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الججهُوريَّة اللبُنَانيَّة

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Salaries and Remunerations in the Public Sector

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Table of Content

| ntroduction | | 7 |
|-------------------|--|-----|
| | Public Administration and Institutions | 9 |
| | The State of Employment in the Public Sector | 13 |
| | Allocation and Compensation in the Public | |
| hapter Three: | | 23 |
| N 4 F | Authority | 27 |
| Chapter Four: | | |
| Chapter Five: | Salaries and Remunerations of Military and | 33 |
| M | Security Personnel | 55 |
| Chapter Six: | Salaries and Remunerations in the Diplomatic | 37 |
| | Corps | J 1 |
| Chapter Seven: | Salaries and Remunerations of Public School | 41 |
| | Teachers & Lebanese University Professors | 41 |
| Chapter Eight: | Salaries and Remunerations at the Council for | 45 |
| | Development and Reconstruction | |
| Chapter Nine: | Salaries of Public Administration Employees | 49 |
| Chapter Ten: | Salaries and Remunerations of the Muslim | 53 |
| | Clergy | 53 |
| Chapter Eleven: | Central Bank - National Social Security Fund - | |
| | Petroleum Installations - Intra - Casino du | |
| | Liban - Middle East Airlines | 55 |
| Chapter Twelve: | Government Committees & Administrative | |
| | Boards | 61 |
| Chapter Thirteen: | Conclusion | 63 |
| | | |
| | | |
| Annexes: | | 65 |
| Annex A | Scales of Government Salaries according to | |
| | Categories & Ranks | 67 |
| Annex B | Salary and Benefit Allocations in the Public | |
| | Administration | 77 |
| Annex C | The Progress of the Minimum Wage | 79 |
| | | _ |
| | Ribliography | 81 |

Introduction

The Lebanese have inherited from the French, and before them the Ottomans, and in their socio-political systems unscrupulous habits and practices: feudalism, confessionalism, corruption, bribery and nepotism. These left their marks on many aspects of the nation's lives, especially in the public administration. Since independence, attempts to reform the public administration into an effective, productive and intelligent body that serves citizens cost effectively were unsuccessfull.

President Bishara al-Khoury's tenure ended half way into his second term with the outbreak of a popular revolt because of corruption, especially corruption in public administration.

The tenure of his successor, Camille Chamoun, began with daring steps to reform the administration and organize its employees, introducing in 1953 a system of meritocracy, or competition for public posts. But his tenure ended similar to that of his predecessor.

As for General Fouad Chehab, his term began with revolutionary reform, organizational and administrative measures that established a number of modern administrative, financial and social institutions.

President Charles Helou, who was regarded as Chehab's heir, began his term with a widely supported purge, which ended in stagnation.

Then came the era of presidents Suleiman Franjieh and Elias Sarkis, whose terms in office were marked by the war, which pushed the administrative issue to the back burner, as focus shifted to the struggle for survival.

In the first phase of President Amin Gemayel's term, a set of legislative decrees were passed that aimed to put in place a new structure for public employees to meet the changes that had occurred since 1959. These also aimed to develop and modernize public departments such as the Civil Service Council, Central Inspection and the Court of Audit.

Under President Elias Hrawi's term, when Rafik Hariri assumed office in late 1992, Laws No. 199 and 200 were issued paving the way for reforming the administration and purging it of corruption, but the attempt was unsuccessful, resulting in excluding only junior employees with no political or sectarian support.

Since the accession of President Emile Lahoud to power more than two years ago, the country has made a new effort at reform and administrative purge that began with the dismissal of more than 30 directors from various ministries and institutions. But the campaign stopped abruptly.

Calls for Administrative Reform were renewed with Prime Minister Rafik Hariri's return to power late in 2000. Six months into its term, the government has not yet produced a comprehensive administrative reform plan.

The state of affairs in the administration, salary scales and remunerations, as well as corruption and waste are part of the same chain. It is impossible to address administrative reform or modernize and develop the administration without tackling the issue of public sector wages so there can be a uniform and fair scale that takes into account the qualifications and duties of each employee. In this booklet, we shall shed the light on the wages and remunerations, which state employees, in all departments, receive and which in our opinion is both directionary and imbalanced.

The aim is to expose the reality without meaning harm to any institution or employee. Proper diagnosis leads to solutions.

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Public Administration and Institutions

Introduction

Lebanon's Public administration consists of two main categories: The Central Administration and the Public Institutions or Organizations.

1. The Public Administration

According to the Legislative Decree No. 111, dated June 12, 1959, the "Central Administration" consists of the Office of the President, the Office of the Prime Minister and the following ministries:

- 1. Ministry of Justice
- 2. Ministry of Foreign Affairs
- 3. Ministry of Interior
- 4. Ministry of Finance
- 5. Ministry of National Defense
- 6. Ministry of Education, Youth and Sports
- 7. Ministry of Public Health
- 8. Ministry of Labor
- 9. Ministry of Information
- 10. Ministry of Public Works
- 11. Ministry of Agriculture
- 12. Ministry of Economy and Trade
- 13. Ministry of Post and Telecommunications
- 14. Ministry of Electricity and Water Resources

- 15. Ministry of Tourism
- 16. Ministry of Oil
- 17. Ministry of Housing and Cooperatives
- 18. Ministry of the Displaced
- 19. Ministry of Municipal and Rural Affairs
- 20. Ministry of Technical and Vocational Education
- 21. Ministry of Social Affairs
- 22. Ministry of Emigrant Affairs
- 23. Ministry of Transportation
- 24. Ministry of the Environment
- 25. Ministry of Culture and Higher Education
- 26. Ministry of Industry

This is in addition to the Parliament, which enjoys semi-independence in recruitment and promotion matters.

2. Public Institutions

In accordance with Legislative Decree No. 4517, dated December 13, 1972, public institutions enjoy self-autonomy as well as financial and administrative independence. In fact, these are public departments that were split from the Central Administration in order to make them more efficient. Public institutions are divided in several categories: investment, services, financial and developmental. These include:

National Litani River Authority, Tripoli Water Authority, Silk Bureau, Beirut Water Authority, South Water Authority, Sports City Authority, Cooperative of State Employees, Council for Development and Reconstruction, Central Bank, Institute of National Archives, National Council for Scientific Research, Council for Executing Large Projects in Beirut, Railway and Public Transportation Authority, Tobacco and Tambac Regie, National Institute for Investment Protection, Council for the Implementation of Insfrastructural Projects, Lebanese University, Parliament, National Bureau of Medicine, Central Statistics, General Institute for Managing Public Hospitals, Educational Center for Research and Development, Banks Supervision Committee, Green Project, Ogero, National Social Security Fund, Beirut Stock Exchange, Office of Livestock Production, Scientific Agricultural Research Institute, Electricity of Lebanon, Qobeiyat Water Authority, National Bureau of Employment, Ain ad-Dibleh Water Authority, Metn Water Authority, Tripoli Port Authority, Saida Port Authority, Tyre Port Authority, Saida Water Authority, Jabal Amel Water Authority, Nabaa al-Tasseh Water Authority, Qasmiyeh and Ras al-Ain Irrigation Authority, Jezzine Electricity Authority, Rashid Karami International Fair Authority, General Housing Institute, Institute of Lebanese Specifications and Measurements, Central Fund for the Displaced, Investment Development Authority of Lebanon, National Institutefor Deposit Guarantees, Industrial Centers

Management, Bureau of Cereals and Sugar Beet, National Council for Tourism Development, Elissar and National Institute for Fishing.

There are also the companies owned by the government such as Intra and Casino du Liban, and some private institutions that have been purshased by the state such as Middle East Airline, which was bought by the Central Bank, the two refineries at Tripoli and Zahrani and the Beirut Port Company and finally the municipal councils.

On Wednesday July 26, 2000, the Cabinet decided to dismantle the Council for Development and Reconstruction, the Council for Implementation of Infrastructural Projects and the Council for Executing Large Projects in Beirut and create, the Higher Council for Planning and Development instead. (the Parliament is currently examining a draft bill that would cancel the previous government decision and merge the two other councils with CDR.)

The Cabinet also canceled five portfolios, merging them with other ministries:

- 1. Merge the Ministry of Rural Affairs with the Interior Ministry.
- 2. Merge the Ministry of Emigrant Affairs with the Ministry of Foreign Affairs.
- 3. Merge the Transportation Ministry with the Ministry of Public Works.
- 4. Eliminate the Ministry of Housing and Cooperatives and turn over the supervision of cooperatives to the Agriculture Ministry.
- 5. Eliminate the Ministry of Oil and the Ministry of Electricity and Water Resources and create instead the Ministry of Energy and Water.
- 6. Establish a Ministry for Youth and Sports.

On August 14, 2000, a new law was passed by Parliament (Law No. 247) canceling Article 1 of Legislative Decree 111 (1959) and replacing it with the following:

The Central Administration comprises the Office of President, the office of the Prime Minister and the following ministries:

- 1. Ministry of Justice
- 2. Ministry of Foreign and Emigrant Affairs
- 3. Ministry of Interior and Municipal Affairs
- 4. Ministry of Finance
- 5. Ministry of Public Works and Transportation
- 6. Ministry of National Defense
- 7. Ministry of Education and Higher Education
- 8. Ministry of Public Health
- 9. Ministry of Economy and Trade

- 10. Ministry of Agriculture
- 11. Ministry of Telecommunications
- 12. Ministry of Labor
- 13. Ministry of Information
- 14. Ministry of Energy and Water
- 15. Ministry of Tourism
- 16. Ministry of Culture
- 17. Ministry of Environment
- 18. Ministry of the Displaced
- 19. Ministry of Sports and Youth
- 20. Ministry of Social Affairs
- 21. Ministry of Industry

The State of Employment in the Public Sector

1. Introduction

In order to uphold social justice and improve efficiency, governments usually resort to measures and policies that reduce the widening gaps between low and high salaries.

2. Volume and Cost

In Lebanon, the labor force is estimated to be about 1 million, of which 200,000, or 20 percent, work in the public sector. In comparison, this rate is 14 percent in Germany and 6 percent in Japan.

According to the 2000 fiscal budget, about LL2,850 billion (\$1 = LL 1,500 approx.) is spent annually on the salaries and retirement benefits of current and former public sector employees. This represents to 37 percent of overall government expenditure, the second largest percentile after debt servicing (47 percent). Since 1961, governments have successively struggled to bridge the gap in public sector wages and to harmonize tenure, salary scales and remunerations.

Employees are distributed as follows:

- 90,000 military and security personnel
- 33,000 in public schools
- 35,000 in the public administration and government institutions
- 15,000 in the municipalities

- 17,000 on contract basis in various departments
- 3,600 Lebanese University professors

In addition, an estimated 44,000 retirees will cost the Treasury up to LL 1,000 billion in 2001.

