

Social protest and the political economy of sectarianism in Lebanon

Hannes Baumann

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Lebanon sees frequent socio-economic protests, which defy the sectarian logic of politics prevalent in the country. Why does sectarianism assert itself as the dominant political cleavage regardless of these socio-economic struggles? I examine the repression of trade union protests for greater social justice in the 1990s. The politicisation of sectarianism requires the de-politicisation of alternative social visions, for instance along socio-economic lines. While most accounts of the politicisation of sectarianism focus on citizens' consent to a sectarian vision of politics sold to them by "ethnopolitical entrepreneurs", I argue that there is also an element of coercion involved. The political economy of Lebanese sectarianism is one where a small politically connected elite appropriates the bulk of economic surplus and redistributes it through communal clientelism. Social protest challenges the sectarian elite cartel: A more just distribution of wealth and incomes would reduce demand for patronage resources "from below" and politicians would lose control of resources "from above" to redistribute along communal lines. The paper consists of three parts. The first part situates Lebanon in the literature on ethnicity and nationalism. This article contributes to a new direction in studies of ethnicity and nationalism which goes beyond the macro-historical bias of much of this literature. The second section explains how the neoliberal reconstruction driven by businessman-prime minister Rafiq Hariri in the post-civil war period resulted in the concentration of wealth and incomes at the top and the reliance of the majority of the population on resources controlled by politicians. Post-war reconstruction reproduced sectarian clientelism in Lebanon. The third section shows how trade unions became the main challenger of this economic policy in the 1990s. Lebanon's politicians reacted with repressive measures: They banned street demonstrations, called in the army, split the confederation of trade unions in its 1997 election, and created pseudo-unions tied to their own interests.

Keywords: sectarianism, Lebanon, social protest, political economy, trade unions, post-war reconstruction

Introduction

Lebanon sees frequent socio-economic protests, which defy the sectarian logic of politics which is prevalent in the country. Why does sectarianism assert itself as the dominant political cleavage regardless of these socio-economic struggles? In order to investigate the mechanisms by which social protest is tamed and confessionalised, I will examine the repression and co-optation of trade union protests for greater social justice in the 1990s. Social protest represents a challenge to Lebanon's political elites who claim leadership status by virtue of representing "their" confessional community. The repression and co-optation of trade unions shows how political elites continuously try to assert themselves as central political actors against challenges "from below". The article thus goes beyond the macro-historical bias in studies of ethnicity, sectarianism and nationalism. I look at the way in which sectarianism is reproduced in the reaction of political elites to social protest. I contribute to the debate about how sectarianism is politicised. I argue that alternative social cleavages are relegated in political relevance not through persuasion and consent alone but also through coercion. I will look at the political economy of sectarianism rather than discourses. This is not to say that the economic "base" determines sectarian "superstructure" but sectarianism in Lebanon does have its own political economy, which social protests challenge.

The defining feature of Lebanese politics is confessional power-sharing. The president is always Maronite, the prime minister must be a Sunni, while the speaker of parliament is always Shia. Arend Lijphart's use of the Lebanese case in constructing his theory of "consociational democracy" has led to a fascination – some say an unhealthy one – with the mechanics of power-sharing (Fakhoury 2014, Lijphart 1979). Another

key feature of Lebanese politics is its open economy. Lebanon was After independence in 1946, Lebanon's "merchant republic" was "the only *laissez-faire* economy in the developing world" (Gaspard 2004, XIX). Even during the darkest days of the civil war, when the currency was in freefall, the central bank never imposed capital controls. The post-war reconstruction led by billionaire prime minister Rafiq Hariri applied a neoliberal recipe of urban megaprojects and currency stability designed to attract foreign investors. The long history of economic liberalism and neoliberalism perpetuated a highly unequal political economy. This article contributes to the debate over the relationship of sectarianism and political economy. More specifically, I examine one of the ways in which political elites were dealing with a non-sectarian challenge to the country's economic inequality: The repression of trade unions in 1990s, which robbed them of their independence. The episode shows that the sectarian system is not simply reproduced through consent but through a large dose of coercion.

Confessional power-sharing creates an elite-cartel. Access to political office is due to leaders' claims to represent "their" confessional community. As a result, incumbent elites have an incentive to maintain sect as the main perspective on politics. Politicians must live up to the expectations of such leadership. This includes the provision of public goods for the community as a whole to ensure its economic betterment, for instance through welfare provision, education, or healthcare. It also includes the selective provision of private goods to ensure that voters cast their vote with the leader. This political economy of sectarianism is built on two premises. The first premise holds that the majority of Lebanese remains dependent on patronage resources controlled by the politician, for instance jobs, education, or healthcare. The second premise holds that the politicians must themselves maintain control over the

distribution of resources. Income and wealth distribution must be unequal and public services must be distributed through clientelism rather than impersonal rules. The source of patronage resources differs according to their position in the political economy. They can rely on their own wealth, on philanthropy from within the community, or access resources from the state. This also shapes the individual leader's attitude towards social protest: whether he or she will co-opt or confront social protest. The political economy of sectarianism is one where a small politically connected elite appropriates the bulk of economic surplus and redistributes it through communal clientelism. Social protest challenges the sectarian elite cartel in two ways. A more just distribution of wealth and incomes would mean there is no more demand for patronage resources "from below" and secondly, politicians would lose control of resources "from above" to redistribute along communal lines.

