

**SOCIAL PROTECTION AND SOCIAL SECURITY IN LEBANON:
PRESENT SITUATION AND OPTIONS FOR THE FUTURE**

**Volume 1:
SOCIAL PROTECTION**

Specialist in Social Insurance **Pièrre-Guillaume d'HERBAIS de THUN**
Specialist in Social Protection **Alan J. TAYLOR**
Social Sector Consultant **Abbas FARHAT**

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Informants - Persons Met

Maria Alves	European Commission Common Service for External Relations (SCR)
Abdel Mounim Ariss	Municipal Council of Beirut President
Randa Aboul-Hosn	United Nations Development Programme Assistant Resident Representative (Programme)
Zena Ali-Ahmad	United Nations Development Programme National Programme Officer
May El Jorr	Maison de L'artisan Director
Nazih K. El-Jor	ARCADIS BMB /LDK Capacity Building Expert
Wilfred Euchner	MEDA Team - Lebanon Programmes of the European Union Expert in Economic Development
Terry Green	LDK Consultants Consultant on Privatization
Hussein Haidar	Ministry of Social Affairs Director, Department of Developmental Services
Amine Hamadeh	Ministry of Social Affairs Chief, NGOs Department
Haifa Hamdan	Save The Children UK Coordinator, Lebanon Programme
Hussein Hamdan	Consultation and Research Institute Executive Director
Kamal Hamdan	Consultation and Research Institute Head of Economics Division
Adnan Iskandar	ARCADIS BMB /LDK Senior Administrative Modernization Expert
Roula Kabbani	OMSAR, Technical Cooperation Unit E.U. Project Coordinator
Nimat Kannan	Ministry of Social Affairs Director General

Alison Keeling	British Embassy /Beirut Third Secretary
Samir Khalaf	American University of Beirut Professor of Sociology
Habib Khawaja	Ministry of Social Affairs Director, Social Development Department
Khalil Majed	National Social Security Fund Director General
Patricia Mihaly Nabti	Association for Volunteer Services President
Roger J. Nasnas	Economic and Social Council of Lebanon President
Marlene Nasr	Ministry of Social Affairs Training Centre Director
Salim Nasr	Lebanese Center for Policy Studies General Director
Nuhad Nawfal	Zouk Mikael Municipality Chairman
Adib Nehmeh	United Nations Development Programme Project Manager, Ministry of Social Affairs
George Nehme	Ministry of Social Affairs Director, Department of Social Services
Hind Shaarawi	Quaker Peace and Service Director of Human Resource Development
John C. Wetter	The World Bank, Country Office Senior Country Economist

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4. Organogramme of the Ministry of Social Affairs
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INTRODUCTION

This report is intended as a discussion paper highlighting certain aspects of the social protection system as it exists today in Lebanon, and as it might become in the future. In the three weeks that were available for the preparation of the report, it has been preliminary merely to carry out a superficial inquiry into some aspects of the system. Many aspects of social protections - indeed some of the most important, such as health, education and labour protection - have largely been omitted.¹

The report is divided into three parts. The first deals with strategic issues of social protection in Lebanon, especially as these might have a bearing on the need for administrative reform within the Ministry of Social Affairs. The second part addresses the more technical issue of social insurance. The third part of the report brings together the conclusions presented in parts 1 and 2 and offers recommendations that should be taken into account when formulating new directions and policies. The material presented should also be of help to a range of donor institutions that wish to find ways of assisting the Government of Lebanon in this sector. If required, the first part of the Introduction plus Part 3 can be read as an executive summary.

For much of the information contained in this report the two international consultants who were charged with the task of preparing the study have had to rely on secondary material. It must be recognized too that, in the time available, not all important sources will have been tapped. Data and conclusions from written reports have been supplemented with interview material. While this has allowed a picture to be presented that the consultants hope will be found useful, there is nevertheless the danger that one simply reiterates false premises or repeats others' conventional wisdom. To the extent that this has occurred, the writers beg the reader's indulgence on the grounds that some overview is better than no overview at all.

This leads us to the first important observation. Intelligent discussion and planning in the social sector requires data that, for the most part, is not sufficient. Various specialized surveys have been undertaken but, by and large, the picture with regard to social needs in Lebanon is vague and based largely on guesswork. The picture is somewhat firmer in relation to social security but, even here, the fact that many employees are not registered in the system makes accurate predictions impossible.

The Central Administration of Statistics has prepared a plan jointly with the Ministry of Social Affairs and the United Nations Development Programme, for the carrying out of a multi-purpose socio-economic survey of 14,000 households. The survey would bridge the gap between existing data on basic needs, which was collected by the Ministry in the Population and Housing Survey of 1995-96, and integrate this with new data on income and poverty. It is estimated that two and a half years would be needed to obtain the final results, which would require a total of 13 months of field work. The cost of the exercise, approximately \$1 million, is proving to be an obstacle to which there is no immediately available answer.

¹ Labour issues have been treated under another ARLA initiative. The education and health sectors are being addressed under arrangements with the World Bank.

The second important observation is that discussion documents, by themselves, rarely change anything. If the present report is to be useful then the principle actors have to decide together - for themselves - in what direction, or directions, they wish to go. Consultants can make recommendations but these are generally of little value unless ways are found to generate a dialogue that is linked to commitment to action. In the absence of a vision concerning how the present report will be used to build consensus, then it will simply be another piece of paper on the large pile of already existing documents on the same subject.

For this purpose, there is clearly a need for the Office of the Minister of State for Administrative Reform to come together with the key stakeholders to work out what their respective contributions will be. Unfortunately, one obstacle standing in the way is that under the present government (as indeed under the previous one), the issue of social protection has not attracted a great deal of attention. This is in spite of the fact that a little under one-third of the government's budget is consumed by social programmes, including health and education.

One reason for official disinterest may be that social sector spending is perceived to be equivalent to giving charity, at a time when economic reconstruction must take priority. On this point, much could be done to convince senior national decision makers - up to and including the President of the Republic - that there are good political as well as economic reasons for addressing issues of distribution and inequality.

One approach to this task would be to convene a workshop of two - three days, whose purpose would be to generate a set of options for action. The action could be of both strategic (long-term) and immediate (short-term) nature. The output of the workshop should be of assistance to donor organizations as well as to government itself. The primary audience would be those interlocutors with whom the consultants have engaged in preparing the present report.

An additional or alternative way forward would be for the Government to commission a National Committee on Social Policy. Such a committee (the NCSP) should be charged with the task of formulating a comprehensive integrated set of policies on social development, social welfare, health and social security. This would involve strategic long-term planning in some economic as well as social areas, planning which is of an indicative rather than directive nature. Detailed terms of reference would obviously need to be drawn up to cover such work.

It would be useful to impose a deadline within which the Committee should produce its final report. A period of 18 - 24 months would not be unreasonable, although discussion papers could be published well before that timeline. The Committee might commission whatever additional inquiries or research it needed to enable it to come to its conclusions. The Committee should be required to lay its report before the Council of Ministers and otherwise to make its recommendations available to the general public.

The Committee should be composed of high level representatives of the Ministries of Finance, Labour, Social Affairs, Education and Health, as also of the National Fund for Social Security and the Civil Service Board. The Committee would need to be

chaired by an independent person of stature with strong facilitation skills, appointed by the Office of the Prime Minister. Technical Assistance and staffing for the Committee could be provided by the Office of Minister of State for Administrative Reform in cooperation with the ARLA Programme of the European Union.²

At the same time as the NCSP is carrying out its work, individual organs of government should be encouraged to proceed with actions in line with the recommendations contained in this report. The most easily implemented of these are as follows.

- Provide support for and carry out the Multi-Purpose Survey being proposed by the Central Administration of Statistics with the participation of the Ministry of Social Affairs.
- Provide the Finance Section of the Ministry of Social Affairs with three suites of computer equipment, including software and training, so as to enable proper budgeting and accounting, including the introduction of cost accounting.
- Design and set up a pilot means-tested programme to provide financial assistance to families with children in need.
- Design and set up a pilot programme to place children who need care with foster families.
- Expand the government's existing programme of work camps for young people, placing greater emphasis on cross-cultural education and nation building.
- Design and implement a capacity building programme for MoSA's Social Development Training Centre, placing the emphasis on the requirements for leading and facilitating organizational change.
- Evaluate the effectiveness, strategy and limitations of the Social Development Service Centres to identify opportunities for their strengthening and further development.³
- Assist the Maison de l'artisan to develop a business plan and secure technical assistance for a programme of export development to achieve self-sufficiency.
- Initial discussions with the NGO community on the possibility of (1) forming consortia⁴ with assistance from MoSA; (2) moving away from residential institutional care for those whose condition does not absolutely require it; and

² Several sources of information could be helpful to the Committee. These include the *Social Outlook* document pending within the Ministry of Social Affairs; the experience of the current World Bank project on *Streamlining of MoSA's Procedures and Improvement of its Monitoring and Evaluation Capabilities*; as also the contents of the present report.

³ This work should take account of the results of a survey presently being planned under a grant from the World Bank.

⁴ The concept of consortia is explained in the body of the report.

(3) establishing and /or expanding services in relatively disadvantaged parts of the country.

- Prepare severance plans for those parts of the work of the Ministry of Social Affairs that are not clearly related to its central purpose.
- Initiate a process of organizational development within the Ministry of Social Affairs in line with recommendations contained in this report.

Yet another step that could be taken by OMSAR /ARLA to advance the ideas outlined in this report would be to ensure that its work is fully informed by, and coordinated with, the work of other parties involved in the social sector. A Joint Steering Committee headed by the Ministry of Social Affairs held its first meeting early 2001. The Committee's general purpose is to facilitate a sharing and coordination of experience. The Committee incorporates representations from MoSA cadres (including those from the field), the various National Committees on disability, children, illiteracy, etc., UNDP, UNIFEM and UNICEF. The Council for Development and Reconstruction and the World Bank may also be represented. Under the JSC a Technical Committee is planned, with three working groups: one for studies, one for information and communications and another for training. It is understood that the participation of OMSA and ARLA would be welcome.

1. Economic Conditions

The data available on the economic situation in Lebanon is extremely poor. There are no national accounts and there has been no registered official census since 1932. Nevertheless, some broad indicators can be found. In 1997 the population was estimated at 4 million.⁵ The civil war that erupted in 1975 came to an end only in 1990. The war took a heavy toll. Out of a population of three million, approximately 65,000 people were killed, 84,000 wounded, 800,000 displaced, and 400,000 emigrated. Tens of thousands remain disabled veterans.

During the war the society grew increasingly divided along confessional lines, a legacy that remains today. The country's once vibrant economy was ravaged, with heavy losses in the tourism, banking, manufacturing and agricultural sectors. Although a substantial recovery has been achieved and the high rates of economic inflation have now been brought down to almost zero, in social as well as economic terms Lebanon is far from being the country that it once was.

Government debt is approximately 150 percent of GDP, while annual government expenditure is running at approximately 143 percent of revenue. Fifty-two percent of current expenditures goes towards servicing the national debt, while 32 percent is allocated to public sector salaries and pensions. This leaves the government with about 16 percent of current expenditure for all other non-capital purposes. The economy is faced with severe fiscal constraints at a time when the economy needs

⁵ Central Administration of Statistics *Living Conditions of Households in 1997, 1998*, cited in CRI April 2000, p.11.

stimulation for better performance. The public sector needs more skilled personnel, but these can not be attracted for want of adequate salaries.⁶

While there is no means of knowing how long such a situation can continue, it appears likely that a serious restructuring of the national economy will be inescapable in the medium to near term. Much still depends on investor confidence, a factor that is difficult to predict. When the shake out comes, this may well imply serious retrenchment among large sections of the civil service, as well as substantial cuts in social spending.

2. Social Conditions

Issues of social identity are particularly important in Lebanon, affecting as they do most aspects of public life as well as the mechanisms available for social protection. The hierarchy of social bonds begins with the family. As an institution the family is usually strong and cohesive, a fact which helps to keep the level of crime and anti-social behaviour within low limits. During the war, with the collapse of other social institutions, the family became even more important as a source of social assistance.

Beyond the family is the attachment to a religious confession. There are known to be up to 17 clearly distinguishable groups, some of which are in the process of splitting still further into sub-sects. Before the war some social scientists observed a melting of such attachments, at least in mixed areas, but the wartime experience drove most people to rely on their confessional identities. Partly also because of the war, traditional religious institutions have grown in importance. This fact helps to explain another phenomenon discussed below, that is a growth in the work of the many private non-governmental social service organizations of confessional affiliation.

In Lebanon social class has never been a particularly important determinant of identity or social cohesion. Yet a rough picture can still be drawn. The bottom of the economic pyramid is composed of various groups, including the unemployed⁷ or underemployed, the displaced, large portions of the agricultural labouring class, and the disabled.

Salaried persons in both the public and private sectors used to enjoy a comfortable middle class position. However, since the decline of the national currency in the mid-1980s, this class has come to occupy a position only slightly above, or in some cases equal to, the position of unskilled labourers. There are believed to be around 150,000 employees of the state, both civil and military, and a further 250,000 people in the private sector.⁸

⁶ United Nations Development Programme *UNDP Conference on Linking Economic Growth and Social Development In Lebanon, 11-13 January 2000, Beirut, Lebanon* UNDP, Ministry of Economy and Trade and Ministry of Social Affairs, 2000, p.22.

⁷ Of an economically active population estimated at 1.1 million, it is believed that approximately 12-14 percent is unemployed. Estimate in 1994. CRI April 2000, p.10.

⁸ Figures here and in the following two paragraphs taken from AMIDEAST and LCPS 1992, p.23.

The upper middle class (income) is made up of non-salaried professionals (doctors, lawyers, engineers) and small businessmen. The upper class is composed of well-to-do merchants, businessmen and outstanding professionals.

A significant feature of the socio-economic situation in Lebanon is the position of Syrian labour. In the period 1995-96 Syrian workers in Lebanon constituted around 30 percent of the active labour force.⁹ The point relevant to the present study is that these people are not covered for social benefits under Lebanese law¹⁰, a fact that makes their employment considerably cheaper for their employers. The presence of Syrian labour is much resented by the average Lebanese, on the grounds that the low wages paid to the immigrants drives down their own incomes. This understandable reaction is one that can nevertheless be described as a case of blaming the victim. The issue is not only socially divisive, but also has serious implications for the conduct of Lebanon's foreign relations.

3. Social Distribution of Economic Benefits

In the past five years the structure of the distribution of GDP has generally been away from labour and profits towards interest payment on Government bonds. The share of the interest component of total GDP increased from 10.8 percent in 1992 to around 22.7 percent in 1998, i.e. more than double the average for most middle-income countries. This means that there is currently a massive redistribution of resources away from wage-earners towards those who are relatively well-off.¹¹ Given the fact that wage earners constitute around 70 percent of the labour force, this phenomenon is one that clearly affects welfare levels for large sections of the population.

As a percentage of the total budget, in recent years government spending on social services has increased. In the period 1994-98 the figure was around 13 percent. Most of this went to the Ministries of National Education, Youth and Sports (44 percent) and the Ministry of Public Health (22 percent). The Ministry of Social Affairs received on average just over 10 percent of the national budget.¹²

The efficiency and equity of the social spending is controversial. Suspicions arise that official allocations are channeled towards politically favoured private institutions and /or that those institutions exploit loopholes in the system to obtain more than a reasonable share of resources. The problem appears most acute in relation to hospital and medical treatment, but the same concerns apply, all be it on a reduced scale, in respect of private welfare institutions that are assisted through the Ministry of Social Affairs. In the absence of adequate monitoring, it is difficult to adjudicate on the truth of these assertions.

Considerable sectoral imbalances have been noted. During the period 1992-98 spending on physical infrastructure is estimated to have accounted for 49 percent of total government expenditure. Meanwhile, spending on social infrastructure reached

⁹ Foreign workers in general constituted 34 percent of the Lebanese labour force. UNDP 2000(a) p.24

¹⁰ Homeless children of non-Lebanese origin are however taken care of under the legislation on Child Rights.

¹¹ CRI, April 2000, p3 and 17.

¹² CRI, April 2000, p19-20.

only 12 percent of the total. This imbalance may be attributed to the fact that physical infrastructure was completely destroyed during the war. However, it is also true that preference appears to have been given to prestige projects where the population in need has been less influential in attracting the necessary resources to it.

With the slowdown in the economy following the boom years immediately after the war, from 1995 onwards most sections of the society have suffered a relative decline in disposable income. Between 1992 and 1999, the purchasing power of average family income among the lowest income groups decreased by 4.6 percent, while among the middle income groups the decline was 8.4 percent. However, during the same period the high income groups experienced a 4.8 percent increase in purchasing power. Of the total number of families in Lebanon, the proportion of families with low incomes increased from 20.4 percent in 1974 to 54.6 percent in 1977, and to 61.9 percent in 1999.¹³

A study carried out by the Ministry of Social Affairs with assistance from the United Nations Development Programme¹⁴ identified the characteristics of households and individuals in the population who could be considered deprived. In the absence of income and expenditure data, the concept of deprivation was based on a set of 11 indicators representing unsatisfied basic needs in the areas of housing, water and sewerage, education and income.

One conclusion from this study was that the age pyramid of the deprived population differs significantly from that of the population in general. Those who are socially and economically deprived include a larger proportion of children and old people than one would expect by virtue of their numerical representation. Children aged 0-14 years account for more than a third of all people in Lebanon who can be described as deprived. This is 6.3 percentage points above what one would expect by virtue of their actual numbers. Similarly, people aged 65 and above constitute 8.3 percent of those who are classified as deprived, or 1.4 percentage points above the national average.

