

The Political and Institutional Deficiencies that Led to the 4th of August Disaster

Recovery Policy Background Note

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Lebanon in the Aftermath of August 4, 2020
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Led to the 4th of August Disaster

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Introduction

Assessing the political and institutional deficiencies that have led to Lebanon's poor governance score is one thing; merely acquiescing to the fact that such deficiencies are behind a disaster that has led to the death of more than 170 persons and the injuring of thousands is quite another. The 4th of August catastrophe, which has shattered entire neighborhoods around the Beirut port and has destroyed the livelihoods of thousands across the capital, has further revealed the extent to which political clientelism, corruption, and mismanagement have infiltrated practically all of Lebanon's public institutions at all levels; from the structural all the way to the procedural.

Well before the disaster, the eruption of popular anger, as Ianovichina dubbed it, (Ianovichina, 2018) and which was witnessed in Lebanon by the end of 2019, brought to the forefront public disillusionment with the political establishment. The unfolding of Lebanon's 2019-2020 economic crisis had further exacerbated calls for reform with donors and international partners progressively shunning away the prospect of disbursing funds without substantial reform. (Chadwick, 2020) With an ensuing paralyzing deadlock, no institutional mechanism was unfortunately left intact to prevent the catastrophe of the 4th of August 2020. In the aftermath of the 4th of August, it was clear that the State had failed its citizens at all levels.

After thirty years of deadlocks, revolving-door governments, and security-related crises in both Lebanon and the region, and after several unsuccessful attempts by many committed policymakers and partners to push the reform agenda forward, the Lebanese State now faces the arduous task of rebuilding the country's faltering economy, an undertaking of at least US\$ 30 billion to which was added the cost of the most recent catastrophe, (Arnold & Ghantous, 2020) which is estimated to be around US\$ 15 billion alone. (Blandford, 2020) More importantly, it is expected to rebuild the livelihoods of people who, in the course of one year, have lost everything, and ultimately, to rebuild what remains of the country's public institutions, and trust therein.

Consequently, beyond the task of estimating losses and proceeding to the implementation of a procedures-based disaster relief program, lies several overarching questions and considerations: How can Lebanon permanently avoid such a disaster in the future? How can reconstruction address the root causes of the disaster, which are institutional deficiencies? If political clientelism is a structural feature of the Lebanese State, can such a reform even be possible? This background policy note seeks to assert

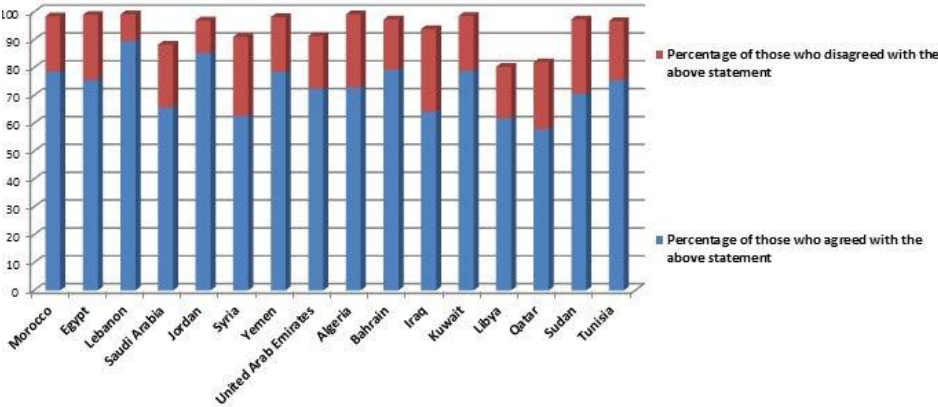
that any long-term disaster relief and relief financing program should be framed by several overarching considerations: reducing political clientelism, curbing informal networks, and restructuring public institutions outside traditional power channels.

Political Clientelism

Political clientelism is not an idiosyncrasy that can be addressed by managerial and procedural reforms alone. While gross incompetence and negligence are undoubtedly the direct causes that have led to a reckless stockpiling of ammonium nitrate in the Beirut port in 2013 in full contradiction with the Lebanese customs law related to the handling of dangerous and chemical products, (Institut des Finances Basil Fuleihan, 2007) they are symptoms of a much larger structural issue, and that issue is political clientelism.