The article consists of three parts. In the first, I situate my inquiry in the wider literature on ethnicity and nationalism. I am writing beyond the "classical debate" between modernists and perennialists on the origins of ethnicity and nation and contribute to the study of the reproduction of such identity categories. The study of social protest and the way in which Lebanon's confessional elite cartel reacts suggests that sectarianism can at times be highly contested. Ensuring its reproduction thus also includes repression and co-optation of social protest. Even in constructivist accounts, the reproduction of sectarianism is often presented as a smooth process of elites obtaining popular consent for their sectarian communal vision. Citizens buy the communal vision sold to them by "ethnopolitical entrepreneurs". The repression and co-optation of Lebanese trade unions in the 1990s illustrates that elites also rely on coercion to suppress alternative ways of imagining politics, in this case along socio-

economic lines. Secondly, I will look at the political economy of post-war reconstruction. Businessman-prime minister Rafiq Hariri was driving a neoliberal reconstruction project to make Lebanon an attractive destination for investors, serving mainly the wealthy Lebanese diaspora and Gulf capital. He had to provide side-payments to the Syrian regime, former militia leaders and the military leadership who could have vetoed his plans. His policies led to a concentration of wealth at the top and unemployment and poverty at the bottom. The majority of Lebanese continued to rely on resources controlled by politicians for access to education, healthcare or jobs. In the third section, I will look at trade union protests in the 1990s. In the mid-1990s, the trade unions became the best organised opposition force to both neoliberal reconstruction and the authoritarian tendencies of the confessional elite cartel. The trade union movement ended up being divided and it lost its long-standing independence from politicians. This was partly due to the structural weaknesses of the Lebanese labour movement and poor leadership. However, the more important cause of the fall of the labour movement was state repression and the active subversion of the trade union movement by the labour ministry.

The 1990s are now regularly ignored in current studies of Lebanese politics because the sectarian violence of the civil war era and the return to sectarian division after Rafiq Hariri's assassination in 2005 seem to be the "natural" modes of Lebanese politics. However, the 1990s represented a window of opportunity for an alternative to sectarian politics. This is not to say that this was likely or that Lebanese politics in the 1990s transcended sectarianism, but the conditions for a post-sectarian politics were better than in the previous civil war era and the subsequent post-2005 era, with their often violent sectarian divisions.

Situating Lebanese sectarianism in the literature on nationalism and ethnicity

Literature on sectarianism in Lebanon has reflected wider trends in the literature on nationalism and ethnicity. As the Cold War was drawing to an end and multinational states in Eastern Europe were disintegrating, nationalism and ethnicity were receiving greater academic interest in the 1980s and 1990s. The primary “classic debate” (Smith, 2008) at the time was between “perennialists” and “modernists”, between theorists who saw nationalism, ethnicity, or sectarianism reach back for centuries and those who linked their emergence to the rise of the modern state and capitalism since the 18th century. A key relationship here was between nationalism and capitalism, between economy and identity, which has obvious implications for Lebanon. Perennialists hold that nationalism was already a significant social and political force in medieval Europe. From the perennialist perspective, modern capitalism therefore played only a subordinate role in the gestation of nationalism. A weaker version of this argument is that modern nationalist projects are likely to be more successful if they are based on pre-modern “ethnies” (Smith, 1991). In Lebanon, authors such as Cobban (1985) have interpreted history since the 16th century as the struggle of rival and fully formed sectarian groups for political dominance. The civil war 1975 – 1990 was simply the latest round in this struggle, where the Shia were trying to displace the Maronites from the top spot. Sectarianism is prior to modern capitalism, which came to Lebanon in the 19th century. This primordialism considers sectarian power-sharing the only possible solution to ensure a democratic polity. However, primordialists also tend to see these deep divisions as the origin of the Lebanese genius. A “consociational” state is by

definition weak and hence more economically and politically liberal than “strong” authoritarian Arab regimes. In the perennialist vision, then, sectarianism determines economic liberalism. On a regional level, Nasr’s (2006) argument that the Sunni-Shia divide has been the most significant drive of regional politics since the original split in the 7th century employs similar primordial tropes.

In contrast to perennialists, modernists argue that nationalism and ethnicity are constructed identities which only emerged from the 18th century onwards. Much of the tradition of the group is “invented” (Hobsbawm and Ranger 1992) and community is “imagined” (Anderson 2006). This does not mean that identity categories are somehow imaginary or that discourses of historical origin and tradition are transitory, but the emergence and solidification of these categories needs to be understood with reference to the requirements of modern nationalism of a labour force literate in the “national” language (Gellner 1983) and moulded by the nation-state (Breuilly 1982).

