

ISSUE BRIEF **10.10.18**

Growth without Development: The Role of Lebanon's Legislative Agenda

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Lebanon grows without development. The World Bank's Human Development Index (HDI)¹ for Lebanon shows an average annual growth of 0.14 percent from 2005 to 2015, in contrast to 0.47 percent in countries with comparable levels of human development (such as Turkey, Mexico, or Brazil). Comparing these growth rates to the growth of the economy can indicate how human and economic development are disconnected. For example, while Lebanon's HDI improved by 4 percent from 2005 to 2015, the economy grew by almost 60 percent during the same period.

The developmental challenges Lebanon faces are multifaceted and include insufficient electricity supply,² environmental degradation,³ and staggering inequality.⁴ The recent "CEDRE" donor conference in April 2018 in Paris, for example, vividly brought to light the dilapidated state of the public infrastructure.⁵ Due to a mixture of fiscal mismanagement, low taxation on wealth, and large-scale corruption in the execution of public infrastructure projects, the government fails to funnel the additional resources created by economic growth into developing the country's water, education, or public health care systems.⁶

In this brief, I argue that Lebanon's disappointing record of development is reflected in the narrow political agenda of the Lebanese government. I use agenda-setting theory⁷ in order to match data on the legislative activity of Lebanese governmental institutions after the end

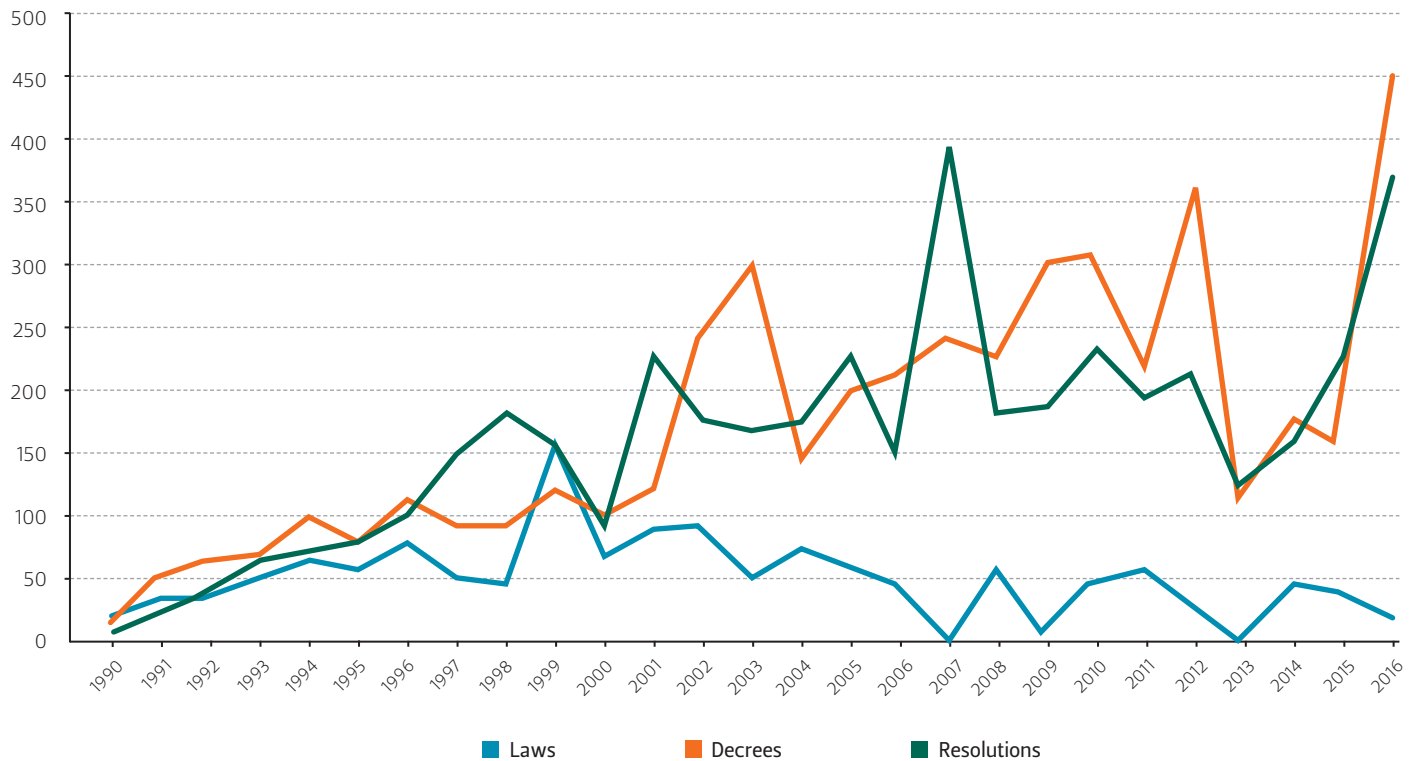
of the civil war in 1990 with some of the most pressing developmental challenges. A country's political agenda represents its priority list and reflects the topics a government pays attention to. To reveal the issues the government prioritized over time, I identified 34 major issue categories of legislation, including education, taxation, public finance, real estate, and public works.

