

Lebanon: Where to Start?

Raed H. Charafeddine

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Where to start building our new Lebanon? I believe that the question of "where to?" has become obsolete, as the vast majority of Lebanese people agree that our common destination is a country that values the rule of law, justice, equal opportunities and liberties; a country that can reclaim its title as the bridge between civilisations.

The difficult question to answer is how to reach this final destination, now that we are celebrating the first centenary of Lebanon the Message. It appears that we are still in the foundational stage of our adolescence, failing as of yet to affirm our independence and our belonging. After centuries of Ottoman rule, we entered the era of the French mandate. Years later, we fell under Palestinian influence, followed by the Israeli occupation of vast swaths of our territory, which intersected with the Syrian presence on our lands. After Lebanon was free of the military form of Syrian influence, the country was divided along the lines of the regional and international polarisations. This remains our reality today.

To be sure, the Lebanese people, both expatriates and locals, have a mental image of their national self, fuelled by their attachment to Lebanon, their country of origin. This image is carried in the hearts of all Lebanese people, who are eager to showcase and "promote" the best version of their country. There is no doubt a general agreement on the importance of preserving Lebanon – as a society, a message and an idea. However, this agreement has yet to translate into a generally accepted project. That is to say, the image we portray of Lebanon does not match the current state of our country. Certain

aspects might indeed be in harmony, but – most importantly – we must define the essence and main characteristics of our country.

But what is this essence? We have yet to agree on a clear definition on Lebanon's identity and role. To say otherwise would not eliminate our differences; rather, it would transform these differences into existential conflicts. It is perhaps more difficult to agree on details of the past than it is to come together around a unifying definition of our present and a universal vision for our future. Delving too deep into the details risk overshadowing our unifying traits, which others (i.e. non-Lebanese) easily make out and implore us to value and hold on to.

The true essence of Lebanon is – most likely – a universal one. What is certain is that one rarely finds another country whose diaspora around the world outnumbers the citizens living in it. Lebanon's human resources, with their various ideological, intellectual and humanitarian characteristics, make it a beacon of hope for the salvation of mankind.

How can individuals be encouraged to commit to the major issues of society and to agree on a national identity and role (patriotism)? How can society guarantee the rights of individuals (citizenship)? Logically, citizenship engenders patriotism, not vice versa. Has the commitment of Arab peoples to the primary cause of Arabs led to dignified citizens?

If Lebanon is to persist, it must value its citizens – that is, grant them their rights. These rights, which must be upheld and protected, extend through space to reach all persons, regardless of their beliefs, gender or place of residence, as well as through time to reach children and grandchildren, by protecting and developing the environment and natural resources in such a way as to preserve the rights of future generations.

Lebanon faces a critical threat in 2020. That is what the calls of angry people in the streets indicate. That is what people withdrawn in their homes are saying. That is what credit rating agencies and international reports have confirmed. That, finally, is the source of our worry, our sadness and our confusion. However, because the bleeding is severe, we must set aside our chronic diseases and focus on the vital signs of the Lebanese entity.

In this intervention, I will not delve too deep in history, beyond my need to learn from the past to predict the future. I will only give a brief overview that should suffice to reflect together upon our situation, offer a humble description of our history and define the values on which Lebanon was founded. That may help us to correctly diagnose our current affliction, by putting our finger on the corruption that is eroding the very structure of our country and preventing it from moving on towards a brighter future. That is, we must pinpoint the calcified areas that are impeding our dynamic movement.

The paper presents a brief diagnosis of the current challenges, the main plans to address the situation, including the recent ministerial statement, and our vision for deep social change along four integrated areas/axes: work, integrity, reconstructed memory and management of diversity.

I must stress that this paper only represents a vision. Time is of the essence, crises are looming in the horizon and our needs are becoming more and more pressing. When preparing this paper, I came to two realisations: first, I am well aware that many among you are looking for answers on issues such as 24/24 electricity, the fuel crisis, medicine, depositors' savings, the exchange rate, etc. These are all pressing issues that require immediate solutions. However, I am not here to talk about them, because I believe that these are only the symptoms or outcomes of a dysfunction that runs deeper; a dysfunction that has paralysed Lebanon since its establishment, and that still does so today. A patient requires first-aid before they undergo treatment for their serious illness. I do not claim to have the first-aid kit for our crisis, but I do believe that this task falls upon decision makers and requires urgent workshops that bring together experts and officials.