The debate between perennialists and modernists concerned the origins of nationalism and was therefore concerned with macro-historical processes, not least the role of modern capitalism in the gestation of nationalism. The debate was useful for evaluating the claims of contemporary nationalist, ethnic, or sectarian leaders about the historical contiguity of the identity group. Writing at the end of the civil war, Kamal Salibi (1988) interpreted the conflict as a “war over Lebanese history” and proceeded to demolish many of the cherished myths of competing confessionally inflected nationalisms in Lebanon. Sectarianism was not primordial, going back to the mists of time, but very much a product of modernity. While Salibi effectively critiques Lebanon’s founding myths, he has little to say about the wider processes which created

modern sectarianism, especially the impact of modern capitalism. Ussama Makdisi (2000) is more useful here. He located the origins of Lebanon's "culture of sectarianism" in the colonial encounter in 19th century Mount Lebanon. Previously, family and socio-economic position in an agrarian society had trumped sectarianism in political relevance. However, the socio-economic integration of Mount Lebanon into European capitalist production of silk and the establishment of confessional power-sharing guaranteed by European powers set the country on course for sectarian politics. Some Marxist authors have focused on Lebanese capitalism in particular as the origin of the "sect-class", where the most dynamic capitalist sectors since the 19th century were in the hands of Christians (Farsoun 1988). Capitalism bore modern sectarianism. In an extreme form of Marxist reduction, then, sects are mere placeholders for sects.

The "modernism" of authors such as Gellner has a strong functionalist and instrumentalist bias. Nationalism and ethnicity serve modern capitalism or the interests of ruling elites who invent nationalist tradition to bolster their own legitimacy – and in the process reify the very identity category which they claim as the basis of this leadership. With regard to Lebanon, Ofeish (1999) shows sectarian discourse is an instrument of unaccountable Lebanese elites to maintain political power and enrich themselves. However, the long-term history of identity categories "from above" tells us little about the ways in which the categories were actually adopted, resisted, or simply ignored, nor how these constructed categories are being reproduced in contemporary politics. The individual or collective agency of "the masses" disappears if we focus exclusively on the role of elites in identity construction. Furthermore, these insights are at best of indirect help if we want to examine the contemporary reproduction or transformation of identity. Authors such as Ofeish (1999) are quite correct in arguing

that elites perpetuate sectarianism because it keeps them in power but what is also needed is an account of how exactly they act to actually reproduce sectarianism and stymie alternative political projects – such as socio-economic protest. In other words, if sectarianism is a form of “false consciousness” why are “the masses” so easily duped? Is this simply a process of elites obtaining consent or do they also employ coercion?

There is a new research agenda into the process of politicisation of ethnic, nationalist, and sectarian identity which goes “beyond the classical debate” (Smith, 2008) and adopts “new approaches” (Ozkirimli 2010). Rogers Brubaker’s (2002) contribution has been central to this project. He called for an end to “groupism” by which commentators and academics reify the claims of ethnopolitical entrepreneurs that conflicts are indeed “ethnic” rather than studying the ways by which the group is made – and the *process* by which violent conflict is *framed* as ethnic – in other words, the process of politicisation. In the spirit of Brubaker’s admonition to avoid groupism, this paper looks at the way in which Lebanese political elites use sectarianism to tame socio-economic protest, or to instrumentalise it to expand their own power. This represents a wider trend in the literature on Lebanese sectarianism which looks at the micro-sociological reproduction of sectarianism rather than taking it as the starting point of the inquiry.

One of the earliest exponents of this approach was anthropologist Suad Joseph who found that militias had to actively disrupt solidarity networks across the sectarian divide at the start of the civil war in order to impose confessional heterogeneity.¹ The most widely accepted historical accounts of the civil war have tended to describe it as a series of violent conflicts which did not necessarily revolve around sectarianism (Hanf 1993,

Picard 1996, Traboulsi 2007). Kalyvas (2003) cited Lebanon as an example of a civil war where the ethnic “master narrative” does not explain patterns of conflict but sectarian identity became instrumentalised to serve more parochial, local, and often material agendas. Looking at the post-war era, some authors have analysed the way in which Lebanese elites have used social services to reproduce sectarianism (Baumann 2012a, Cammett and Sukriti 2010), while others have studied how civil society activism was tamed to reproduce sectarianism (Kingston 2013). Regarding capitalism and sectarianism, one of Lebanon’s leading Marxist intellectuals, Fawwaz Traboulsi (2014, 19), noted that sectarianism has penetrated society to the extent that the relationship between class and sect “is not one of mirroring, but rather a distribution of labour, a relationship of overlap and of mutual influence and effect”. This is no sect-class, and no mere “false consciousness”, but a complex play of identity which is both constructed and situational. If sectarian identity is constructed, then we need to study the ways in which sectarian identity may be accepted, resisted, or ignored “from below”, and how political elites are using their superior material and symbolic resources to reproduce sectarianism to serve their own interests. Furthermore, to what extent is this elite agenda realised through consent and coercion?