Deprived households include a larger number of individuals, and a higher percentage of widows or widowers, than the national average. Deprived households are larger than average (5.11 persons compared to a national average of 4.65 persons). The ratio of deprivation is also higher among female headed households (19.3 percent compared to the national average of 14.1 percent). As one might expect, deprivation is also associated with low educational attainment.

Large disparities exist in the levels of income as between people in different regions. No properly researched data exists, but it is known that the distribution of poverty has changed markedly since before the war and even since its end in 1990. As a

¹³ The low income group is composed of industrial and agricultural workers, service personnel, small farmers, retired people and the unemployed. The middle income group comprises heads of enterprises with less than five employees, artisans, middle level administrative employees, teachers and medium sized farmers. The higher income group involves heads of enterprises employing five employees or more, fee-charging professionals, higher civil servants, private sector managers and larger farmers. Ibrahim Maroun "La Question des Classes Moyennes au Liban" in UNDP 2000(a) p.169-172.

¹⁴ Republic of Lebanon Ministry of Social Affairs and United Nations Development Programme *Mapping of Living Conditions in Lebanon: Analysis of the Housing and Population Data Base* MoSA and UNDP, 1998

consequence of the fighting large number within the Christian communities are now disadvantaged in the way they were not before. Also, as a result of substantial investment that has gone into the south of the country, those areas are now much less poor than they once were.

It is believed that abject poverty is concentrated in the remote regions of the kadas of Baalbeck and Hermel in the Bekaa, and in Akkar in North Lebanon. The destitute poor live in their overwhelming majority in the rural areas, where they represent one fourth of the population. The rest of the destitute poor are to be found in the suburbs of the capital and other cities. Lebanon does not have an agreed method of poverty measurement. However, taking two income levels of \$300 and \$600 per month for a family of five people, it has been calculated that 7.5 percent of people live below the absolute poverty line while 28 percent of people live below the upper limit.¹⁵

The spread of poverty varies considerably between sectors. Among agricultural households 75 percent are poor. Among those households whose main provider works in public administration 31 percent are poor; and in the case of industrial workers 26 percent are poor; while for those in services and trade the figures are 16 and 13 percent respectively.

The effects of recession have been made worse by a regressive tax system under which wage earners are required to contribute while the relatively well off find ways of reducing or avoiding tax payments. The burden has fallen most heavily on low and middle income groups, in part because of the types of tax that have been levied and partly because of difficulties associated with enforcement. Indirect taxes are as regressive (hurt the poor more than the rich) but 76.5 percent of tax revenues come from indirect taxes rather than taxes on wealth and income. Currently, 80 percent of households live on 50 percent of the national income, the next 10 percent of households receives 15 percent, while the richest 10 percent receives 35 percent of available income. An uneven distribution of basic infrastructure and access to social services also means that the poorer sections of the community are considerably more disadvantaged than the rich.¹⁶

4. The Rationale for Social Protection

Many competing views are available on the purposes and methods of social protection. Some of these have long historical roots; others are of more recent origin. Justifications include the need to take care of one's fellow man (woman and child) in times of adversity, collective or individual. In modern societies, usually this extends to people of one's own nation, i.e. to citizens who owe allegiance to the state as well as enjoy the benefits of citizenship.

Justifications for social protection rest not only on altruistic values but also on economic ones. Taking care of the afflicted today will preserve and develop their skills for tomorrow. This is the human resource development approach. So too with the individual's sense of belonging; social solidarity is supposed to work in multiple

¹⁵ Estimate in 1994. CRI April 2000, p.10.

¹⁶ Ibrahim Maroun 2000(a) p.172.

directions. It helps to keep the workers in their place by providing them what they and their families need to survive. No one disputes the value of social protection, except perhaps those who are called upon to pay for it but have no expectation of reaping its rewards. Even here, in some countries there is widespread agreement that social protection is a good from which the whole society benefits in a collective sense.

Difficulties arise over the matter of how a society should choose between needful people with different conditions. Should an individual qualify for welfare assistance if he or she suffers from some specific condition by which one is handicapped (blind, war injury, physical or mental disability, etc.)? On the other hand, some people need our help because they are too poor to take care of themselves. This can be a temporary or a permanent condition resulting from any number of factors, including ill health, unemployment, old age or a combination of any of these and other causes.

Although the two are often related, poverty is not the same as disability. If people are to be assisted because they are poor, to what extent is the matter of their own causal connection (agency) to be taken into account? Should the state have a responsibility to assist the idle, or to treat the criminal, because he or she was unfortunate enough to be born into a dysfunctional family? If a person becomes disabled because he was foolish enough not to wear a crash helmet when at work or riding a motorcycle, should the society be expected to take care of him?

These and a myriad of similarly difficult issues are the stuff of social protection. No society has all the answers, and what any one country government decides shall be afforded depends as much on the prevailing social values and social arrangements (notably within the family) as on what the economy at large can sustain. Preferences on all of these questions tend to change with time. In different periods different forms of provision are seen to be preferable, while one type of provision gets added on top of another. The result is often a patchwork of different services and schemes that, while partial in themselves, make up a mosaic that hopefully covers the majority of citizens. Of course, an important problem is that some categories of needful people get left out all together, while others receive more than their fair share. Equity is a real and important goal, but one that is nevertheless illusive in any ultimate sense.

How to pay for social protection is a question equally as complex as the question what to pay for. In societies that have well-developed systems of social insurance, social welfare is something that one is expected to pay for during the course of one's working life. A means-tested form of social assistance is then seen as a safety net for those who, for one reason or another, do not benefit from the financed system. On top of this, there may be some inalienable rights that most people would agree should be protected by virtue simply of being a citizen. In many relatively well off countries this includes the payment of a flat rate old age pension and family allowances.

A survey of 20 different countries would reveal 20 different ways of cutting the cake. Different societies allocate different roles and responsibilities to families, to the state, to local government, to the private sector and to private philanthropic associations. Many different combinations are possible. Some kinds of benefit are more easily administered in one way than in another. In some cases the private sector is interested in or able to respond only to one kind of need; the same applies to the community of NGOs.

Lebanon has inherited "a system" that is not in fact a system, but an accumulation of different measures that have arisen through historical accident. In this respect, it is no different from most other countries. However, difficult as the exercise may appear, now may be a convenient time to take a fresh look at what is desirable and what is affordable. Substantial cutbacks in public spending may make restructuring inevitable, so it is better to be prepared with agreed priorities than for the weaker members of the society to suffer the unrestrained assertions of the politically well connected. If nothing else, long term planning can assist the government to envision and thereby create the future.

PART 1: SOCIAL PROTECTION

1. The Current Situation

The first part of this report provides an overview of social protection arrangements existing in Lebanon for children, the disabled, women in need and migrants. This is followed by a note on assistance available in the housing sector. Provision for other vulnerable groups is discussed in Part 2 of the report dealing with social insurance. This includes old age and disablement pensions, sickness insurance, accident insurance, family and child allowances (other than as discussed in Part 1), personal injury and war injuries compensation.

Following a review of key vulnerable groups and their treatment, there follows a description of government services, both at central and municipal level, and a summary of the situation with respect to non-governmental organizations.

1. Vulnerable Groups and Their Treatment

1.1 *Care of Children*

When the Office of Social Development was created in 1959 the approach taken was to work through the existing private associations, many of which had long established residential care institutions under their charge. This approach is understandable, given the long history of philanthropic provision of social services in Lebanon. At the same time, the OSD sought to modernize and upgrade the standards of provision.

The OSD provided 70 percent funding for each child which it agreed to sponsor, against a minimum 30 percent counterpart contribution from the association. Part of the 30 percent of the NGO's contribution could be in kind; the balance in cash. The number of approved institutions was established for each confessional group, a formula that persists today. In recent years, however, the proportion of the total costs of institutional care born by the Ministry of Social Affairs has declined, and there is every indication that the percentage be reduced further in the coming years.

The total number of child care institutions cooperating with the Ministry is currently 180. The total national population of children 0 - 14 years of age is just over 875,000.¹⁷ Of this number, around 2.7 percent are in residential care, many spending the whole of their childhood there.¹⁸ Figures for 2001 indicate a total of 28,155 children and young persons in residential care, of whom 5,564 are disabled and 1,350 are under the age of five years. Of the remaining 22,591 children, 7,121 attend a programme of vocational training (i.e. after reaching the age of 15 years) while 15,470 are in regular day school. A further 12,645 children receive support from the Ministry for attendance at non-residential institutions.

¹⁷ Based on the figure for 1989.

¹⁸ This phenomenon is not exclusive to Lebanon. High rates of institutionalized care are reported from a number of other countries in the region.

Children in institutions are categorized as either "orphans" or "other social cases". The category orphans includes children and young persons up to 18 years of age who have lost at least one parent. The term social cases includes any child whose parents are deemed by a social worker to have difficulty in maintaining the child at home, or who are otherwise judged to be at risk. More than 82 percent of the children in residential care fall into this category. Family problems can include - but are not limited to - problems of alcoholism, drug abuse, domestic violence or abuse of the child. Interestingly, "divorce" and "poverty" are both considered sufficient grounds for the child to be taken into care.

In relation to the number of subsidized places that the Ministry of Social Affairs is able to make available from its budget, there are many more applications than can be satisfied. Against an actual enrollment of 22,591 (figure for 2001) in the year 2000 there were 12,416 new applications. Given that children generally remain in care for several years, the number of new places available each year is obviously restricted. One estimate from within the Ministry put the number of satisfied cases at around 25 percent of the total number of applicants.

The main reason for the pressure on places is that parents with limited economic means consider it better that their child obtain an education at the expense of an institution - all be it a residential institution - rather than remain at home without schooling. As the economy and wage-levels deteriorate, large families on low incomes (with say four or five school-aged children) are unable to bear the cost of sending all of their children to school. Since the end of the civil war, education costs have risen dramatically, forcing many students out of the private sector and into the government schools. In 1992 there were 140,000 students in state schools; by 1996 this figure had risen to 350,000. This has created huge pressures on the public system, with the corresponding introduction of ancillary charges that must be born by the parents.

Thus, hard-pressed families look for alternatives. Most conveniently, this can be found through obtaining a subsidized place at an institution supported by the Ministry of Social Affairs. Parents may not be happy about packing their children off to an institution, but in the absence of a social safety net to take care of one's old age, having children educated is seen to be more important than having them at home.¹⁹ It is believed that up to 80 percent of the children placed in care are there primarily to gain an education or vocational training.

There is also an historical explanation to be found. The period 1975-91 was characterized by sporadic and often intense conflict, high inflation, unemployment, family displacement and disruption. With increased poverty, limited access to basic services and loss of income due to parental injury or death, many families entrusted the care of their children to residential institutions. Hence, while the number of child care institutions grew steadily until 1970, between the period 1975-90 the number increased by 40 percent. A situation that evolved in response to an emergency need appears now to have become an institutionalized practice.

¹⁹ A survey carried out in Bourj el Barajneh and Ghobeiri revealed that 65 percent and 76 percent of parents respectively would have chosen not to send their child to an institution if someone would have been willing to cover the child's school expenses. Reported in SCF January 2000, p.10.

The annual direct cost to the Ministry of Social Affairs of maintaining a child in a residential institution is LL 1.5 million. However, where for the good of the child or other reasons the residential care institution then sends the child to be schooled in a government run day-school, the government also pays for the cost of the child's education through the Ministry of Education. Thus, the total cost to the exchequer can be very much larger than appears in one set of accounts.

In respect of the conditions maintained in the child care institutions the situation is variable. A report from a survey carried out in 1984-85 by the American University of Beirut²⁰ painted a dismal picture. Among its findings were that

- The average number of children per institution was 130, with smaller numbers in those institutions serving the disabled.
- Overcrowding was common, with an average of 11 children sleeping in one room.
- Only 56 percent of institutions offered regular schooling.
- Only 18 percent of institutions offered recreational programmes
- The majority of the institutions offered vocational training only in low-skilled areas. Of these, 60 percent reported that there were no job opportunities available for children leaving their care.
- Kitchen hygiene was deficient. Toilets were inadequate in number, lacked ventilation, toilet paper, soap and towels.
- Medical records were inadequate.

The situation has improved considerably since 1985, not least due to the efforts of MoSA personnel. However, the fact remains that institutional provision is usually far from optimal, and in many cases is probably worse than the situations from which the children originate. Three reasons have been identified.²¹ A recent decline in the real per capita contribution from government has made it difficult to maintain service levels. Secondly, the absence of national standards concerning what constitutes minimal care allows considerable variation in standards. Thirdly, a lack of awareness and expertise among the directors and staff of the institutions (as well as perhaps among the Ministry's own personnel) impedes the identification of improvement action.

In theory the granting and renewal of a contract with MoSA depends on the institution meeting certain basic standards of care. The institution is subject to monthly inspections and records are maintained by the Ministry. Doubts have been expressed concerning how rigorous or regular the inspections might be. The Ministry is currently trying to reinforce its inspection teams with the addition of medical doctors

²⁰ Published under the title *In Wartime: The State of Children in Lebanon*. Summarized in SCF, January 2000, pp 3-4.

²¹ World Bank *Lebanon: Public Expenditure Review of the Social Sectors*, Draft, October 2, 1998, ch.4.

and nutritionists. The fact remains that over the past 10 years or so, only a small number of contracts with institutions have been abrogated as a result of non-compliance with the conditions. It does not appear likely that this would have been because all 189 institutions have improved their services to the point where they are beyond reproach.

1.2 Child Labour²²

An important area of social protection relates to child labour. *The National Report on Child Labor in Lebanon* by Haifa Hamdan, August 1997, contains a summary on the situation, from which the following report is abstracted.

In Lebanon today at least 6,000 children aged 10-14 years are in work. This represents 1.87 percent of the population of children of similar age, and 0.6 percent of the total labour force. Eighty-seven percent of working children are boys. No estimate is available of the number of working children below the age of ten years. Excluded from these figures are children working in the agricultural sector, those working in the informal sector, and those in illegal occupations such as prostitution, pornography and begging.

Available data indicates that working children generally belong to large poor families, and are either illiterate or have barely finished their elementary education. They belong mainly to families who were affected by the war, families who were displaced, or female headed households in which the father died or became disabled or jobless. These factors may be regarded as the primary reasons why children work. Most of the children are employed in the industrial sector - in activities such as metal work and handicrafts. Most of those in the agricultural sector are engaged in unpaid family labour.

Most of the working children are paid low wages, usually well below the minimum wage rate set by the government. The conditions of work are often severe. Thirty-eight percent of children work between 10 and 14 hours per day. The majority are not covered by any type of health or medical insurance and are not registered as employees in the National Social Security Fund. All non-Lebanese children working in Lebanon do so illegally. The two largest such groups are Palestinians and Syrians.

The Government of Lebanon has ratified many of the international conventions relating to child labour. It has ratified most of the articles of the Convention on the Rights of the Child, 1991, and endorses the Arab Labour Convention relating to child labour. Within the Lebanese Labour Code there are provisions on the minimum working age, the maximum number of working hours, the types of job allowed to children, and conditions of work.

A Parliamentary Committee for Children's Rights was established in 1991. The Committee works on various legislation affecting the welfare of children, including implementation of the Convention on the Rights of the Child. The National

²² Labour issues in general were excluded from the terms of reference under which this report has been prepared.

Employment Office conducts a vocational training programme for working children and juveniles. The Higher Council for Childhood, formed in 1994, has prepared a study on existing laws pertaining to the Convention and a national report on progress made in relation to its application. Also, several non-governmental organizations have programmes that target juvenile delinquents and working children.

1.3 The Disabled

Based on the World Health Organization's *International Classification of Impairments, Disabilities and Handicaps*, 1980, the National Committee for the Disabled has estimated that there are presently 140-160,000 disabled persons in the country. This is equivalent to a national impairment rate of four percent. The Ministry of Social Affairs has however described this estimate as conservative.²³

In this area the Ministry's first objective is to change public attitudes, so to change the status of the disabled from one of being marginalized to one of being integrated into society. Secondly, the hope is that it will be possible to change the philosophy of work with the disabled from one based on charity to one based on a respect for human dignity and human rights. A Comprehensive Law on Disability (# 220 passed May 2000) is being implemented from the Ministry's own resources and with the cooperation of a wide range of non-governmental organizations.²⁴ For the year 2001 the government's budget allocated for disabled persons was LL 2,517 million. Other recent steps include

- Decentralization of the aid delivery process to five regional centres;
- The issuing of disability identification cards for 146 different disabilities;
- The issuing of norms and standards for accredited service institutions;
- The signing of an agreement between MoSA and the Ministry of Public Health to ensure 100 percent coverage of the medical costs of all card-carrying disabled; and
- Coverage of the cost of 99 different types of technical aids delivered through accredited institutions.

For the future, MoSA hopes to be able to extend services for the disabled to the more remote and hitherto inaccessible parts of the country.

In respect of disabled children, some 8,000 children of school age benefit from having the Ministry picking up approximately 30 percent of the expenses incurred by the 44 different voluntary associations providing services to this group. The high number of disabled children in residential institutions is directly related to the lack of integrated

²³ Republic of Lebanon Ministry of Social Affairs, National Committee for the Disabled *Rights and Access: Programme for the Disabled (2000-2001): Proposal for Funding* August 2000, p5.

²⁴ Assistance has been provided through the Office of the Minister of State for Administrative Reform.

education opportunities in either the public or private sectors. The Disability Rights and Access Programme of the Ministry seeks to address this problem.