As the Lebanese polity is characterized by high degrees of polarization stemming from a consociational power-sharing system, policymaking suffers from exceptionally high numbers of formal and informal veto players.⁸ Enacting legislation pertaining to national issues therefore requires a wide consensus across parties and sects, which tend to delay politically contentious decisions. Analyzing the political agenda hence identifies the issues on which the priorities of political actors converge.

This brief shows that core issues related to development, such as electricity, water, education, environment, health care, and transportation, are underrepresented in the government's agenda. Moreover, these categories have declined in legislative attention over time despite the many pressing developmental challenges that confront the Lebanese authorities, especially considering the refugee crisis. Instead, the government has emphasized issues related to the macroeconomic environment, monetary stability, and taxation. Moreover, the share of legislation pertaining to real estate increased significantly and comprised more than a third of all legislation passed



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FIGURE 1 — TYPES OF LEBANESE LEGISLATION PASSED (1990–2016)

SOURCE Author's analysis

by any Lebanese governmental body over the past decade. The narrow agenda of the Lebanese government reflects several governance challenges pertaining to political polarization, low administrative capacities, and the ideational foundations of the Lebanese economy functions. To make progress in education, health, or infrastructure, the Lebanese government needs to enhance its institutional capacities to draft and enact legislation in order to diversify its agenda and address the diverse development needs of the country.

SETTING AGENDAS: APPROACHING THE LEBANESE CASE

The Lebanese government is confronted with a constant stream of information about a wide variety of topics—including security, education, immigration, and the economy—to which it responds by issuing legislation. As the attention and resources of a government to draft and enact

legislation are limited, this abundance of information requires prioritization in order to allow policymakers to concentrate and respond to the most pressing issues. The legislation the Lebanese government issues in response to its priorities represents the government's political agenda. Yet, focusing on one particular issue might divert attention from other domains, so every policy choice impacts the diversity of a government's political agenda.⁹ Agenda-setting, then, describes the process by which a government distributes its attention across issues.

The analysis in this brief is based on the *Lebanese Official Gazette*, the official journal of the Lebanese government that publishes all legislative texts enacted by any governmental body.¹⁰ Subdivided into 34 major topic categories, the data set includes, for example, all laws enacted by the parliament, decrees by the Council of Ministers, or resolutions by the ministries. Analyzing political agendas with data on legislation matters for two reasons.

First, a standardized coding scheme to categorize the legislation makes the agenda comparable over time across topics and institutional origins, such as a parliament, Council of Ministers, or ministries.¹¹ Second, legislation reflects the outcome of a successful bargaining process over political exchanges,¹² which goes beyond mere announcements of reform priorities in, for example, executive speeches. Legislation data thereby enables an unbiased, holistic view on legislative activity for political analysis. Since the data is comprehensive rather than selective (i.e., the entirety of legislation is analyzed), this approach allows for an overall reflection of political legislative priorities.