Post-war reconstruction

The Ta’if conference of 1989 laid the basis for the post-war political order. It reinstated confessional power-sharing while tweaking the formula. Christian-Muslim representation in parliament was brought to parity from 6:5 prior to the war. The Maronite president lost some powers, while the Sunni prime minister and the Shia

speaker of parliament gained new influence. The basic flaw of confessional power-sharing persisted. It is premised on the, essentially primordialist, assumption that conflict between sectarian groups is inevitable. The only way to manage violent conflict and to allow for democratic governance to share power among confessional elites (Lijphart 1979). This means access to political power is premised on sectarian identity. Politicians represent “their” community in a conflictual relationship with other communities. This means that any policy success of the president represents a gain for “the Maronites” vis-a-vis Shia and Sunnis, while success for the prime minister’s agenda is a gain for “the Sunnis”, and so on. Sectarianism percolates through the entire apparatus of the state, as administrative positions are divided among the communities of the president, prime minister, and speaker, with some further posts left for other communities. The system of elite-bargaining is further premised on the ability of leaders to guarantee that their co-religionists will go along with any deal that they have struck. Confessional power sharing thus presumes an “elite cartel” (Lustick 1997, 94). There was nothing natural about this arrangement which was constructed in the 19th century through the colonial encounter and the differential effect of Mount Lebanon’s inclusion into European circuits of capitalist silk production on different confessional groups (Farsoun 1988, U. Makdisi 2000). External factors are thus crucial in the construction and reproduction of sectarianism.

The pre-war political elite had been dominated by a few political families who had also been closely related to – or congruent with – families who held monopolistic control over the lucrative merchant and finance houses which dominated the pre-war laissez-faire economy. Resources monopolised at the top were being redistributed through clientelism along sectarian lines (Johnson 1986). Militias marginalises the pre-

war bourgeoisie and their political representatives but the latter never completely disappeared. Lebanon's post-war political masters came primarily from two groups. Firstly, militia leaders had gained a seat at the top table. Secondly, Lebanese contractors who had accumulated their fortunes in the Gulf states during the 1970s oil boom were using their wealth and their political connections to Gulf rulers to build political careers in Lebanon (Baumann 2012b). The most prominent exponent was Rafiq Hariri who gained lucrative contracts in Saudi Arabia to gain access to the royal family and to become the voice of Saudi King Fahd during the Lebanese civil war (Blanford 2006, 25-26). Ta'if also acknowledged and legitimised Syria's dominant role in Lebanon. The Damascus regime was expelling all political forces who were opposed to its dominance from the Lebanese political scene. In a system now gridlocked between the "troika" of president, prime minister, and speaker, the regime of Hafiz al Assad mimed the power-broker but actually pursued a divide-and-rule strategy. The division of power between president, prime minister, and speaker of parliament is based on sectarianism and claims to represent "their" confessional group. Their foreign backers also varied: Birri and President Lahoud were very much beholden to Syria, while Hariri was the Saudi man in Lebanon. This did not matter much while Syria and Saudi Arabia were in concord but would lead to a major rift in the run-up to Hariri's assassination in 2005. However, the troika members were not just sectarian actors or foreign allies, they were also pursuing economic agendas. In the case of Rafiq Hariri, this was very much a class agenda: the Lebanese-born Saudi contractor was pushing various schemes in finance and construction designed to generate profitable business schemes for himself and other wealthy Lebanese and Gulf investors. His political rivals, meanwhile, were trying to extract a share of the profits from Hariri's schemes.

Rafiq Hariri's reconstruction rested on two pillars. The first one was reconstruction, the second one was currency stabilisation. Both were designed to make Lebanon more competitive in the regional economy. Hariri's construction company had started designing plans for the reconstruction of central Beirut after the Israeli invasion in 1982 (Verdeil 2001). The resumption of hostilities in 1984 meant that the plans were put on ice until the end of the civil war in 1990. Throughout, Hariri had acted as a Saudi mediator between the warring parties. Once the war was over, Hariri returned to his plans for Beirut's reconstruction. Law 117 in 1991 provided for the transfer of ownership rights from thousands of owners to a single private development company called Solidere. In return, the previous owners received shares in the publicly traded company. The company was also in charge of master-planning for the area. The state provided part of the infrastructure in and around the project area. The Solidere project represents the state-guided transfer of property rights and the privatisation of urban planning. The neoliberal talk of public-private partnership and attracting foreign investment through world class infrastructure was paired with a neoliberal state which transferred property rights and bolstered capital accumulation through land.² The liaison between state and Solidere was the Council for Development and Reconstruction (CDR), headed since 1991 by an engineer formerly employed in Hariri's construction company (Iskandar 2006, 68-69). Around 80 percent of the historic fabric was torn down, leaving greater destruction in its wake than the civil war (Schmid 2006, 370). Solidere planned and prepared the city centre for developers to buy plots. Built-up space was maximised and the offices, retail space, restaurants, residential areas and hotels within the area were aimed at the high-end luxury market. The transfer of property rights over prime real estate in a major Arab capital provided Solidere investors and

developers with enormous profits. Critics of the project contend that it is an exclusive elite playground (S. Makdisi 1997).