3. The Problem

Legislative Decree No. 111, dated June 12, 1959, set up the public administration's structure. Forty years later, a scientific and pragmatic review is needed in order to eliminate the unproductive sectors and accommodate the modern concepts of a State and its responsibilities. It is necessary to address the flaws in the system such as the duplication or conflict in powers, and to abolish nepotism.

A comparison between the scales of wages and remunerations in Lebanon and the modern principles of employment reveals that the amendments that have been introduced since 1997, and which affected the system of compensations and social allowances, have had some negative impact.

We have been able to survey nearly 150 types of compensations, some of which were fixed allocations, others were calculated on the basis of varying percentages of the wages. These were clearly not evaluated on scientific basis, as demonstrated below:

| eutenant/Physician | Percentage of Allowances Compared to Basic Salary | | | | |
|-------------------------------|---|--|--|--|--|
| | 141% | | | | |
| Lebanese University President | 256% | | | | |
| Lieutenant/Physician | 402% | | | | |
| Brigadier/Engineer | 353% | | | | |

After delays that extended from the summer of 1994 until the fall of 1998, the government established salary scales for each employment rank in order to do away with compensations and redress imbalance in earnings. But this target remained elusive, because the law maintained some ad-hoc and directionary compensations, thus failing to redress the imbalance in the salaries of employees.

4. Employment Categories and Ranks

Employees of the public administration and institutions are divided into five categories. These are:

| Category | Number of Employees |
|----------|---------------------|
| One | 135 |
| Two | 670 |
| Three | 4170 |
| Four | 19392 |
| Five | 10310 |

Successive governments have tried to readjust the salary scales and ranks in the public sector that were established in 1961 in light of the structural changes in the administration that had taken place, such as the elimination of portfolios and the introduction of new ones, or the creation of permanent and temporary tenures. To do so, governments introduced remunerations and rewards that surpassed 150 types. Some of these were on certain percentages of the salary, some were linked to the minimum wages and some were fixed sums.

It is worth noting that these compensations were not based on scientific scales, and did not take into account the job description and responsibilities of employees into account. This resulted in a severe imbalance in the earnings of employees and in the services offered to citizens, allowing administrative corruption to fester.

When the government attempted to rectify the situation, it was unable to unify the scales, and was forced to adopt, several scales instead, one for the administrative corps, another for teachers, a third for the judiciary, a fourth for the military and security personnel and separate scales applicable to each of the public institutions.

According to Legislative Decree No.112, dated June 12, 1959, four categories govern the status of employees: tenured staff, contractual, freelancers and hourly recruits. The tenured staff is subdivided into five categories, and these categories are also divided into two ranks. The ranks are subdivided into 22 classifications.

Employees, who turn 64, or who were hired after January 13, 1955 and have been in the service for 44 years, or in the service for 46 years if employed after that date, are considered automatically retired.

5. Salaries of the Central Administration Employees According to Categories and Ranks

The absence of a unified salary scale for tenured employees has provoked internal bickering as employees seek to move to more lucrative jobs.

a. Inconsistency

According to Legislative Decree 717, dated November 5, 1998, salaries have become as follows:

The monthly wage of a category one, first rank employee is LL2.5 million, and increases gradually to reach LL4.6 million at rank 22. However, category one, first rank employees in the Civil Service Council, Central Inspection and the Higher Disciplinary Council receives LL2.9 million, increasing gradually to reach LL5 million in rank 22. This gap widens, when benefits and allowances are calculated.

As for a category one, second rank employee, the basic monthly salary was fixed at LL1.030 million to reach LL2.405 million in rank 22, whereas the category one, second rank employee, such as general supervisor of research in the Civil Service Council, inspector at the Court of Audit, doctors and engineers, department chairman, technician in Civil Aviation, has its salaries set at LL1.270 million to reach LL2.705 million in rank 22. (Tables 5 to 9 show the basic salaries of employees of public institutions, according to categories and ranks).

In addition, an employee receives a daily transportation allowance calculated on the basis of 2 percent of the minimum wage (but on the basis of LL118,000 not LL300,000) and a family allowance that varies according to the family status and the number of children and averaging 20 percent of the minimum wage. This translates into LL60,000 for the wife, and LL33,000 per child up to five children. The family allowance must exceed 75 percent of the minimum wage, or LL225,000 per month. There are also other benefits, such as transport, overtime, night shift rates and travel perdiums, research allowance for Lebanese University professors, productivity rewards and percentages of fees and fines for Customs employees.

b. The Widening Gap between Highest and Lowest Ranks

After the issuing of Legislative Decree, 717 the large gap in monthly salaries was exposed. This is evident from the examination of salaries over the past 10 years (1990-2000).

According to Law No. 2, March 27, 1990, the minimum wage was set at LL45,000 and the scales were:

| Rank | Category One | Category Two | Category Three | Category First | Four Second | Category Five |
|------|-----------------|-----------------|-------------------|-------------------|----------------|------------------|
| 1 | 152.080 | 102.800 | 80.475 | 61.175 | 54.775 | 56.055 |
| 6 | 124.880 | 80.475 | 61.175 | 54.775 | 51.575 | 52.855 |

(Amounts are in LL)

This shows that the salary difference for an employee of the first category, rank one in comparison to an employee of fifth category is 271 percent.

As for Law No. 108, November 7, 1991, it set the minimum wage at LL75,000, bringing the salaries to:

| Rank | Category | Category | Category | Category | Four | Category |
|------|----------|----------|----------|----------|--------|----------|
| | One | Two | Three | First | Second | Five |
| 1 | 248.350 | 168.950 | 132.950 | 101.950 | 91.700 | 93.750 |
| 6 | 204.850 | 132.950 | 101.950 | 91.700 | 86.575 | 88.625 |

Translates into 265%

Law No. 372, August 1, 1994, raised the minimum wage from LL118,000 to LL200,000.

| Rank | Category | Category | Category | Category | Four | Category |
|------|----------|----------|----------|-----------------|----------|----------|
| | One | Two | Three | First | Second | Five |
| 1 | 570 | 480 | 400 | 325 | 260 | 273 |
| | Thousand | Thousand | Thousand | Thousand | Thousand | Thousand |
| 6 | 480 | 400 | 325 | 260 Thousand | 200 | 200 |

Translates into 208%

Law No. 464, December 8, 1995, raised the minimum wage to LL250,000

| Rank | Category | Category | Category | Category | Four | Category |
|------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | One | Two | Three | First | Second | Five |
| 1 | 684 Thousand | 576 Thousand | 480 Thousand | 390 Thousand | 312 Thousand | 327 Thousand |
| 6 | 576 | 480 | 390 | 312 | 250 Thousand | 250 |

Translates into 209%

The last Law No. 717, November 5, 1998 canceled many of the benefits of that were awarded to employees, and raised the minimum wage to LL300,000.

| Rank | Category | Category | Category | Category | Four | Category |
|------|----------|----------|----------|----------|----------|----------|
| | One | Two | Three | First | Second | Five |
| 1 | 2.5 | 1.030 | 860 | 550 | 440 | 375 |
| | Million | Million | Thousand | Thousand | Thousand | Thousand |
| 22 | 4.6 | 2.405 | 1.830 | 1.228 | 1.018 | 900 |
| | Million | Million | Million | Million | Million | Thousand |

Became 511%

This exemplifies the wide gap between salaries of employees of the first and fifth categories between LL4.6 million and LL900,000, which is 511%.

The Civil Service Council justified the new scales, stressing that first category employees have numerous duties and expenses that necessitate larger salaries, parts of which were previously covered by allowances reaching LL681,000 (Transport and Representation Allowances) according to Law No. 1219/1 of February 12,1996. Since, there was a need to adjust the meager salaries of these employees and the allowances were incorporated into the basic salaries according to Law 717.

Employees had hoped that the long-awaited Law 717 would adjust the scales in a manner that would bridge the gaps in between the salaries of first and fifth category employees. Instead, it made matters worse. As an example, we cite the difference between the first category, rank two employee whose monthly earning is LL1.270 million, which is the same as that of a third category, rank eight and that of a fourth category, rank one, even though the requirements for employment are radically different. This raises questions about the considerations taken into account to produce such scales.

6. Social Allowances

Employees enjoy scholarships and medical insurance, whether through the Cooperative of State Employees, the National Social Security Fund or directly from the department to which they belong. These are as follows:

| Fiscal Budget | 1997 | 1998 | 1999 | 2000 |
|--|------------|------------|------------|------------|
| Scholarships Medical Expenses Government contribution as an employer to NSSF | 27 billion | 29 billion | 26 billion | 30 billion |
| | 60 billion | 52 billion | 55 billion | 60 billion |
| | 58 billion | 60 billion | 60 billion | 65 billion |

As for retirement or end of service remunerations, these amount to:

| Year | 1997 | 1998 | 1999 | 2000 |
|--|-------------|-------------|-------------|-------------|
| Pension and End of Service Payments | 450 billion | 520 billion | 744 billion | 875 billion |

7. Finance Ministry Employees

Employees at the Finance Ministry benefit from revenues collected from fines. Under Article 33 of the 2000 fiscal budget, 70 percent of these fines are channeled to the Treasury, and 30 percent to the employees. The employees' benefits are divided into shares, seven of which go to the director-general, six to the government's representative at Central Bank and the category two employees, five to the category three employees, four to the supervisors of tax collection, 2.5 to other category four employees and 1.5 to category five employees, including contractual employees. The annual share must not exceed 10 times the minimum wage. The number of employees benefiting from this system is 1,200 and the revenue was estimated to be LL6 billion in 1998, LL6.5 billion in 1999, and LL7 billion in 2000.

This chapter dealt with the official civil servants scale; chapter 3 describes he salaries and benefits of "Public Authority" i.e. President, Premier, Speaker of the House, Members of the Parliament (MPs) and Ministers; while chapter 11 depicts the salaries and benefits of other government organizations and public companies. The aforementioned gaps become much wider when the salary of a civil servant is measured against those categories.

Allocations and Compensations in the Public Authority

1. Introduction

Law No. 717 gave the lion's share of increases to the supreme hierarchy, meaning the President, the Speaker, ministers and MPs. These allocations increased from LL6.120 million before the law to LL14.230 million after the law. In comparison, the allocations for state employees' salaries climbed from LL1.648 billion to LL1.903 billion.

2. Salaries and Benefits

This table shows the salaries and benefits in LL of the supreme hierarchy as they stand now.

| Break- down | President | Parliament Speaker | Prime Minister/ MP | Prime Minister/ Non-MP | Minister/ MP | Minister/ Non-MP | MP |
|--|------------|-----------------------|--------------------------|------------------------------|-----------------|---------------------|-----------|
| Salary | 4,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Official Represent- ation allowance | 4,500,000 | 3,400,000 | 3,400,000 | 3,400,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Car Allowance | - | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | 1,125,000 | - |
| Car and Telephone Allowance | - | - | 1,800,000 | 1,800,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Driver and Secretary Allowance | - | 1,800,000 | - | - | - | - | 1,500,000 |
| Social Allowance | 3,500,000 | 2,000,000 | 2,000,000 | 2,000,000 | 1,500,000 | 1,500,000 | 1,000,000 |
| Total | 12,500,000 | 11,825,000 | 11,825,000 | 11,825,000 | 8,625,000 | 8,625,000 | 8,500,000 |

In addition, MPs cash from the Parliamentary Fund "social allowances" amounting to LL2.7 million a month, which raises an MPs earnings to LL11.2 million per month. These were allowances decreed in 1994 to help MPs meet their obligations at a time when their salaries were LL3.2 million. But the reality is that their salaries increased, and their allowances were retained.