Second, this paper expresses the opinion of a Lebanese citizen concerned about his country's affairs. That is to say, it does not tackle the policies of the Banque du Liban or discuss their outcomes, despite the fact that I served as the First Vice-Governor of BDL for ten years, with my term ending nearly ten months ago. The ideas I present are an expression of my personal views regarding our national crisis and all its ramifications, including its financial and economic aspects.

Current Challenges

In the past few years, Lebanon has been faced with two dilemmas: the first is financial and is related to the increase of the public debt to more than USD 85 billion, according to the last estimates of 2019. At the beginning of 2007, our debt amounted to just over USD 40 billion. Today, it constitutes more than 155% of the GDP. The second dilemma is economic and is related to the country's low economic growth. Job opportunities are scarce, infrastructure networks are crumbling and the government's foreign currency income is virtually non-existent, not to mention that the war in neighbouring Syria has further complicated the situation. Together, the two dilemmas mean that the size of our debt exceeds that of our economy, which forces our successive governments to keep on borrowing and accumulating debt without paying any of it back. Moreover, the trade deficit keeps worsening, as the country's imports (USD 20 billion) far exceed its exports, which barely amounted to USD 2.5 billion last year.¹

According to the World Bank, GDP growth in Lebanon did not exceed 0.2% in 2018, while the average inflation rate reached 6.1% in the same year. The current account deficit also rose to more than 25%² of the GDP in 2018, due to the concurrence of low exports with high fuel imports. Remittances from workers abroad remained stable at USD 7.3 billion per year.

As a result of the recent developments, real economic growth became negative. This is where the true dysfunction lies: our economy is small, and our economic growth rates are low, if not negative. This has severe repercussions

¹ [World Bank report, autumn 2019.](#)

² [World Bank report, April 2019.](#)

on people's lives, daily needs and quality of life, as unemployment rates are rising and investments are declining, while the need for imports and the demand for dollars are increasing.

The unemployment rate has also increased in the past few years, reaching 30% in 2019, compared to 20% in 2014, according to the IMF.³

Furthermore, poverty now affects nearly 50% of the population,⁴ while income inequality has increased among Lebanese citizens. The income of 0.1% of the population is equal to that of half of the Lebanese people combined, according to statistics published by Reuters at the end of 2018.

The Lebanese economy relies heavily on consumption. Average private consumption reached 88.4% of the GDP in the 2004 – 2016 period. The balance of payments has also been in a constant state of deficit, while the influx of US dollars is no longer sufficient to cover Lebanon's external USD liabilities. Cumulative deficits have now reached USD 18 billion, which means that Lebanon's net foreign currency assets are being constantly depleted. The size, stability and ability to control these assets are a primary condition for the nominal peg of the Lebanese pound. Recently, the business environment was also dealt a massive blow, particularly with Lebanon's infrastructure being below standard and ranked 113th among 137 countries.⁵ Lebanon is also ranked 143rd among 190 countries in terms of doing business.⁶

Dire Economic Situation

As a result this economic decline, public finance severely deteriorated in 2018, as the public debt exceeded USD 85 billion. The cost of debt service is nearly LBP 8,000, or USD 5.50 billion, as mentioned in the 2019 budget law, which drains 44.2% of public revenues. The high public debt and financial deficit, as well as their percentage compared to the GDP, are the most serious threat to public finance in Lebanon. This is causing serious social and livelihood repercussions that are exacerbating the burdens endured by Lebanese people, including taxes, fees and the austerity measures currently being proposed.

In addition, the peg has been a constant burden imposed on the Central Bank, which is forced to compensate for the difference in value between the US dollar and the Lebanese pound. The Central Bank has also been forced to spend hard currency and to allow high interest rates on the Lebanese pound to encourage citizens to deposit their savings at Lebanese banks.

