its share from under two thirds of the national income to nearly three quarters. (Barakat ed., p.33) The commercial financial bourgeoisie took advantage of reserves built up of the economic boom in the region following the Second World War and the oil boom in the Arab world, to expand their trading, banking, and financial activities. Internally, during the first decades of independence, a low international tariff policy was implemented, exchange controls were abolished, and a free market in gold was established. Also, banking secrecy, the enlargement of the Beirut ports and its free zone and the building of an international airport and transport infrastructure were implemented. All these internal

developments worked well to increase the economic strengths and financial advantages of Lebanon, along with its trading capital, Beirut. (Johnson, p.29)

A good index of economic growth in Lebanon is: one, the increase in the number of banks from 9 in 1945 to 93 in 1966, and two, an injection of an estimated two thirds of Gulf oil surplus into the Lebanese economy. (Barakat ed., p.33) Furthermore, Roger Owen explains that some 60 per cent of Arab money coming to Lebanon during this time frame were invested in real estate. (Barakat ed., 34)

In short, Lebanon and more specifically its capital, Beirut was the point of geographical concentration of trade, commerce, and finance. Profits from such activities primarily benefited the commercial-financial bourgeoisie. In the free 'laissez faire' economy of the 1950s, the interests of the ruling elite were largely satisfied. Political leaders in a clientalist system based on a process of bargains and alliances at the top were guaranteed the exercise of political, social, and economic control. Primarily, the political influence of the ruling elite and not the demands of market 'rationality' determined the economic prosperity of Beirut. Areas such as the north and the south, in which the elite had no access to the spoils of office, saw no profits but became 'dumping grounds' for Beiruti merchants. Gates explains that the ruling elite was able to set limits on 'potentially competitive local productive enterprise' through its monopolization of the economy. (Gates, p.21)

Economic prosperity was not distributed proportionally among the Lebanese regions. It revolved, however, around the bourgeoisie of the politically most favored

and economically prosperous areas, primarily Beirut. The bourgeoisie, composed of an oligarchy of merchants, bankers, and powerful political brokers, controlled the direction of Lebanon's political economy. The economic interests of the bourgeoisie were best served through continuous broadening of the finance, trade, banking, construction, and service sectors, and the weakening of industry and agriculture. Gates explains that this class in power, "typically refused to pay for a modicum of essential reforms, even though they were clearly in its own interest." (Gates, pp.32-33)

The Evolution of Social and Economic Dissatisfaction

The concept of a genuine free market economy in prewar Lebanon was essentially an illusion concocted by the political elite. In reality, cartels and monopolies were tolerated in the import trade and certain areas of manufacturing, with the main beneficiaries being the politicians or persons closely associated to them. Enjoying the spoils of office, this political elite had little understanding of the economic and social concerns of the expanding working class and the upwardly mobile middle class, and even less understanding of the resurgent dissatisfaction of the rural population. (Hanf, p.109) While focusing on the short term profits of the tertiary sector, the elite in power failed to account for other sectors of the Lebanese economy leading to an imbalance in income distribution among varying Lebanese regions. In the late 1960s, rural per capita income was $166 per year, while that of the urban elite was $3,680. Also, during this time frame, two thirds of the country's

Table.2
Lebanon: Structural change, 1951-1973 by selected years

(PERCENTAGE SHARES)

	1950	1955	1960	1965	1970	1973
Agriculture	19.7	16.2	14.1	11.6	9.2	9.0
Industry	13.5	12.7	12.1	13.1	15.9	21.0
Construction	4.1	4.3	3.5	5.7	4.5	4.5
Transportation	4.1	5.4	3.9	8.2	8.2	8.5
Trade	28.8	28.8	32.0	31.4	31.4	33.0
Finance and Insurance	3.8	5.1	6.3	3.4	3.4	4.0
Real Estate	9.2	8.4	11.0	8.8	8.8	10.0
Government	6.9	6.0	7.8	8.7	8.7	10.0
Other Services	9.6	12.0	9.2	9.9	9.9	

(Barakat ed., p.34)

labor force worked in productive agriculture and industrial sectors (with nearly 50 per cent in agriculture), but generated no more than 30 per cent of the GNP. (Farsoun, p.121) Table.2 shows the share of each sector of the economy over a time span extending between 1950 and 1973.