The Parliamentary Fund, which pays out these allowances, also provides medical insurance for serving and former MPs and their families through contracts with private insurance firms. The fund has two main sources of revenue:

- 1. The membership fees collected from each MP, current and former, and which amount to LL100,000 per month.
- 2. The government's subsidies from the fiscal budget and which amounted to:

| Year | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|----------|---------|---------|---------|---------|---------|---------|---------|
| Contrib- | 4 | 7.9 | 6.4 | 8.5 | 9.1 | 6 | 10 |
| ution | billion |

(Amounts in LL)

3. MP Benefits

The Presidential Guard consists of one full brigade; a 400-strong unit of the Internal Security Forces is assigned to the prime minister and his office, while 460 ISF personnel are allocated to the Parliament speaker. In addition, each MP is allocated two State Security personnel, and a minister has four.

Among other MP benefits is an annual sum of LL150 million that is taken out of the budget of the Ministry of Public Works for projects in their constituencies. An MP has the right to register during each four-year term one car that is exempt from customs duties, registration fees and road tax (mecanique).

4. Remunerations of former President, Premiers, Speakers and MPs

Former ministers have no carry-over benefits once they are out of office except that they may maintain the Special Passport. Law No. 25/74, dated September 25, 1974, defined the allowances for former presidents, prime ministers and MPs.

It decrees that presidents, prime ministers and speakers receive 75 percent of the salaries and allowances of those currently serving in these posts. As for former MPs, each would receive salaries and allowances amounting to about 55 percent of those allocated to the current deputy if he or she served for one term; 65 percent if he or she served for two terms and 75 percent if the beneficiary served three or more terms.

Law No. 722, dated November 5, 1998, stipulated that any MP who dies while in office would be considered as having served three terms in Parliament, while his family would benefit from 75 percent of his allocations. According to the law, the family involves wife, or wives, sons up to the age of 25 and daughters who are unmarried, divorced or widowed.

These remunerations go to about 140 former MPs who are still alive and to the families of 90 others who are dead.

Salaries and Remunerations of Judges

The following table shows the increase in number of MPs from 45 in 1930 to 128 in 1992. The salaries and remunerations have increased collectively from LL45 to LL16.6 billion.

| Year | # of MPs | Parliamentary Budget | MPs Remunerations |
|----------|----------|-------------------------|----------------------|
| 1930 | 45 | 136.5 | 45 |
| | | thousand | thousand |
| 1934 | 25 | 30 | 20 |
| | | thousand | thousand |
| 1938 | 63 | 120.8 | 57 |
| | ļ | thousand | thousand |
| 1952 | 77 | 1.106 | 350 |
| | <u> </u> | million | thousand |
| 1964 | 99 | 2.780 | 700 |
| | | million | thousand |
| 1972 | 99 | 1.580 | 1 |
| | | million | million |
| 1991 | 99 | 6 | 2 |
| | | billion | billion |
| 1992 | 108 | 9.8 | 3.8 |
| <u> </u> | | billion | billion |
| 1993 | 128 | 39 | 4.2 |
| | | billion | billion |
| 1994 | 128 | 19.6 | 7.2 |
| | | billion | billion |
| 1996 | 128 | 31.6 | 9.2 |
| <u></u> | | billion | billion |
| 2000 | 128 | 40.3 | 16.6 |
| | | billion | billion |
| | Ī | 1 | |

1. Introduction

The judiciary is the third authority in the State. In most countries, judges are granted benefits to enable them to excel in their performance. However, in Lebanon, judges, like other employees, have experienced financial difficulties, which prompted some to resign and resume work as lawyers. Since the 1990s, the government has been improving the conditions of judges, increasing their salaries and creating the Judges Insurance Fund, which pays for medical bills and schooling. Law No. 716, dated November 5, 1998, unified the scales in all branches of the judiciary: (legal, financial, religious and administrative).

| Rank | Salary | Rank | Salary (Thousands III) |
|------|----------------|------|---------------------------|
| | (Thousands LL) | | (Thousands LL) |
| 1 | 1.900 | 12 | 3.550 |
| 2 | 2.050 | 13 | 3.700 |
| 3 | 2.200 | 14 | 3.850 |
| 4 | 2.350 | 15 | 4.000 |
| 5 | 2.500 | 16 | 4.150 |
| 6 | 2.650 | 17 | 4.300 |
| 7 | 2.800 | 18 | 4.450 |
| 8 | 2.950 | 19 | 4.600 |
| 9 | 3.100 | 20 | 4.750 |
| 10 | 3.250 | 21 | 4.900 |
| 11 | 3.400 | 22 | 5.050 |

As for interns, who are selected according to results of board exams, their salaries are:

| Year | Salary (Thousands LL) |
|-------------|-----------------------|
| First Year | 800 |
| Second Year | 850 |
| Third Year | 900 |

2. The Number of Judges

There are some 500 judges, of whom 420 are in the legal branch, 45 in the Shura Council and 35 in the Court of Audit. However, the number of posts available is 515 in the legal branch, 99 in the Shura Council and 42 in the Court of Audit. This means that 20 to 50 percent of the seats are vacant, which automatically slows down the procedures and delays in verdicts.

3. Promotion of Judges

Every two years, a judge is awarded a promotional rank. Judges retire at 68, unlike the obligatory retirement age of 64 that applies to other public sector employees.

The judiciary comprises the legal justice, Shura Council, Court of Audit and the religious courts.

4. Judges Insurance Fund

In addition to their salaries, current and former judges benefit from the Judges Insurance Fund, which provides full medical coverage for a judge and his family as well as scholarships. Also, a financial assistance is paid out to judges on rotational basis and according to the availability of funds.

Upon retiring, judges receive compensations amounting to a month's salary per year of service (About LL100 million to LL200 million).

The Judges Insurance Fund recently concluded agreements with banks, guaranteed by the Public Institute of Housing, under which US\$35 million would be extended to judges as housing loans, payable over 20 years and carrying a 7 percent interest rate.

Judges are exempted from real-estate registration fees and municipal taxes. Recently judges were exempt from car registration fees and road taxes. Some senior ones are also exempted from paying telephone bills.

As for the fund's revenues these are mainly:

1. The government's annual allocation in the fiscal budget.

| Year | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|----------|---------|---------|---------|---------|---------|---------|---------|
| Contrib- | 4 | 4.250 | 3.3 | 3.3 | 2.8 | 2.8 | 2.8 |
| ution | billion |

- 2. Membership fees, which amount to 5 percent of the judge's salary.
- 3. 50 percent of the value of financial fines that are not governed by a fixed sum, a lump sum of fixed fines and the revenue from LL1,000 official stamps that every lawyer must affix to any document presented to legal authorities.
- 4. A fixed share of fees collected from the registration or amendment of commercial registrar.
- 5. One-fifth of the charges levied on legal procedures.
- 6. Financial assistance, grants, donations and loans offered to the fund.

The fund's annual revenues are estimated at LL12 billion to LL14 billion.

5. Other Benefits

The income of judges is not limited to the salaries and benefits provided by the fund. They are also compensated for membership in councils and committees as follows:

- Judicial Council members are offered remunerations such as LL500,000 a month for the president, LL350,000 for the public prosecutor, the counselor and the investigating magistrate and LL135,000 for the legal assistant.
- Judges are paid monthly remunerations for chairing committees.
- Judges within the legal tenure are paid an extra LL500,000 when acting as prosecutor in religious courts, and LL100,000 for chairing an arbitration session, provided the remuneration does not exceed LL500,000 a month.
- Judges are compensated for heading vote-counting committees during elections (Some 100 benefit from this allocation).
- The judge presiding over the legal committee at the Housing Bank receives a compensation of up to LL400,000.

In preliminary expropriation committees, the president cashes LL50,000, the member LL40,000, the rapporteur LL20,000 and the informer LL15,000 for every document. As for the appeal committees the remunerations are LL80,000 for the president, LL50,000 for the member, LL40,000 for the rapporteur and LL15,000 for the informer. These committees produce several thousand documents per year. The presidents and advisers which investigate banks on the appeal court earn remunerations averaging LL250,000 for the president and LL500,000 for former or unemployed judges.

6. Judges at Religious Courts

There are about 120 judges at the Sunni, Shiite and Druze religious courts. The conditions for their recruitment differ from those of other judges. But their salary scale is the same, and they enjoy benefits from a separate fund to which the Treasury contributes:

| Year | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|----------|---------|---------|---------|---------|---------|---------|---------|
| Contrib- | 500 | l | 835 | l | 2.5 | 2.5 | 4 |
| ution | million | billion | million | billion | billion | billion | billion |

The average annual allowance provided by the fund to each judge is LL20 million to LL30 million.

7. The Constitutional Council

The Lebanese Constitution, after its amendment according to the Taif Accord, stipulated in Article 19 the creation of a Constitutional Council to oversee the legality of laws and texts, and to arbitrate disputes related to presidential or parliamentary elections. The council was created under Law No. 250, dated July 14, 1993. The council is an independent judicial authority comprising 10 former senior judges, university professors or lawyers who have been in their field for at least 20 years.

The council's administrative council comprises 15 employees, one from category two, 10 from category four and four from category five. Although membership of the council requires high standards of education and experience, the issues before it are few. This is mainly due to the mechanism, which stipulates that at least 10 MPs, or one leader (president, premier or speaker) or a spiritual authority has to submit the petition for it to be examined. The salary of the council's president is set at LL10 million a month, whereas each member cashes LL8 million.

After the end of his six-year tenure, a member is entitled to a

The table below shows the salaries and remunerations in LL for the 10 members and 10 administrative staff:

compensation equal to a year's indemnity.

| Year | 1994 - 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|-----------|----------------|---------|---------|---------|---------|---------|
| Contribu- | 1.1 | 850 | 890 | 980 | 1.135 | 1.708 |
| tion | billion | million | million | million | billion | billion |

8. State Attorneys

The government contracts on annual basis 27 defense attorneys to represent it in legal cases leveled against it. These are paid LL1 million a month. It is worth noting that the number of cases either filed by the government or against it is currently in excess of 18,000. This causes delays in arbitration for many years.

Salaries and Remunerations of Military and Security Personnel

1. Introduction

This section covers the armed forces personnel, Internal Security Forces, General Security and State Security. But before we discuss the salary scales, we shall first examine personnel numbers in each of the four establishments as stipulated by legislative decrees. (It is worth noting that the actual number of General Security personnel is 2981, while the ISF says it has no more than 15,000 members). The numbers of personnel is 36,000, including conscripts.