The challenge of political clientelism traces its origins prior to the very foundation of the Lebanese State. It has, however, exacerbated along clear sectarian lines in light of the demographic transition and geopolitical crises. As Traboulsi asserts, the sectarian system “oversees a vast game: a competition over rent in and through the State and the struggle over the distribution of state services, public works and contracts ‘[...]’” (Traboulsi, 2014, 21) Clientelism also serves to defuse social tensions by creating channels for upward mobility.

Figure 1: Perception of the Importance of Connections in Order to Secure a Job



Source: “Wasta Once Again Hampering Arab Youth Chances for a Dignified Life,” *World Bank Blogs*, 2014

In “Bourdieu in Beirut”, Tabar and Egan also argued that the political and institutional structure is so resilient to attempted reforms because of its ability to reproduce social relations through its interaction with mental structures. Referring to Bourdieu’s concept of institutionalized social capital, they argue that one’s position in the labor market and ability to access efficient resources is already predetermined by one’s sect, as it is central for accessing inheritance laws, property rights, the labor market and the educational system. By extension, clientelism is the mobilization of such capital to achieve tangible results (Egan & Tabar, 2016)

The notion of *wasta*, which is being recently studied, is the abovementioned mobilization in practice. According to a recent study conducted by Transparency International, 54% of the population has resorted to connections to obtain basic services, (Transparency International, 2019) while according to another World Bank study, 90% of those surveyed agreed that “knowing people in high positions is critical to getting a job”. (Alaaref, 2014)

Under the imperatives of political clientelism, the State is progressively transformed into the means through which the power of the ruling elite and the process of rent allocation is redistributed. Institutionalized social capital overcomes institutionalized cultural capital, and political loyalty and allegiance consequently transcend all other imperatives such as merit, experience, and basic abidance to legal and regulatory frameworks. (Egan & Tabar, 2016, 29)

Informal Networks

Political power is consequently exercised on Lebanese public institutions through informal networks that undermine their regular and mandated functioning. By referring to Newman’s (2003) definition, which states that networks are a “collection of objects or actors that are connected to each other through some kind of relationship”, then political clientelist relations can be considered as fully operational networks. They are both support and agency networks, which adds to their overall strength and sturdiness. (Hearn & Mendizabal, 2011, 2-3)

By referring to Hearn & Mendizabal’s Revised Functions Framework, these networks fulfill two core functions: community-building and resources mobilization. (Hearn & Mendizabal, 2011, 4) As in “Bourdieu in Beirut”, the field in which the mobilization of institutionalized social capital takes place conditions patterns of behavior as it is contingent to one’s access to resources. (Egan & Tabar, 2016) In Lebanon, such mobilization includes and is not limited to the following channels:

1. Recruitment and promotion, and the disruption of formal hierarchies;
2. Collusion between public and private interests;
3. Budget preparation and execution fraud;
4. Accounting and auditing fraud;
5. Public procurement fraud;
6. Social security fraud;
7. Foreign aid and development assistance fraud;
8. Protection against investigations or dismissal;
9. Money laundering including real estate transactions;
10. Inheritance procedures fraud;
11. Property rights fraud;

The 4th of August catastrophe was in part the result of a disruption of formal hierarchies, protection against investigation or dismissal, and collusion between public and private interests over a period of over six years. Re-establishing and revitalizing the role of public institutions in the recovery phase will inevitably require curbing the power and reach of such informal networks by disrupting access to socially efficient resources for the sake of reinforcing social capital.

A Systemic Crisis

A State paralyzed by political allegiances is unable to act in conformity with the principle of “Reason of State”. The 2’750 tons of ammonium nitrite on their way to Mozambique found their way to Beirut when the ship was towed, denied release, and its cargo disposed of in unsuitable conditions at the port. (Sebit, 2020) Whichever is the reason that originally ignited the first fire, the people of Lebanon had to face a tragedy because over more than six years, no procedure was implemented for the safe extraction of the hazardous material from the Beirut Port.

Preliminary findings concur that laws, procedures, and official deadlines were not respected by any of the stakeholders. Political clientelism effectively transformed the Lebanese State into an archipelago, with officials and administrators of one institution improperly communicating with officials from other administrations. The latest minister of public works, for example, asserts having been warned about the content of “Warehouse 12” by the Higher Council of Defense only one day before the explosion. (Agence France-Presse, 2020) Investigative journalists have also raised red flags over the following irregularities:

1. Unloading of dangerous chemicals;
2. Disregard towards the ownership of the vessel;
3. Official correspondence channels;
4. Official correspondence deadlines;
5. Mandated authorities;
6. Potential sale of the stockpile. (Aljadeed TV, 2020)

These managerial irregularities, which outflow and are made possible through political clientelism, were carried out in absolute opacity and lack of oversight. They have, however, another characteristic in common: that of lack of enforcement.