The second pillar of Hariri's economic policy was currency stability. A stable lira was to signal an end to political instability and openness to foreign investment. This policy was the brainchild of the central bank governor and the acting finance minister. The former had managed Hariri's portfolio at Merrill Lynch, the latter had previously run one of Hariri's banks (Denoeux and Springborg 1998, 162). They stabilised the currency by paying high interest rates on government debt instruments, which were snapped up by local banks. They in turn relied on paying high rates on deposits, which were drawing in Lebanese currency, bolstering the lira's value. The high rates were highly lucrative for banks and depositors but costly for the treasury. Lebanon's government debt exploded from 51% of GDP in 1993 to 165% in 2004, one of the highest rates in the world. Government spending on welfare and the military are partly responsibility for the debt, but the main contributor was government debt-servicing itself (Gaspard 2004, 218). The high interest rates helped stabilise the currency but were also sucking Lebanon into a debt trap.

Reconstruction and government over-borrowing generated profits for Lebanese banks, their depositors, and for Solidere investors and developers. The majority of Lebanese had been left destitute by the civil war and were in no position to invest in these schemes. The main beneficiaries were therefore those who had been able to amass fortunes in the civil war economy, the Lebanese diaspora, and Gulf investors. The Saudi contractor Rafiq Hariri had turned Lebanon into an outlet for Gulf capital. The Gulf was

a major source for investment, tourism, and remittances of Lebanese expatriates. At the same time, Lebanon experienced persistently high unemployment and poverty rates. The high interest rates meant that small and medium-sized enterprises were starved of bank financing. Hariri's schemes in finance and real estate were sucking in funds while agriculture and manufacturing remained relatively neglected. Yet it is SMEs and these "productive sectors" which generate the most employment.

These policies caused continuously high levels of unemployment and poverty, especially at geographic periphery of Lebanon untouched by reconstruction funds concentrated in Beirut. 28 percent of the Lebanese population were living in poverty in 2004, while nearly 8 percent lived in extreme poverty (Laithy, et al., 2008 pp. 1, 4). About a quarter of Lebanese households could not meet their basic needs in housing, water and sewerage, education, and income in 2004 (Ministry of Social Affairs, 2007 p. 19). Great inequalities in educational provision and intense competition for more prestigious private education persisted. The majority of the population, including large parts of the middle class, continued to rely on resources controlled by politicians for access to high quality jobs, healthcare, or education, provided largely although by no means exclusively along sectarian lines (Cammatt and Sukriti 2010). While Hariri monopolised economic ministries, former militia leaders were using "service ministries" such as health or social affairs as patronage resources. Some agencies, such as the fund for the displaced or the Council for the South were the fiefdoms of particular militia leaders. They did not have independent sources of wealth like Rafiq Hariri who funded his own Hariri Foundation to dispense patronage in education and healthcare. They were relying on the state for patronage resources, while also fostering links to charities which distribute resources to their clientele. In the early 1990s, the military

under the command of general Emile Lahoud pressed for increased military expenditure. Lahoud was closely allied to the Syrian leadership, which backed his demands and arranged for him to be elected president in 1998 to clip the wings of Saudi-backed Sunni businessman-politician Rafiq Hariri. The institutional gridlock caused by the rift between Lahoud as president and Hariri as opposition leader 1998 to 2000 and then as prime minister 2000 to 2004 was very much of Syria's making. The Damascus regime elevated Lahoud to the presidency to curtail the powers of Hariri, whose Saudi backing made him dangerously independent of Damascus. Gulf contractors, militia leaders, and army leadership all pushed up government expenditure by pursuing their self-interested economic strategies. All engaged in clientelistic redistribution along largely confessional lines.

The reconstruction followed the principles of neoliberalism. By this I do not mean a rigid list of policies, such as the "Washington Consensus" but Harvey's more encompassing definition of neoliberalism as both an economic orthodoxy – markets work best – and a political project, namely the reassertion of the power of capital over claims to redistribution (Harvey 2005, 19). The state is not so much "rolled back" but restructured and redeployed to reduce welfare expenditure and to expand the realm of market relations – something which does not come naturally or automatically but is forced by the state. The state's main concern revolves not around social welfare but the country's "competitiveness". The state also becomes the agency which drives the concentration of wealth. While neoliberalism is a phase of intensified global capitalism which started around 1979, the local politics of "actually existing neoliberalism" varies from place to place (Brenner and Theodore 2002). In post-war Lebanon, Hariri strengthened the economic agencies of the state which were concentrating wealth,

namely the finance ministry, central bank, and the CDR. The power and influence of former militia leaders and the army meanwhile limited Hariri's ability to curtail government spending on welfare and the military. Lebanon is run by a confessional elite cartel. Their continued rule and their ability to deliver "their" community in the process of confessional bargaining depends on their control of patronage resources, which they redistributed through communal clientelism. The power of Lebanon's sectarian elite cartel is therefore dependent on a political economy which concentrates wealth in the hands of an economic and political elite, which redistributes a small part of these resources through patronage.