1.4 Other Vulnerable Groups

Certain other groups in the society receive social protection services from the state and /or from a variety of non-governmental organizations. Such groups include the elderly, girls at risk and delinquents. In respect of the last two categories - girls at risk and delinquents, there are approximately 70 individuals in care. Other social groups also receive support and assistance (including support from the Ministry of Social Affairs), although they do not generally fall within the rubric of social protection. These groups include women, young people (youth) and artisans.

In the 2001 there are 640 old people in 17 different residential institutions, receiving a subsidy from the Ministry of Social Affairs at the rate of LL 4,010 per head per day. The Ministry of Public Health sponsors an additional number of individuals in this category. In the same year there are 99 delinquents and girls at risk, all of whom are in residential care.

In respect of women, it has only recently come to be recognized that there are special needs to be addressed. The Population and Housing survey conducted by MoSA in 1997 revealed increasing levels of illiteracy among women, a deterioration in the quality of health services, and a decrease in demand for health services among girls with low incomes. This is especially worrying in view of the impact that these factors can have on the health and education of the population in general, that is through the woman's role as mother and home-maker.

1.5 Housing Conditions

The most serious and far-reaching consequences of the civil war was perhaps the forced displacement of some 800,000 people and the destruction or damage caused to around 170,000 housing units. This has resulted in - or contributed to - social dislocation, the break up of families, and a general deterioration in the level of domestic welfare.

The proportion of the population living in overcrowded accommodation - defined as three individuals or more sleeping in one room, is 45.7 percent. The national average number of individuals sleeping in one room is 4.8, one of the highest indicators of overcrowding in the world.²⁵

A study by MoSA and UNDP in 1995-96, dealing with living conditions in Lebanon, revealed that of all household that could be classified as deprived (based on the principle of unsatisfied basic needs) 69.5 percent lived in apartments, while another 29.6 percent lived in independent houses. Tenants constituted 21.5 percent of the total, while 60.6 percent of households fully owned their own dwelling. Some 74.1 percent of deprived households lived in accommodation having three rooms or less,

²⁵ Ibrahim Maroun 2000(a) p.182.

while 12.1 percent lived in only one room. Another 12.2 of households lived in dwellings having a floor area of less than 30 square meters. Thirteen percent of deprived households had no means of space heating.²⁶

Until recently the Ministry of the Displaced has provided assistance to families in need of resettlement. However, in light of public disquiet over the perceived unfairness and irregularities in the distribution of benefits, this programme has been suspended. For families with regular and secure incomes, the National Housing Agency provides house purchase loans. The Higher Relief Committee under the Office of the Prime Minister also makes available housing assistance in times of emergency.

2. Government Services

2.1 Legal and Institutional Provisions

The Ministry of Social Affairs was created on 2 April 1993 with the adoption of the law LD 212. However, the ethos and much of the work of the Ministry has developed out of the mission of a semi-independent body, the Office of Social Development, which was established in 1959 under the aegis of the then Ministry of Labour and Social Affairs.^{27, 28} The present law defines the functions of the Ministry of Social Affairs as follows²⁹

- Formulate a social policy for the country and foster its development
- Provide social welfare to vulnerable groups (disabled, orphans, juvenile delinquents, social cases) and finance the institutions that cater to these groups
- Execute development projects whose responsibility is assumed jointly by the Government and NGOs
- Accredite social institutions and non-governmental organizations and monitor their activities
- Supervise social welfare institutions, sponsored by religious groups etc., that offer social services for free.

²⁶ MoSA and UNDP 1998, p.20.

²⁷ The President of the time was General Fuad Shihab. The Shihab regime pursued a rigorous programme of reform and refurbishment of the state, based on the principle that political stability could be enhanced by improving government services and promoting equitable socio-economic development. (AMIDEAST and LCPS 1992, p.13). Subsequent administrations failed to follow through with this agenda, although the law on the establishment of the National Social Security Fund, which was initiated during the Shihab regime, was passed eventually in 1963.

²⁸ In 1983 the Office of Social Development was incorporated as a Directorate within the Ministry of Public Health and Social Affairs.

²⁹ Summary reproduced from Ivo Gijsberts *Inception Phase Mission Report: Social Sector, 19 March - 7 April 2000* ARLA Project, Programme Monitoring Consultants, Office of The Minister of State for Administrative Reform, page 5. For the full list of functions as defined by the law, see MoSA May 1999, p.2.

An overview of the Ministry's work produced in May 1999 under the signature of the Director General states that the Ministry's main tasks revolve around the following

- Planning and carrying out social programs;
- Applying international treaties and agreements signed by the Lebanese Government, relating to child rights, women's rights and reproductive health, etc.;
- Working with resolutions coming from United Nations agencies and international conferences, such as those relating to sustainable human development, and balanced development - implying the decentralization of social work; and
- Establishing a network of Social Development Service Centres specializing in development services that can lay the groundwork for regional development strategies.

In practice, the work of the Ministry resides in an amalgam of these two lists of functions. However, it is interesting to note that the second is more oriented towards human rights and equity themes, with considerably more developmental thrust than was laid down in the original law.

2.2 Doctrine

In its planning and in its operations, the Ministry of Social Affairs is guided by several principles. These can be summarized as follows

- That services be decentralized so far as possible;
- That the allocation of resources contribute to a balanced regional development;
- That programmes be based on a partnership between Government and the NGO sector;
- That welfare and development services contribute to all round human development, promoting sustainability and avoiding dependency on the service provider;
- That intervention be based on adequate knowledge supported by proper research.

2.3 Structure and Staffing

The Ministry is headed by a Minister and lead by a Directorate General. Under the DG's office falls two directorates - one for Social Services (Welfare); the other for Social Development. Each directorate is made up of several departments. An

organogramme is illustrated in Appendix 4. However, given the fact that there is a very large number of staff vacancies (see below), the formal structure bears only a token relationship to the way the organization works in practice. Another factor separating espoused theory from practice is that some of the functions of the organization have been suspended (e.g. family support) while the office appears to continue.

Aside from the operational structure, several quasi-independent bodies link in to the MoSA structure through the Director General. These include the Higher Council for Children, the National Commission for the Disabled, and the National Committee for Illiteracy Eradication.

In the Governor's Office in each of the country's five regional governments or *Mohafazas*, there is a small Department of Social Affairs. This office acts primarily as a channel of communication between the Ministry at central level and the Social Development Service Centres that are located in the small provincial towns. The work of the SDSCs is described more fully below.

Out of 470 established positions in the Ministry, only 146 posts are presently occupied. The large number of vacancies is explained in part by budgetary limitations and in part by the fact that the Civil Service Board is regarded as a slow machinery for recruitment. Since 1995 the government has not permitted new recruitment without a special dispensation, even for established positions. In addition, approximately 1,000 contractual workers are engaged in field positions. These employees are not cadre civil servants as such but, after 500 days of continuous service, they enjoy permanent status and are subject to benefits from the Social Security.

Notwithstanding that the Ministry of Social Affairs is seriously understaffed in relation to the figures set out in its establishment table, some observers have opined that there exists a surplus of employees in the lower grades.³⁰ The average age of employees is believed to be between 50 and 55 years. This suggests that if there is a surplus, the problem will gradually solve itself as these people retire.

2.4 Budget and Expenditure

A feature of the Ministry of Social Affairs as presently constituted is its multi-purpose nature. Aside from the usual administrative, personnel, support and technical items, the budget for 2001 lists the categories of expenditure shown in the following table. In most but not all cases the funds are made available as subsidies to third parties - primarily voluntary associations - which manage their own programmes, but subject to certain basic conditions laid down in the contracts with government.

The total budget in 2000 was LL 94,000 million, while the proposed budget for 2001 is LL 106,000 million.³¹ Based on the information available it is extremely difficult

³⁰ Office of the Minister of State for Administrative Reform *Ministry of Social Affairs: Report on Initial Findings* November 1999, page 10.

³¹ These figures include LL 3,000 million on behalf of the former Directorate General of Housing. Excluded are payments made to civil servants for the education of their children.

to apportion expenditure between welfare and development needs. Aside from the fact that the Ministry does not appear to make such a distinction itself, much depends on a definition of purposes, over which there could be considerable disagreement. A rough estimate would suggest that approximately 80 percent of the total amount is used for the financing of social services delivered to the disabled, orphans and other social cases while 20 percent is allocated to development purposes more generally defined.

Category of Expenditure	LL million
Education and training of orphans; delinquent girls and girls at risk; shelter and care of infants; shelter and care of the elderly; Shelter, education and training of the handicapped	64,000
Social and health projects, including day care centres, women's projects, vocational training and adult education	10,000
Support for the elderly (through Caritas Lebanon)	300
Running a health centre and training medical doctors and nurses	500
Running a lead-centre delivering services to the handicapped	200
Running medical dispensaries at labour union centres	300
Operating costs for the Social Development Service Centres	16,632
A free lunch scheme at 5 centres (4 in Beirut) for poor families	600
Running a social training centre	1,339
Training of delinquents (street children) at two centres	500
Running a parole or probationary service for young people in trouble	600
Centre for the encouragement and development of the carpet industry	200
Running a centre for artisans	200
Running voluntary work-camps	500
Rights of disabled people project	2,517
Development projects & services in cooperation with other agencies	1,000
Eradication of illiteracy	150
Family planning services	562
Population issues	200

2.5 Social Development Service Centres

A key component in the structure and function of the Ministry of Social Affairs is the Social Development Service Centres, of which there are now 60 scattered around the country, plus a further 59 satellite units. Of the total number of centres and satellites, approximately 70 have been created or re-created within the last three years. The first Social Development Service Centre was established in 1971 in Borj al Barajneh.

The basic idea is that the centres provide a focus for the delivery of a range of social welfare and developmental services supplied by the state and by civil society. This includes agricultural extension, education and health services, as well as social welfare. Satellite units provide the same kind of services as do the main centres, but to much smaller communities. The SDSCs also try to mobilize local resources - from municipalities, community groups and NGOs - for development activities in their

area. Projects include the provision of various kinds of training and assisting with the setting up small income-generating activities.

The total number of personnel currently engaged by MoSA in the SDSCs is 1,020. Dividing this figure by the total number of centres and satellite units, an average of 8.6 personnel per centre or unit is arrived at. Although the centres employ more than do the satellite units, independent observers have opined that SDSCs are grossly understaffed in relation to the volume of work that they are expected to undertake.

Each Centre follows a similar structure. According to Ministerial Decision 1/76, personnel are assigned to one of seven sections: health; education, popular culture and elderly education; social development; family and women's affairs; handicrafts and small industry; administration; and research and documentation. In many locations some success has been achieved in engaging the interest and collaboration of other ministry personnel, many of whom have established a visiting relationship. This arrangement effectively boosts the number of professionals actively delivering services through the centres.

The directors of the Social Development Service Centres are generally university graduates or are individuals with long experience of work in the social sector - often with NGOs. In theory, the SDSCs report to the Director General in Beirut, although in practice they are required to deal with several different departments of the Ministry. Supervision of each SDSC falls to an *ad hoc* committees of two or three individuals, including the director of the Centre and one or two functionaries who may be drawn from any branch of the Ministry. Programmes and budgets for the SDSCs are initiated at central level, although a great deal of emphasis is placed on the virtues of local fund raising.

2.6 Social Development Training Centre

The provision of training in social welfare began in Lebanon in 1962 with assistance from UNICEF and the United Nations ESCWA office. During the period 1965-1968, 110 social workers and supervisors of day-care centers and other institutions were trained. This was followed in 1968 by the establishment of a Social Development Training Centre under the then Directorate of Social Affairs. This Centre provided an 18-month programme for Social Auxiliaries, a one-year programme for the staff of day-care centres, and in-service programmes for employees of various welfare institutions. At the same time, the University of St Joseph (Beirut) was producing trained Social Workers on a four-year full time course, leading to the award of a bachelors degree. The war of 1975-1990 brought most of these activities to an end.

Since the early 1990s the Ministry has been trying to regenerate its training operations. A new building has been set up in the Hadath area, just west of Beirut. With assistance from UNIFEM, UNICEF and UNFPA the Centre is now fully operational. Presently six professionals are engaged, supported by two administrative assistants and other service personnel.

During the period 1989-99 the Centre trained 50 Social Auxiliaries on a full-time programme. However, in view of the Government's monitorium on the hiring of new

personnel, further training of this kind has been suspended. In February 1999 a new Director of the Centre was appointed. Work continues in preparing early childhood teachers and in upgrading staff of the Social Development Service Centres. Other recent courses include training on the use of volunteers in environmental projects, and reproductive health (commissioned by UNFPA). When not delivering or arranging courses, the Centre is occupied in designing new course material in anticipation of the day when more substantial funding becomes available.

One innovative departure is that the Training Centre is attempting to link together some 20 social service institutions into a training network. The Centre provides three to four day courses for the committee members and employees of these organizations, and a survey has been carried out of the training resources and activities being undertaken. A next step is envisaged as being the carrying out of a training needs assessment.

The main aim of the Training Centre is to improve the professional and managerial competence of all middle-level personnel engaged at the SDSCs, by partner NGOs, and by the Ministry. Particular emphasis is being placed on the development of management and administrative skills and the planning and implementation of various projects. This is done partly through the delivery of short courses at the Centre, and partly by assisting various other units - both within the Ministry and outside - to arrange and coordinate their own programmes. Where the Centre runs in-house courses, its own staff is reinforced by engaging the temporary services outside trainers.

As a priority, the SDTC seeks to focus its efforts on upgrading the complement of skills available within the Ministry itself. Of the more than 1,700 personnel that are distributed between the central office in Beirut, the SDSCs and various programmes, the majority have been placed in their jobs without prior training or orientation. Many have been in their posts for more than 20 years, and during the long period of civil war have forgotten or lost many of their skills. Training needs identified among Ministry personnel in Beirut include strategic planning, basic management and administration, programme development, monitoring and evaluation and English language. In addition, certain categories of personnel such as nurses, nursery teachers and literacy trainers require specialized help.

3. Local Government³²

In principle the Government of Lebanon is committed to the idea of decentralization and deconcentration. The desire for central government to be more visible at regional and district levels and for a strengthening of functions and autonomy at the municipal level dates back to the Taef Agreement of 1989. In practice, a number of obstacles remain. Executive powers are largely retained by the Governor of a region, who is directly appointed by the Council of Ministers. Supervisory powers over the work of

³² The Lebanese Centre for Policy Studies is currently engaged in carrying out a field study of 350 municipalities throughout the country. For the preparation of the present report, this material was not available. However, the results of this research work will be presented at a workshop in Beirut to be held in the last week of April 2001.

the municipalities may be delegated to the Assistant Governor. In Beirut, the 1,940 employees of the municipality report to the Governor, not to the Municipal Council.

Three levels of local administration can be discerned. The *Mohafeza* or Region³³; the *Quada* or District; and the *Ittihad* or Union. The latter is not a formal level of administration but a grouping of a number of towns and villages seeking to exploit economies of scale in various operational fields. Formation of such unions has been permitted since 1997 under law # 118. To date, there are 14 Unions, which derive their income from a levy of 10 percent on the income of the constituent municipalities. On the initiative of the Council of Ministers, the structure of local government is currently under review.

The present situation is that there are 708 municipalities covering about 80 percent of the population. Each municipality averages around 5,000 inhabitants and covers an area of approximately 14 square miles. The remaining population lives in some 1,000 small villages and depend on the *Qada* for the delivery of services. Most of the townships have few permanent employees and very limited financial resources. Where personnel are appointed they tend to be of modest educational attainment and with limited skills. Financial management is a particular problem. In large parts of the country local government is so weak as to be discounted for most operational purposes.³⁴ In 1998 municipal elections took place, the first since 1963. In May 2001 further municipal elections are to take place in the south of the country.

Each municipal authority is empowered to raise its own income - for example through rents on municipal property, taxes on local businesses, construction permits, and fees for the use of advertising boards. The extent to which this power is useful depends very much on how wealthy is the area. The bulk of the municipal income is provided by the state, nominally 10 percent of certain types of revenue collected centrally. These include customs duties, property transfer tax, inheritance tax, income tax and charges for telephone, electricity and water.

The municipalities are responsible for the maintenance of minor roads, pavements, sewerage, water, electricity, parks, slaughterhouses, hygiene, public libraries, markets, traffic police, night guards, and the control and inspection of construction. Most of these services are delivered through contractors, the municipality itself retaining very few employees.

At the central level the Ministry of the Interior is responsible for local government. Within this ministry there is a department concerned with Municipal and Rural Affairs.³⁵ Jointly with the Ministry of Finance, this Ministry administers the Independent Municipal Fund. However, many other central government agencies interact with local government and it is not always clear who has what mandate to operate through what lines of authority for what purposes. One result is that local government is forever facing difficulties in meeting the wishes of its many masters.

³³ Lebanon is now divided into six *Muhafaza*. These are North, South, Bqaa', Mount Lebanon, Beirut and Nabatieh.

³⁴ Information taken from ARLA document *Key Specialist Reviews: Annex J: Local Government*.

³⁵ For the preparation of the present report it was not possible to obtain an interview with any of the responsible officials at Ministry level.

Those municipalities which are relatively well developed often have a Committee responsible for Social Affairs. Membership of the committee is determined by election among members of the full Council. An NGO or an individual needful person is allowed to make application to the committee, which is empowered to make a grant in aid.³⁶ The methodology used for determining need varies from area to area and may be more or less routinized.