Lack of Enforcement

A crippled judiciary and executive that is unable to intervene practically and on time to uphold regulatory frameworks and legal procedures is equally the symptom of such a systemic crisis. Preliminary investigations have asserted that the judiciary and several military authorities have been repeatedly informed about the presence of a highly dangerous substance that is stored in the Beirut Port. (Polglase et al., 2020) While it has been pointed out that the informed side, namely the court for urgent matters, was not the

mandated authority, the fact that the *ensemble* of the judiciary and the military did not intervene for over six years to enforce the removal of the stockpile reveals how the battle of institutionalized social capital functions and how it reproduces patterns of behavior.

The inability of the judiciary and the military to intervene practically and hastily reveals two key institutional deficiencies. Firstly, it reconfirms the “archipelago” assessment presented earlier, whereas turfs are respected rather than challenged. Secondly, it ascertains that within such cleavages permeates a culture of indifference, whereas officials and administrators, acquiescing to the “present order of things”, are pressured to longer act responsibly, to respect red tape, and to not engage in turf wars. In this emerging “habitus”, communication channels are disrupted, official deadlines are no longer respected, and inter-institutional exchanges are put to a halt.

While one may indeed assert that lack of mandate obliged, it is evident that lack of initiative and lack of ownership over the public good inevitably exposed the judiciary and military authorities to the accusation of negligence and indifference. (Associated Press News, 2020) Key officials within both administrations knew of the dangerous stockpiling, yet either:

1. Did not inform higher echelons or other administrations or officials;
2. Acted in disregard towards the urgency of the extraction of the material;
3. Were unable to forcefully act in order to ensure the extraction.

Any sustainable reconstruction effort should therefore have one key concern as an overarching consideration, that of creating new professional networks within the public administration that can create sufficient momentum for both open communication and enforcement.

The Legal and Managerial Gap

Beyond the systemic crisis of Lebanese public institutions lies the legal and managerial gap, which effectively saps the ability of efficient and law-abiding public managers to uphold the public good beyond political cleavages. The review and updating of laws and regulatory frameworks are central in order to thwart the exploitation of loopholes. The 2012 review of the legal framework of public procurement in Lebanon has, for example, allowed for the elaboration of a new law proposal bent on addressing such loopholes. (Institut des Finances Basil Fuleihan, 2012)

Preliminary reports suggest that while the stockpiling itself was made in dubious legal circumstances, the 6-year delay in which the hazardous material was left lingering in the Beirut Port was also due to legal loopholes. The long-term correspondence and exchanges engaged over a six-year timeframe between the different administrations suggest poorly established deadlines. The “circle of negligence” described by several news sources also point to overlapping and unclear mandates and responsibilities. Worse, several top government officials asserted having only recently learned about the dangerous shipment. (Associated Press News, 2020)

Multiple authorities involved in the process, unclear deadlines, and legal text complexities suggest loopholes in the law pertaining to the mandates, sequencing, and timing of the safe removal and disposal of dangerous materials. It also suggests lack of transparency in official correspondence. It has hence become imperative to suggest new and clearer legal and administrative arrangements that would:

1. Render mandates related to issues such as public health and safety coherent and simple;
2. Render legal texts clearer and less open to arbitrary interpretations and implementation;
3. Shorten legal deadlines for official correspondence and decision-making between and within mandated authorities;
4. Render official correspondence more transparent by adding a third-party institution to the circuit.

The Capacities Gap

Even if informal networks are curbed, enforcement is ensured, and the legal and managerial gap is addressed, ill-trained public servants will inadvertently curb official and legal procedures, from official communication all the way to the methods of stockpiling of dangerous materials. Ammonium nitrate explosions are unfortunately not uncommon, and poor storage has been identified as a core cause for disasters. As Andrea Sella, Professor of Inorganic Chemistry at University College London said, “poorly stored ammonium nitrate is notorious for explosions”. (Smith-Spark et al., 2020)

Public administrators that are unaware or untrained in the field of official correspondence risk compromising official communication channels and deadlines, which is precisely why training modules on official correspondence were developed by the Institut des Finances Basil Fuleihan in the first place. (Institut des Finances Basil Fuleihan, 2011) Worse, staff that is untrained in the field of the handling and clearance of dangerous chemical material risks stockpiling such material in precarious conditions. (Institut des Finances Basil Fuleihan, 2007).