The discussion so far leads me to make two main points about social protest against neoliberalism. Firstly, social protests which challenge the prevailing economic model threaten the very power of political elites. A more just distribution of economic resources would undermine access to patronage resources, which lies at the heart of their ability to act as representatives of "their" community. It would also undermine the need of the majority of the population to rely on clientelism in the first place. Secondly, Hariri and his network were the main driving force of neoliberalism. He and other Gulf capitalists were also the main beneficiaries, although they had to share rents with rival elites, such as former militia leaders. Rival elites thus had an incentive to use social protests to extract a greater share of rents from Hariri, for instance by increasing welfare spending that they controlled and could channel to their clientele. Hariri's rivals therefore sought to control social protest. They took the sting out of it, turning it into a way of extracting side-payments from Hariri, without, however, threatening the neoliberal principles of his economic policy. Hariri's rivals could threaten to veto

Hariri's initiatives. Troika gridlock was thus not only due to sectarianism and foreign backers but also had an economic dimension.

Trade union protest

Lebanese trade unions had historically remained relatively independent of the sectarian elite cartel running Lebanon (Hanf 1988). They were part of the wider movement which challenged the political and economic status quo before the civil war. However, their aim then was not the redistribution of sectarian power but of economic power. During the civil war, the trade unions were eclipsed by militias. In 1987 they led a series of demonstrations against militia rule. This shows their independence from the new sectarian elites and it shows that they were the only non-sectarian force in Lebanon at the time capable of standing up to the militias. The story of my paper is how they lost this independence in the 1990s.

Lebanon's trade union movement was facing several structural weaknesses. Labour movements are strongest if they are centred on large industrial concerns such as steel, coal, or automobile manufacturing rather than light industry or services. However, the Lebanese labour force is predominantly employed in small and medium-sized businesses, and in services rather than industry. Unionisation is low. Only about 8 percent of employees were unionised in 2004 (Badran and Zabib 2001, 84). In industry and agriculture, unionisation was particularly low. Another source of structural weakness was high unemployment, which tended to exceed 25 percent, according to

unofficial estimates (Gaspard 2004, 215). The “reserve army of labour” was further enlarged by Syrian migrant workers who provided cheap unskilled and semi-skilled labour in construction and agriculture.³ Their numbers fluctuated between an estimated 400,000 and 600,000. This is an astonishingly high number, considering that the Syrian civil war that started in 2011 was to push up the number of Syrians in Lebanon further to an estimated 1.1 million (European Commission Humanitarian Aid and Civil Protection 2016). The unwillingness or inability of Lebanese unions to integrate Syrian workers into their ranks weakened their position. The other large migrant community to Lebanon – Palestinian refugees – were also not being represented. Legal restrictions on the sectors that Palestinians could work in were confining them to the margins of the labour market. These structural weaknesses put a premium on a central leadership that could mobilise members in general strikes or demonstrations. The political power of labour thus depended to a large extent on its leadership. For this reason, the discussion of labour resistance to neoliberal policies will revolve around the General Confederation of Workers in Lebanon (GCWL). It fell to the GCWL to bundle the power of the disparate unions and confederations that were its members.

In 1992 trade union protests prompted the Karami government to step down. They had started to criticise Hariri’s neoliberal policies, which were sidelining social and welfare demands. No friend of trade union protests, Hariri imposed a ban on street demonstrations in June 1993 – the first of many repressive measures introduced by the businessman-politician to rein in the unions (*Middle East International*, March 15, 1996). Labour ministers were no more sympathetic to the unions. They were trying to recruit the labour movement for their own political gain, rather than ensure workers’ rights. In the early 1990s, the labour ministry was held by pro-Syrian organisations such

as the Ba'ath party or the Syrian Socialist Nationalist Party (*Lebanon Report*, March 1994). They were not insignificant but on the fringes of Lebanese politics. They therefore sought to use the power of labour to bolster their own influence. In the process, they alienated the trade union leadership. Government meddling in the 1993 elections for the GCWL presidency led to a backlash by the unions. They elected Elias Abu Rizq, a highly confrontational trade unionist, rather than the government-backed candidate (*Al-Nahar*, May 15, 1997; Baroudi 1998, 537).