In the early 1970s social conflicts became common. Initially, such conflicts were not conflicts between communities and religions, but rather, between social and economic groups and interests; or more precisely, conflict between the rich and the poor. Social tension in Lebanon was evident at many instances in the rural areas of the

north and south where demands were mainly economical. In the early 1970s, Sunni and Alawite tenants and agricultural laborers revolted against Sunni landowners in the villages of the plane of Akkar, and industrialists and laborers of all communities in the association of traders and importers fought against the chamber of industry over protective tariffs and other protectionist measures. (Hanf, p.109)

The early 1970s witnessed a rise in inflation coupled with increasing unemployment. This was considerably harmful to the middle and working classes, while the commercial-financial bourgeoisie continued to make fabulous profits from their privileged control over the economy. Inflation became unbearable to the middle and working classes, however, causing in the early 1970s widespread unrest and strikes, which led to the resignation of Saeb Salam and his cabinet. In 1972-73 there were strikes among tobacco growers in South Lebanon were Shi'i tobacco farmers protested against the practices of the State tobacco monopoly. Strikes were also held by workers in the Ghandur sweets and confectionery factory in Beirut, which resulted in police open fire killing two people, and leading the General Labor Confederation of Lebanon to call for the infamous one day general strike of November 15, 1972. (Johnson, p.166)

Other incidents of strikes were those held by teachers and students mainly of the Lebanese University, who demonstrated on numerous occasions in protest of low salaries and rising university fees respectively. Even Beirut's firemen and night watchmen went on a three weak strike in 1974 demanding better pay and working conditions. Private school teachers and bank workers also joined in strikes demanding

higher salaries and better wages. By March 1974, 20,000 workers and trade unionists held demonstrations against inflation and rising prices. Johnson, p.166)

Such examples illustrate that social conflicts in the 1960s and early 1970s were numerous and were essentially between strata, classes, and interest groups, and not communities. A government commissioned survey of the needs and possibilities of development in Lebanon in 1960 found that about 50 per cent of families were considered poor or miserable; 32 per cent moderate to poor; 10 per cent well to do; and only 4 per cent rich. Results also illustrate that rich families received about one third (32 per cent) of the GNP, while the poor which constituted around 82 per cent of the population received only 40 per cent of the GNP, thus creating a massive imbalance in the distribution of wealth. (Barakat, p.41)

A class structure, where the majority of people are poor, some are middle class and a very few are rich, may be described as pyramidal. A pyramidal class structure, just as its name suggests, is built in a pyramid like pattern characterized by a narrow top to a wide bottom. Barakat describes Lebanon's class structure as pyramidal. According to Barakat, the pyramidal class structure shows high resistance to development where the rich elite will hang on to their position at the top, while mass population will continue to wallow in poverty. In such a class structure, the Lebanese society will remain less susceptible to reform and development; and any substantial efforts to bridge the gap between the deprived and the privileged will remain meek. Barakat adds that in such a society, the opportunities for social mobility, education, and political involvement are highly limited, leaving the poor to become

even poorer and the rich even richer. Submerged in "deprivation, misery, and powerlessness the poor will have no means or hope of improving their socioeconomic status". (Barakat, p.41)

Table.3
Income Distribution in Lebanon (LL3=$1.00)

Income Strata	Percentage of Families	Average Annual Income (LL)	Percentage of GNP
Miserable	9	1,000	2
Poor	41	2,000	16
Moderate Income	32	3,500	22
Well-to-do	14	10,000	28
Rich	4	40,000	32