However, rather than investing and funding development projects, banks decided to benefit from the high interest rates offered by the Central Bank, as well as from treasury bonds issued by the Lebanese government and from Eurobonds, which provided less opportunities for growth.

The low ranking by international credit rating agencies further worsened the situation of public finance and the LBP exchange rate. A low rating means less

³ [IMF Country Report No. 19/312 – November 2019.](#)

⁴ [Press conference by the Regional Director at the World Bank, December 6, 2019.](#)

⁵ [McKinsey report, 2019.](#)

⁶ 2020 Doing Business report, World Bank.

confidence in Lebanese treasury bonds and in the government's ability to pay its financial liabilities, which drives risk premiums up – and therefore increases the cost of servicing the public debt – and causes more stress on the Lebanese pound.

In terms of ranking, Lebanon came in 63rd place globally in 2006 in terms of corruption, before plummeting to 99th place out of 180 countries in 2007. Recently, it came in 138th place in the 2018 Corruption Perceptions Index composed by Transparency International, which measures the spread of corruption in the public sector. Is it not shameful to reach such lows, especially since we were governing ourselves in the said period, after all foreign military forces left our territories?

We are suffering from economic, financial and political crises that make us vulnerable to the risk of total collapse. This is happening at a time when the region around us is facing wars, displacement and sanctions, making Lebanon even more vulnerable. It would be wrong to assume that Lebanon's economic crisis is due to current or temporary reasons. The economic downturn, high public debt and financial deficit are the cumulative outcome of a political system based on contradictions and conflict and of a rentier, unproductive economic model that dates back to the creation of modern Lebanon. The Syrian crisis has helped uncover the vulnerabilities of Lebanese society, which is a mosaic of sects of confessions, and the erosion taking place therein. It also showed the inability of the Lebanese economic model to face challenges or even to prevent crises.

Official Attempts and Approaches

A. McKinsey Economic Development Plan

The Lebanese government hired global management consulting firm McKinsey & Company to develop an economic plan. The company issued Lebanon's Economic Vision, which focuses on the development of six core sectors: industry, agriculture, tourism, financial services, knowledge economy and the diaspora.

The value of this plan lies in the fact that it takes into account the characteristics and resources of Lebanese society. We believe that the implementation of the McKinsey plan would achieve the desired effect in the Lebanese economy and would restructure it based on its strengths, thereby immunising it against crises.

B. Baabda Economic Paper

The economic plan entitled 'Baabda Economic Paper' called for the need to transform the current rentier economy into a productive one. It included financial, economic and social policies, as well as measures to address the imbalance in the external current account, and therefore in the balance of payment. The plan is comprehensive and aims to address all crises, as it claims.

The Baabda plan also calls for coordinating economic, financial and monetary policies, for the benefit of the economy in general and to support production

in particular. It recognises the negative impact of the high interest rates on the public debt service, on the economy and on investment, and it seeks to “protect the Lebanese pound through production, rather than debt.” The plan puts forward measures and objectives that would achieve sustainable human and economic development, by building a “human economic model.” It also seeks to protect the environment and encourage people to respect it, by imposing high profit taxes on concessions and activities that harm the environment; proposing a sustainable solid waste management plan; increasing tariffs on cigarettes; and reconsidering the valuation of maritime public properties, collecting occupancy fees and subjecting them to the built property tax.

Despite the positive aspects of this plan and the recognition of political powers for the first time in Lebanon’s history that the adopted rentier economic model has failed, it needs to be implemented in order for us to reap the results. It is also worth noting that the plan imposes new taxes and fees primarily affecting poor segments of society, some of which discourage investment and therefore negatively impact economic growth.

C. CEDRE Conference

At the CEDRE conference, prior to the 2018 elections, the government announced an economic plan entitled “the National Infrastructure Investment Programme,” which included projects in eight sectors: transport, irrigation & water, wastewater, electricity, telecommunications, solid waste, cultural heritage and industrial zones. CEDRE, for its part, revolves around the following axes:

1. Investment expenditure programme in infrastructure;
2. Financial reform;
3. Structural reforms to modernise the administration, fight corruption and modernise legislation, and sectoral reforms to achieve the most benefit from sectoral investments;
4. A strategy to develop productive sectors and increase exports.