4. Non-Governmental Organizations

Given the fact that Lebanon is a small country with a small population, it is relatively unusual in the number of domestic NGOs that are known to be active. A database maintained by the United Nations Development Programme office in Beirut lists 241 groups. Three hundred NGOs are listed by the Association for Volunteer Services, but the same organization estimates that there are between 400 and 500 "useful" NGOs in the country - and considerably more less active ones. One informed observer offered an estimate of 140,000 NGOs in Lebanon, although in this case the definition of what is a non-governmental organization appears to have included all of those that had ever been registered, most of which were convenience family institutions no-longer (if ever) active.³⁷

Several different types of NGO can be discerned. The largest group is made up of those owing allegiance to one or other of the religious confessions. Most of these are extremely small but include notable exceptions. The most significant of the endowment foundations are the Islamic Philanthropic Makassed, the Islamic House for Orphans and the Dar al-Aytam. The Makassid is basically an educational foundation, although hospitals and several other types of welfare institution have been established as a result of the war. Dar al-Aytam started as an orphanage but has similarly expanded its activities to assist the disabled. In terms of size and budget, the three most significant social service NGOs in Lebanon are Caritas Lebanon, the Hezb-allah organization, and the Hrawi Foundation. These three organizations have substantial fundraising capacities and are not normally disposed to accept financial support from the Ministry of Social Affairs.³⁸ The Amal Associations are also well known for their welfare work.

A minority of NGOs try hard to provide services across the sectarian divides. The work of the YMCA, the Lebanese Red Cross /Red Crescent Society, Secour Populaire

³⁶ Out of a municipal budget of LL 143,000 million, in the past year Beirut City Council allocated approximately LL 200 million to 65 beneficiary organizations. (The population of Beirut is estimated at 800,000 residents and a further 400,000 daily commuters.) In addition, LL 30 million was disbursed to individual poor applicants. In Zouk Mikael Municipality LL 100 million per year, equivalent to 10 percent of the municipal budget, has been allocated to assist with the education of children from poor families. Information obtained from interview.

³⁷ Unlike in some other countries, the explanation for the proliferation of NGOs does not appear to be the enjoyment of tax exemption. Registration does not automatically confer this, although NGOs classified as public interest organizations may be excused payment of import duties. Obtaining support from official sources is not however possible without registration. The family-based NGOs are set up mainly for political reasons, as a way of extending patronage - or appearing to do so - preparatory to elections.

³⁸ However, Caritas Lebanon received LL 300 million for a project to assist the needy. This is described by MoSA as an exception.

Lebanais are all well known organizations in this group. Most such groups - including several that are not mentioned here - are ideologically inspired and are believed to suffer considerable difficulty.

Other groups distinguish themselves by having some thematic or sectoral interest, for example child rights, the environment or public policy. An organization known as the Lebanese NGO Forum tries to coordinate the work of some 60 independent organizations interested on human rights issues. One success story is told by the South Lebanese Society for the Blind, which has led a collective effort among NGOs interested in disability. However, generally, the community of NGOs remains fractionated and largely disinterested in cooperation across the existing boundaries.

During the war years in Lebanon the NGO community received vast amount of assistance from foreign donor organizations and from Lebanese living abroad. Indeed, where government services collapsed, it was often only the NGOs that were able to provide relief and assistance. In the immediate post-war years many new NGOs were created. In the period 1961-1993 102 NGOs were registered with the Ministry of Social Affairs, whereas between 1993 and 1998 146 new ones emerged.

In recent years the available sources of aid have tended to dry up³⁹, while privately funded endowments have not bounced back to assume the significance that they had in earlier decades. The result is that the state has been placed under increasing pressure to provide support to these private foundations so as to keep them afloat. The fact that many of them are led by relatively wealthy families with good connections and political influence, means that it is often difficult for the government to resist the demands that are placed upon it.

Nevertheless, of late the Ministry of Social Affairs has been placed under some pressure to reduce the level of subsidy that it pays to the voluntary associations, which have been accused publicly of waste and sharp practice. Between the two years 1998-99 the Ministry's budget was cut from LL 94,000 million to LL 68,000 million. This resulted in a substantial cut in the level of subsidies paid out. Some estimates have put this as high as 50 percent of the previous figures.⁴⁰ Although the budget for 2000 bounced back to its previous level the pressure to make cuts remains. This fact now obliges the Ministry to develop specific and more visible criteria by which it assesses the work of the organizations that make application to it for support.

Aside from the 180 non-governmental institutions that maintain residential institutions for children and other social cases, 254 NGOs receive support from the Ministry for local services and small development projects. Approximately 65 percent of these projects are described as the running of social health centres. The projects are supposed to be joint NGO-government operations, managed by a committee made up of representatives of the Ministry and of the NGO. All project employees are appointed by the Director General, based on a list of candidates put

³⁹ In 1999 assistance to Lebanon from the International NGO community was running at the rate of \$13.5 million. Of this amount, 34 percent was directed towards social development, 26 percent to humanitarian aid and relief and 23 percent to human resources development. United Nations Development Programme *Development Cooperation Report: Lebanon 2000* September 2000, p.56.

⁴⁰ Reported of Wali Merhej, National Director of First Steps Together Association, Hala Kilani "State cuts subsidies to disabled" *Lebanese News*, 9 July 1999.

forward by the committee. MoSA regulations require that project employees be paid government level wages and social insurance.

In many cases it is reported that the management committees are not terribly effective. A preoccupation with the low level of government salaries is one problem. The budget is allocated by the Ministry annually but, irrespective of the length of the project, most are renewed automatically at the end of every year. There is little or no control over the quality of services provided and even purposes are sometimes lost in the mists of time. Given that the Ministry is now under pressure to economize on its budget, this group of NGOs has become vulnerable to cuts.⁴¹ The UNDP is currently assisting the Ministry to develop performance criteria with which a review of performance may be carried out.

⁴¹ The NGOs running the institutions are somewhat more secure in their relationship with the Ministry: they have generally existed for a longer time and are politically better connected.

2. Analysis

5. Thinking Strategically

5.1 Policy Orientations

In the field of social policy, two broad types of action may be distinguished. The first type - the more traditional kind - is directed mainly at dealing with the consequences of deprivation rather than with its causes. This type of intervention targets socially weak and vulnerable categories (the handicapped, one-parent families, working children, etc.), or it targets particularly disadvantaged geographical areas.

The second type of intervention is of the preventative kind. This operates by formulating macro-economic and social policies that address the underlying causes of poverty. It includes advocating and drafting economic and social legislation, as well as conceptualizing and designing integrated economic and social development programmes. Within this framework, any number of specific topics may be addressed: wages and pricing policy; taxation; labour law; demographic issues; the provision of education; and health services; etc. A diversified package of projects and policy objectives could be addressed, including raising wages, creating more productive employment opportunities, and lowering the cost of commodities and services needed by the poor and middle income groups.

The impact of macro-economic and fiscal policies on social welfare is almost certainly greater than the impact of purposeful intervention on the part of the appointed ministries. The study of living conditions in Lebanon carried out by MoSA with UNDP 1998, observes

"...deprivation expressed by low income levels in Lebanon is probably more widespread than forms of deprivation related to the availability of basic material and social services. Income levels are sensitive to short term changes, and to political and economic factors that adversely impact on the sources of income. In contrast, the other elements are subject to influences that take longer to be felt, and reflect assets and resources accumulated by households, or services made available by the public sector." (p.22)

Lebanese experience over the past three decades demonstrates a direct link between economic growth on the one hand, and improvement in the standard of living and the alleviation of poverty on the other. Private contributions to welfare programmes are believed to be substantial and far greater than public welfare expenditures, although this is difficult to quantify due to lack of data.⁴² The link between growth and welfare therefore remains credible, notwithstanding the fact that growth by itself is not a sufficient condition; imaginative and appropriate social policies are also required.

Another point to note in favour of a policy-oriented approach is that there is close correlation between poverty and unemployment. In Lebanon, wage earners constitute more than two-thirds of the labour force, and there is no compensation for

⁴² World Bank *Lebanon: Public Expenditure Review of the Social Sectors*, Draft, October 2, 1998, p.1.

unemployment. This means that when unemployment strikes, it hits hard, both in term of numbers of people affected and the seriousness of the consequences.

The Government of Lebanon has no discernable employment policy, this apparently being left entirely to market forces. In view of the large number of foreign workers in the country (predominantly of Syrian origin) this is somewhat surprising. While migrant labour remains unprotected by social insurance, employers benefit (lower labour costs) but both the migrants and Lebanese workers are disadvantaged, the latter though unfair competition in the labour price.

In considering by how much and how best to finance social protection in Lebanon, one must take into account the fact that there may be some trade-off between long-term investment in growth with human resource development on the one hand, and the giving of social assistance on the other. These not mutually exclusive categories: undoubtedly the best kind of social assistance is that which contributes to a growth in the economy, and by no means all social assistance programmes take away resources that would otherwise be used for investment. Nevertheless, international experience suggests that countries which are unable to raise revenues from taxation or other sources are generally unable to sustain spending on social welfare without hurting either health or education.⁴³

From this analysis one can conclude that interventions at the policy level are likely to have a considerably greater impact on social protection than the more traditional welfarist approach that has been followed to date. Breaking away from traditional ways of thinking may not be easy but, ultimately, government will have no choice if it is to use wisely the public resources that are at its disposal.

Re-tooling an institution to perform these functions will not be an easy task, especially given the constraints that are placed on the payment of adequate salaries within the civil service. Nevertheless, there are indications that the Ministry of Social Affairs may already be preparing itself to move in this direction. A desk review of the existing social situation in Lebanon - *The Social Outlook* - is currently being prepared by MoSA with assistance from the Norwegian research organization FAFO.

5.2 Advocacy as a Vocation

When the Ministry of Social Affairs was established in 1993 it lacked the necessary data to set out a plan for social development. The Central Statistical Office was not operational and those statistics that were available were the result of studies undertaken during the 1960s and '70s. As a result of war, much in the social landscape had changed. For this reason, the Ministry began collecting field data. The result is that today, the Ministry is possessed of an office which is able to undertake a variety of inquiries on matters of social interest. Monitoring of activities is also undertaken by this office.

Neither the Ministry of Social Affairs nor any other branch of government publishes figures on the numbers of people who might be considered to be in need of social

⁴³ K. Subbarao et. al. *Safety Net Programs and Poverty Reduction: Lessons from Cross-Country Experience*, Directions In Development, The World Bank, Washington, D.C. pp125-6.

protection. What is available are figures on the number of people in different categories that are assisted with funds supplied through the Ministry. The extent to which present provision meets current needs is an empirical question, the answer to which could only be obtained through survey research properly designed and executed. While such a task is obviously beyond the scope of the present report it is, nevertheless, a worthwhile area for future research.

Beyond data collection there is an opportunity to engage in an activity that is extremely valuable and very much related to the policy orientation advocated above. This consists in engaging in advocacy for pro-poor policies and measures. For a government ministry this activity may be regarded as somewhat unusual but it is, nevertheless, one having immense social value. Although Lebanon has a well-developed community of NGOs, for the most part these are not advocacy organizations in the usual sense. Who, therefore, is ready to speak for the poor?

The theory of government suggests that such a role normally falls to elected representatives, but politicians still need to be informed of the current situation and what may be the policy options that are available to them. The Ministry of Social Affairs already tries to attract attention to those causes that it deems important. Disability and illiteracy of two such cases in point. However, giving greater legitimacy to this task - and the resources to support it - would help the process of government along while helping to protect individual officers from the accusation that they are overstepping their mandate.

5.3 Population Dynamics

Research published in 2000⁴⁴ indicates that the population of Lebanon - as in many parts of Europe, is aging rapidly. People are living longer, the age at which women marry is being pushed back and there are fewer births. The present population of persons above 65 years of age is estimated at 215,000, or nearly seven percent of the total population. While this proportion will certainly increase, the proportion of children in the population will decline.

This phenomenon is likely to have serious implication for social protection, if not immediately then certainly within the next 20 years. For example, the number of places required in child care institutions will shrink, while the number of places required for the elderly will increase. This is expected in part for the reason that, as family become smaller and women increasingly join the work force, there will be no one at home to take care of the elderly. Also, the solidarity represented in family ties appears to be waning, with adult children less able or less inclined to take care of their aging parents.

At present most of the old folks homes will take only persons who are perfectly healthy. Institutions that will accept the old who are sick are few, and most of those lack adequate sanitary and specialized equipment and services. In future it would be wise to provide services preferentially for those old folk who are disabled or those

⁴⁴ United Nations Agencies and Republic of Lebanon *Men and Women in Lebanon: A Statistical Survey* [in Arabic] Beirut, 2000

who don't have a family. In this, the state can take a lead but programme administration will surely require the participation of the NGO community.

5.4 Reducing Confessional Tensions

In modern Lebanon confessional differences inform almost every aspect of political and social life. Clearly, for many people, the differences that prevail between the various religious communities is a subject of great sensitivity. Notwithstanding the fact that most people are heartily sick of the violence and do not want to return to open warfare, the confessional divisions that were exacerbated by the civil war are still very evident within them. Indeed, it can be said that the need for healing and the building of greater understanding and tolerance across the sectarian divides is the single most important issue of social protection facing Lebanon today. If present hatreds - especially among the youth - are not dissolved in peaceful and constructive ways, then any progress that is made in other spheres is automatically put at risk - if not in the short term then within a generation.

A noted Lebanese sociologist has written on the subject⁴⁵

"Pathological as they seem at the moment, such communal solidarities need not continue to be sources of paranoia and hostility. They could be extended and enriched to incorporate other more secular and civic identities. If stripped of their bigotry and intolerance, they could also become the bases for more equitable and judicious forms of power sharing and the articulation of new cultural identities. Here lies the hope, the only hope, for an optimal restructuring of Lebanon's pluralism.

This is not another elusive pipe dream. Just as enmity has been socially constructed and culturally sanctioned, it can also be unlearned. Group loyalties can, after all, be restructured. Under the spur of visionary and enlightened leadership, individuals can at least be re-socialized to perceive differences as manifestations of cultural diversity and enrichment; not as dreaded symptoms of distrust, fear, and exclusion."

No government agency is committed to addressing this issue, although the Ministry of Social Affairs does have a small programme that aims to promote better understanding between young people of different confessional groups while getting them to participate in nation building. Each year approximately eight voluntary work-camps are set up on which selected young people labour together to help rural communities implement various projects. The camps generally last for 22 days, each catering for 40-50 participants. Usually they involve the construction of physical infrastructure such as an irrigation canal or a school building. Sometimes non-Lebanese participants are also invited to participate. Government provides transportation, food, management and cultural events for the participants. In 1991 LL 500 million was allocated to this purpose.

⁴⁵ Samir Khalaf 1991, p58.

Work camps as a vehicle for promoting peace, justice and reconciliation is an idea that has a long history in Europe, extending at least from the period immediately after the end of the First World War. Before the 1975-90 war, the methodology was well used in Lebanon. Given this tradition and the knowledge and experience that is already available, it is therefore recommended that substantial additional resources be put into addressing the need for national reconciliation. Additional attention would need to be given to the overtly educational and nation-building aspects of the activity, with significant resources devoted to measuring and evaluating impact in terms of desired attitude change and behaviour modification.

5.5 Paying for Social Protection⁴⁶

Leaving aside the possibility of funding social assistance programmes from international sources⁴⁷ - a solution that does not appear very likely in the case of Lebanon, social protection can be funded from several sources. These include general tax revenues, taxes earmarked for specific purposes (e.g. from a national lottery), or levies on employment for social security. Because social assistance programmes are intended primarily for the poor they are best financed from general tax revenues collected under a progressive regime, i.e. preferentially from those with the ability to pay. However, effectiveness of this instrument is constrained by the ability of the tax administration to implement a tax system that inherently increases the incentives for tax evasion.

Taxes on employment are also an important source of financing for social welfare. However, such taxes are generally limited to deductions for social insurance - which is not normally targeted on the poor. Payroll levies raise the unit cost of production and reduce competitiveness. The mechanism may also have adverse consequences for the poor, encouraging factor substitution away from labour and inducing employers to limit output. Taxes on employment reduce the demand for labour, leading to greater unemployment - at least in the short term. This may result in a greater need for social assistance, which in turn can exert further pressure for higher taxes.

User charges are a potentially important source of finance for programmes of social protection. Such charges benefit the poor if the revenues produced are used to extend essential services or improve their quality. However, if charges are applied equally on all users, they are likely to be regressive. This happens especially where the poor must have the service (demand is inelastic) payment of the cost reduces the family's welfare in other ways. While there is probably a great deal of potential for collecting user fees from many beneficiary groups - or their families, care must be taken to ensure that the mechanism does not oppress the really poor.

⁴⁶ On the funding of social protection an international conference will take place in June 2001 in Costa Rica. This is organized by the South-South Social Policy Network. Lebanon has been invited to participate, but the availability of funds precludes adequate representation.

⁴⁷ In Africa 88 percent of all social assistance spending is supported from external resources. In Latin America the corresponding figure is 72 percent. This includes some middle-income countries such as Venezuela. However, such dependency exposes social protection programmes to fluctuations in the availability of resources and makes them inherently unstable. (Subbarao n.d. pp121-2)

Although financing social protection out of general taxation is undoubtedly the best option, it is important to keep this within limits otherwise the distortions imposed could more than outweigh the benefits. For example, it is possible that increasing taxes will fuel inflation - which hits the poor disproportionately. Inflation erodes the real value of peoples' incomes and their limited cash savings. In as much as the poor tend to have few assets other than their labour, inflation hits them hardest. While the poor are not necessarily the same group as those who need social protection, if one is poor the possibility of securing one's own protection is limited.