(Barakat, p.42)

Demographic Developments

Lebanon's demographic face in the early 1970s was nothing like that of the 1930s. While in the 1930s, Beirut had about 180,000 inhabitants, or 22 per cent of the total Lebanese population of 800,000, by 1975 it had 1.5 million out of a total of 3 million. In the early 1970s almost all the population had been drawn into the urban economy and particularly into the service sector, as industry was slow to develop. Agriculture was in relative decline. In 1959 almost half the population were engaged in it, but by the mid 1970s the portion had shrunk to 12 per cent. (Hourani, p.5) Increasingly, tenant farmers and agricultural laborers who lost their livelihood or who

were searching for increasing profits and a better standard of living migrated to the cities and immigrated to other countries. The agricultural sector diminished as landowners were selling their land to entrepreneurs who were transforming it to capital intensive agro businesses. This being the case, the poorest rural inhabitants who were mainly from the Shi'i communities of the north and South drifted to Beirut where, by the early 1970s, the supply of all skills and qualifications presented in Beirut exceeded demand. Although many of the poor also included Lebanese of the Christian faith (in Ain al Rumaneh and the Eastern Suburbs of Beirut, for example), the poor Muslim communities of rural Lebanon outnumbered them, however. On the eve of the 1975 events, half of the Lebanese population was concentrated in the greater Beirut area, creating a dramatic economic imbalance in the country. In addition, internally, social tensions arose as a result of the heavy inflow of poor rural immigrants into the Beirut area. (Corm, p.325)

Statistics show that in 1959, the agricultural sector employed about half of the working population. In 1965 it employed one third, and in 1970 only just one fifth. (Hanf, p.102) As explained earlier, this decrease in employment came as a result of 'forced' migration of the Lebanese peasantry to the cities. Peasants in the rural areas, who were left poor or jobless as a result of the elitist economic policies favoring the tertiary sector, were increasingly targeting Beirut for jobs and a better living standard. The effects of migration and the increasing economic and social dissatisfaction in rural areas will be further examined in the following section.

The Rise of the Shi'i Community

The shift in the economy towards services and away from agriculture, and the centralization of economic prosperity to Beirut, led many peasants in the rural areas to forsake their lands and target Beirut where they saw the possibilities of more economic gains and better living standards. Government figures show that nearly 49 per cent of the Lebanese labor force was in agriculture in 1959, while less than 19 per cent continued to be in 1970. The main point to be emphasized here is that in a mere ten-year period, 30 per cent of Lebanon's labor force, composed of tens of thousands of families, had turned away from production and become displaced peasants residing in and around the cities especially Beirut. (Farsoun, p.124)

A study carried out in 1972 shows that 32.1 per cent of the rural residents of south Lebanon had migrated to urban centers, as had 19.5 per cent of those of Mount Lebanon, 16 per cent of those of north Lebanon, and 18.6 per cent of those of the Bekaa valley. (Farsoun, p.124) Only a fraction of these displaced peasants who tended overwhelmingly to be Shi'i were able to find jobs in the cities. The service and industry sectors could not absorb such a massive influx of population. This led to an increase in underemployed or unemployed peasants living in shantytowns around Beirut known today as the 'belt of misery'. (Farsoun, p.124)

A sense of aggravated deprivation spread through the lower classes and dislocated many laborers who began to experience deterioration in their material and psychological well being. This sense of deprivation was strongest among the Shi'i

who felt their community as a whole was relatively deprived. The demands of this community, which were formulated by the Supreme Shi'i Islamic council, were almost exclusively economic. For example, they demanded quotas by denomination for posts in the public sector, construction of schools and hospitals in rural regions, higher prices for tobacco growers and development of the 'deprived' regions, among other welfare services. Furthermore, social unrest in disadvantaged areas triggered continuous strikes, demonstrations and labor violence in the first half of the 1970s. (Hanf, p.131)