The total value of the programme is nearly USD 23 billion, to be implemented across three stages, each of which lasts four year. Investments in the first stage amount to USD 11 billion, with USD 6.5 billion reserved for the second stage and USD 5.5 billion for the third stage.

The implementation of CEDRE resolutions and reforms would have a positive impact on the advancement of the Lebanese economy and the stimulation of growth, by providing a favourable environment for investment, increasing economic competitiveness and providing job opportunities. This, in turn, would reduce poverty, enhance the standard of living and reflect international solidarity with Lebanon.

The purpose of the CEDRE capital investment plan is to invest in Lebanon’s crumbling public infrastructure, in order to create thousands of job opportunities and achieve numerous other benefits in terms of efficiency. However, structural reforms remain necessary. If Lebanon is to exit the spiral of

debt and the sectarian political system and achieve sustainable economic growth, it must amend its fiscal policy and restructure its public sector, as the latter is highly inefficient, depletes public resources, prevents necessary investments and is unable to provide basic services. Reforming the public sector and reducing expenses does not necessarily mean taking austerity measures that might have negative repercussions on the country's security and economy; rather, this can be done by adopting a positive vision for Lebanon's future and developing a wider plan to restructure the economy and ensure its sustainability.

In addition to the fact that austerity would harm social security and the economy, its negative repercussions include the extension of the borrower's dependency on the lender, which is a symptomatic characteristic of this type of conferences and the loans that result therefrom. What is more dangerous is the threat that this programme could be a way to keep displaced Syrians in Lebanon indefinitely, as the refugee crisis is mentioned time and again when talking about the programme's reasons and motives. This would come as an additional burden to the original crisis of Palestinian displacement, which is now more than seventy years old. Recently, the "Deal of the Century", or rather the "Farce of the Century," came as the final nail in the coffin of the Palestinian cause, as a perpetuation of the refugee crisis and as a naturalisation of refugees in their countries of residence.

The Current Ministerial Statement

The new Lebanese government has issued its ministerial statement, on the basis of which it received the vote of confidence two weeks ago. The statement reflects the depth of the economic, financial and social crisis. It also tackles most aspects of the crisis and tries to balance external challenges (in terms of policy, sanctions, debt and reforms) and internal turmoil (unemployment, poverty and the social demands raised by people on the streets and expressed behind closed doors by citizens fearful for their children, their livelihoods and their future).

The ministerial statement tried to adopt a scientific approach to set priorities, and it announced time-bound objectives. From the outset, it discusses judicial reform and the independence of the judiciary. This is an indicator that the new government understands that the key to fighting squandering and corruption is an independent and efficient judiciary, particularly given that the second reform item in the statement is related to fighting corruption. This item is divided into five sub-items as follows: approving the national anti-corruption strategy; encouraging public prosecutors to investigate related cases; following up on financial transfers carried out after October 17; strengthening the role of the Court of Audit and the Judicial Inspection Commission; and issuing or amending laws related to fighting corruption and enhancing transparency.

The ministerial statement remained committed to CEDRE resolutions, to the reform paper and to some decisions and programmes adopted by the previous government. It also tackled the various core sectors and discussed some vital projects, in addition to announcing the State's general policy in

relation to external relations, regional conflicts, displacement, naturalisation and a number of pending issues, such as the special tribunal and the disappearance of Imam Sadr and his companions. The statement also included a proposal to adopt a new parliamentary electoral law.

Despite its comprehensiveness, the ministerial statement did not explicitly declare the government's will to fight disguised forms of corruption, such as leveraging influence, conflict of interest, severing the ties between power and capital, discretionary and electoral employment, fake tenders, preferential contracting, etc. The statement also made no mention of the protection of the elderly as part of its vision related to strengthening social protection networks. I would have hoped to see the statement discuss the chronic and recent unemployment crisis and produce a comprehensive vision on how to provide jobs for the unemployed and protect them from humiliation and destitution, especially by seeking to bridge the gap between the education sector and the labour market.