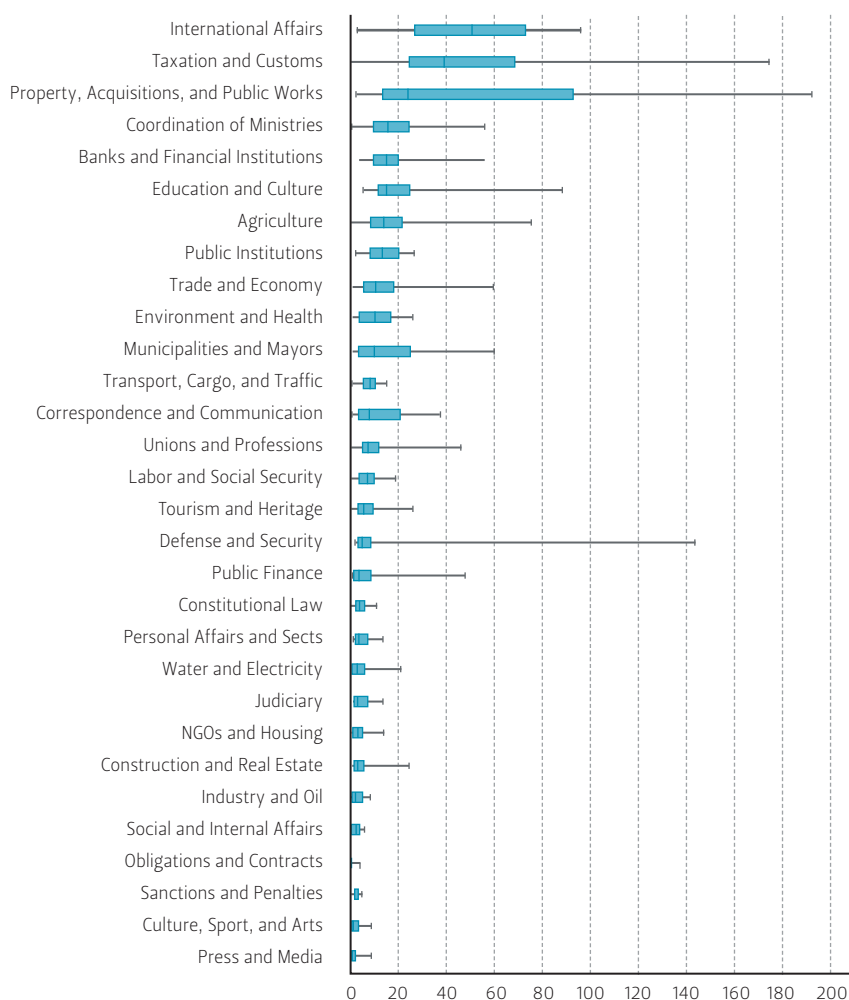
EVOLUTION OF THE POLITICAL AGENDA

Among the most pressing and salient issues Lebanese legislators had to deal with in recent decades were the consequences of the Lebanese Civil War (1975 to 1989). Legislative activity severely plunged in the latter years of the crisis and almost came to a standstill in 1989, when only 24 legislative texts were published. Figure 1 shows that in the period after 1990, legislative activity increased markedly, a trend that is highly correlated with various measures of state capacity.¹³ This increase reached a local maximum in 2007 (690 legislative texts published) and a global maximum in 2016 (912 legislative texts published). Parliamentary activity, however, does not follow this pattern after 2000, and the number of laws parliament ratified experienced a marked decline. On average, parliament ratifies as many laws today as it did at the end of the civil war in the early 1990s.

In addition, the attention paid by the Lebanese government to different issues after the civil war is highly skewed across the 34 topic categories of the data set. Figure 2 shows boxplots of the average distribution of legislation across these different categories from 1990 to 2016. The large variation in legislative activity reflects the different spikes in the

government's attention and the trade-offs between policy issues. International affairs, taxation, monetary issues, and property and acquisitions enjoy disproportionately higher levels of attention per year than most other categories combined. The relatively higher degree of attention paid to the core functions of the government—defense, international affairs, the economy, government operations, and the rule of law—is not specific to Lebanon and rather a bias inherent in all political systems.¹⁴ However, what is more pronounced is the emphasis