5.6 Criteria for the Allocation of Resources

The selection criteria used by the Ministry of Social Affairs is currently reported as being under review and therefore unavailable. However, it is possible to make a number of comments on the system as presently understood.

Decision making on the allocation of subsidies for the support of orphans and social cases is centralized. Under present arrangements a family in need applies to a local Social Development Service Centre, which then allocates a social worker to make a family visit. The social worker makes a report to the chief of the SDCS who then forwards the information to the Social Development Office at *Mohafaza* level. This office then forwards the recommendations to the MoSA headquarters, which makes the decision to allocate resources or not. In consultation with the family, the needful individual is assigned to the nearest institution. It is expected that sometime in the future the *Mohafaza* office will be empowered to make these decisions. Presumably, this will imply a delegation of budget to the sub-national level. How such an allocation will be made in the absence of detailed information on the social situation in each area is not yet clear.

To the extent possible, the confessional affiliation of the family and of the available institutions is taken into account before a final decision is made on which institution is chosen. Often, there is only one suitable place accessible. Given the fact that there are far more Christian institutions than Muslim ones, it often happens that Muslims are assigned to Christian institutions. The reverse happens rarely, except perhaps in the case of vocational training institutions for the older child.

Where an institution is left with vacancies after the Ministry of Social Affairs has nominated all those whom it wishes to sponsor, the institution itself may put forward nominations. However, these too have to be approved through the MoSA procedure.

The only way to ensure equity between individuals (and ultimately between the evolving needs of confessional communities) is to have a thoroughly needs-based means-tested system. When such an approach was tried in the housing sector, for the post-war resettlement programme, the results were not very encouraging. Largely the reasons were ones of political interference. Nevertheless, it remains true that the absence of publicly agreed and transparent criteria undermines the Ministry's claim that it puts the principle of equity before sectarian interests. This is not to suggest that Ministry personnel deliberately tip the scales in favour of one sect or another; merely that without defenses the officials are vulnerable to persuasion.

As mentioned in section 1 of this report, above, divorce of the parents and poverty are both considered sufficient grounds for the child to be taken into care. In most countries, these are criteria that would be considered totally inappropriate. A similarly generous interpretation is given to the term orphan. To be admitted on this ground it is sufficient that the child has less than two parents. A lone parent may or may not be capable of supporting the child but the child can nevertheless be admitted to an institution simply because he or she meets the minimum criteria.

One of the problems with present arrangements for delivering social protection is that those who need help do not necessarily know that it is available. One local government official interviewed for the present report stated that his municipality did not make it known that it had assistance to give otherwise, he said "The rich would miraculously become poor". At the national level, MoSA provides help to only about one quarter of those families that apply to it for assistance, but does so on a first-come-first-served basis. Publicizing the fact that help is available would simply multiply the Ministry's administrative burden.

Nevertheless, a social protection system is supposed to bring benefits to those who need them most. It is therefore incumbent on the authorities to find ways of informing the people who are worst off that help is available. The needful may also need help in negotiating the process by which they apply for it. The challenge is then in designing an information and selection process that is fair and transparent.

5.7 Residential Care and Possible Alternatives

Modern theories of social protection maintain that where a needful person can be taken care of within the community, then this is infinitely better than placing the individual in an institution. This is equally true of old folk and those suffering from physical or mental disability as it is for children. The case in relation to children is however made considerably stronger by recognition of the fact that, for most people, a healthy family provides a basic foundation for psychological and social growth. In the absence of close family contact, there is a serious danger that the child may grow up with a set of attitudes and behaviours that are dysfunctional - both for the individual and for the society at large.

Currently, there are 180 residential institutions being supported by the Ministry of Social Affairs, in addition to a further 46 institutions that are also supported and devoted to assisting the disabled. The total annual budgetary allocation for these institutions is approximately LL 64,000 million. Given the fact that MoSA spends approximately 63 percent of its budget on subsidies for children in institutions, several questions need to be asked.

First, is it appropriate for so many children to be assigned to live in residential institutions away from their families? International experience suggests that children who spend substantial periods growing up in institutions have a childhood which is less happy⁴⁸, and subsequently have more psychological and personal problems, than

⁴⁸ A study carried out at the University of St. Joseph reported that 32 percent of children interviewed in institutions regarded the place a "a prison". Reported in SCF January 2000, p.12.

the norm. In that many of these children come from dysfunctional backgrounds, this is perhaps not surprising. Nevertheless, there is evidence sufficient to believe that institutionalizing large segments of the Lebanese population may set up some serious problems for the future, problems that could threaten the society in several unpleasant ways.

Second, if it is necessary to institutionalize children: which part of the government budget should be footing the bill? More specifically: if education and /or training is the main justification for this expenditure, is it appropriate that the function continue to be allocated to the Ministry of Social Affairs rather than to the Ministry of Education?

The first of these observations is accepted by senior officers of MoSA. Efforts are currently underway to shift the emphasis towards day-care rather than residential provision, in part for the reason that day-care is cheaper but also because the approach is recognized to be more in the interests of the child. It is nevertheless surprising that the Ministry should feel compelled to continue in its policy of supporting institutional provision on the scale that it does.

In the 1960s the Office of Social Development provided means-tested grants to enable poor families to take care of their children at home. Although in principle an office of the Ministry is still responsible for this service, in practice the service has been suspended for fear that it could be misused to benefit sectarian interests. Patronage (in Lebanon called *clienteleism*) is still an important instrument of social control within confessional groups. The Ministry therefore wishes to avoid contributing to this tendency as well as avoid the inter-sectarian jealousies that might arise.

In countries of the world with well-developed systems of social protection, the preferred method of taking care of children and young people with serious family problems is to arrange for them to be fostered by another family. This is not adoption, but a temporary arrangement under which the host family provides shelter, food, care and emotional support until such time as the child is able to return to their natural parent(s). Wherever possible, siblings are kept together with the same foster mother and father. The state takes legal and financial responsibility for the child while they are being fostered. The foster parents are thoroughly checked out by the social work department before they receive a child into care and they receive regular supervisory visits from a social worker during the child's stay. The foster parents receive an allowance from the state which is generally more than sufficient to cover the cost of the child's stay.

In Lebanon, fostering arrangements appear to be unknown. Some observers have suggested that while a family might be happy to consign a child to an institution, Lebanese values are such that they would feel shame if the child had to be fostered with another family. Such problems notwithstanding, senior officials within the Ministry have indicated their willingness to experiment on a pilot basis, provided that the law can be amended to allow this.⁴⁹ It is not clear that the law needs to be amended to allow an experiment, but the advice of a lawyer should be sought.

⁴⁹ Donor consideration may be given to the possibility of arranging a study tour of fostering agencies in countries with similar or higher income levels to those prevailing in Lebanon.

The cost of supporting a child in a foster home would probably be greater than the cost of supporting the child in an institution. However, this may provide an opportunity for the state to mobilize the energies of confessional communities in more constructive ways. As indicated elsewhere in section 1 of this report, the strong sense of community embodied in the confessional traditions represents a strength for Lebanese society, as well as a risk. By drawing on the sense of collective responsibility within each sect, it may be possible to provide satisfactory alternatives to institutional care at a cost that approximates to the existing budget. If socially concerned individuals are willing to donate to private associations on the scale that they evidently do, then there is no reason to suppose that some of them at least would not instead be willing to foster a child at home.

6. Local Government and Social Protection

In many countries of the world responsibility for financing social protection programmes is being devolved to local government. Several reasons justify this move, some worthy, others less so. First there is the understandable incentive for the state to divest itself of the burden of caring for the nation's unfortunates from the national exchequer. A better reason is found in the principle of subsidiarity - the idea that government should exercise itself at a level no higher than is strictly necessary for the performance of the task. It is suggested that it is at the local level where needs are best identified and where, especially, those in real need can be separated from those who simply want to exploit the welfare system. Finally, the desire to secure legitimacy for the state through public participation in government is another motivating factor.

Decentralization is a paradox. It demands sophisticated political skills at the national level to guide the process, but at the same time requires that dependence on the center be broken. Not surprisingly, in the international arena decentralization has had limited success. Given sufficient autonomy over fund-raising and expenditure, and in an area where further tax raising is viable, a local government can do well. However, in areas of the country which are ill-provided for in terms of available administrative resources - as well as economically poor, decentralization of responsibility constitutes no solution to the needs of the poor and the vulnerable.

Whatever the arguments for and against, it is clear that in the foreseeable future sub-regional units will be expected to play a more significant role in raising revenues and in allocating resources than they have in the past. To ensure that delegated responsibilities are discharged effectively, incentives must be built in to the system. The principle by which central government matches funds raised locally might usefully be applied here. Local governments will have to be held accountable for what they do and they must be allowed to keep a major portion of the revenues that they collect. At the same time, a way has to be found of ensuring that the poorer regions receive compensating help from the centre. One must also note that forms of local taxation vary, and that not all are equally useful. Inexperienced local authorities will need assistance in selecting the revenue collection methods that best fits their circumstances.

The Social Development Service Centres represent one of the most significant assets which Lebanon has available to confront needs for social protection in the 21st Century. Given the wide disparities that exist in the level of living between different parts of the country, the SDSCs must be regarded as an essential vehicle for improving welfare and promoting equity. It is a pity, therefore, that most of the SDSCs are seriously constrained in their work by a lack of budget and shortage of basic equipment. An official of the ministry estimated that 90 percent of the resources allocated to the Centres are required for salaries, leaving less than 10 percent for project expenditure.

Although the SDSCs are not tied directly to the local government system (there are only 60 SDSCs while there are 750 municipalities) they do nevertheless constitute an important vehicle for mobilizing civic resources. With the right kind of programmes they can also help to engendering a sense of local loyalty and national identity that goes beyond narrowly defined sectarian interests. Given certain additional inputs, the SDSCs could become important points of leverage for the achievement of political, economic and community development.

First and foremost the SDSCs need core funds that can be used to initiate small projects. Almost all of the Centres have serious budgetary problem and, although enthusiasm and self-help can go a long way, it is no substitute for serious capital inputs. At the same time, salaries of the Centres' employees should probably be increased. At present a great deal of energy goes into seeking ways of increasing one's income. Participation in numerous - possibly unnecessary - committees, which attract honoraria, is one of the undesirable consequences.

Thirdly, assistance is required in local fundraising. Some of the more dynamic and creative Centre directors and community committees already involve themselves in fundraising for specific purposes - engaging the interest of local municipalities, the business community and even some international non-governmental donor agencies. The techniques of local fundraising can be learned and, provided adequate safeguards can be put in place, there is no reason why MoSA should not encourage this as a strategy for addressing local need.

It is generally acknowledged that there is a big difference in the level of programme activities and quality of work visible as between one SDSC and another. Observers have suggested that at least half of the SDSCs manage programmes that can be described as successful in some sense. These centres are led by energetic and committed individuals who are able to mobilize community and other resources for the start up of local services or small economic development activities. Other - less productive - Centre Heads should be retrained as a matter of urgency or discharged to make way for more energetic individuals.

7. Civil Society: Blessing or a Curse?

Modern interpretations of the idea of governance includes not only the work of the state, but within this assumes a role for the private sector and civil society. All three are now generally believed to be important for promoting sustainable human development. The role of the state is to create a political and legal environment that is

conducive to development; the private sector generates jobs and income; while civil society is supposed to facilitate political and social interaction.

Among countries of a similar income level, Lebanon is unusual in the degree to which it has a well-developed civil society. Voluntary action for social causes has a long history, extending back to the period of Turkish rule in the late 18th and early 19th Centuries, later reinforced by the activities of Christian missionaries of British, American and Arab-American origins. Given that the international community now considers civil society to be an important element in economic and social development, in many ways Lebanon can be regarded as unusually well prepared. This is so notwithstanding the fact that there are still few NGOs in Lebanon that see social advocacy as being part of their role.

The Lebanese approach towards the delivery of social services has been to rely on service provided by this civil sector. Rather than delivering services itself, government has chosen to subsidize the work of the private associations. Several problems arise with this approach. One is that the distribution of the private voluntary associations has been entirely unplanned. While some parts of the country are well provided for, others - particularly in the South - are less well off.⁵⁰

The channeling of public resources to private institutions may or may not be a cost-effective way of addressing social needs. On the face of it, it does not seem likely that the state would be any more cost-effective than are institutions that are motivated, at least in part, by a charitable spirit. On the other hand, in the health and education sectors (which are excluded from this review) there is strong reason to believe that the arrangement is highly inefficient, if not also extremely wasteful. In so far as the provision of welfare services is concerned, no conclusive evidence is available.

It is acknowledged that the allocation of funds by MoSA to the various social welfare institutions is based on important sectarian considerations, fair shares for the major sects being part of the social contract. This need inevitably cuts across the application of other more objective criteria, having to do with social equity at the individual or family level, cost-effectiveness and quality of service. One need not exaggerate the importance of this point, for all recipient institutions are supposed to meet certain minimum criteria. Yet it remains true that a system of state subsidies given to institutions, where there are no incentives to improve performance, is probably less efficient than allowing some kind of market mechanism to prevail.

Applying the principle that the state should select the beneficiaries of public assistance imposes on the administration a heavy administrative cost. It also removes the right of the service providers to decide who precisely they will assist. At a time when the proportion of assistance coming from the state is declining fast relative to the actual cost of maintaining a person in care, this policy becomes increasingly difficult to defend.

The Ministry's insistence on maintaining control over the selection of beneficiaries is based on the belief that, if left to their own devices, the private associations would simply reinforce the tendency to favour members of their own sect at the expense of

⁵⁰ MoSA May 1999, p.1.

other more needful individuals. The idea of working to a set of criteria that is national - rather than sectarian - in nature appeals to officials who see themselves as working to create a truly national identity.

The role of the state in relation to the NGO community remains to be defined. Is the Ministry of Social Affairs to be regarded simply as a fount of financial resources on which the NGOs can draw; or does the Ministry have some planning and leadership functions in relation to their work? If the latter is the case: to what extent and in what ways can and should NGOs be obliged to follow the Ministry's lead? The same question applies equally in respect of foreign donor organizations. There is a noted tendency for some donors to strike up supportive relationships with individual NGOs, without checking first to see whether the services are in line with Government priorities.

Legislation can take government only so far; in practice a partnership arrangement is the only way to go. The spirit of Government - NGO partnership with which the Ministry of Social Affairs works is in fact one of its strengths. This preferred way of doing things should not however blind MoSA to the fact that it has a fundamental responsibility to ensure that scarce public resources are used to the best advantage. Where better quality or more cost-effective services can be obtained by switching to other service providers, then it should have no hesitation in doing so.

In a society as fractionated as is Lebanon, there are obviously risks associated with such an approach. However, these can be minimized by ensuring first, that plans are formulated on the basis of full consultation; the criteria, the selection and the monitoring processes applied should be as transparent as possible. Secondly, where cuts or changes have to be made, these are best done in a fashion that is as even handed as possible, with no one NGO able to claim that it has been discriminated against on sectarian grounds.

In contemplating future government policy towards the NGO community it will be important to avoid the mistake of assuming that the NGOs presently in receipt of government support are the only ones worth dealing with. Many of those currently in receipt of funds would fall by the wayside if more rigorous selection criteria were applied; while many others who are not presently known to the Ministry of Social Affairs could provide valuable services. This will be particularly important in the case that the Ministry of Social Affairs decides to direct its work more towards the promotion of socio-economic development.

To realize the social potential represented in the very large number of small NGOs and community groups in Lebanon, some mechanism will have to be found to provide them with the support and guidance that they need to become effective agents for service and change. Some of the larger NGOs are beginning to show signs that they have the potential to act as mentors. However, even here, assistance will be required in developing their counselling and advisory skills. Forming partnerships of NGOs and community groups willing to work at grass roots level is certainly one way to go in channelling both local enthusiasm and foreign aid resources.

Another way in which donors could assist more effectively, therefore, is to support professional development and the building of organizational capacity. A common

problem for NGOs in Lebanon is that donor organizations appear reluctant to fund activities that do not produce an immediate observable benefit for the target groups. Funds are available for the implementation of projects, but the less visible human resource development component are frequently ignored.⁵¹ For relatively new NGOs assistance is often required to help them define the roles and responsibilities of a board and to distinguish them from the role and responsibilities of staff members.

7.1 The National Committees

On 12 July 1973 Parliament ratified law number 243 which called for the establishment of a permanent national committee for the handicapped. This was to be composed of representatives from MoSA, concerned institutions from the private sector and representatives of the handicapped people themselves. The committee's functions are to set general policy; to contribute to the planning and implementation of the policy; and to coordinate with specialized institutions in both the private and the public sectors. Law 656 changed the status of the Committee to being a permanent body, while Law 220 of May 2000 provided that the Committee should have a permanent office. However, as Parliament has still to validate these laws, the Committee is inoperative.⁵²

Similar committees exist to deal with other subjects. Among these are the National Council for Childhood, the National Committee for Population, the Committee on Illiteracy, the Permanent National Committee for Caring for the Elderly, and the Joint Committee on Disability. All of these are government appointed bodies of worthy citizens who are supposed to promote action in the respective subject areas. Some of these bodies undertake research and engage in public advocacy; others set up service programmes directly or indirectly with NGOs and the private sector. As far as is known, the members of the national committees do not receive remuneration for their involvement.