What should be emphasized here is that the patron client networks in Beirut proved unable or unwilling to control and absorb the constant inflow of migrants mainly of the Shi'i community into Beirut and to pacify their dissatisfaction. This was mainly due to these migrants' comparatively recent presence in the capital, and to the provisions of the electoral law which links voting privileges to the citizen's place of origin (rather than place of residence). While Maronites and Sunnis were settled and registered in their respective communities for several generations, the Shi'is did not experience a massive population shift into Beirut until the 1960s. Existing za'ims in Beirut were not ready to help or offer aid through the system of patronage to a community that cannot offer them any votes. As a result the Shi'i immigrants were not integrated into the patron client system in Beirut and were socially discriminated against, allowing for a further expansion of the misery belt around Beirut. (Khalaf & Denoeux, p.188)

The socioeconomic marginalization of the Shi'i migrants, among other rural immigrants, from the political scene led their search for other methods for voicing their social, economic and political dissatisfaction. Politically and socially isolated, they needed someone who will defend their rights and interests and speak for them at the seat of authority. This partly explains their massive support of the religious head of the Shi'is, Imam Musa al Sadr, who campaigned against social injustice and the relative deprivation of the Shi'i community as well as the failure of the State to protect them against Israeli attacks in the South. Even when a movement of the Shi'i community began to crystallize around Sadr in the early 1970s its grievances remained essentially social and not communal.

Musa al Sadr, chairman of the Supreme Shi'i Islamic Council, founded the Movement of the Deprived in the late 1960s primarily for the Shi'is but also for other communities who felt deprived. The emerging social movement attracted others that felt they were victims of rapid economic transformation such as Sunnis in Akkar and rural Maronites. In his numerous speeches, Sadr talked of popular issues that targeted the needs of the majority of the population such as irrigation projects, dams, schools, hospitals, and price of tobacco. (Hanf, p.108) Additionally, Sadr wanted vocational schools and clinics; he wanted civil service appointments for the Shi'i; he wanted a bigger share of the national budget for the neglected towns and villages of the South. (Ajami, p.86)

In the 1960s the Shi'i community was prominent among other communities in Lebanon in their demands for economic improvement. Their efforts to attain

economic development showed itself in their joining trade unions, rural protest movements or left wing parties. The Shi'i did not articulate their concerns as members of a community but as inhabitants of deprived areas, as agricultural laborers and tenants exploited by large landowners, as badly paid industrial workers, and as unskilled laborers without any social security. They joined Leftist parties and political movements that championed not the specific interests of one community but general social and economic policies. Such developments emphasized and reflected primarily social and not communal mobilization. (Hanf, p.107)

Before the 1960s the activities of political parties were largely extra parliamentary. They had minimal governmental responsibilities and therefore could express their views as radically as they wished. The Shi'i were by large the largest community that migrated to Beirut. They began joining Leftist parties such as the CP, the Baath, and the SSNP in large numbers in the 1960s. The main features of political parties in Lebanon were that they represented the deprived, alienated and disenchanted. They derived support from a single community and not from the country as a whole, and were founded mainly by traditional leaders. Such leaders generally had no powerful ideologies and professed no higher goals for the country as a whole, they were however mainly concerned with personal, communal, kinship, and sectarian interests. (Hanf, p.81)

In 1960 the number of parliamentary seats was increased from 66 to 99. The additional seats drew various politicians and party members of various political lines into parliament. Votes for party politicians came from the urban lower-middle and

working classes that were dissatisfied with the policies of the traditional elite. Party politicians began competing for the votes of the zu'ama of the same community. Shortly, a cleavage developed between the long settled inhabitants who continued to support the traditional elite and the new migrants who found their homes in the parties and their leaders. (Hanf, p.84)