2. Personnel Tenure

| | Decree 3771 | Decree 1460 | Decree 9610 | Decree 13317 |
|--------------------------------|--------------|-------------------|------------------|----------------|
| | 22/1/1981 | 15/7/1991 | 13/12/1996 | 31/10/1998 |
| Rank | Armed Forces | Internal Security | General Security | State Security |
| General | 1 | - | • | |
| Maj. General | 8 | 6 | 1 | 1 |
| Brigadier | 60 | 47 | 20 | 6 |
| Colonel | 148 | 96 | 38 | 43 |
| Lt. Colonel | 358 | 165 | 110 | |
| Major | 390 | 263 | | |
| Captain | 600 | 384 | 90 | |
| lst Lieutenant | 1204 | 356 | 210 | 71 |
| Lieutenant | 2769 | 400 | | |
| Senior Sergeant | - | 449 | 527 | 150 |
| Sergeant Major | - | 671 | | |
| lst Adjutant | 1828 | 1150 | 900 | 400 |
| Adjutant | | 2608 | | |
| 1st Sergeant | 3259 | 4169 | 1250 | 700 |
| Sergeant | 5797 | 5294 |] | |
| Caporal | 9811 | 5633 | 2500 | 1704 |
| Private | 20156 | 7803 | | |
| Administrative Staff | | | 40 | 227 |
| Contractual Technical Staff | 3148 | 702 | 74 | 500 |
| Laborers | 2.40 | '32 | 125 | 100 |
| Mandated Judge | | | 1 | 2 |
| Total | 49,537 | 30,196 | 5,886 | 3,904 |

Subdivisions are attached to these four departments. They are:

- 1. Airport Security 56 personnel.
- 2. Military Chamber 40 personnel.
- 3. Military Council Secretariat 15 personnel.
- 4. Ministry of Defense General Inspection 82 personnel.
- 5. Armed Forces Directorate of Administration 350 personnel.
- 6. Parliamentary Police 460 personnel.

3. Rank and File

- Soldiers: Private to Caporals
- Non-Commissioned Officers: Sergeants and Adjutants
- Commissioned Officers: Lieutenants and Captains
- Commanding Officers: Majors, Lieutenant Colonels and Colonel
- Staff Officers: Brigadiers and Major Generals

4. Salaries and Remunerations

Law No. 718, dated November 8, 1998, set the salary and remuneration scales for military and security personnel according to the rank.

The application of Alert Four condition since 1975, has led to an increase in the salaries and remunerations of military personnel, and consequently, to the rise in end of service payments since each year of actual service was considered equal to three. As an example, someone who has served in the forces for 30 years would be entitled to an indemnity equal to a 90-year service. The first 40 years would automatically entitle the retiree to a slightly reduced monthly salary. As for the other 50 years, they are to be multiplied by three and the retiree would get a lump sum end of service payment equal to 150 months.

Therefore, canceling Alert Four would save the Treasury up to LL100 billion a year.

After retirement, a general is entitled to a driver and a bodyguard, a major general and a brigadier to a driver or a bodyguard. The personnel may be replaced for a monthly income equal to that of a private, LL455,000.

Salaries of military/security personnel in LL according to military and administrative ranks

| Title and Rank | Basic Salary | Allowances | Total |
|-----------------------------|---------------|---------------|---------------|
| General 1st rank | 3.9 Million | Undetermined | |
| General 5th rank | 4.3 Million | Undetermined | |
| Maj General 1st rank | 3.020 Million | 1.600 Million | 4.620 Million |
| Maj General 7th Rank | 3.560 Million | 1.720 Million | 5.280 Million |
| Brigadier 1st rank | 2.140 Million | 1.360 Million | 3.500 Million |
| Brigadier 11th rank | 3.020 Million | 1.600 Million | 4.620 Million |
| Colonel 1st rank | 1.335 Million | 907 Thousand | 2.242 Million |
| Colonel 12th rank | 1.995 Million | 1.1 Million | 3.095 Million |
| Lt Colonel 1st rank | 1.205 Million | 870 Thousand | 2.075 Million |
| Lt Colonel 13th rank | 1.855 Million | 1.060 Million | 2.915 Million |
| Major 1st rank | 1.125 Million | 850 Thousand | 1.975 Million |
| Major 13 rank | 1.725 Million | 1.030 Million | 2.755 Million |
| Captain 1st rank | 965 Thousand | 637 Thousand | 1.600 Million |
| Captain 13th rank | 1.455 Million | 780 Thousand | 2.235 Million |
| 1st Lieutenant 1st rank | 895 Thousand | 615 Thousand | 1.515 Million |
| 1st Lieutenant 14th rank | 1.410 Million | 770 Thousand | 2.180 Million |
| Lieutenant 1st rank | 825 Thousand | 600 Thousand | 1.425 Million |
| Lieutenant 13th rank | 1.270 Million | 730 Thousand | 2.000 Million |
| Private 1st rank | 455 Thousand | 227 Thousand | 682 Thousand |
| Private 20th rank | 986 Thousand | 390 Thousand | 1.376 Million |

Military and security personnel who are sent on training course are compensated with a second salary equal to 50 percent of their monthly wage.

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| Category | Official Trip | Fellowship | | |
|--|---------------------------------------|------------|-----------|--|
| | · · · · · · · · · · · · · · · · · · · | Unmarried | Married | |
| General Officer | 200% of PI | 80% of PI | 96% of PI | |
| Commanding Officer | 170% of PI | 72% of PI | 80% of PI | |
| Deputy Commander | 140% of PI | 60% of PI | 68% of PI | |
| Officer Cadet, Sergeant Major, Sergeant etc. | 110% of PI | 48% of PI | 60% of PI | |

NB: PI is Price Indicator (Minimum Wage: LL 300,000)

If traveling on a fellowship provided by a foreign country, the contribution (normally well below the perdiums) is deducted from the travel allowance.

5. Comparison Table

The table below specifies the collective salaries and remunerations of military and security personnel, compared to those of other government employees.

A Comparison between Total Salaries of Military And Security Personnel Compared to Other Public Sector Employees

| Year | Armed Forces | Internal Security | | State Security | Total | Total for Other Public Sector Employ- | % |
|------|-----------------|----------------------|------|-------------------|--------|--|-------|
| 2000 | 760 | 243.5 | 54 | 21 | 1078.5 | 2880 | 37.5% |
| 1999 | 756 | 242 | 52.6 | 20.5 | 1078.1 | 2735 | 39% |
| 1998 | 626.1 | 211.7 | 41 | 16.7 | 895.5 | 2100 | 42.6% |
| 1997 | 611.2 | 219.6 | 42.1 | 12.8 | 885.7 | 2261 | 39% |
| 1996 | 572.2 | 188 | 41 | 13.3 | 814.5 | 1870 | 43.5% |

Numbers are in Billions of LL

Salaries and Remunerations in the Diplomatic Corps

1. Introduction

Lebanon is one of the smallest countries in the world in terms of its geographic area and population. But "traditional philosophy and geo-political conditions during the cold war" have given Lebanon a role and a mission that is perhaps much larger than its size. This has encouraged successive post-independence governments to establish embassies and missions abroad. This has created a central role for the Ministry of Foreign Affairs, whose expenditures have been steadily rising and its missions multiplying, despite the setback Lebanon has suffered on the international political scene.

2. Ministry of Foreign Affairs Expenditures

The table below outlines the expenditures of the ministry and the missions abroad.

| Year | Foreign Ministry Budget | Missions Abroad |
|------|----------------------------|-----------------|
| 2000 | 88 | 46 |
| 1999 | 88 | 46 |
| 1998 | 86 | 45.5 |
| 1997 | 80 | 43.5 |
| 1996 | 79.5 | 44 |
| 1995 | 80.5 | 43 |
| 1994 | 69.5 | 37.7 |

Numbers are in Billions of LL

3. Diplomatic Corps

The Ministry of Foreign Affairs personnel is split into three categories:

| Category | Position | Number |
|----------|--------------------------------------|--------|
| First | Secretary-General, Ambassador | 69 |
| Two | Consul, Counsellor | 69 |
| Three | Secretary, Attache, Deputy Consul | 110 |

4. Salaries and Remunerations

Monthly salaries and benefits differ according to ranks, which are divided into 22 groups, and to the country where the employee is posted:

| Category One | Rank one Rank 22 | US\$2,600 US\$5,540 |
|----------------|---------------------|------------------------|
| Category Two | Rank one Rank 22 | US\$2,000 US\$4,520 |
| Category Three | Rank one Rank 22 | US\$1,500 US\$3,600 |

Varying remunerations, ranging between 175 to 230 percent, are granted to employees in addition to the salaries, depending on the classification of the country of assignment. For example, in Turkey, Pakistan and Mexico the allowance is 175 percent, while in Canada, Saudi Arabia and Egypt it is 190 percent and in Britain, France and other Europeans countries it is 230 percent.

Members of the foreign diplomatic corps which are not provided with a residence are entitled to a monthly living allowance of US\$900 for a bachelor and US\$1,200 for a couple in a country classified as 190 percent or below, and US\$1,200 for a bachelor and \$1,600 for a couple in a country classified as over 190 percent. In addition, a diplomat is entitled to a monthly family allowance set at US\$400 for the wife and US\$200 per child. Heads of missions are automatically provided with residences and allocated a driver, a cook and a car.

Some regard these salaries and remunerations as too high. However the diplomats argue that they are too low, given the enormity of responsibilities and the extra costs of living abroad. They argue that they have to pay for medical insurance and the education of their children because the Cooperative of State Employees makes minimal contributions towards these ends. Moreover, the diplomats and their wives are provided with free home leave air tickets only once every three years.

Salaries and Remunerations of Public School Teachers & Lebanese University Professors

1. Introduction

Teachers constitute the second-largest work force in the government after the military and security personnel. The entire body of public educators is about 33,000: 20,000 elementary and intermediate school teachers, 2,000 in technical and vocational institutions, 2,600 in high schools, 5,000 on contract basis at various levels, and 1,300 Lebanese University professors. In addition, there are some 1,000 teachers working on hourly basis.

2. Salaries and Remunerations

The salary and remunerations scales have very often been subject to continuous change, often in response to the teaching body's demonstrations and strikes. A number of allowances for teachers in Legislative Decree 10634, dated August 12, 1975. As of 1994, the government began its work on unifying the salary and rank scales, including those of teachers. For that purpose, it has issued four laws to adjust the salaries and benefits of teachers, the last of which was Law 661, dated July 24, 1997, setting a unified scale for pre-university education. A fresh graduate from the Elementary Teaching Institute is appointed as a category four, rank four employee. After two years, they are automatically promoted to rank six and tenured.

Intermediate School Teachers are appointed as category four, rank seven employees, and are promoted by one rank every two years.