To the extent that the national committees provide a platform for worthwhile initiatives, then they may provide a useful service, although this is probably no different for the service than can be provided by any NGO if it so chooses. Nevertheless, it is not entirely clear what benefits the national committees do bring to the sector. In cases where this is a problem, the problem may lie in a lack of definition of purpose, and /or in a lack of vision concerning what could be achieved. Their comparative advantage appears to reside in having relatively easy access to government, a fact that would enable them to engage in advocacy if they so choose. In this area, some of the committees would undoubtedly benefit from technical assistance.

8. Improving Efficiency

With the national debt growing more rapidly than GDP, austerity measures can be expected in the medium to near future. If implemented, these will leave little room to

⁵¹ The NGO assistance programme of the European Union came in for specific criticism of this kind.

⁵² As reported in the *MoSA Annual Report for 2000*, chapter 2.

expand social services in the next few years. Such improvements as are possible, therefore, will have to come from improvements in efficiency rather than adding to the total budget. Within this perspective, the Ministry of Social Affairs will have little alternative but to grapple with several difficult issues, some of which are discussed below.

8.1 Addressing Waste and Inefficiency in Public Expenditure

In 1999 a review of public expenditure was carried out by the Ministry of Finance in cooperation with UNDP and UNICEF.⁵³ The main findings were that Lebanese society spends a very high percentage of its output on health care and education: 10-11 percent and 9.3-10.8 percent of GDP respectively. Government expenditures on social services (education, health, nutrition, potable water and wastewater services) rose during the period 1993-98 from 22.8 percent to 25.8 percent of the total expenditure (excluding debt servicing), and from 4.4 percent to 7 percent of GDP. However, it is generally agreed that the distribution of benefits is very unequal as between different parts of the country.

The important issue, then, is not so much the absolute volume of expenditure but rather in the low level of efficiency that seems to prevail in addressing the social problems from which people suffer. The expenditure review concluded that a major reason for the observed inefficiencies in government expenditure on social services is the absence of comprehensive integrated social and sectoral policies. In addition, serious weaknesses were noted in the mechanisms available for allocating resources, for the control of spending and the evaluation of results.⁵⁴

So far as the Ministry of Social Affairs is concerned, in relation to the charge that resources may be wasted by channeling them to private social service institutions, personnel are adamant that this is not generally the case. The NGOs that presently receive financial support do so under a contract that sets out the kind of services that they shall provide. Monitoring and reporting arrangements are in place, although it is admitted that these do not always work as effectively as the Ministry would like. The primary obstacle is said to be the lack of personnel within the Ministry to exercise the supervision required.

The MoSA Department responsible for allocating funds to NGOs other than those running institutions has six personnel out of a total 27 established posts. With this compliment it is supposed to monitor 254 projects using LL 11, 000 million a year. In practice, the best that can be managed is the setting up of myriad of supervision committees, one for each project, composed of social workers, representative of the Ministry of Finance and other MoSA administrators. Given the very large number of projects involved, it appears unlikely that such arrangements can fully meet the requirement.

⁵³ It was not possible to obtain access to the result of this review for the purposes of the present paper. The following comments are taken from United Nations Development Programme *Development Cooperation Report: Lebanon 2000* September 2000, p.43.

⁵⁴ It is unclear whether the review addressed itself to the expenditure controlled by the Ministry of Social Affairs. However, there is every indication that the same observations apply in that quarter, although perhaps modified in degree.

In any event, rarely is support to an institution terminated for its failure to comply with the terms of its contract. Given the importance attached to maintaining a balance in the distribution of resources between confessional groups, and given also the strong political influence that NGOs are able to bring to bear on the decision-making process, the Ministry is reluctant to exercise its prerogative in terminating a relationship. Added to this is the feeling that the Ministry is in partnership with the NGOs and that improvements can best be secured by maintaining friendly relationships and talking through the difficulties, rather than switching to another service provider.

It is acknowledged that the policies and decisions of individual government ministries do sometimes result in overlap and a duplication of services. For example, the Ministry of Public Health might set up a clinic to provide services very similar to those provided by an NGO that is being supported by the Ministry of Social Affairs. MoSA officials are aware of these problems and are doing their best to coordinate their efforts with their opposite numbers in the MoPH.

8.2 Pruning the Christmas Tree⁵⁵

There appears to have been a tendency for MoSA accumulate functions without significant attention being paid to the issue of what may be its central purpose. This is, in fact, as sign of its own success and an indication of the trust that has been placed in its personnel over the years, both by successive governments and foreign donor organizations. In a publication now two years old the Ministry of Social Affairs documents its interest in seven different domains.⁵⁶

- Demography and development
- Handicrafts production and various development projects
- Childhood
- The handicapped
- The eradication of illiteracy
- The elderly
- Women; and
- Primary Health Care.

⁵⁵ Apologies to Muslim readers for the use of a Christian symbol. Suggestions for a cross-cultural metaphor would be welcome!

⁵⁶ Republic of Lebanon Ministry of Social Affairs *Brief Overview of the Programmes and Projects of the Ministry of Social Affairs and a General Framework for its Future Plan of Action* Director General of MOSA, Nimat Kannan, May 1999

Not all of these domains correspond to vulnerable groups in the sense in which the phrase social protection is generally applied. In most countries, for example, artisans and the illiterate are not normally regarded as needing special protection, although they may in fact be among the poor. This does not mean that the Ministry of Social Affairs should not be treating with such groups, merely that there may be scope for some clarification - and simplification - of the Ministry's role. If one wishes to be cruel, one can liken the Ministry to an overloaded Christmas tree, onto which too many decorations have been attached. The time may be due for some judicious pruning. In particular, the relationship between the Ministry and the concept of social protection needs to be spelled out.

A remarkable proportion of the total budget goes to public health and curative medicine, activities which one might assume should be under the control of the Ministry of Health. A number of educational and training activities are also financed from the MoSA budget. Any rationalization of effort with a view to achieving greater cost-effectiveness would require that all of these expenditures be justified from a welfare perspective. If this is not possible, then they probably belong elsewhere.

In seeking to obtain maximum benefit from the limited budgetary resources that are available, it would be helpful if the Ministry could agree on what its core functions should be and to sacrifice those that are not considered essential. Such a process should lead to the elaboration of realizable objectives and independently verifiable performance criteria, against which its outputs can be evaluated. In due course, the Ministry may be encouraged to move towards a zero-based budgeting system, which would allow all of its outputs to be tied to the resources that are committed through it.

Among those doctrinal elements that presently inform the Ministry of Social Affairs is the idea that its services should contribute to all round human development, promote sustainability and avoid the creation of dependency. In so far as MoSA's mission is to ameliorate suffering and reduce the effects of social and economic disadvantage, there can be absolutely no question that this is a worthwhile and even necessary doctrine.

However, the idea of promoting all round human development has been extended to imply that the Ministry must also be in the business of promoting social and economic development interpreted more generally. In 1959 the Office of Social Development was created to overcome the perceived deficiencies of the then existing line ministries, for example those dealing with agriculture, health and roads. At the time it was believed that this departure from the more traditional role of delivering social assistance would be a temporary arrangement, that is until such time as the line ministries could be organized for more effective intervention, especially in the rural areas.

The question now for the Ministry of Social Affairs, and for the wider government, is whether it is appropriate for both types of objective to be pursued simultaneously under one roof? Most governments of the world choose to separate the function of promoting socio-economic development from the function of caring for the disadvantaged and less fortunate members of society. One consequence of the arrangement elsewhere is that development usually gets the lion's share of the budget while welfare subsists on the crumbs. In Lebanon, in so far as MoSA's own budget is concerned, the balance is decidedly the other way.

The type of work involved as between promoting development and delivering welfare is usually very different. At least this is so at the interface between the service providers and the ultimate beneficiaries. The rationale and motivation for the work is also different within the two fields. Consequently, the organizational culture, structure and operating procedures need to be different if both are to be effective.

While the forgoing represents an argument for splitting the work of Ministry of Social Affairs into two discrete branches, other reasons can be found for keeping them together. First and foremost is the fact that the state budget for welfare is less than that which is required even now, and the amount will probably shrink further in real terms over the foreseeable future. Partly for this reason, and partly also for reasons connected with wish to decentralize the administration and empower local communities, the delivery of care for the less fortunate members of society will fall increasingly to local government, to NGOs and to community groups in general. Mobilization of this potential will require the skills and insight of community development workers and specialists in institution building. Socio-economic development will increasingly need to contain a welfare element, so now may not be a good time to think of splitting the functions.

The question is perhaps not so much *what* the Ministry should be doing, but *how much* of each kind of activity it should be concerned with. At present approximately 80 percent of the annual budget goes to the provision of social assistance in one form or another. Only 20 percent goes to the Social Development Service Centres. In many cases this results in extreme budgetary difficulties at field level.

Since 1967 the Ministry of Social Affairs has been providing support to the House of Lebanese Craftsmen. A full description of the House is contained in Appendix 5. Its aims are to encourage traditional handicrafts; improve techniques of rural production and marketing; discourage migration from the rural to the urban areas; and promote tourism. The handicrafts sector suffered extensively during the war, after which MoSA continued to provide assistance for reconstruction. Support for this ongoing activity during 2001 has been budgeted for at the rate of LL200 million. From this expenditure it is estimated that some 8,000 individuals benefit. A further LL200 million is budgeted for a centre aimed at encouraging and developing the carpet industry in Bekaa and the north of the country.

Whatever the merits of these artisanal activities may be in terms of their contribution to economic or cultural development, it is unclear why the state should continue to subsidize such activities after the initial period of reconstruction. Consideration has been given to developing handicraft employment for the beneficiaries of the 44 institutions which are devoted to helping the disabled. However, the proposal has yet to be implemented on any substantial scale.

If the artisanal activities are worthwhile at all, it should be possible to bring them to the point where they are financially self-sustaining. If continued subventions are required, then these should be justified on the basis of reaching specific and meaningful social objectives that are not otherwise achievable. The same approach, i.e. limiting the role of the state in economic activities, is being taken now in most parts of the world.

8.3 Structure and Management in the Ministry of Social Affairs

The Ministry of Social Affairs suffers from the same problems that afflict most government institutions in Lebanon. First and foremost is the fact that the institution is imprisoned within a set of personnel rules and regulations that makes it difficult for its senior managers to manage the resources that are available. A distinction is made between civil service cadre - mainly in the headquarters office, and non-cadre positions - mainly in the SDSCs. Yet even for this latter group it appears impossible to remove and replace personnel who are less than satisfactory in performance.

The security of tenure that is granted to civil servants is designed in part to protect government officers from arbitrary political interference. In Lebanon, no less than in any other country, such protection is needed. However, whether middle level and lower level employees need to be cosseted in this way is highly questionable. When the functions of the administration is clear, realizable and routinized, then operating according to prescribed rules is possible. However, where the product is change and development - which requires a dynamic and entrepreneurial engagement with an ever-changing reality, it is extremely doubtful that civil service norms should apply.

To restore executive power and so permit the exercise of leadership that would allow the civil service to do what it is paid to do - namely to provide effective public services at reasonable cost, then considerably more attention must be paid to the need for public education. At present, those who would for self-interested reasons obstruct initiatives intended for the public good, are able to exercise unreasonable influence through tightly knit social and political networks. This paralyses the administration while playing into the hands of those politicians who seek to maintain their hegemony through its manipulation. This would not be nearly so possible if civil servants themselves, as well as the general public, understood the threat that such a system imposes. Administrative reform is not simply a technical operation, but one that requires for its effectiveness some well-targeted political education.

A second problem confronting the Ministry is the tendency to pass decision-making, even of a relatively routine nature, up the chain of command. Several offices (and officers) appear to be little more than conduits of communication between those engaged in work on the front line and those at senior levels in headquarters. This problem was recognized by a previous team of domestic consultants engaged by OMSAR in 1999 to review the work of the Ministries of Labour and Social Affairs. The recommendations of that team were to cut positions located directly under the Director General. Unfortunately, such a proposal exacerbates the already existing problem of overload of the Director General with routine matters.

The delegation of authority appears to be a particular problem. A requirement of the Council of Ministers, imposed early 1999, that spending of the budget should first be authorized by the Council was overturned by the Court of Accounts. However, the heightened public concern over the possible misuse of public funds has made it increasingly difficult for MoSA to delegate spending decisions to its lower echelons. This context notwithstanding, a more effective strategy for organizational improvement would be to find way of delegating authority and encouraging officers

to take decisions on their own initiative, at least to the extent that that is consistent with the need to achieve the organization's purposes and objectives. This presupposes that the organization has objectives that are known to and understood at all levels, a matter that will need to be worked on as first priority.

A third problem from which the Ministry of Social Affairs suffers is the adherence to traditional forms of - an almost entirely - vertical organizational structure. Although linkages between different parts of the system are possible, at present they appear to rely on the initiative and willingness of individual members of staff to cross-organizational boundaries. Given the natural tendency towards minimization of risk within a bureaucracy, this does not happen as frequently as is desirable. For the purpose of promoting social and economic development, if not also delivering welfare services in a complex and fast changing environment, a matrix form of organization would offer greater advantages. The introduction of more formalized cross-linkages should not however be at the expense of ensuring accountability for productivity and performance.

A fourth problem is more specifically Lebanese. Given the need to maintain a balance between the confessional groups, recruitment and placement criteria generally take precedence over matters of competence and qualifications. In almost all government departments one finds virtually the same distribution based on a core balance between the six main confessional groups: Sunni, Shi'I, Druze, Maronite, Orthodox and Catholic. According to the amended constitution, only civil service grade one posts are to be allocated on a strictly half-Christian half-Muslim basis. However, in practice, attempts are made to maintain confessional balance throughout the system.

8.4 Organizational Development: Fancies and Framework

The Office of the Minister of State for Administrative Reform has in the past appointed consultants to work with the Ministry of Social Affairs on a number of questions. The approach adopted appears to have concentrated on the possibility of introducing a management information system with extensive computerization, and on carrying out a review of the organizational structure and the allocation of formal responsibilities. A survey of opinions within the Ministry has also been carried out.

The Ministry of Social Affairs requested assistance with the modernization of its record keeping and data management. Beneficiary files, NGO files, project files, community profiles etc., are all maintained as paper records and not easily available or shared. This makes it difficult for MoSA personnel to access and update records, prepare budgets and reports and monitor activities as they would wish. NGO contracts and other documents are handled manually, which limits the potential for cross-checking and avoiding errors, etc. In brief, there is a perception that computerization of the Ministry's work is essential to becoming a modern bureaucracy.

While there is no doubt that the introduction of computer to the Ministry could bring substantial benefits, these will be of comparatively little advantage in the absence of a thorough-going process of organizational development. This is not to suggest that

MoSA is any more in need of strengthening than other parts of the Government system. Indeed, the Director General enjoys a reputation for being one of the more dynamic and committed of all senior government officials in Lebanon. Nevertheless, the fact remains that computerization is only one tool among many that would need to be applied to achieve greater productivity and effectiveness.

Similar observations can be made in respect of the focus on changing the organogramme and reallocating certain functions. This rather conventional approach to administrative reform is likely to have relatively little impact in the absence of a commitment to the changing of organizational culture. In common with most other government agencies, productivity within the Ministry of Social Affairs is seriously constrained by a set of social values and administrative behaviours that are dysfunctional to getting a good job done with limited resources.

The civil service mind appears preoccupied with rules, regulations and decrees, many of which have little relevance to the situation in Lebanon today. The notion of productivity appears far from the thoughts of most employees, with departmental protocol and the need to husband personal relationships assuming considerably more importance than the need to obtain value for money. The idea of teamwork, although much appreciated by individual officials when given to chance to practice it, is not generally part of the organization's culture.⁵⁷ All of these factors conspire to neutralize any beneficial effects that might follow from tinkering with the organogramme or installing computers, however much such improvements may be required in and of themselves.

The OMSR report on the Ministry of Social Affairs of November 1999 prioritizes four areas for possible administrative reform. These are

1. Organizational and budgetary review, design and implementation
2. Project cycle management for social development projects and NGOs
3. Legal and policy advice, and
4. Procurement of equipment.

No matter how important each of these topics may be, it is here suggested that a rearrangement and expansion of the subject areas be considered. This will provide a clear logic with a straightforward time sequence in the actions that are required to bring about meaningful improvements. The six recommended steps are

1. Prepare a preliminary but realistic assessment of the resources likely to be available to the Ministry over the coming years.
2. Formulate a clear mission statement and a vision concerning social protection in Lebanon for the year 2020. This statement should be based on a consensus

⁵⁷ The idea of teamwork is commonly misunderstood. In the present context it means the application of a rigorous set of organizational behaviour and management principles that ensures a focus on productivity. In its wider meaning it is synonymous with organizational transformation.

view of what the role of the state will be in relation to the social and economic needs of the population.

3. Agree specific and measurable goals and objectives required to deliver on the forgoing statements.
4. Develop policies and procedures required to achieve the agreed goals and objectives.
5. Make whatever structural and administrative changes may be required to create the necessary tools of production.
6. Design a human resource development strategy and set of supporting policies that will enable the Ministry to implement its plans.⁵⁸

Clearly, there will be some going backwards and forward between the above phases of thought and action. Nevertheless, the steps 1 through 6 afford a comprehensive framework within which to organize discussion.

In following the process outlined above, one is not setting out to design a new organization or a whole host of new activities for which the Ministry has no aptitude or resources. The task is, rather, one of consolidating what is already being done (and /or being thought of) by reviewing and perhaps modifying purposes and adjusting methods. In the process one may achieve a closer integration between purposes, activities and the resources that are likely to be available.