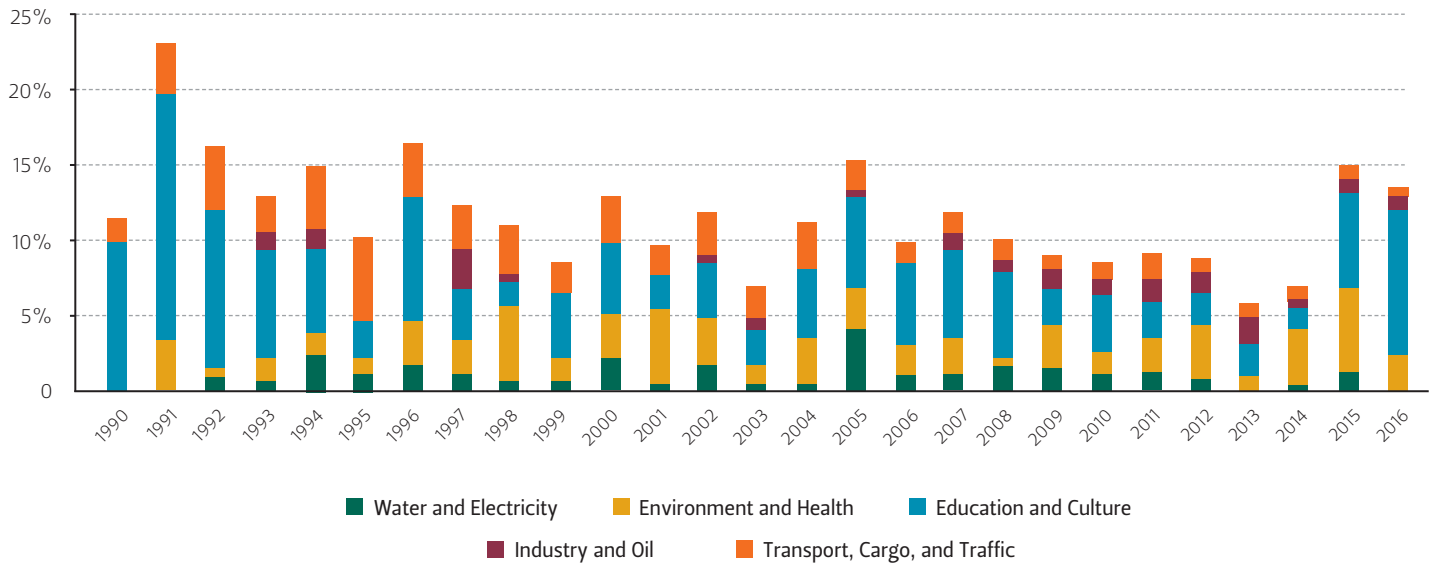
FIGURE 2 — AVERAGE AMOUNT OF LEGISLATION PER YEAR BY TOPIC (1990–2016)



NOTE The vertical bars in each box represent the median, and the enclosed boxes represent the 2nd and 3rd quartiles. The whiskers indicate the minimum and maximum values.

SOURCE Author's analysis

FIGURE 3 — PROPORTION OF DEVELOPMENTAL LEGISLATION IN LEBANON (1990–2016)



SOURCE Author's analysis

Attention to developmental issues started to decrease in the high growth period between 2007 and 2010. More financial and political resources could have been allocated toward improving public infrastructure or health care services during this time period.

on taxation and customs, and the relative underrepresentation of categories related to the development of infrastructure, health, or education.

DECREASING ATTENTION TO DEVELOPMENTAL ISSUES DESPITE ECONOMIC GROWTH

Despite the developmental challenges outlined above, these issues are not only underrepresented in the governmental political agenda but they also decrease in attention over time. Figure 3 displays the attention paid to developmental categories over time as a share of total legislative activity since 1990. In this context, developmental categories include water and electricity; environment and health; education and culture; industry and oil; and transport, cargo, and traffic. Legislation in these categories makes up only 10 percent of the total legislative activity on average. Even the refugee crisis in 2011 and 2012, which placed a high burden on the already constrained public infrastructure, did not result in higher legislative attention to remedy the adverse effects on the Lebanese population. Instead, the attention to

developmental issues decreased irrespective of economic and social conditions: attention to developmental issues started to decrease in the high growth period between 2007 and 2010, a period during which GDP growth averaged 9.2 percent per year.¹⁵ More financial and political resources could have been allocated toward improving public infrastructure or health care services during this time period.