The Shi'is were by large the largest community that migrated to Beirut. They began joining Leftist parties such as the Communist Party of Lebanon, the Baath, the Organization for Communist Action in Lebanon, and the Syrian Social National Party in large numbers in the 1960s. (Hanf, p.81) However, as these Shi'i migrants were not registered in Beirut but in their hometowns and villages, the traditional majorities of the zu'ama became narrower. At the end of the 1960s, the religious head of the Shi'is, Imam Musa al Sadr, involved himself in the political interests of his community in opposition to both the zu'ama and the secular parties. In 1972, he met with some success when the candidates he supported were elected in parliament. (Hanf, p.85)

Economic Incorporation Based on Sectarianism

In prewar Lebanon, the Muslims and particularly the Shi'i, suffered most acutely from poverty and low social and political status. The Christians, on the other hand, occupied the most significant positions in the socioeconomic and political structure in Lebanon. Barakat links between social class and religion in Lebanon. He claims that the social class split couldn't have been separated from the religious split. "The two conditions intimately and intricately overlap, coincide, and reinforce the

other". (Barakat, p.41) Barakat adds that in this way, the Lebanese society was transformed into a "vertical mosaic constructed from communal groups arranged in a power structure of 'haves' and 'have nots' or privileged and deprived communities." (Barakat, p.41)

While the rural Shi'i community was living in relative deprivation, the urban Christian and Sunni Muslim communities were enjoying the fruits of an economic boom in the cites. In the 1960s and 1970s, the most valuable property in Beirut belonged to Sunnis, which enabled many of them to advance rapidly, following the property boom of the 1970s. Additionally, while rural Maronites began moving to the cities in the turn of the century, the Shi'i began migrating at a much later stage in the 1950s. The Shi'i remained dependent on large landowners longer than other rural communities. (Hanf, p.106)

Such sectarian divisions, which characterized the Lebanese economy, had economic significance that greatly affected the class structure and economic incorporation of communities in post war Lebanon. In a report written in a local newspaper, economist Kamal Hamdan shows that out of the 269 trading companies surveyed in 1971, 66 per cent were owned by Christians, 34 per cent were owned by Muslims, while 17 per cent were hard to identify along religious lines. In industry and agriculture, out of the 876 surveyed industries, 61 per cent were owned by Christians, and around 25 per cent were owned by Muslims, while 14 per cent were hard to identify along religious lines. (An Nahar, p.19) Additionally, statistics gathered in the 1970s show that about 1/3 of all bankers and 1/4 of the owners of trading, insurance

and transport companies were Muslim. The remainder being Christian. Of the 25 large industrial firms, Muslims controlled 7 and Christians 17. Most new agro-businesses were in Muslim hands, and about 2/3 of the industrial, commercial and financial bourgeoisie was Christian and 1/3 Muslim. (Hanf, p.105) Such data clearly displays the deep stratification of religious communities in Lebanon along economic lines, and that the Christians were by far the richest and economically dominant community in Lebanon.

Table.4
Socioeconomic Discrepancies According to Religious Sects

	Christian %	Muslim %	Total Population %
Wealthy Business Classes	4	2	6
Middle Classes (self employed and salaried staff)	67	56	60.6
Proletariat	21	23	22.1
Subproletariat	8	19	13.7
	100	100	100

(Hanf, p.106)

Additionally, income levels between religious sects show dramatic differences. The average family income in 1971 was highest for Christians at LL7143 and lowest for the Shi'i at LL4532. Also, the occupational distribution shows that 75.7 per cent of Muslims in contrast with 46.2 per cent of Christians were unskilled workers. While

11.8 per cent of Muslims compared to 21 per cent of the Christians were skilled workers. Among the Muslims only 7.8 per cent were professionals and 4.7 were white collar clerical, in contrast to 13.1 per cent and 19.7 per cent respectively among the Christians. (Farsoun, p.123) A clear conclusion from this data is that the Shi'i community had the lowest socioeconomic status among all other communities in Lebanon, and that the Muslims in general were substantially more disadvantaged in socioeconomic terms than the Christians. Ajami adds that besides the poor portion of the Shi'i community, the growing number of Shi'i professionals and wealthy businessmen, most of whom made their fortunes outside Lebanon, also felt somehow deprived, and identified themselves around Sadr. This class of wealthy Shi'is rallied behind the movement of the deprived, and later the Amal movement, and rejoiced at the loss of power by the traditional feudal Shi'i leadership. (Ajami, pp. 97-102)