Secondary school teachers receive their degrees from the Lebanese University's Education department. While in college they are interns for four years. After graduating, they are automatically employed in category three, rank 16.

In category two, there are only eight elderly educators.

Although no teachers are employed as category four, rank one employees, the salary scale has set LL440,000 for such a rank to reach LL1,160,000 in rank 22. As for a teacher's salary in category three, rank one the salary was set at LL800,000 to reach LL2,070,000 in rank 22. This has widened the gaps in salaries.

This gap was further widened with the endorsement of Law No. 148, dated November 4, 1999. The law imposed a gradual reduction in the number of working hours for secondary school teachers who have been employed for 10 years or more over three years starting July 1, 2000. This was coupled with annual increases over the same period ranging between LL80,000 a month for those who have been employed for 10 years and reaching LL160,000 for those who have been teaching for 36 years or more.

This increase was considered as an attempt to shore up the differences in salaries of secondary school teachers and Lebanese University professors, who were granted a separate salary scale in Law No. 717. This set the monthly salary of a university professor of category one, rank one LL1,875,000 to reach LL4,710,000 in rank 22.

An examination of the scales, which were seperated from those of other Public Administration employees in Law No.588,dated August 29, 1996, exposes the gaps between the three categories of public education - elementary and intermediate, secondary and university.

<u>Salaries and Remunerations in LL of Public Teachers and Lebanese University Professors</u>

| Year | Rank | Lebanese University Professors | Secondary School Teachers | Elementary and Intermediate Teachers |
|------|-------------------------|--------------------------------------|---------------------------------|---|
| 1996 | First Rank Last Rank | 686 Thousand 1.148 Million | 390 Thousand 813 Thousand | 1 |
| 1998 | First Rank Last Rank | 1 | 860 Thousand 2.070 Million | |

Whereas, before the law, the difference in salaries of university professors and secondary school teachers ranged between 140 percent and 163 percent, Law No. 588 widened the gap to 218 percent between the university professor and a secondary school teacher to reach 426 percent when compared to an elementary or intermediate schoolteacher. As for the higher categories, the difference is now between 227 percent and 406 percent (Scales No. 1 to 4 According to Categories and Ranks).

3. Lebanese University Insurance Fund

Tenured and contracted Lebanese University professors benefit from this fund, which was launched in late 1997. It offers medical insurance and scholarships for members and their families. At present, 1,727 professors, of whom 1,305 are tenured, 297 contracted and 125 retirees benefit from the fund.

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Once families are added, the number of those benefiting rises to about 7,000. The fund raises its capital from Treasury allocations listed in the fiscal budget and from membership fees.

Lebanese University Professors Insurance Fund

| Year | Scholarships | Medical | Allocations in | |
|------|----------------|----------------|----------------|--|
| | _ | Assistance | Fiscal Budget | |
| 1997 | 5.2 Billion LL | 700 Million LL | 10 Billion LL | |
| 1998 | 6.5 Billion LL | 1.2 Billion LL | 13 Billion LL | |
| 1999 | 7.2 Billion LL | 1.8 Billion LL | 10 Billion LL | |
| 2000 | - | - | 12 Billion LL | |

Amounts are in LL

Salaries and Remunerations at the Council for Development and Reconstruction

1. Introduction

Legislative Decree No. 5, dated January 31, 1977, stipulated the creation of the Council for Development and Reconstruction (CDR) with financial and administrative autonomy, linked directly to the Council of Ministers. It gave the council's administration and staff a special status, setting in June 1977 the monthly salary of CDR's president at LL8,000 with an additional LL3,000 in transportation and other allowances. The monthly salary of a full-time council member was specified at LL6,500 with an additional LL1,500 in allowances. The minimum wage at the time was LL415.

In general, CDR's employees were better paid than all their colleagues in the public administration until the endorsement of Decree No. 6789, dated June 1, 1995, which specified the number of personnel, conditions for employment and scales or salaries and ranks. However, amendments introduced to Articles Two, Three, Four and Five of the decree, followed by a CDR Board of Directors decision 74/95, dated June 4, 1995, offered across-the-board salary hikes.

2. Job Classifications and Definitions

Jobs are defined and classified according to seven different groups, each of which has its own set of criteria for employment:

| Group | Tenure Allocation | Actual Employees | Qualifications |
|-------|----------------------|---------------------|---|
| A | 44 | 30 | Elementary education + two years experience / 12 years experience with ability to read and write Arabic |
| В | 28 | 41 | Baccalaureate 2 / Technical Baccalaureate or Baccalaureate 1 + 2 years experience / Brevet with 5 years experience / elementary certificate + 12 years experience |
| С | 50 | 62 | Technical diploma / Baccalaureate 2 / Technical Baccalaureate 2 + 5 years experience / Technical Baccalaureate 1 + 7 years experience / Brevet with 10 years experience |
| D | 50 | 21 | MA-MS/BS in Engineering / Engineering Diploma + 2 years experience / Diploma + 4 years experience / BA + 6 years experience |
| Е | 41 | 34 | MA-MS/BS Engineering / Higher diploma in Engineering + 7 years experience/diploma + 9 years experience / BA + 11 years experience |
| F | 39 | 34 | Ph.D + 7 years experience / MS engineering + 8 years experience / Higher Education degree / BS in engineering / Higher engineering diploma + 11 years experience / Diploma + 13 years experience / BA + 15 years experience |
| G | 18 | 10 | Ph.D + 10 years experience / MS engineering + 12 years experience BS engineering + 15 years experience / Diploma + 17 years experience / BA + 19 years experience |
| Total | 270 | 232 | |

3. Salaries and Remunerations at CDR

In 1995, salary scales were set according to Law 6789. But the text included a reference to "merit compensations" which are paid out either through government allocations to CDR or Treasury loans extended for developmental projects, provided that the compensations do not exceed 1 percent of the cost of executed projects. A decree by the Council of Ministers, based on CDR's recommendations was supposed to regulate the distribution of bonuses within three months of the law, on August 20, 1995, but it was never issued. Instead, CDR's administration issued decision No. 74/95, dated June 4, 1995, expanding the specifications of merit bonuses to provide other allowances (medical assistance, scholarships etc) as well as overtime compensations and rewards for excellence, increasing remunerations between two and seven folds of the basic salaries. It also stipulated a 7 percent automatic salary raise for every rank, acquired every two years.

NB: CDR employees are contracted on annual basis, with contracts automatically renewed unless either of the two sides submits a termination notice three months in advance.

Table 1

| Group | Rank | Salaries 1/1/1994 | Salaries 1/1/1999 |
|-------|------|-------------------|-------------------|
| Α | 1 | 200 | 300 |
| | 2 | 220 | 322 |
| | 3 | 242 | 346 |
| В | 1 | 253 | 359 |
| | 2 | 278 | 392 |
| | 3 | 306 | 429 |
| С | 1 | 320 | 447 |
| | 2 | 352 | 489 |
| | 3 | 378 | 535 |
| | 4 | 426 | 587 |
| D | 1 | 405 | 560 |
| | 2 | 445 | 612 |
| | 3 | 490 | 672 |
| Е | 1 | 512 | 700 |
| | 2 | 563 | 769 |
| | 3 | 620 | 843 |
| F | 1 | 631 | 858 |
| | 2 | 675 | 916 |
| G | l | 756 | 1.017 |
| | 2 | 809 | 1.085 |

In thousands/LL

Salaries of Public Administration Employees

| Basic Salary | Salary Productivity Overtime Reward | | Total |
|---------------|--|---------------|----------------|
| 335 Thousand | 416 Thousand | 237 Thousand | 988 Thousand |
| 368 Thousand | 397 Thousand | 204 Thousand | 969 Thousand |
| 379 Thousand | 527 Thousand | 30 Thousand | 936 Thousand |
| 577 Thousand | 1.094 Million | 94 Thousand | 1.765 Million |
| 1.054 Million | 4.517 Million | - | 5.571 Million |
| 1.118 Million | 4.857 Million | 1.095 Million | 7.070 Million |
| 1.176 Million | 5.629 Million | 340 Thousand | 7.145 Million |
| 1.148 Million | 5.233 Million | 2.977 Million | 9.358 Million |
| 1.169 Million | 4.840 Million | • | 6.009 Million |
| 1.526 Million | 10.178 Million | - | 11.704 Million |
| 1.292 Million | 7.475 Million | 3.214 Million | 11.981 Million |
| 1.431 Million | 8.219 Million | 4.020 Million | 13.670 Million |

In thousands/LL

Based on CDR's September 2000 accounts, salary payments amounted to LL 162 million a month, bonuses totaled LL486 million and overtime about LL100 million. This comes to LL748 million a month.

It is worth noting that CDR, which was initiated in 1977 and was in charge of managing loans and grants reaching \$5,700 million, has no organizational structure to date.

1. Introduction

Each time the Parliament adjusts the salary scales of the tenured employees of the Public Administration (p.10), the government decrees, adjustments for contracted and part-time employees of its institutions.

2. Problems of Salaries in Public Institutions

Governments have tried, in accordance with Law 717, to harmonize the salary scales of employees of public institutions and those in the Public Administration. But these attempts were not entirely successful as the gaps remained. Some of these differences are listed below:

- 1. Some public institutions offer 13-month pay per annum, others 15-month salaries or even 16-month salaries, whereas other institutions restrict payments to 12 months.
- 2. The different classification of employees into technical and administrative categories and the system of ranks in some institutions, allows certain employees to benefit from allowances, while depriving others of any, even though they enjoy the same qualifications and are carrying out similar jobs.
- 3. Employees of the Beirut Water Authority benefit from salaries and incentives that are significantly better than their peers in water authorities elsewhere in the country.

Whereas the Beirut Water Authority chairman is a Category One employee, whose salary is between LL2.5 million and LL4.6 million, depending on his rank, chairmen of other water authorities are considered Category Two employees with salaries ranging between LL1.270 million and LL2.705 million, depending on their rank.

- 4. The Educational Center for Research and Development employees were allocated a relatively high salary scale compared to that of other employees with similar qualifications. The center's president (Category One) was allotted a salary between LL3.4 million and LL5.5 million for Rank 22. The monthly salary of a specialist director (Category Two) was set at between LL2.2 million and LL3.775 million, depending on the rank. The high salary scale filters down to all ranks of employees.
- 5. A separate salary scale was allocated to employees of the National Bureau of Medicines, which has 37 job slots. The director-general's salary was set at LL5 million a month. As for a department director (Category Two), his salary was set at LL3 million. As for the section chief (Category Three) his salary was set at LL 2million, but this council has not begun its work to date.
- 6. Unlike other institutions the 60 employees of the Investment Development Agency of Lebanon (IDAL) have a specific seven-tier salary scale that takes categories, ranks and qualifications into account. A category two employee, or a department head, cashes LL1,575,000 to reach LL3,080,000 at the highest rank. A section leader starts with a monthly salary of LL1,110,000 to reach LL2,250,000.