Analyzing the distribution of laws and decrees reveals the attention patterns of the government and parliament as agenda-setters for the legislative activities of ministries and other legislative authorities. Different types of legislation involve different processes and actors in order to get enacted. Laws and decrees constitute decisions by the highest legal institutions of the country, as these are enacted by the parliament, the Council of Ministers, or the president. Resolutions, circulars, and other legislation are issued by ministries and other governmental organizations. In effect, laws and decrees require the consensus of a higher number of political actors and veto players and therefore coordination at higher levels of the government than resolutions or other types of legislation.

The governmental agenda experienced fundamental shifts in the period from 1990 to 2016. Figure 4 displays the distribution of laws and decrees across major issue areas. Most political attention on the level of the parliament and Council of Ministers is consumed by international affairs, followed by monetary issues, macroeconomy, and finance. While issues related to international affairs and defense consumed about 19 percent of governmental attention between 2000 and 2005, they made up almost half of the agenda in 2016. Legislation addressing economic issues, taxation, and finance decreased from 31 percent to about 18 percent, while developmental issues are at their lowest levels since the civil war, with only 4 percent of all legislation on the agenda of the parliament and Council of Ministers. Legislation pertaining to property and real estate increased in importance on the governmental agenda from about 4 percent after the end of the civil war and the beginning of the reconstruction period to 36 percent of the governmental agenda in 2010. In other words from 2006 to 2016, more than a third of all legislative text issued by the Council of Ministers or parliament pertained to issues related to property and real estate. These developments reflect the priorities of the Lebanese government to prioritize economic activities in the real estate and financial sectors.

LOOKING AHEAD: ADDRESSING INSTITUTIONAL SHORTCOMINGS THAT INHIBIT AGENDA DIVERSITY

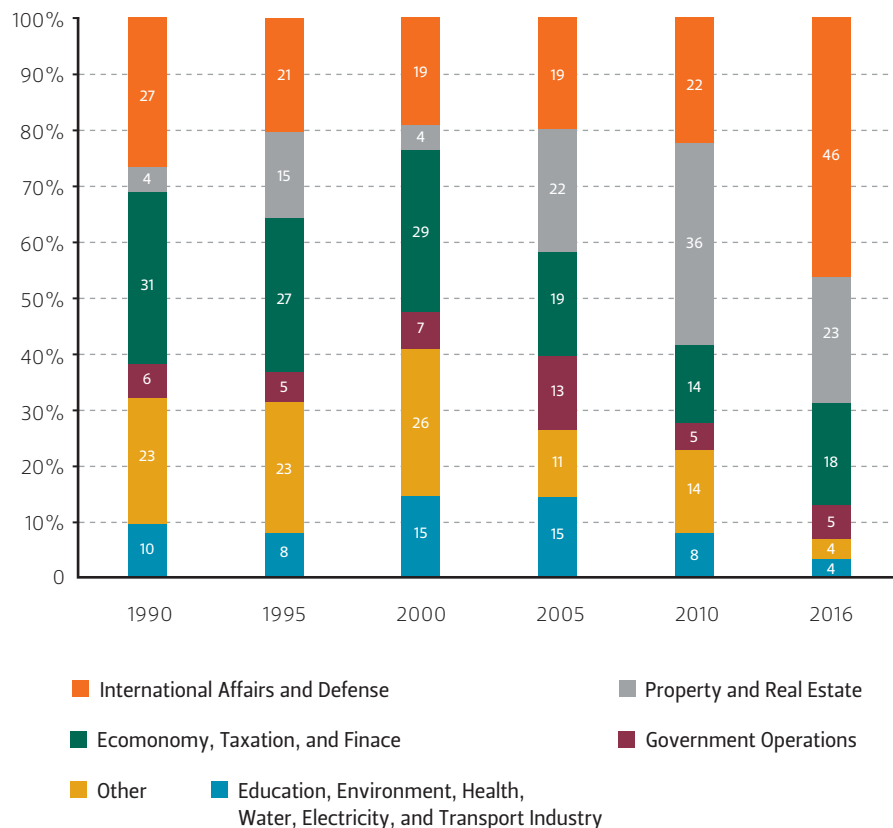
Lebanon faces developmental challenges in a variety of fields. Yet, Lebanon's narrow political agenda fails to reflect the complexity and variety of issues that the government is confronted with. The origins of this narrow political agenda can be traced to several institutional determinants of the Lebanese polity.