The GCWL under Abu Rizq demanded the strengthening of the welfare function of the state to fight deprivation and poverty and improve access to education and health services (*Al-Nahar*, September 20, 1994). He blamed the government for endangering civil liberties, economic stagnation, skewed spending priorities, high public debt, rising unemployment and deepening income inequality, and privatisation paired with neglect for the public sector. Increased welfare expenditure was to be financed through progressive direct taxes – corporate and income tax – rather than regressive levies such as VAT and surcharges on gas. The latter were Hariri's preferred means of raising government revenue. The government rejection of trade union demands led to a series of strikes. In October 1994, 60,000 public sector workers went on strike prompting the government to meet some of the union demands.⁴ A second wave occurred in November. In December, the government agreed to raise the minimum wage, while salaries across the board were raised by 20 percent effective from 1 January 1995 (*Economist Intelligence Unit – Country Report: Lebanon*, 1st Quarter, 1995, 16). This agreement became a bone of contention, as the government dragged its feet in implementing it and decided to raise the tax on petrol by 38 percent to fund it.⁵ The GCWL's response to the petrol tax rise was ferocious: defying the government ban on

street demonstrations, the unions mobilised their members in July 1995 and hundreds of people were arrested after clashes with security forces (*Economist Intelligence Unit – Country Report: Lebanon, 4th Quarter 1995*).

At this point the trade unions still displayed a great deal of independence and an ability to mobilise. They therefore became the focal point of opposition to the social conditions and curbs on democracy. In February 1996 the GCWL again called for strikes and a day of demonstrations. The confederation's demands linked issues of social justice with calls to respect democratic rights on a "national day in defence of liberties, democracy and daily bread". Trade union demands included the implementation of the 20 percent public sector wage increase and the revocation of the ban on demonstrations and of the government's restrictive audiovisual media law (*Middle East International, March 15, 1996*). The Hariri government reacted with even more repression: On 27th February 1996 it declared a "semi-state of emergency", which formally transferred responsibility for security to the army for three months and allowed for trials by military courts under martial law (*Al-Nahar, February 28, 1996; Economist Intelligence Unit – Country Report: Lebanon, 2nd Quarter 1996*). Hariri in effect mobilised the army against the trade unions. The stage was set for a bloody confrontation. However, this was avoided by a tacit understanding between army commander Emile Lahoud and GCWL leader Abu Rizq. The latter had good links to the army through his brother who was an army officer (*Middle East International, December 5, 1997*). This reliance on the army helped avoid conflict but undermined trade union independence.

The more the trade unions became the target of authoritarian restrictions, the more they became the focal point of protest against the authoritarian tendencies in post-civil war Lebanon. In September 1996, the GCWL brought together Islamists, Nasserites, Communists, Maronite politicians, former prime minister Salim al-Huss, and the leftist deputy Najah Wakim at the “national meeting in defence of liberties”. The meeting took particular aim at the audiovisual law of 1996, which restricted television licenses to a handful of stations directly linked to politicians. The TV stations licensed in 1996 were all linked to politicians: Future Television of Prime Minister Rafiq Hariri; Murr TV, owned by the family of deputy prime minister Michel El Murr; Lebanese Broadcasting Corporation International, originally associated with the Lebanese Forces militia; NBN, allegedly owned by Speaker of the Chamber of Deputies Berri; and al-Manar, owned by Hizballah (Kraidy 1998). The division of spoils between unaccountable elites claiming to represent “their” community was shaping the media landscape. The trade unions were opposing this spoils system head on. Demonstrations called by the GCWL in November 1996 under the slogan “bread, education, freedom” opposed government spending priorities, the ban on demonstrations, and the shut-down of TV and radio stations (*Middle East International*, December 20, 1996). The army quelled the protests but the GCWL received support from a wide spectrum of political forces.

The demand for greater welfare spending and higher wages represented an attack on Hariri’s neoliberal reconstruction project. Hariri was obsessed with presenting an orderly and peaceful image to outside investors, a prosperous Lebanon unmarred by protests and violence. Trade union demonstrations and their insistence on a more activist and redistributive government policy were therefore a thorn in his eye. More

importantly for the purposes of this paper, the attack on the principle that wealth should be concentrated at the top represented an attack on the political economy of sectarianism. The trade unions also attacked restrictions on democratic liberties such as freedom of expression and assembly. They resisted the ban on street demonstrations imposed in 1993. They also resisted an audiovisual law, which doled out TV licenses to the different sectarian leaders. The trade unions had also at times defied the Syrian regime, which was concerned with stability in Lebanon. Trade union protests disturbed this peace. Opposition to Syria had its limits as the trade unions also worked together with some politicians such as leftist Najah Wakim who collaborated with the Syrian regime in Lebanon. In the mid-1990s, Lebanon's trade unions were therefore the most organised political force against the post-war confessional elite cartel and against neoliberal economic policies. This undermines the claim that sectarianism and clientelism are smoothly functioning systems which brainwash the masses into a false consciousness. While the culture of sectarianism is certainly the most important way of thinking about Lebanese politics, its rule is by no means absolute.