The possibility of engaging the Ministry in a process of institutional development depends ultimately on engaging the interest of the Minister and the Director General. To date, there is no indication that this has been achieved. Where budgetary constraints appear to be the main obstacle standing in the way of achieving own desired goals, then sending more consultants simply to talk about the need for reform does not appeal. The fact that the OMSAR-ARLA initiative comes from outside the Ministry may be another reason why its overtures do not now appear to be embraced with enthusiasm.

In face of this non-seceteur, a two pronged approach is suggested. First, donors could usefully consider responding to the needs as defined by the client - i.e. provision of computers and training. This will at least open the door to further dialogue. Some form of agreement may be drawn up within which computerization is seen as one part of a more general strategy for organizational development.

Secondly, an approach to institution building should be considered that places control of the process firmly in the hands of the Ministry. This would aim to build the Ministry's own capacity for leading and managing organizational change. It is understood that such an approach has already been adopted within the Ministry of Finance and appears to be working well. Given the present quality of leadership, there is every indication that MoSA would be willing and able to embrace such an

⁵⁸ A human resource development policy for MoSA will need to be based in part on an appreciation of the age structure within the organization.

idea, both in respect of its own needs and the needs of the many NGOs through which it works.

None of the forging suggests that a process of organizational development will be easy. Lebanon is a country where multiple competing interests are balanced out in a precarious way. The legitimacy of the state depends on keeping stakeholders reasonably satisfied. This makes the introduction of any kind of reform particularly problematic. Significant changes of any kind need to be discussed and consensus arrived at through long and careful discussion, where all parties who might be affected have the opportunity to express their opinion. It does nevertheless fall to Ministers and to senior civil servants to make the necessary decisions and to communicate them in ways that secure at least tacit support. Organizational change is difficult to achieve in any society, but in Lebanon this requires vastly greater attention to detail and correspondingly greater resources - including time - for analysis, planning and implementation.

In the framework of consultation, and in view of the developmental nature of MoSA's work, care will also need to be taken to ensure that the formulation of objectives does not limit unreasonably the kind of projects that are assisted in the field. Local communities usually have a much better idea of what is important to them than does central government. Therefore, indicators of output are best developed at that level and then summarized upward, rather than attempting the reverse top-down procedure.

How then to energize and staff up a process of organizational development managed from within? The proposal here is that the capacity of the Ministry's existing Social Development Training Centre be worked up so as to provide an in-house change consultancy service. A summary of the present work of the Social Development Training Centre has been included in section 1.1 of this report.

The SDTC presently suffers from two major problems. One is the limited skills available among its full-time personnel relative to the enormity of the re-training task that faces the Ministry. The other is the shortage of funds - with which both to address this problem and to mount the range of training and professional development programmes that are seen to be needed. Under new direction, the SDTC has elaborated a vision and a mission that is appropriate and timely. Unfortunately, without the necessary resources it is extremely unlikely that this potential will be realized.⁵⁹

Beyond its present brief, the Training Centre might provide a suitable home for the range of services that are needed to improve the competence of the Ministry generally. In any organization, the provision of training is usually only one part of the range of services that is required to achieve quality improvement. Others - relating for example to needs analysis, organizational re-design, personnel policies, the development of organizational culture, productivity improvement, human resource development planning, management information systems, cost-accounting and budgeting, are also likely to be required.

⁵⁹ A project and budget estimate has been prepared by the Ministry suggesting support over three years in the order of 2.2 billion Lebanese pounds (\$1.4 million). This amount might need to be increased in the case that the Centre were used as a base for wider organizational development.

Given the ethos of the Training Centre as it stands today and the quality of leadership presently available, a development of its function along the lines proposed would be possible.⁶⁰ Substantial financial support and technical assistance would however be required to facilitate such an expansion of role.

If successful, the Social Development Training Centre could become a spearhead for social change and development not only in Lebanon, but in the region as a whole. The donor institutions of the United Nations family that presently support the Training Centre for on a modest basis are encouraging the Ministry to consider providing training services to a range of clientele within the wider region.

⁶⁰ At the time of writing this has not been discussed with the Director of the Training Center or with the Director General.

PART 3: CONCLUSIONS AND RECOMMENDATIONS

Summary of Conclusions

Present provision

1. In Lebanon four percent of GDP is allocated to the social safety net, but the net is old and with large holes. Genuine social protection is not provided to several disadvantaged segments of the population, including retirees, the unemployed and families with many children. Non-Lebanese residents do not qualify for social protection, a fact that results in disadvantage to Lebanese labour. Spending on social security is directed for the benefit of the non-poor. Government ministries and a large private voluntary sector provide a range of services, but these are uneven in terms of their quality and their geographical distribution.
2. Government lacks any coherent policy concerning the social sector, concerning its own role, the role of the voluntary sector, or of other social institutions such as the family and the confessional communities. One of the reasons for the paucity of government action may be the misconception that the social sector consists of charity work, rather than being an investment for the future. Strong vested interests seek to ensure a continuation of present arrangements, a fact that makes it difficult to bring about rational improvement.

The imperative of reform

3. With the national debt growing more rapidly than GDP, austerity measures can be expected in the medium to near future. If implemented, these will leave little room to expand social services in the next few years. Such improvements as are possible, therefore, will have to come from improvements in efficiency rather than adding to the total budget.
4. Economic regeneration - on which a sound programme of social protection must be based - will depend on reorganization and regularization of the labour market, the promotion of enterprise, reform of the fiscal system, and grappling with the difficult issues of public administrative reform.
5. Increasing public disquiet concerning waste and inefficiency in the public sector is fuelled by the perception that decision making is covert and subject to political favoritism and interference. A policy of increasing openness and transparency in the allocation of resources for social protection would be helpful in allaying the disquiet.

Reorientation towards the strategic management of social welfare

6. The impact of macro-economic and fiscal policies on social welfare is undoubtedly greater than the impact of purposeful intervention on the part of the appointed ministries. Interventions at the policy level are therefore likely to

provide more cost-effective interventions for social protection than the more traditional welfarist approach.

7. Re-tooling any institution to perform new functions will not be an easy task given the constraints that are placed on the payment of salaries within the civil service. Nevertheless, there are indications that the Ministry of Social Affairs may be ready to move in this direction, provided that external assistance is forthcoming and provided also that this can be delivered in a manner that leaves the client in control of the process.
8. Research indicates that the population of Lebanon is aging rapidly. People are living longer, the age at which women marry is being pushed back and there are fewer births. While the present proportion of 7 percent over the age of 65 will certainly increase, the proportion of children in the population will decline. This phenomenon is likely to have serious implication for social protection, if not immediately then certainly within the next 20 years.
9. The single most important issue of social protection facing Lebanon today is the need for to build greater understanding and tolerance across the sectarian divides. Confessional differences inform almost every aspect of political and social life. If present hatreds are not dissolved in peaceful and constructive ways - especially for the young people, then any progress that is made in other spheres will be put at risk again within a generation.

Social protection through fiscal policy

10. Because social assistance programmes are intended primarily for the poor they are best financed from general tax revenues collected under a progressive regime. However, effectiveness of this instrument is constrained by the ability of the tax administration to implement a tax system that inherently increases the incentives for evasion.
11. Taxes on employment are also an important source of financing for social welfare. However, such taxes are generally limited to deductions for social insurance - which is not normally benefiting the poor. Payroll taxes raise the unit cost of production and reduce competitiveness. The mechanism may also have adverse consequences for the poor, encouraging factor substitution away from labour and inducing employers to limit output. Taxes on employment reduce the demand for labour, leading to greater unemployment - at least in the short term. This may result in a greater need for social assistance, which in turn can exert further pressure for higher taxes.
12. User charges are a potentially important source of finance for programmes of social protection. Such charges benefit the poor if the revenues produced are used to extend essential services or improve their quality. However, if charges are applied equally on all users, they are likely to be regressive. This happens especially where the poor must have the service (demand is inelastic) so that payment of the cost reduces the family's welfare in other ways. While there is probably a great deal of potential for collecting user fees from beneficiary groups

in Lebanon, care must be taken to ensure that the mechanism does not oppress the very poor.

13. Although financing social protection out of general taxation is the best option, it is important to keep this within limits otherwise the distortions imposed could more than outweigh the benefits. For example, it is possible that increasing taxes will fuel inflation - which hits the poor disproportionately. Inflation erodes the real value of peoples' incomes and their limited cash savings. In as much as the poor tend to have few assets other than their labour, inflation hits them hardest. While the poor are not necessarily the same group as those who need social protection, if one is poor the possibility of securing one's own protection is correspondingly limited.

Allocating resources between needful individuals

14. One of the problems with present arrangements is that those who need help do not necessarily know that it is available. A social protection system is supposed to bring benefits to those who need them most. It is therefore incumbent on the authorities to find ways of informing the people who are worst off that help is available. The most needful may also need help in negotiating the process by which they apply for it.
15. The only way to ensure equity between individuals (and ultimately between the evolving needs of confessional communities) is to have a thoroughly needs-based means-tested system. To make this possible publicly agreed and transparent selection criteria are required.
16. It is expected that sometime in the future the *Mohafazata* - regional local government office, will be empowered to make decisions on the allocation of subsidies for children placed in care. Presumably, this will imply a delegation of budget to the sub-national level. How such allocations will be made in the absence of detailed information on the social situation in each area is not yet clear.

Care institutions and the alternatives

17. Modern theories of social protection maintain that where a needful person can be taken care of within the community, then this is infinitely better than placing the individual in an institution. This is equally true of old folk and those suffering from physical or mental disability as it is for children. The case in relation to children is made considerably stronger by recognition of the fact that a healthy family provides a basic foundation for psychological and social growth.
18. Currently, there are 180 residential institutions being supported by the Ministry of Social Affairs, in addition to a further 46 institutions that are devoted to assisting the disabled. The total annual budgetary allocation for these institutions is approximately LL 64,000 million. Given the fact that MoSA spends approximately 63 percent of its budget on subsidies for children in institutions, several questions need to be asked.

19. First, is it appropriate for so many children to be assigned to live in residential institutions away from their families? Second, if not: do any viable alternatives exist? In the 1960s the Office of Social Development provided means-tested grants to enable poor families to take care of their children at home, although it is understood that this service has been suspended for fear that it could be misused. Third, if it is necessary to institutionalize children: which part of the government budget should be footing the bill? More specifically: if education and /or training is the main justification for this expenditure, what is the role of the Ministry of Social Affairs *viz a viz* to the Ministry of Education?
20. In countries of the world with well-developed systems of social protection, the preferred method of taking care of children and young people with serious family problems is to arrange for them to be fostered by another family. This is not adoption, but a temporary arrangement under which the host family provides shelter, food, care and emotional support until such time as the child is able to return to its natural parent(s). In Lebanon, fostering arrangements appears to be unknown, although senior officials within the Ministry have indicated their willingness to experiment on a pilot basis.

Local government

21. In the foreseeable future local government will be expected to play a more significant role in raising revenues and in allocating resources than it has in the past. Although the Social Development Service Centres are not tied directly to the local government system (there are only 60 SDSCs while there are 750 municipalities) they do nevertheless constitute an important vehicle for mobilizing civic resources. Given the wide disparities that exist in the level of living between different parts of the country, the SDSCs must be regarded as an essential vehicle for improving welfare and promoting equity. It is a pity, therefore, that most of the centres are seriously constrained in their work by a lack of budget and a shortage of basic equipment.

Non-governmental organizations

22. Modern interpretations of the concept of good governance includes a role for civil society as well as the private sector. Among countries of a similar income level, Lebanon is unusual in the degree to which it has a well-developed civil society. This is so notwithstanding the fact that the overwhelming majority of the NGOs are service-oriented rather than social advocacy groups.
23. The Lebanese approach towards the delivery of social services has been to rely on these service providers. Government has chosen to subsidize the work of the private associations in proportion to the number of approved cases that they take on, rather than deliver services itself. One problem arising with the approach is that the distribution of the private voluntary associations is entirely unplanned. While some parts of the country are well provided for, others - particularly in the South - are less well off.
24. It is acknowledged that the allocation of funds by MoSA to the various social welfare institutions is based on sectarian considerations, fair shares for the major

sects being part of the social contract. This need inevitably cuts across the application of other criteria, having to do with social equity at the individual or family level, cost-effectiveness and quality of service.

25. The Ministry's insistence on maintaining control over the selection of beneficiaries is based on the belief that, if left to their own devices, the private associations would simply reinforce the tendency to favour members of their own sect at the expense of other more needful individuals. The idea of working to a set of criteria that is national - rather than sectarian - in nature appeals to officials who see themselves as working to create a truly national identity.
26. NGOs that presently receive financial support do so under a contract that sets out the kind of services that they shall provide. Monitoring and reporting arrangements are in place, although these do not always work as effectively as the Ministry would like. The primary obstacle is said to be the lack of personnel within the Ministry to exercise the supervision required.
27. Many observers have noted that rarely is support to an institution terminated for its failure to comply with the terms of its contract. Given the importance attached to maintaining a balance in the distribution of resources between confessional groups, and given also the strong political influence that NGOs are able to bring to bear on the decision-making process, the Ministry is reluctant to exercise its prerogative in terminating a relationship.

Organizational and management problems within MoSA

28. There appears to have been a tendency for the Ministry of Social Affairs to accumulate functions without significant attention being paid to the issue of what may be its central purpose. This is, in fact, as sign of its own success and an indication of the trust that has been placed in its personnel over the years, both by successive governments and foreign donor organizations.
29. Not all of the Ministry's areas of interest correspond to vulnerable groups in the sense in which the phrase social protection is generally applied. In most countries, for example, artisans and the illiterate are not normally regarded as needing special protection, although they may in fact be among the poor. This does not mean that the Ministry of Social Affairs should not be treating with such groups, merely that there may be scope for some clarification - and simplification - of the Ministry's role.
30. The Ministry of Social Affairs suffers from the same problems that afflict most other government institutions in Lebanon. First and foremost is the fact that the Ministry is imprisoned within a set of personnel rules and regulations that makes it difficult for its senior managers to manage the resources that are available. A second problem relates to the disincentives to delegate responsibility and authority, with all that implied in terms of overload and inefficiency. A third problem is the adherence to traditional forms of organizational structure that do not encourage coordination across vertical lines. A fourth problem relates to the fact that in recruitment and placement, competence and qualifications are seen to be less important considerations than religious affiliation.

31. In the past two years the Office of the Minister of State for Administrative Reform has appointed consultants to work with the Ministry of Social Affairs on a number of issues. The approach adopted appears to have concentrated on the possibility of introducing a management information system with extensive computerization, and on carrying out a review of the organizational structure and the allocation of formal responsibilities. A survey of opinions within the Ministry has also been carried out. These approaches, while possibly valuable in themselves, fall far short of what needs to be done in order to achieve meaningful improvements in social sector performance.

Summary of Recommendations

Strategic planning

1. A necessary task for all governments is to develop consensus and create a national vision for social and economic development. This would include a definition of the quality of social services that the citizens may expect, and a clear enunciation of the roles and responsibilities that the various parts of society are expected to play. The government of Lebanon is encouraged to develop a mechanism that will facilitate this task.
2. One approach would be for the Government to commission a National Committee on Social Policy. Such a committee would formulate a comprehensive integrated set of policies on social development, social welfare, health and social security. The Committee would require high level representative of the Ministries of Finance, Labour, Social Affairs and Health, as also of the National Fund for Social Security and the Civil Service Commission. Technical Assistance and staffing could be provided by the Office of Minister of State for Administrative Reform in cooperation with the ARLA Programme. The formation of such a committee should not preclude immediate action on priority issues here identified.
3. Aside from the foregoing recommendation, it is also recommended that the Ministry of Social Affairs take a policy-oriented approach to the analysis of and improvement of social conditions. The Ministry should be ready to engage in advocacy on behalf of the less fortunate members of society as well as take the initiative in organizing direct assistant programmes.
4. Substantial additional resources should be put into addressing the need for national reconciliation and fostering a greater understanding of - and respect for - the differences that exist between the religious sects. Lebanon has considerable experience in the organizing of work camps for young Lebanese and foreigners. This experience could now be put to good use. Additional attention should be given to the overtly educational and nation-building aspects of this activity.
5. The Ministry of Social Affairs should agree on what its core functions will be and be ready to sacrifice or transfer non-essential ones. In particular, the relationship between the Ministry and the concept of social protection needs to be spelled out. The balance between welfare and development objectives should also be

considered. Such a process must lead to the elaboration of realizable objectives and independently verifiable performance indicators, against which its outputs can be monitored and evaluated.

6. Care should be taken to ensure that the formulation of objectives does not limit unreasonably the kind of projects that are assisted in the field. Objectives and indicators of output are often best developed at that level and then summarized upward, rather than attempting an entirely top-down procedure.
7. Consideration should be given to the question of whether it is appropriate for development services to be provided by the same government organization that is responsible for welfare services. Most governments of the world choose to separate these functions, although there are arguments both for and against. At present approximately 80 percent of the annual budget goes to the provision of social assistance in one form or another, while only 20 percent goes to the social development more generally defined.
8. Efforts should be made to bring the artisanal activities presently supported through MoSA to a point where they become self-financing. If continued subventions are required, these should be justified on the basis of reaching specific and measurable social objectives that are not otherwise achievable.