First, the Lebanese polity is burdened with high political polarization and gridlock, which tend to protract strategic decisions on part of the government. Developmental issues are of minor political priority, especially in periods of heightened political

tensions that can last many months, such as during times of caretaker governments or the absence of a president. The international community should leverage assistance programs for national development, such as the recent CEDRE donor conference in April 2018, to design a reform program that circumvents political gridlock and focuses on developmental issues.¹⁶

Second, inadequate institutional resources prevent governmental institutions from passing legislation beyond governmental core functions, such as defense, international affairs, or the coordination of ministries.¹⁷ A recent study by the Lebanese Center for Policy Studies revealed the extent to which inefficient institutional structures undermine the quantity and quality of legislative output.¹⁸

FIGURE 4 — PROPORTION OF LAWS AND DECREES IN DEVELOPMENTAL CATEGORIES (1990–2016)



SOURCE Author's analysis

The Lebanese legislature confines itself to the role of a passive supervisor, rather than the producer of developmental policies. Addressing developmental needs in complex and diverse fields such as water and public infrastructure via governmental legislation appears to require more legal and technical sophistication than what the country's legislative institutions offer.

The authors reviewed the origin and content of 352 laws that have been enacted during the last election period between 2009 and 2018. They found that only 10 laws that concerned developmental categories have been developed by parliament and the Council of Ministers. All other legislation either related to some of the core functions of the government or was developed by institutions other than the government itself, such as international development agencies. In other words, governmental institutions write very few legislative texts that relate to developmental issues on their own. The government needs to increase its capacities to craft developmental legislation itself by revisiting its hiring and employment practices in the public sector.

Lastly, the low diversity of the Lebanese political agenda reflects the dominance of liberal thought that remains a fundamental pillar of the Lebanese political economy. This approach emphasizes maintaining a “small state” by outsourcing important governmental services to the private sector in order to avoid unequal treatment among sectarian communities. Large-scale privatization, in turn, reduces the demand for governmental legislation in these sectors. However, outsourcing essential services leaves room for discriminating against disadvantaged income groups and social segments across sectarian communities.¹⁹ Lebanon's education system, for example, is largely privatized and high-quality institutions, such as the prestigious American University of Beirut, remain inaccessible for large segments of society. The political elite must revisit the ideational underpinnings of social and developmental policies to give legitimacy to legislation that increases the role of the state.

The findings of this brief indicate the extent to which the Lebanese legislature confines itself to the role of a passive supervisor, rather than the producer of developmental policies. Addressing developmental needs in complex and diverse fields such as water and public infrastructure via governmental legislation appears to require more legal and technical sophistication than what the country's legislative institutions offer. Lebanon

needs to diversify its political agenda and regenerate both the political will and the technical and legal capacities to devote more attention to developmental issues. By doing so, the government can strengthen its legislative institutions and, crucially, increase the legitimacy of government intervention in the economy, which must be used to promote inclusive development.

ENDNOTES

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This issue brief is part of a two-year research project on pluralism in the Middle East after the Arab uprisings. The project is generously supported by a grant from the Carnegie Corporation of New York.

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Cite as:

Mahmalat, Mounir. 2018. *Growth Without Development: The Role of Lebanon's Legislative Agenda*. Issue brief no. 10.10.18. Rice University's Baker Institute for Public Policy, Houston, Texas.