3. Examples of Contradictions in Public Institutions

Heads of public institutions are appointed by decrees issued by the Council of Ministers, which automatically classify them as category one, rank one employees. According to the currently applicable scale, this category and rank in the Public Administration translates into a monthly salary of LL2.5 million. But the heads of institutions earn different salaries.

- The Chairman of the General Institution For the Development of the Southern Suburbs of Beirut, Elissar, receives a monthly salary of LL3.8 million in addition to a 25 percent allowance. He is also entitled to LL150,000 each time he convenes a board meeting, provided this does not exceed four sessions a month.
- The Chairman of the **Public Institute of Housing** earns LL3.5 million a month in addition to LL150,000 per board meeting, provided this does not exceed four sessions a month. As a member, he earns LL100,000 for every session.
- The President of the **National Bureau of Medicines** earns LL5 million a month. In addition, he is granted a compensation of 5 percent for extra university degrees and 10 percent for every year of experience. Moreover, for every board meeting, he is entitled to LL150,000, provided this does not exceed five sessions a month.
- The President of the Central Fund for the Displaced earns a monthly salary of LL6 million, plus LL400,000 for every session, provided these do not exceed four per month. As for his deputy, he cashes LL350,000 per session whereas a member cashes LL300,000 per session.
- The President of **Ogero** earns a monthly salary of LL4 million, and each of the two members of the authority cashes LL2 million.

- The President of Lebanese Standards Institute (Libnor) is not allotted a salary, as he is not a full-time employee. But his monthly remunerations include LL409,000 in car allowance, LL284,000 as representation allowance and LL110,000 for every meeting of the authority, provided these do not exceed four sessions a month.
- Director-General of the **Economic and Social Council** has a monthly salary of LL5 million, which is increased every two years by LL100,000 as decreed by the salary scale of the public administration.
- Director-General of **Government Hospital** (more than 300 beds) earns LL5 million a month and a LL300,000 allowance for every board meeting, provided they do not exceed four sessions a month.
- **IDAL's** director-general earns LL 6 million a month in addition to LL125,000 per board meeting, provided these do not exceed four monthly session.

Salaries and Remunerations of the Muslim Clergy

1. Religious Courts

Sunni, Shiite and Druze clergymen who work in religious courts receive the same compensation as laymen judges in the judicial authority. Some LL6.5 billion is allocated to these courts annually, when the Christian spiritual courts are granted an annual Ministry of Justice contribution of LL4 billion.

2. Official Islamic Posts

The spiritual heads of Christian sects receive no salary or allowance benefits from the government, whereas the Mufti of the Republic (Sunni) and the heads of the Shiite, Druze and Alawite communities as well as the lower-ranking Muslim clergymen are on the government payroll.

| Beneficiaries | Allocations as of 1/1/1999 |
|---|-------------------------------|
| Grand Mufti, Spiritual Heads of the Shiite, Alawite and Druze Communities | 4.2 Million |
| Jaafarite Muft, Mufti of Tripoli | 3.7 Million |
| Other Muftis | 3.3 Million |
| Senior Theologians | 3 Million |

In addition, they earn seniority allowances amounting to 7 percent for every two years of service.

Central Bank - National Social Security Fund - Petroleum Installations - Intra -Casino du Liban - Middle East Airlines

1. Introduction

Some public institutions, which were created by decrees granting them financial and administrative autonomy, have abused this privilege to offer their employees steep salaries and benefits, which are considered the highest in the republic, even when compared to those of the private sector. The government's acquisition of private companies (Casino du Liban, the Petroleum Installations in Zahrani and Tripoli, Intra, Middle East Airlines, the Beirut Port Company etc) did not entail any change in the group employment contracts or the salaries of employees that had been signed with the previous administrations. These salaries were well above the scales set by the government for its employees.

2. Central Bank

This institution was created under decree No. 13513, dated August 1, 1963. It enjoys financial and administrative autonomy, with the governor making the decisions related to employment and promotion. The bank is not accountable to Central Inspection, and has its own internal inspection mechanism.

The number of Central Bank employees has risen since 1994 to reach 1,400, some of which were employed for non-professional considerations. Employees are paid 16-month salaries annually, in addition to other benefits such as scholarships and low-interest housing loans.

Each employee is allowed two loans, one for a residence in the city and another in the countryside. Expenditure on salaries and allowances has increased from LL17 billion in 1991 to LL90 billion in 2000 as shown in the table below.

| Year | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|----------------|------|------|------|------|------|------|------|------|------|------|
| Total Costs | | 43 | 40 | 38 | 53 | 65 | 70 | 82 | 87 | 90 |

In Billions of LL

Also, the governor's annual salary is LL700 million. After the end of his six-year term, the governor receives an end of service payment amounting to a two-year salary or LL1.4 billion. Accordingly, members of the Banks Supervision Committee are awarded steep salaries of LL25 million a month each. As for the governor's four deputies, their monthly salaries are LL30 million each.

3. National Social Security Fund

The fund was established under decree No. 13955, dated September 26, 1963. Its objective is to secure medical care and end of service indemnities for both public and private sector employees. Currently, the fund employs 1,400 people.

The total cost of salaries of these employees is LL70 billion per year, or 11 percent of total subscription revenue paid by employees and employers, including the government. In other countries, salaries do not exceed 3 percent of the revenues of such funds. The average annual income of a NSSF employee is \$33,000. This average is even higher than that of bank employees who are considered the highest paid in Lebanon and whose annual income does not exceed \$20,000. NSSF employees receive end of service payments amounting to 25 times their last monthly salary.

As for benefits, these include:

- Childbirth compensation amounting to one-month bonus.
- Marriage compensation amounting to one-month bonus.
- Scholarships that go to the employee's children and brothers and sisters in his care provided they are older than three and younger than 25. These are calculated on the basis of 75 percent of the average tuition fees of 10 private schools. Each scholarship is coupled with a transportation allowance equal to the minimum wage.

4. Petroleum Installations at Zahrani and Tripoli

In 1973, the government re-acquired the Tripoli installations from the Iraq Petroleum Company, and in 1986, Medrico ceded its installations in Zahrani to the Lebanese government. The ownership of the installations was transferred to the government with all their employees, whose work has since been reduced to maintaining the storage tanks and monitoring the import and distribution of oil as well as the government's imports of fuel oil and diesel for the Electricity Authority and factories. The number of employees is roughly 480, who are locked with the government in a group contract that is an extension of the contract that existed with the previous administrations and which included a set of benefits including a 13th month annual bonus, scholarships, medical expenses, a portion of the imported products, promotions etc. Consequently, the Lebanese government is currently spending about LL 20 billion per year on salaries and benefits, for an annual average of LL 41 million per employee.

5. Intra

This investment company was created in 1970, following the collapse of Intra Bank. Its main objective was to solve banking and legal problems that stemmed from the bank's bankruptcy.

As a result, the government and the Central Bank pumped huge amounts of money to complete the liquidation of the bank, in return for shares in the company.

The company's ownership is as follows:

- Government of Lebanon: 10 percent

- Central Bank: 35 percent

- Government of Kuwait: 19 percent

- National Bank of Kuwait: 4 percent

- Government of Qatar: 3.2 percent

- Lebanese and Arab individuals and companies: 28.8 percent

The company is perceived as a public institution, because of the public sector's ownership share. However, from a legal viewpoint, it is a private enterprise that is governed by laws applicable to private commercial enterprises.

At present, the company's deposits amounts to \$220 million, although some estimates have reached \$600 million. Intra is a shareholder in several institutions and properties:

- 51 percent of Casino du Liban
- 98 percent of Finance Bank
- 51 percent of Beirut Port Finance and Real Estate Company
- 100 percent of Smart Building
- 100 percent of Studio Baalbek (currently non-operational)

Real estate properties in Lazarites building (in Beirut Central District), Doha, Roumieh, Monteverde, Bouar, Baabda.

The number of employees, whose salaries amount to LL 2 billion per annum is 90. The director-general, who also is chairman of the board, cashes a monthly salary of \$25,000 in addition to other allowances: a driver, transportation allowance, telephone bills, scholarships and compensations as a board member of companies belonging to Intra, which amount to \$5,000 a month.

6. Casino du Liban

Intra owns 51 percent of Casino du Liban's shares. Politicians consider this facility as a public institution. Political considerations, rather than need, are the main criterion for employment. This has raised the number of employees to 1,500, whose collective annual salaries amount to \$40 million. The chairman of the board cashes a monthly salary amounting to LL30 million.

7. Middle East Airlines

In 1996, ownership of MEA was transferred from the government to the Central Bank. Employees continued to earn the same salaries, remunerations and benefits as before: Free tickets, transportation allowances, medical coverage, scholarships etc. This contributed, albeit to a small extent, to an increase in the deficit and losses of the company. The number of MEA employees is about 4,000, whose monthly salaries amount to \$5 million. The salaries vary, according to ranks and seniority. MEA's chairman cashes a monthly salary of \$10,000, whereas a pilot receives between \$7,000 and \$11,000 in salary and benefits, depending on the flying hours. Station managers abroad receive between \$5,000 and \$10,000 a month, depending on where they are posted.

Government Committees and Administrative Boards

1. Introduction

Central Inspection's 1997 annual report said:

"...It is necessary to underline that inefficiency among employees can be partly attributed to their distraction from their principal duties to participate in a variety of committees, councils and administrative councils in pursuit of remunerations that are offered under various disguises and which often exceed their basic salaries..."

2. Government Committees

The government appoints committees in various ministries, comprising employees of the particular ministry. The main purpose of these committees is to speed up work that should in any case be completed by the ministry's employees. However, committee members are entitled to compensations whenever a meeting is convened outside office hours. Consequently, the committees always meet outside the official hours so the members may cash the allowances which range between LL100,000 and LL150,000 per session, but not exceeding four sessions a month.

There is no specific ceiling for the number of these committees, but they normally range between 30 and 45. As such, the annual cost of these committees is between LL220 million and LL320 million.

The by-laws of certain public institutions stipulate the creation of a board of directors. The board comprises the director-general of the concerned institution and members from outside the institution. Each member is entitled to an allowance ranging between LL120,000 and LL400,000 per session, provided the board meetings do not exceed four per month.

As dismal as it may seem, this is indeed the reality of the Public Administration and the salary scales and benefits of its employees. Shedding the light on this basic imbalance may help put on track the effort to build a modern state that meets the aspirations of citizens and provides them with prompt services at the lowest possible costs. Such a target is unattainable without an overhauling of the administration's structure to simplify work procedures and address the grievances of employees with regard to their qualifications and salaries.

It is impossible to continue to crowd the government with employees as a means to absorb unemployment. Qualified and satisfied civil servants are the main foundation for the aspired-for state. As such, it is imperative to reconsider the size of the public sector and determine the actual personnel needs of each department and institution, including the military and security forces.

