

The neoliberal restructuring of the state in post-civil war Lebanon

The paper challenges the common assumption that the “weakness” of the Lebanese state makes it irrelevant for the analysis of Lebanese politics. The state did not simply “break down” in 1975 (El Khazen, 2000). Instead various groups sought to shape it to serve their economic and ideological interests, both during and after the civil war. With few exceptions (Hourani, 2010; Leenders, 2003), this fact finds little acknowledgment in the literature. Furthermore, while most of the literature on post-war Lebanon focuses on elite conflicts based on sectarianism or attitudes towards Syria, this paper directs attention to Lebanon’s post-civil war political economy and contributes to a wider literature on the neoliberal restructuring of the state (Harvey, 2005 pp. 64-86; Peck, et al., 2002 p. 383).

Lebanon’s economy experienced an uneven neoliberalisation – a mixture of policies that conformed to the precepts of neoliberal economics and others that went against them: government over-borrowing to stabilise the exchange rate, reconstruction aimed at making Lebanon “competitive”, failed attempts at privatisation, and spending increases on “service ministries”. These policies resulted in one of the highest debt-to-GDP ratios in the world and low investment in productive sectors due to “crowding out”. This pattern is best understood as a result of the competition of various types of elites, which are differentiated using a “reputational method” (el-Husseini, 2004) before unpacking the economic logic they followed.

Two groups in particular were important: firstly, Rafiq Hariri as a member of a new “contractor bourgeoisie” which was seeking investment opportunities in finance and reconstruction; secondly, former militia leaders who were primarily concerned with access to resources to service their clientelist networks. The former gained control of ministries and agencies associated with the “right hand” of the state, concerned with finance and the economy (Bourdieu, 1998 p. 2): finance ministry, central bank, but also the Council for Development and Reconstruction (CDR). Former militia leaders gained control of “service ministries” and welfare agencies to benefit their clientele – the “left hand” of the state: the ministry of social affairs, the Council of the South, or the Fund for the Displaced. The patterns of conflict and cooperation between different types of elites explain the patterns of uneven neoliberalisation of the Lebanese economy. If the neoliberal restructuring of the state is indeed concerned with strengthening the “right hand” and weakening the “left hand”, then this restructuring is an indispensable part of understanding elite competition in post-civil war Lebanon and the return to political crisis after 2000.