The relative disadvantage and sense of 'victimization' of the Shi'i community, coupled with an imbalance in income distribution among regions and communities, and the absence of general reform plan extending to the rural areas, are among the major problems that instigated the war in 1975. Furthermore, the absence of strong central government that reinforces a sense of nationalism and identity between its multi- communal citizens, as well as the rigid structure of the traditional system, based on confessionalism in the distribution of power, acted as major barriers to a peaceful solution in Lebanon.

Conclusion

The Necessity of a Nation in the Lebanese State

The Consequences of the Modernization Process in Lebanon

Since independence Lebanon underwent rapid modernization manifested mainly in an increase in population mobility especially from the rural regions towards the cities, an increase in literacy, and in population growth. The country also witnessed a rise in mass media audience, and in occupational shifts away from agriculture, as well as an increase in per capita income. Another indicator of rapid modernization in Lebanon was the rise in urbanization. According to statistics, 40 per cent of the population was urban in the early 1970s, rising from 28.7 per cent in 1943 and 37.4 per cent in 1963. As for employment, it was revealed that 40 per cent of the population were into services rather than the traditional agriculture. Education wise, the number of university students rose 2.4 to 8.2 per thousand in the early 1970s. (Gordon, pp.110-111)

Economists and historians alike agree that modernization in Lebanon, although bringing unprecedented prosperity to the country, was advancing at a faster rate than could be equitably handled. Elie Salem, Michael Hudson, and Yusuf Sayegh, among others, observe that in Lebanon modernization was advancing too rapidly within a free economy and in easy cooperation with the Lebanese government. It is argued that this quick pace of modernization did not allow enough time for a balanced and equitable process of wealth distribution to occur across the nation. Rather, income

was not distributed equitably between individuals, regions or communities. Before the 1975 war, on the individual level, four percent of all Lebanese obtained a healthy 32 per cent of the national revenue, while 50 per cent obtained only 18 per cent of it. Furthermore, 50 per cent of workers in agriculture earned only 15 per cent of the GNP in 1956, while the 14 per cent of the population working in commerce and finance got 46 per cent of the GNP. The great majority of the work force comprising of farmers and laborers earned only 12 to 15 per cent of the national revenue. (Gordon, p.110)

Heavy Reliance on the Tertiary Sector

Undeniable disparities between occupations, regions, and communities were among the flaws in the system-structure that made Lebanon vulnerable to war. Furthermore, the heavy reliance of the Lebanese economy on the tertiary sector (trade, finance, and services) added to Lebanon's internal problems. For one, profits from this sector benefited a minority of the population while the majority of the population living outside the city districts remained poor and hungry. Also, the heavy dependence of the economy on trade with the West led it to become extra sensitive and vulnerable to price increases in the western economies and markets. For example, inflation crept up in the mid 1960s as a result of an increase in world-wide prices and in the early 1970s as a result of the quadrupling of oil prices. (Baroudi, p.23) Inflationary pressures led to increased labor unrest resulting in numerous strikes and demonstrations in Beirut and the rural regions of Lebanon during the years just prior to the 1975 war, as previously explained in chapter five of this study.