It is also important to apply scientific standards to define government posts and ensure the application of meritocracy and experience in the allocation of qualified staff. Only then can a balanced salary scale be introduced based on the responsibilities and tasks expected from the employee. Such a new scale has to uphold the principles of equality and fairness for employees, eliminating the class segregation that is currently prevalent and bridging the enormous gap that currently exists between the salaries of the first two categories and the other employees.

It is inconceivable to expect the administration to improve its performance when the gap in salaries of the employees is such that one earns LL300,000 a month and another LL45 million or when there are two employees of the same rank and qualifications earning widely different salaries, because one is blessed with remunerations from membership in committees or administrative boards.

It is also necessary to reconsider the status of public institutions and the private-public sector establishments.

Two other important steps must be taken:

- 1. Activating the Central Inspection and the Higher Disciplinary Council: this can be achieved by simplifying the red tape that constrains their functions in order to improve the supervision of the employees' performance and alter the council inactive role of simply receiving complaints.
- 2. Implementing A System of Reward and Accountability: to speed up the promotion of efficient and honest employees and to punish those abusing their jobs and responsibilities.

The construction, development and modernization of the State, which is the role of governments, politicians and citizens, cannot be achieved without a qualified staff that enjoys the minimum requirement for a decent living.



Annex A Scales of Government Salaries According to Categories & Ranks

Table 1 Lebanese University Faculty

| Rank | Salaries until 31/12/1998 LL | Salaries as of 1/1/1999 LL |
|------|---------------------------------|-------------------------------|
| 1 | 686.500 | 1.875.000 |
| 2 | 719.500 | 2.010.000 |
| 3 | 752.500 | 2.145.000 |
| 4 | 785.500 | 2.280.000 |
| 5 | 818.500 | 2.415.000 |
| 6 | 851.500 | 2.550.000 |
| 7 | 884.500 | 2.685.000 |
| 8 | 917.500 | 2.820.000 |
| 9 | 950.500 | 2.955.000 |
| 10 | 983.500 | 3.090.000 |
| 11 | 1.016.500 | 3.225.000 |
| 12 | 1.049.500 | 3.360.000 |
| 13 | 1.082.500 | 3.495.000 |
| 14 | 1.115.500 | 3.630.000 |
| 15 | 1.148.500 | 3.765.000 |
| 16 | 1.181.500 | 3.900.000 |
| 17 | 1.214.500 | 4.035.000 |
| 18 | 1.247.500 | 4.170.000 |
| 19 | 1.280.500 | 4.305.000 |
| 20 | 1.313.500 | 4.440.000 |
| 21 | 1.346.500 | 4.575.000 |
| 22 | 1.379.500 | 4.710.000 |

Table 2 Salary Scale of Public Teachers Third Category

| Rank | Salaries until 31/12/1995 LL | Salaries as of 1/1/1996 LL |
|------|---------------------------------|-------------------------------|
| 1 | 390.000 | 860.000 |
| 2 | 408.000 | 900.000 |
| 3 | 426.000 | 940.000 |
| 4 | 444.000 | 980.000 |
| 5 | 462.000 | 1.020.000 |
| 6 | 480.000 | 1.060.000 |
| 7 | 499.200 | 1.110.000 |
| 8 | 518.400 | 1.160.000 |
| 9 | 537.600 | 1.210.000 |
| 10 | 556.000 | 1.260.000 |
| 11 | 576.600 | 1.310.000 |
| 12 | 597.600 | 1.370.000 |
| 13 | 619.200 | 1.430.000 |
| 14 | 640.800 | 1.490.000 |
| 15 | 662.400 | 1.550.000 |
| 16 | 684.000 | 1.620.000 |
| 17 | 705.600 | 1.690.000 |
| 18 | 727.200 | 1.760.000 |
| 19 | 748.800 | 1.830.000 |
| 20 | 770.400 | 1.910.000 |
| 21 | 792.000 | 1.990.000 |
| 22 | 813.600 | 2.070.000 |

Table 3
Salary Scales of Public Teachers
Fourth Category-First Group

| Rank | Salaries until 31/12/1995 LL | Salaries as of 1/1/1996 LL |
|------|---------------------------------|-------------------------------|
| 1 | 312.000 | 577.500 |
| 2 | 327.600 | 605.000 |
| 3 | 343.200 | 632.500 |
| 4 | 358.800 | 665.000 |
| 5 | 374.400 | 679.500 |
| 6 | 390.000 | 730.000 |
| 7 | 408.000 | 762.500 |
| 8 | 426.000 | 795.000 |
| 9 | 444.000 | 827.500 |
| 10 | 462.000 | 860.000 |
| 11 | 480.000 | 900.000 |
| 12 | 499.200 | 940.000 |
| 13 | 518.400 | 980.000 |
| 14 | 537.600 | 1.020.000 |
| 15 | 556.800 | 1.060.000 |
| 16 | 576.000 | 1.110.000 |
| 17 | 597.600 | 1.160.000 |
| 18 | 619.200 | 1.210.000 |
| 19 | 640.800 | 1.260.000 |
| 20 | 662.400 | 1.310.000 |
| 21 | 684.000 | 1.370.000 |
| 22 | 705.600 | 1.430.000 |

Table 4
Salary Scales of Public Teachers
Fourth Category-Second Group

| Rank | Salaries until 31/12/1995 LL | Salaries as of 1/1/1996 LL |
|------|---------------------------------|-------------------------------|
| 1 | 250.000 | 440.000 |
| 2 | 262.400 | 467.500 |
| 3 | 274.800 | 495.000 |
| 4 | 287.200 | 522.500 |
| 5 | 299.600 | 550.000 |
| 6 | 312.000 | 577.500 |
| 7 | 327.600 | 605.000 |
| 8 | 343.200 | 632.500 |
| 9 | 358.800 | 665.000 |
| 10 | 374.400 | 697.500 |
| 11 | 390.000 | 730.000 |
| 12 | 408.000 | 762.500 |
| 13 | 426.000 | 795.000 |
| 14 | 444.000 | 827.500 |
| 15 | 462.000 | 860.000 |
| 16 | 480.000 | 900.000 |
| 17 | 499.200 | 940.000 |
| 18 | 518.400 | 980.000 |
| 19 | 537.600 | 1.020.000 |
| 20 | 556.800 | 1.060.000 |
| 21 | 576.000 | 1.110.000 |
| 22 | 597.600 | 1.160.000 |

Table 5
Public Administration Salary Scales
First Category

| Rank | Salaries until 31/12/1998 LL | Salaries as of 1/1/1999 LL |
|------|---------------------------------|-------------------------------|
| 1 | 576.000 | 2.500.000 |
| 2 | 597.600 | 2.600.000 |
| 3 | 619.200 | 2.700.000 |
| 4 | 640.800 | 2.800.000 |
| 5 | 662.400 | 2.900.000 |
| 6 | 684.000 | 3.000.000 |
| 7 | 705.600 | 3.100.000 |
| 8 | 727.200 | 3.200.000 |
| 9 | 748.800 | 3.300.000 |
| 10 | 770.400 | 3.400.000 |
| 11 | 792.000 | 3.500.000 |
| 12 | 813.600 | 3.600.000 |
| 13 | 835.200 | 3.700.000 |
| 14 | 856.800 | 3.800.000 |
| 15 | 878.400 | 3.900.000 |
| 16 | 900.000 | 4.000.000 |
| 17 | 921.600 | 4.100.000 |
| 18 | 943.200 | 4.200.000 |
| 19 | 964.800 | 4.300.000 |
| 20 | 986.400 | 4.400.000 |
| 21 | 1.008.000 | 4.500.000 |
| 22 | 1.029.600 | 4.600.000 |

Table 6
Public Administration Salary Scales
Second Category

| Rank | Salaries until 31/12/1998 LL | Salaries as of 1/1/1999 LL |
|------|---------------------------------|-------------------------------|
| 1 | 480.000 | 1.030.000 |
| 2 | 499.200 | 1.090.000 |
| 3 | 518.400 | 1.150.000 |
| 4 | 537.600 | 1.210.000 |
| 5 | 556.800 | 1.270.000 |
| 6 | 576.000 | 1.330.000 |
| 7 | 597.600 | 1.390.000 |
| 8 | 619.200 | 1.450.500 |
| 9 | 640.800 | 1.510.000 |
| 10 | 662.400 | 1.575.000 |
| 11 | 684.000 | 1.640.000 |
| 12 | 705.600 | 1.705.000 |
| 13 | 727.200 | 1.770.000 |
| 14 | 748.800 | 1.835.000 |
| 15 | 770.400 | 1.900.000 |
| 16 | 792.000 | 1.965.000 |
| 17 | 813.600 | 2.030.000 |
| 18 | 835.200 | 2.105.000 |
| 19 | 856.800 | 2.180.000 |
| 20 | 878.400 | 2.225.000 |
| 21 | 900.000 | 2.330.000 |
| 22 | 921.600 | 2.405.000 |

Table 7
Public Administration Salary Scales
Third Category

| Rank | Salaries until 31/12/1998 LL | Salaries as of 1/1/1999 LL |
|------|---------------------------------|-------------------------------|
| 1 | 390.000 | 860.000 |
| 2 | 408.000 | 894.000 |
| 3 | 426.000 | 928.000 |
| 4 | 444.000 | 962.000 |
| 5 | 462.000 | 996.000 |
| 6 | 480.000 | 1.030.000 |
| 7 | 499.200 | 1.070.000 |
| 8 | 518.400 | 1.110.000 |
| 9 | 537.600 | 1.150.000 |
| 10 | 556.800 | 1.190.000 |
| 11 | 576.000 | 1.230.000 |
| 12 | 597.600 | 1.278.000 |
| 13 | 619.200 | 1.326.000 |
| 14 | 640.800 | 1.374.000 |
| 15 | 662.400 | 1.422.000 |
| 16 | 684.000 | 1.470.000 |
| 17 | 705.600 | 1.530.000 |
| 18 | 727.200 | 1.590.000 |
| 19 | 748.800 | 1.650.000 |
| 20 | 770.400 | 1.710.000 |
| 21 | 792.000 | 1.770.000 |
| 22 | 813.600 | 1.830.000 |

Table 8
Public Administration Salary Scale
Fourth Category-First Group

| Rank | Salaries until 31/12/1998 LL | Salaries as of 1/1/1999 LL |
|------|---------------------------------|-------------------------------|
| 1 | 312.000 | 550.000 |
| 2 | 327.600 | 576.000 |
| 3 | 343.200 | 602.000 |
| 4 | 358.800 | 628.000 |
| 5 | 374.400 | 654.000 |
| 6 | 390.000 | 680.000 |
| 7 | 408.000 | 710.000 |
| 8 | 426.000 | 740.000 |
| 9 | 444.000 | 770.000 |
| 10 | 462.000 | 800.000 |
| 11 | 480.000 | 830.000 |
| 12 | 499.200 | 864.000 |
| 13 | 518.400 | 898.000 |
| 14 | 537.600 | 932.000 |
| 15 | 556.800 | 966.000 |
| 16 | 576.000 | 1.000.000 |
| 17 | 597.600 | 1.038.000 |
| 18 | 619.200 | 1.076.000 |
| 19 | 640.800 | 1.114.000 |
| 20 | 662.400 | 1.152.000 |
| 21 | 684.000 | 1.190.000 |
| 22 | 705.600 | 1.228.000 |