Expected Repercussions

Ultimately, no matter how much treatment plans we develop, it remains necessary to address the fundamental causes of dysfunction, which are corruption, the embezzlement and squandering of public funds, the rentier economic model and political influence on the judiciary. Only a realistic, effective and executable plan will prove successful in this regard.

At a later stage, a new factor came into play – namely, the economic sanctions that impacted, in one way or another, the Lebanese economy and the banking industry, which is the backbone of economic life in Lebanon. If this trajectory continues, we would have nothing left to stop the country from descending into total collapse, particularly given the expected Standard & Poor's report, which will constitute an ominous indicator for Lebanon if its credit rating is lowered further. What adds insult to injury is the devaluation of the Lebanese pound against the US dollar in the parallel market – with one dollar being exchanged for LBP 2,400– due to the scarcity of US dollars in the banking system (keeping in mind that the official average exchange rate is LBP 1507.5 for USD 1).

Lebanon is now faced with multiple scenarios in terms of the scope of collapse. Total collapse, similar to what happened in Greece, is unlikely, not only due to fears of a mass exodus of Syrian refugees towards Europe, but also because more than 86% of public debt is owed to Lebanese banks. BDL's strategic reserve of foreign assets, which amounts to USD 31 billion, is also a safety valve, not to mention our gold reserves, whose value is approximately USD 14 billion as per current market prices. All political forces have a common interest in avoiding collapse, each for their own motives and considerations.

Therefore, the political scene will remain stable, until new arrangements and realignments are made at the regional level. Any shift in the influence of internal forces and the balance of power between them can have an impact on the internal scene. The traditional divisions will be subject to radical transformations, paving the way towards new compromises and alliances in line with regional developments. At the economic level, Lebanon will still be at

risk of collapse if no radical changes are made in the very structure of the rentier economic model in order to transform it into a productive economy.

Where to Start?

As we are now in the midst of the crisis, each and every citizen is called upon to be a partner in the solution, in parallel with the measures that the Lebanese government must take immediately. Due to the scope, depth and far-reaching ramifications of our crises, the solution requires a comprehensive vision and the development of adequate policies and strategies, in addition to taking a series of immediate, mid- and long-term measures. Given the unique nature of Lebanon's composition and reality; because the country is located in the eye of the storm sweeping across the region; and due to the fact that we are not immune to foreign and international intervention, the way out of the impasse will be thorny, long and painful.

First: Let Us Get to Work

Even before the current crisis, unemployment rates in Lebanon were some of the highest in the world. In spite of this, thousands of job opportunities were willingly or unwillingly given to foreigners: domestic workers were willingly employed by their Lebanese employers, and workers in construction and agriculture are mostly Syrian refugees. I will not state any numbers, due to the lack of credible statistics and because numbers are changing with each passing day, especially in the past few months, with the closure of hundreds of institutions and the mass layoffs of workers.

I expect, or rather, I hope, that the current crisis produces a positive shock that pushes us to reconsider our concept of work. This hope does not stem from the thousands of job opportunities promised by CEDRE and infrastructure projects, but from the fact that necessity is the mother of invention. The scarcity of US dollars used for imports is a great opportunity to revive domestic production. The lack of trust in banks will drive people – in the medium-to-long term – to invest part of their savings in small and medium enterprises funded by Lebanese citizens. The number of domestic workers is also decreasing, due to the inability of families to pay their dues in foreign currencies. Moreover, the downturn in the labour market, caused by the lack of diversity in specialisations, will promote and enhance vocational and productive fields of study. The people laid off from their jobs in the public and private sectors will look for productive work in farms and factories, or for jobs that Lebanese people have long thought to be lowly or a waste of time.

Work has always been of great value in our culture, our literature and our holy books. By being modest and realistic, given our current needs, we will once again rely on our own manual and intellectual labour and on our factories and fields, and we will return to productive work instead of withdrawing interest payments on our bank deposits or collecting rental payments.