As a result of rising inflation, the general trend was for the rich to become richer and the poor and moderate-income families to become poorer and less moderate. Furthermore, the Christian communities in Lebanon dominated the tertiary sector of the economy to a large extent. Statistics indicate that in the early 1970s, Christians predominated over Muslims in commerce, trade, and industry by a margin of 5: 1. (Gordon, p.110)

Communal Discrepancies in the Lebanese Economy

The economy in Lebanon was structured on communal lines as a result of specific communal dominance of regions in Lebanon. Such was the case with the Muslim Sunni and Shi'i communities who clearly dominated the more rural regions such as the Bekaa valley and the south. As it happened, rural areas received less attention from the traditional government that favored trade and service centered in the cities. This intensified the problem of economic inequality in Lebanon, and arguably, gave it a sectarian dimension from the start. With such economic disparities and the growth in the numbers of the poor especially in the Muslim rural community, it is not surprising that Leftist Parties were able to recruit from the masses many devoted followers. Such followers had less to lose and more to gain by joining such movements. In 1975, it was estimated that the Left could count on some 300,000 followers to support its demonstrations and 20,000 of these to fight if it became necessary. (Gordon, p.137)

Having said all this, it may still be argued that better leadership and governance in Lebanon could have dealt with the economic issues facing the country without allowing them to escalate into a seventeen-year-old war. The Leftist parties alone, although acquiring considerable popularity, were not really that serious a challenge to the established Lebanese system. In effect, many factors stood in the way of a violent conflict or a Leftist revolution in Lebanon. Primarily, up till 1975, most of the za'ims in the traditional government, still retained much of their influence over their clienteles. Also, the Lebanese urban middle class was not as alienated from the system as were the poorer classes. As for the industrial proletariat and the trade union, they were in most cases controlled by moderates; and to top all this, the cynicism and negative individualism among the Lebanese youth did the rest to dissolve any unanimous thoughts of a general revolution or conflict. (Gordon, p.137)

Another factor that worked against radicalism and a violent conflict was the safety valve of migration. After 1960, around 2,700 citizens a year left Lebanon. Also, President Chehab's reform policies (1958-1964), which included important achievements made in the fields of social security, civil service reform, agricultural development and planning, although somewhat sabotaged after 1967, calmed and controlled any sudden radical movements in Lebanon. With these factors already presented and analyzed in the course of this thesis, the eruption of an internal war of such immense violence and brutality may be regarded as uncharacteristic of the domestic developments in Lebanon, and in fact, quite unnecessary and largely expendable. Had other external factors not intervened, and had the 'rigid political system' showed effective signs of flexibility and compromise to social change through

the implementation of serious reform efforts on the social and economic levels, Lebanon may have opted for a peaceful settlement of its disputes.

A System under Attack

Having said all this, up until 1975, observers continued to doubt the strengths of the state's political structure and its sufficiency in handling the growing demands of the Lebanese population. In the early 1970s, radical critiques of the Lebanese system were loudly voiced. The system was verbally attacked and accused of being "oligarchic, repressive, irresponsible, and delinquent in its obligations to the people and the Arab nation". (Hudson, p.290)

The rigid structure of government in Lebanon, which relied heavily on the clientelism and the system of proportionality, deterred any effective possibilities of reform in a growing country. The alternation towards a traditional government in 1970, after attempts towards reform and modernity during the years of the Chehabist regime (1958-1970), aroused a strong sense of victimization among a majority of the rural Lebanese who had only begun to receive governmental aid and welfare services. The traditional and elitist policies of president Franjieh (1970-1976) did not continue the reformist policies of the Chehabist regime which led to a strong sense of deprivation and victimization in the rural areas and mainly among the Muslim population. Whether the growing gap between the rich and the deprived, along with the absence of a welfare state, and the return of the traditional system of government in the early 1970s, were among the reasons for the eruption of the war in 1975, may not

be surely answered. It is a fact however that the domestic affairs of Lebanon played an important and detrimental role on the path history took in 1975.

What is needed to avoid Another War?