Table 9
Public Administration Salary Scales
Fifth Category

| Rank | Salaries until 31/12/1998 LL | Salaries as of 1/1/1999 LL |
|------|---------------------------------|-------------------------------|
| 1 | 250.000 | 375.000 |
| 2 | 262.400 | 395.000 |
| 3 | 274.800 | 415.000 |
| 4 | 287.200 | 435.000 |
| 5 | 299.600 | 455.000 |
| 6 | 312.000 | 475.000 |
| 7 | 327.600 | 495.000 |
| 8 | 343.200 | 515.000 |
| 9 | 358.800 | 540.000 |
| 10 | 374.400 | 565.000 |
| 11 | 390.000 | 590.000 |
| 12 | 408.000 | 615.000 |
| 13 | 426.000 | 640.000 |
| 14 | 444.000 | 665.000 |
| 15 | 462.000 | 690.000 |
| 16 | 480.000 | 720.000 |
| 17 | 499.200 | 750.000 |
| 18 | 518.400 | 780.000 |
| 19 | 537.600 | 810.000 |
| 20 | 556.800 | 840.000 |
| 21 | 576.000 | 870.000 |
| 22 | 597.600 | 900.000 |

Table 10
Cost of Employment Ranks according to Corps and
Categories

| Corps | Value of Rank | | |
|-----------------------------------|----------------------|--|--|
| Judiciary | 150 Thousands LL | | |
| Public Administration: | | | |
| Category One | 100 Thousands LL | | |
| Category Two | 60-75 Thousands LL | | |
| Category Three | 34-60 Thousands LL | | |
| Category Four | | | |
| - First Rank | 26-38 Thousands LL | | |
| - Second Rank | 22-32 Thousands LL | | |
| Category Five | 20-30 Thousands LL | | |
| Foreign Corps: | | | |
| Category One | 140 US Dollars | | |
| Category Two | 120 US Dollars | | |
| Category Three | 100 US Dollars | | |
| Lebanese University Professors | 135 Thousands LL | | |
| Teaching Personnel: | | | |
| Category Two | 50-80 Thousands LL | | |
| Category Three | 40-60 Thousands LL | | |
| Category Four | 27.5-60 Thousands LL | | |
| Military Corps: | | | |
| General | 100 Thousands LL | | |
| Major General | 90 Thousands LL | | |
| Brigadier | 80-90 Thousands LL | | |
| Colonel | 50-70 Thousands LL | | |
| Lieutnant Colonel | 40-70 Thousands LL | | |
| Soldier | 22-33 Thousands LL | | |

Annex B
Salary and Benefit Allocations
in the Public Administration

| | Budget 2000 | Budget 1999 | Rudget 1998 | Budget 1997 |
|-------------------------|-------------|-------------|-------------|-------------|
| | Bauget 2000 | Dauget 1999 | Dauget 1990 | Budget 1757 |
| Presidential Office | 870,000 | 707,000 | 275,000 | 284,500 |
| Parliament | 36,706,000 | 30,716,000 | 26,821,000 | 23,818,000 |
| Prime Minister's | 135,812,194 | 125,817,922 | 116,389,183 | 119,944,884 |
| Office | | | | |
| Ministry of Justice | 34,659,043 | 32,176,446 | 23,311,172 | 23,705,764 |
| Ministry of Foreign | 47,713,500 | 47,470,500 | 46,969,151 | 44,770,129 |
| Affairs | | | | |
| Ministry of Interior | 304,308,163 | 301,232,898 | 270,758,401 | 279,736,654 |
| Ministry of Finance | 51,685,469 | 41,881,468 | 27,495,357 | 24,615,810 |
| Ministry of Defense | | 756,550,687 | 634,363,720 | 624,574,540 |
| Ministry of Education, | 397,600,750 | 387,560,000 | 374,521,000 | 299,170,000 |
| Youth and Sports | | | | |
| Ministry of Health | 21,748,312 | 21,114,080 | 19,886,066 | 19,116,489 |
| Ministry of Labor | 2,005,257 | 2,355,363 | 1,282,261 | 1,046,164 |
| Ministry of | 15,042,720 | 17,404,500 | 16,441,652 | 10,411,357 |
| Information | | | | |
| Ministry of Public | 11,531,503 | 13,114,668 | 11,183,434 | 11,108,150 |
| Works | | | | |
| Ministry of Agriculture | | 10,014,250 | 8,499,867 | 6,623,185 |
| Ministry of Economy | 3,463,721 | 3,545,841 | 2,274,109 | 1,791,644 |
| and Trade | | | | |
| Ministry of Post and | 10,033,500 | 11,248,500 | 8,610,601 | 9,202,474 |
| Telecommunications | | | | |
| Constitutional Council | 1,708,185 | 1,135,785 | | 687,600 |
| Ministry of Electricity | 4,759,700 | 4,853,733 | 3,316,600 | 3,194,200 |
| and Water Resources | | | | <u></u> |
| Ministry of Tourism | 1,957,500 | 1,974,000 | 1,553,532 | 1,349,210 |
| and Water Resources | | | | |
| Ministry of Oil | 260,843 | 272,441 | 220,385 | 699,998 |
| Ministry of Housing | 1,813,926 | 1,806,300 | 1,759,196 | 1,510,500 |
| and Cooperatives | | | | |
| Ministry of the | 3,115,000 | 3,338,000 | 5,282,215 | 4,150,900 |
| Displaced | | | | |
| | | <u> </u> | | <u> </u> |

Cont'd

Annex B (Cont'd) Salary and Benefit Allocations in the Public Administration

| | Budget 2000 | Budget 1999 | Budget 1998 | Budget 1997 |
|--|-------------|-------------|-------------|-------------|
| Ministry of Municipalities and Rural Affairs | 428,000 | 421,000 | 387,535 | 261,204 |
| Ministry of Technical and Vocational Education | 33,217,806 | 27,880,000 | 22,114,000 | 19,933,400 |
| Ministry of Social Affairs | 2,026,001 | 2,107,067 | 1,371,000 | 1,259,075 |
| Ministry of Emigrant Affairs | 688,000 | 808,000 | 2,537,000 | 2,383,276 |
| Ministry of Transport | 8,760,999 | 9,036,275 | 7,934,829 | 8,070,300 |
| Ministry of Culture and Higher Education | 3,731,218 | 3,892,750 | 3,930,682 | 4,003,435 |
| Ministry of Environment | 717,500 | 717,982 | 535,409 | 548,116 |
| Ministry of Industry | 562,000 | 569,000 | 495,500 | _ |
| Total in Billion/LL | 1,910 | 1,862 | 1,641 | 1,548 |
| Total Budget in Billion/LL | 9,684 | 9,430 | 8,200 | 7,200 |

Salary and Benefit Allocations in the Public Institutions

| Amount/LL | |
|---------------|--|
| 860 billion | |
| 840 billion | |
| 722 billion | |
| 705 billion | |
| 3.127 billion | |
| | |

Annex C The Progress of the Minimum Wage

The minimum wage is an important indicator, which affects various economic and social aspects. Setting the minimum wage is linked to:

- Family expenditure
- Economic and investment conditions and potentials
- The GDP

However, the revision of the minimum wage in Lebanon has seldom involved scientific and economic bases. More often than not, it was based on the politics of successive governments and parliaments, without taking into consideration the purchasing power of citizens or securing the basic needs of families.

The minimum wage developed between 1964 and 2000 according to the table below, whereby it multiplied 2,400 fold, when the price indicator had multiplied 6,800 fold. This exposes a marked imbalance between salaries and the cost of living. Consequently, government employees, especially those of lower ranks, are paid salaries that are insufficient to cover their needs and those of their families.

| Year | Minimum | Minimum | Price | Fixed Prices |
|---------|-----------|-----------|------------|--------------|
| l cai | Salary In | Salary In | Indicator | LL |
| | LL | US\$ | 1964 = 100 | |
| | | 033 | 1704 - 100 | ↓ |
| 1964 | 125 | 40,50 | 100,00 | 125,00 |
| 1965 | 145 | 47,30 | 100,93 | 143,66 |
| 1967 | 160 | 49,90 | 107,83 | 148,38 |
| 1969 | 166 | 50,90 | 111,97 | 148,25 |
| 1971 | 185 | 57,10 | 116,54 | 158,74 |
| 1972 | 205 | 68,00 | 119,13 | 172,08 |
| 1973 | 235 | 89,00 | 125,56 | 187,16 |
| 1974 | 275 | 117,80 | 140,03 | 196,39 |
| 1975 | 310 | 135,20 | _155,43 | 199,45 |
| 1977 | 415 | 135,20 | 238,05 | 174,33 |
| 1980 | 675 | 196,50 | 400,48 | 168,55 |
| 1981 | 800 | 185,40 | 477,50 | 167,54 |
| 1982 | 925 | 195,60 | 572,72 | 161,51 |
| 1983 | 1,100 | 242,90 | 610,53 | 180,17 |
| 1984 | 1,260 | 193,50 | 716,95 | 175,74 |
| 1985 | 1,500 | 81,10 | 1176,25 | 127,52 |
| 1/1/86 | 2,200 | 121,50 | 2407,11 | 91,40 |
| 1/7/86 | 3,200 | 70,030 | 2407,11 | 132,94 |
| 1/1/87 | 4,300 | 49,40 | 12122,33 | 35,47 |
| 1/6/87 | 8,500 | 59,70 | 12122,23 | 70,12 |
| 1/1/88 | 150,00 | 49,00 | 30754,40 | 48,77 |
| 1/10/88 | 25,000 | 71,00 | 30754,40 | 81,29 |
| 1989 | 45,000 | 68,00 | 52283,00 | 86,07 |
| 1990_ | 45,000 | 45,00 | 88881,24 | 50,63 |
| 1991 | 75,000 | 81,50 | 142209,99 | 52,74 |
| 1992 | 118,000 | 64,20 | 273043,31 | 43,22 |
| 1993 | 118,000 | 68,96 | 297617,63 | 39,65 |
| 1994 | 200,000 | 121,43 | 333331,74 | 60,00 |
| 1995 | 250,000 | 156,60 | 366689,20 | 68,18 |
| 1996 | 300,000 | 193,29 | 403331,41 | 74,38 |
| 1997 | 300,000 | 196,50 | 434791,25 | 69,00 |
| 1998 | 300,000 | 198 | 455661.23 | 65.84 |
| 1999 | 300,000 | 199,3 | - | - |
| 2000 | 300,000 | 199,3 | - | _ |

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Republic of Lebanon

Office of the Minister of State 1 a Administrative Reform
Center for Public Sector Projects and Studies
(C.P.S.P.S.)