Targeting of beneficiaries

9. Among the challenges facing the Ministry of Social Affairs is the better targeting of disadvantaged groups such as orphans, so-called social cases, and the elderly. Objective criteria must be set to determine the basic needs of each of these groups.
10. In future it would be wise to provide services preferentially for those old folk who are disabled or those who don't have a family. In this, the state can take a lead but programme administration will surely require the participation of the NGO community.

Social Development Service Centres

11. The Ministry of Social Affairs in concert with other governmental and non-governmental organizations should re-evaluate its strategy and the effectiveness of its social development centers. Efforts should be made to preserve the best of these operations while strengthening or eliminating those aspects that are weakest or, perhaps, better carried out by other agents.
12. Social Development Service Centres should be provided with more core funds that can be used to initiate small projects. Assistance is also required in local fundraising. Less productive personnel in the SDSCs should be retrained as a matter of urgency or discharged to make way for more energetic individuals.

Working with NGOs

13. Government should continue with its present policy of working through non-governmental welfare and development organizations. However, to reduce the

administrative cost and improve the monitoring of standards, the number of such beneficiary organizations could be reduced by encouraging the formation of consortia.⁶¹ Efforts must be made to encourage a better distribution of NGO facilities in the poorer areas of the country, and the Ministry should put an end to the automatic, unchecked renewal of contracts with the NGOs.

14. The Ministry of Social Affairs should take more of a lead in planning and orchestrating the work of the NGO community. Legislation may be required to enforce its leadership, but the spirit of Government - NGO partnership with which the Ministry works is already one of its strengths.
15. The partnership approach adopted by the Ministry of Social Affairs to its work with NGOs should not blind the Ministry to the fact that it has a fundamental responsibility to ensure that scarce public resources are used to the best advantage. Where better quality or more cost-effective services can be obtained by switching to other service providers, then it should have no hesitation in doing so. It is important to avoid the mistake of assuming that the NGOs presently in receipt of government support are the only ones worth dealing with. This will be particularly important in the case that the of socio-economic development activities.
16. To realize the potential represented in the very large number of NGOs and community groups in Lebanon, a mechanism should be developed that will provide them with the support and guidance that they need to become effective agents for change and service. Consideration should be given to assisting some of the larger NGOs to play this role, and to encouraging the formation of NGO-community partnerships.

A comprehensive approach to organizational development

17. It is recommended that the Ministry of Social Affairs adopt a six-step approach to its own institutional development. The same approach can be used with its NGO partners. Donor organizations should be asked to subscribe to this format in allocating assistance. The approach provides a clear logic with a straightforward time sequence for actions that are required to bring about meaningful improvement.
 - Prepare a preliminary but realistic assessment of the resources likely to be available to the Ministry over the next five to ten years.
 - Formulate a clear mission statement and a vision concerning social protection in Lebanon for the year 2020. This statement should be based on a consensus view of what the role of the state will be in relation to the social and economic needs of the population.

⁶¹ It is understood that many of those NGOs in receipt of support from MoSA have recently come together in two groupings: one of residential institutions, the other for NGOs running community projects. One or both of these groups may be helpful in forming smaller consortia.

- Agree specific and measurable goals and objectives required to deliver on the forgoing statements.
 - Develop policies and procedures required to achieve the agreed goals and objectives.
 - Make those structural and administrative changes required to create the necessary tools of production.
 - Design a human resource development strategy and set of supporting policies that will enable the Ministry to implement its plans.
18. The task is one of consolidating what is already being done (and /or being thought of) by reviewing and perhaps modifying purposes and adjusting methods. In the process one may achieve a closer integration between purposes, activities and the resources that are likely to be available.
 19. Donors are encouraged to support professional development and the building of organizational capacity within the social sector, as distinct from current preferences - which generally are to support projects bringing immediate and observable benefit to specific target groups.
 20. Donors should make more concerted efforts to explain to the Ministry of Social Affairs the framework of interests and priorities with which they operate. Dialogue concerning what needs to be done to improve administrative performance is a matter of ongoing concern and should not be limited to the occasional formal meeting. To aid this process it is recommended that skilled OD facilitators be engaged.
 21. Further efforts will need to be made to ensure that all key actors have the opportunity to contribute their views concerning directions for organizational change and reform. It is recommended that circulation of the present report be followed by a workshop of two - three days, whose purpose would be to generate an initial list of priority actions and areas where technical assistance and equipment may be required.
 22. In order to secure progress towards reform, donors should be ready to respond to needs as defined by the client - e.g. the provision of computers and training. However, this can be done within a framework of agreement under which broader institution building objectives will be pursued.
 23. The process of institution building should remain firmly under the control of the client organization. In the case of the Ministry of Social Affairs, consideration should be given to appointing the existing Social Development Training Centre to provide an in-house consultancy service in support of organizational change, both within the Ministry and for its partner NGOs. Given the limited skills available among the SDTC's existing personnel, a substantial investment in human resource development is recommended.

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Mission STE Social Protection ARLA-PMC Project

1. Background Information

The ARLA-PMC Inception Report of April 2000 had identified two major projects (MSCs) in the social sector: a project with the National Social Security Fund focusing on pension reform and a project in both the Ministry of Labour and the Ministry of Social Affairs.

Regarding the Ministry of Labour, it was decided that a ToR for an MSC on restructuring of the Ministry could be prepared straight away, and this activity has been completed. The PMC Work Plan July 2000 – June 2001 specifies that an international expert is to work on the above assignment. The final version of the Work Plan, Prepared in December '000, states that an important operational target to be achieved is a demand and appraisal study of the current social protection system in Lebanon, which may lead to substantial improvements to the existing situation and may require subsequent restructuring of the Ministry of Social Affairs.

It is also stated that a fact-finding survey would be conducted in the Ministry of Social Affairs and the National Social Security Fund, mainly by a local expert in the social protection system. These activities would then feed into the determination of an assistance programme for the Ministry of Social Affairs (and related agencies). From this sequence of activities it can be concluded that the mission at hand incorporates three main elements: (1) study of the situation as to the current social protection policies in Lebanon, (2) provision of a suitable set of proposals for social protection policy based on international systems that may lead to substantial changes and functional and procedural improvements, and (3) the functional study of social protection institutions in preparation of the decision on the determination of an assistance programme to the social sector within the ARLA.

2. Proposed specific objectives and scope of the mission

To review and assess the situation on social protection in Lebanon, the gaps, and ultimately present a set of proposals for tangible improvements in the existing social protection system taking into account international experience in this field. The mission will primarily cover the areas of social welfare, social security and social assistance in general (e.g. old age and disablement pensions, sickness insurance, unemployment benefits, subsidies for education, accident insurance, etc.; families and children allowances, housing allowances; rehabilitation of disabled persons; personal injuries in military and war accidents, etc.). Education, labour market policy and health care services are not included in the mission. The ultimate purpose is that the findings and proposals of the mission formulated in a well-documented mission-report will be presented to the concerned authorities for debate, and that it will also allow an evaluation of the most relevant area(s) for the formulation of a social sector assistance package (an MSC) within ARLA.

3. Main activities to be undertaken in co-operation with a local expert:

Main activities of the expert will include:

1. Presentation of the areas normally understood to be part of the social protection system within a country, and a brief indication of the gaps / deficiencies in this system in Lebanon, differentiated for major population categories/groups.
2. Analysis of the legal framework and appraisal of the organisational and policy environment of the existing social protection systems and programmes in Lebanon in connection with the targeted groups of the population.
3. Review of the findings of the functional studies in the Ministry of Social Affairs, the Ministry of Labour, and the National Social Security Fund (NSSF) in what concerns their respective role in the social protection system.
4. A broad presentation of demands and possibilities for development of a well-functioning social protection policy and social service administration in a Lebanese perspective.
5. Presentation for debate of a set of proposals for structural, functional and procedural improvements, the appropriate changes in the structure of the existing systems, and the ways to create an envisaged social protection system that would provide better public assistance, and use public resources more productively.
6. The proposals should take into account the economic conditions in Lebanon, the imbalances and problems of the Lebanese economy, and the public expenditure spending today on social protection provided by public statutory agencies. Also, the cost-effectiveness of the various social protection services in connection with the costs of the proposed actions should be taken into account in broad terms.
7. Specific emphasis should be given to the potential role of local government in the social protection administration.
8. Aspects of collaboration between the public sector and various private or semi-private organisations including self-governing institutions and associations (if applicable) should be taken into consideration.

4. Location

OMSAR, Starco Building, 5th floor, Beirut; Ministry of Social Affairs/ relevant ministries/agencies in the social sector.

5. Profile of the expert

The expert should hold a Master Degree in Economics or Social Sciences or related fields of specialization and have a minimum of 12 years of work experience in the field of the social sector and preferably in social protection policies and related issues with a profound knowledge of social protection systems in other countries.

6. Expected duration & start date

Two person-months, one month for each expert (1 international, one local) to take place over the period January - February 2001.

7. Expected outputs

A joint report set up as a discussion paper, with annexes along the lines formulated above.

8. Reporting arrangements

The report should follow the guidelines for mission reports of Short Term Experts. Deviations are possible, provided these are discussed with the PMC Team Leader.

Zakat as Social Protection

Zakat (also named *sadaqa*) is one of the five pillars of Islam and one of the three generally considered more essential. Every Muslim whose income exceeds that which is necessary to sustain his family budget is enjoined to give every year a fixed ratio of accumulated wealth⁶² for the benefit of others - Moslem or otherwise - who are less fortunate. The ordained right is to *zakat* for complete sufficiency, not merely subsistence. Invalids and the aged may receive income support, but for the able-bodied *zakat* is supposed to enable the recipient to generate his own income. This is to be done through the transfer of capital. In this sense, *zakat* can be regarded as a powerful instrument of distributive justice.⁶³

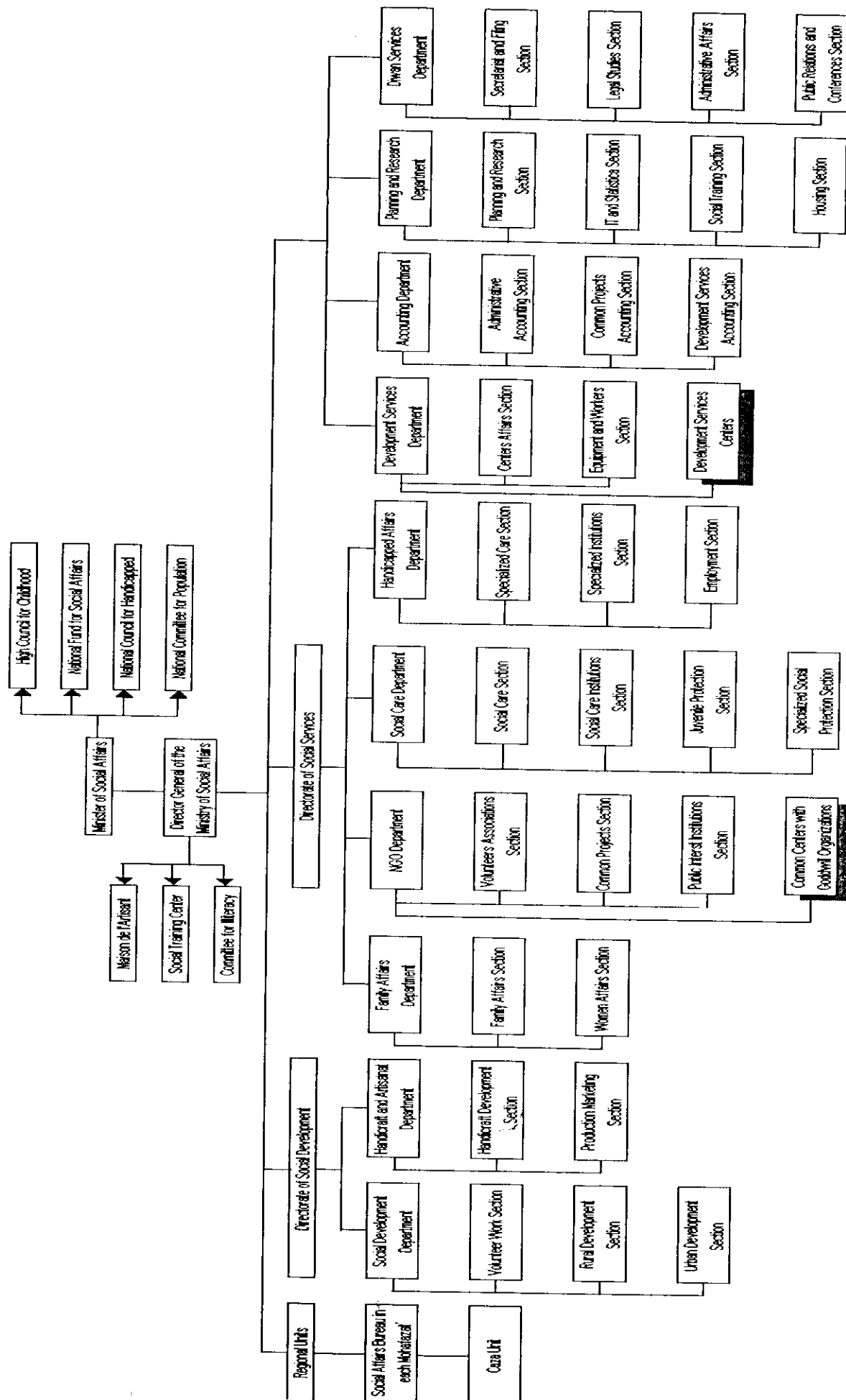
Most jurists have argued that *zakat* is different from voluntary almsgiving (*sadaqua*) and from taxes imposed by the state.⁶⁴ The giving of *zakat* is a well established tradition in all Arab countries. By enabling the receivers to become in their turn givers, there is enormous scope for the building of social solidarity. Conventionally, such solidarity has been built within the individual confessional communities, but there is no basis in theology to believe that this could not be achieved across the sectarian divides.

⁶² For the Suni tradition in Lebanon, 2.5 percent of income is reported to be the norm.

⁶³ Nader Fergany *Instruments of Social Development* Regional Workshop for Social Development, Beirut, mimeo. 8-10 December 1997

⁶⁴ Ridwan al-Sayyid *The Role of Traditional Welfare Systems (Zakat and Waqf) in Social Development* Regional Workshop for Social Development, Beirut, mimeo. 8-10 December 1997, p.8.

ORGANIZATION CHART OF THE MINISTRY OF SOCIAL AFFAIRS



La Maison de L'artisan

La Maison de L'artisan - or Handicrafts House, is a government-sponsored institution set up originally in 1963. The broad purpose was, and is, to promote traditional Lebanese handicrafts while discouraging rural folk - particularly artisans - from migrating to the cities in search of work. Constituted as a semi-autonomous body under the Office of Social Development - later the Ministry of Social Affairs, the House is basically a marketing organization through which craftspeople can sell their wares for a fair price.

By providing advice and orientation on matters of design and quality, the House assists craftspeople and small enterprises to produce goods suitable for the high-end local market. Currently, there is one full-time designer assisted by several part-time art students recruited from the university. This team, together with the female Director, aim to assist both new suppliers and the established producers.

Currently, the House has 270 small suppliers. New ones are added each month and a remarkable range of produce is now available. It is estimated that each enterprise employs an average of five persons, many of whom are family members. The House places orders against approved samples and pays producers within 10 days of supply.

If they so wish, producers are free to market their wares through other channels, although commercial outlets are said to pay less while charging the retail customer more. The House encourages the producers to put their own label on their produce. A number of suppliers are NGO-run institutions catering to the disabled.

The House is governed by a Committee composed of senior officials of the Ministry of Social Affairs. The government decree under which the House was founded limits the mark up to 25 percent, although this can in fact be as little as five percent on some items.

The civil war of 1975 - 1990 resulted in the destruction of the House's original city showroom, so from 1977 to 1999 the business operated only from a small showroom at the Beirut International Airport.

The House is assisted by government in various ways. Overhead costs and salary for the organization's 25 personnel are provided through the Ministry. Support for the year 2001 has been budgeted at LL200 million (\$133,300). However, because considerable reserves were accumulated during the war years - when overhead costs associated with running a showroom did not pertain, the House is presently able to cover a large part of its operating costs by drawing down the interest on its reserves. Government exempts sales made through the House from all forms of tax, and requires that all official gifts be purchased through it. A large number of society ladies (many with family in government) also patronize the House for gifts and furnishing.

The Ministry of Social Affairs and the Director of the House hope is that it will be possible to make the House self-financing within two years. In order to do this, the

Director believes that it would be necessary to double annual turnover from the present LL 800 million (\$533,000). However, there is no immediately available business plan that would allow this to happen.

Presently, almost all sales are destined for the domestic market, with a substantial part of this going to foreign tourists. Less than five percent of the total sales is exported. To achieve the goal of self-sufficiency, it would be necessary to engage foreign markets. This in turn would require access to market information concerning trends, design, materials, sizes, colour fashions, volumes, packaging, labeling, pricing and other factors.

It is therefore recommended that consideration be given to assisting Handicrafts House to identify new markets and to work with the Lebanese craftspeople to produce goods that better fit with overseas market requirements. This should not, however, be at the expense of the domestic market, which is likely to be considerably more stable in the longer term. A sound business plan needs to be developed, one that would help government and the House to become self-supporting within a realistic time frame.

Within the above framework, interested donor organizations may consider helping to procure the services of two or more technical advisors: one specialist in international handicrafts marketing, and one or several advisors in design upgrading for international markets. At least one of this team should have experience in the management of exhibits at international marketing fairs. Clearly, the marketing strategy should be elaborated before the designers *per se* are identified and recruited, as the strategy would affect which markets are to be targeted.