Whether a violent war was unavoidable in Lebanon will remain a question or rather an enigma that will continue to haunt the mind of every intellectual and conscientious Lebanese. Was the war in Lebanon unavoidable? Was it necessary? Could the government and the elite in power have moved rapidly enough to forestall social turmoil had other regional and international factors not intervened? Michael Hudson, for one, predicted an impending catastrophe in Lebanon when he wrote in 1968: "Even if the Lebanese system were situated, for example, in Bahrain or Tunisia, one might reasonably have predicted a stormy political future." (Hudson, p.292) Bearing in mind that Lebanon was in fact situated in a stormy regional sea, while equipped with a weak state system and a disunited population as its crew, an unpleasant future was not too hard to conceive. Edouard Saab also predicted a stormy political future in Lebanon when he wrote in 1964 of the fragmented nature of the Lebanese culture, and the unavoidable disintegration of the city:

"Lebanon is a culture...that produces technocrats and employees with no attachment to the land that has given them birth, or any sense of responsibility for the society of which they should be in charge, a culture that preaches individualism, indifference... that makes of the Lebanese a mercantile quasi-mercenary who will live under any sky providing he makes more money. Such a culture, which begins in the

cradle and is developed on the benches of schools and universities, must sooner or later end with the disintegration of the city". (Gordon, p.138)

Other scholars, notably Iliya Harik did not share Hudson and Saab's pessimism. According to Harik, several other countries have experienced far more severe social and economic problems than Lebanon, and yet did not explode in armed conflict the way Lebanon did. Harik adds that the social and economic problems in Lebanon were not serious enough to cause a violent conflict of the dimensions of the Lebanese war had other factors not intervened. (Harik, p.428)

In any case, serious reform is required in Lebanon today, to awaken a sense of identity, unity, and nationalism among its citizens. In a country where individuals are more loyal to their community and communal leaders than to their country, a durable sense of nationalism and unity is absolutely needed for any future peace. The Lebanese should not allow their multi-sectarian backgrounds to work against them and divide them, but rather, they should utilize their sectarian diversity towards their own advantage. Lebanese of all backgrounds should attempt to unite by accepting their diverse backgrounds as their strength rather than their weakness. Lebanon should profit from its richly diverse culture towards the development of a tolerant, amiable, and competitive nation, receptive to the economic and intellectual yields of the east and west alike. Before a sense of nationalism and identity is installed in every Lebanese, the foundations of a nation-state in Lebanon remain weak.

Before attempting to achieve political and economic stability and prosperity, the Lebanese should divert from their parochial tendencies in politics and government, and move instead towards memberships in independent political parties that follow widely accepted ideologies, and that include individuals from all regions of Lebanon. The first step towards achieving a strong, secular government in Lebanon may be through the encouragement of party politics that put the Lebanese national interests above the fragmented interests of Lebanese regions and communal leaders.

Prospects of a long and lasting peace in Lebanon mainly depend on domestic reform, and not on external efforts and polices. Governments regionally and internationally have tried and failed to lay the foundations of a lasting peace in Lebanon. Political stability in Lebanon depends on basic internal reform efforts, which should include the strengthening of the state, the encouragement of the role of party politics independent of religious or communal affiliations, and the provision of educational, health and other social services.

To end, what is needed in Lebanon is a significant shift in the strategic thinking and planning of the Lebanese government and elite. The Lebanese government should start thinking like a state rather than a jumble of movements headed by varying patrons and communal leaders. The existing clientalist system of government in Lebanon focuses on matters of 'fairness' and proportionality in the distribution of spoils and power. A state should not think in these terms, however, but should have higher, more profound goals, primarily the development of the backward regions of the country, and the equal treatment of all the Lebanese regardless of their denomination.

Until Lebanon begins to think like a state it may never act like one. Lebanon should be more concerned with its national interest and national security, and its accountability towards its people, and their representation in government. The highest duty of the Lebanese State should lie in protecting its citizens and their civil rights, and its most powerful drive should be the preservation of its own existence. Until these factors are implemented, one by one, the attainment of a secure 'statehood' and a lasting peace in Lebanon remain to be deserved!

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