Consequently, ensuring that such accidents never happen again also implies developing and proposing adequate training for all related staff on the following subjects:

1. Handling official correspondence;
2. Handling dangerous chemical materials;
3. Legal training, particularly in what relates to customs law;
4. Border enforcement;
5. Use of technological and digital tools;
6. Clearance, control and investigation;
7. Audit and control.

Conclusion

The 4th of August disaster has revealed the extent to which public sector institutions are in dire need of a comprehensive recovery and restructuring program. The disaster recovery and relief program that is expected to be rolled out by local and international donors will be instrumental in restoring the livelihoods of thousands of Lebanese, and avoid complete societal collapse in many segments of Lebanese society. Nevertheless, if the institutional deficiencies cited above are not addressed in the recovery program, then such disasters would be likely to happen again. If we are unable to learn from our mistakes, then those who have died would have done so in vain.

The institutional deficiencies that have led to the disaster are clear: political clientelism and informal networks that have transformed the Lebanese public administration into “islands of influence”, informal networks mobilizing millions of USD that will need to be curbed, “silo thinking” that has crippled effective communication and enforcement between members of identical administrations, a legal and managerial gap with loopholes being exploited, and a capacities gap that adds inevitably leads to involuntary negligence.

There is one way out now, and it is forward. Several recommendations are consequently proposed.

1. Identifying and promoting officials that are not engaged in the mobilization of institutionalized social capital and with whom the clientelist link remains weak. Indicators may include considerable cultural capital coupled with little political power.
2. Relaunching the 2005 initiative geared towards the establishment of a “meritocratic filter” on top of existing sectarian considerations, particularly in what relates to the recruitment of senior officials.
3. Curbing informal networks through multilateral cooperation and development aid for the progressive expansion of social services (NSSF, Ministry of Health coverage, the establishment of unemployment insurances, etc.). This would amount to the reduction of the scarcity of resources that is coveted by institutionalized social capital mobilization.
4. Conducting studies and publishing findings related to the needs and prospects of the job market in Lebanon, in order to ensure further compatibility between undergraduate studies and the job market, thereby reducing the need for clientelist relations and “safety net employment” in the public sector.
5. Directing development aid towards the expansion of financial aid in private educational and academic institutions and expanding, through partial or full funding, short-term and medium-term study abroad programs.
6. Establishing new professional networks across the public administration in order to “break silos” and curb the “archipelago” tendency. This includes encouraging cross-

institutional employee exchange programs, training program alumni societies, professional communities and communities of knowledge.

7. Bringing back twinning programs. Twinning “lever institutions” with both local and partner institutions in order to disrupt informal networks, thwart the establishment of “black boxes”, promote oversight and the review of managerial procedures, and transfer knowledge. Lever institutions include:
 - The Beirut Port;
 - The Customs Administration;
 - The Budget Administration;
 - Social Security;
 - Key Judiciary Courts;
 - Religious Courts;
 - Cadastre and Land Registry.
8. Expanding, through law, the “carbon copy” list of official correspondence to include local third-party, oversight, and whistleblower institutions and organizations.
9. Reducing, through law, the deadlines pertaining to official communication and the enactment of related decisions, particularly decisions related to hazardous material, public health, and public safety.
10. Unifying the legal corpus and procedures pertaining to the handling of hazardous material, clearly delineating responsibilities and timeframes; conducting a legal review of Lebanese customs and trade law in order to identify loopholes and presenting legal amendments accordingly.
11. Bringing back technical assistance and information exchange programs (TAIEX) with partner institutions in order to address the capacities gap.
12. Establishing a new and updated regulatory framework for capacity-building within the public sector that would be legally-binding and that would allow training providers to accompany, in a more consistent manner, all public sector officials, particularly those lacking formal training on the technical and procedural aspects of official communication, customs law, clearance, control, and investigation, the auditing of trade records, and the use of technology.
13. Establishing a permanent crisis unit similar to that of the United Nations Department of Peacekeeping Operations, that would however monitor complaints or red flags incoming from whistleblowers. The unit could be endowed with an online platform that would allow public sector officials to correspond directly.

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