Lebanese political elites reacted with repression. Businessman-politician Rafiq Hariri had put forward repressive measures such as a ban on street demonstrations and called on the army to deal with the trade unions. The most serious government interference in trade union affairs occurred at the election to the GCWL leadership in 1997. The Internal Security Forces (ISF) occupied the building where the election was to take place and kept Elias Abu Rizq's supporters out. Abu Rizq then called on the army to protect his supporters.⁶ The result was two rival votes for the leadership, one by Abu Rizq's supporters, the other by supporters of his rival Ghanim al Zughbi. The GCWL had been split. The government and the Syrians did not recognise Abu Rizq as a

union leader any longer. Abu Rizq was subsequently arrested and released several times. Another tactic was to foster pseudo unions. The most active parties seeking to extend their influence on the trade union movement were the Ba'th party and SSNP, which consecutively held the labour ministry between 1992 and 1998. They created new politically pliable trade union federations out of thin air. It was those unions who had been voting against Abu Rizq.⁷ Amal leader Nabih Birri, Hizballah, the Lebanese Forces, and Junblatt's PSP also found allies among trade union federations. Hariri was less active in procuring allies and primarily relied on repression to face down the unions. The number of trade union federations in the GCWL had risen from 22 in 1993 to 36 in 2004. Every federation in the GCWL executive council was represented by two delegates, no matter how large their number of members was. 14 of the 36 unions had no more than 500 members, representing only 6.9 percent of members but controlling over a third of the votes on the executive council (Badran and Zabib 2001, 67). While the non-sectarian Communist Party maintained its traditionally strong presence in the trade union movement, sect-based parties gained a majority of votes on the executive council. The communist party controlled 10 votes on the executive council in 2004 (Badran and Zabib 2001, 121). Elias Abu Rizq could rely on a voting bloc of an estimated 9 deputies. However, Shia movement Amal also controlled ten seats, followed by the Lebanese Forces (9), Ba'th party (7), SSNP (5) and other political forces such as the PSP, Hizballah, or Kata'ib (each controlling two votes). Hariri held three votes. Only 19 of 72 votes were considered "undefined".

The trade union movement had lost its independence to former militia leaders or Syrian allies. It was this independence which had enabled the labour movement to become the focus of resistance and popular mobilisation against the economic policy of

the traditional political families in the pre-war era and militia rule during the civil war. The events of 1997 led to a crisis of confidence within the labour movement and subsequently unions struggled to transcend narrow sectoral demands and to formulate a comprehensive social agenda (Abiyaghi and Catusse 2011). Union attempts to confront Hariri's neoliberal policies and Syria's authoritarian measures in Lebanon were met with repression and co-optation. The trade unions had become an instrument that Hariri's rivals could mobilise against the prime minister to increase their share of the spoils from neoliberal rent.

Conclusions

Sectarianism in Lebanon is grounded in a highly unequal political economy marked by the concentration of wealth and incomes at the top and dependency of the majority of population on resources controlled by politicians, which they redistribute through sectarian clientelism. Post-war reconstruction reproduced this political economy of inequality and dependency. Trade union protests of 1990s represented a frontal attack on the political economy of sectarianism. They were calling for a more equal distribution of incomes and wealth as well as greater welfare provision and along non-confessional lines. Trade unions were also opposing the authoritarian tendencies of the sectarian elite cartel running post-war Lebanon and their Syrian overlords.

The politicisation of sectarianism requires the de-politicisation of alternative social cleavages along socio-economic lines through a reframing along confessional lines. Trade union demands based on socio-economic grounds rather than sect therefore

disturb the system. They provide an alternative vision of politics. Sectarianism in Lebanon is often presented as a smoothly functioning system, a kind of “false consciousness” uncritically accepted by population.

The repression of trade unionism in Lebanon in the 1990s challenges this idea. Political elites were mobilising the army, they were interfering in the GCWL elections of 1997, and they were fostering pseudo-unions they could control. The strategies they were embracing depended on their position in the political economy. The businessman-prime minister Rafiq Hariri was the driving force of neoliberal policies and hence the main target of trade union ire. He opted primarily for repression. Former militia leaders and populist fringe parties such as the SSNP were using the labour ministry and pseudo-unions to extract greater side-payments from Hariri rather than challenging the very basis of his economic policy. They were instrumentalising the unions as a means of making trouble for a political rival rather than economic change.

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¹ Joseph, Suad. 1983. "Working-class women's networks in a sectarian state: A political paradox." *American Ethnologist* 10 (1): 1-22. doi: 10.1525/ae.1983.10.1.02a00010.

² On the transfer of property rights, see Leenders (2012, 57-64).

³ The information on Syrian migrant workers is taken from Chalcraft (2005).

⁴ The strike was over end-of-service indemnities, medical care after retirement, and school scholarships. Additionally, salary increases of 40 percent to 75 percent were demanded (*Lebanon Report*, October-November 1994).

⁵ As summarised in *Lebanon Report* (Fall 1995).

⁶ For accounts of the actions of the different security forces, see *Al-Nahar* (May 15, 1997) and *Lebanon Report* (Summer 1997).

⁷ Among the delegates voting for Abu Rizq's rival Ghanim al-Zughbi were ten representatives of the five unions which labour minister 'Abdallah al-Amin had licensed in 1994 and which had been forced into the GCWL just before the April 1997 elections (*Al-Nahar*, May 15, 1997).