Second: Integrity in Work

Some of the most recurrent terms nowadays are: embezzled funds, corruption, squandering, preferential contracting, clientelism and the like. A widespread theory is that reclaiming embezzled funds or putting an end to the squandering of resources will bring back prosperity and affluence to Lebanon. This theory is plausible, regardless of how feasible it is. However, the main issue is wider and runs deeper than reclaiming embezzled funds and discharging workers who were employed contrary to due process and to the principle of equal opportunities. Therefore, allow me to elaborate on the issue of integrity, because corruption is the primary vice that has led us to where we are today.

Put simply, corruption is the abuse of public authority for one's personal interests. There are many types of corruption: ethical, doctrinal, political, administrative, economic, financial, institutional, etc. Corruption also takes on multiple forms, such as bribery, favouritism, clientelism, blackmail, embezzlement of public funds, money laundering, dereliction of duty, undermining citizens' interests, etc.

The key to deconstructing corruption is conflict of interest, particularly cross-sectoral conflict of interest between the public and private sectors. This is a controversial topic in our Arab World.

Why are our homes wide and clean, while our streets are narrow and filthy? The only explanation is that we are resident subjects in our countries, not citizens. There are many practices we do that can be categorised as private encroachment on the public sphere, such as dumping waste and littering sidewalks, breaking light poles, crossing red lights, spreading rumours and other corrupt practices that cannot simply be classified as expressions of indignation and anger. One can even speak of the complications of corruption and bureaucracy, such as the brain drain to foreign countries or to the private sector, which deprives the public sector of its share of competencies and talents. By contrast, there are dozens of examples of public encroachment on the private sphere, such as the low wages in the public sector, which encourage citizens to accept bribes; the lack of information and data, which prevents citizens from performing their oversight role; the production relationships centred on the individual and on personal success, which disregard the concepts of participation, complementarity, accumulation and equal opportunities; employment based on kinship and loyalty, rather than merit; and the links between authority and capital, as well as the latter's influence on crucial political processes, such as elections and accountability.

It would be wrong to assume that the corrupt individuals at the top of the pyramid will hold themselves accountable or will voluntarily descend from their ivory tower. On the contrary, the people at the bottom who are affected by this corruption must wash away the filth and the stench preventing them from climbing up the staircase to clean it. I would like to make one thing clear: I am not blaming the vulnerable and the victims, nor am I absolving the thieves. What I am proposing is a practical and realistic approach to build the future (which can only be built by the people), rather than grieving and lamenting the past (which has been corrupted by the sectarian powers).

There is a widespread belief that a fish rots from the head down, and that cleaning a staircase starts from the top. I am not a partisan of this approach for

one simple reason: the common belief is that corruption starts from the top, and therefore reform must also start from the top. However, the serious forms of corruption in our society are not the visible and tangible ones at the top of the pyramid, which can easily be swept away; rather, they are the profound forms of corruption that permeate the deep state and society, if not our entire culture and its practices: at home, at school and in the street, which all reek from the bottom up.

I have a firm belief in the fact that there are no magic potions to fight corruption. The antidote is readily available – we find it in holy books, in national legislation and in international conventions, which all focus on human rights, governance, transparency and accountability. The effective medicine against corruption exists in the mind of each and every one of us. Who among us cannot tell right from wrong?

Integrity can be achieved through a culture that rejects corruption and that is founded on education and upbringing. Fighting corruption is not a matter of fate – it only requires a truly independent judiciary.

“What prevents the judiciary from taking an impartial and uncompromising stance? What prevents a judge from holding on to absolute principles, at a time when the society of believers has lost faith in them?” These questions were posed by Imam Sadr during a speech he gave at the Palace of Justice in 1970. Fifty years later, we are still faced with the same questions. It is as if time stood still or the man who raised these questions was a visionary, or possibly both things together.

Third: Reconstructing Memory

A culture that rejects corruption is one that is built on citizenship, on the dismissal of primitive, factional, tribal and narrow identities for the sake of a wider sense of belonging to the values of social solidarity and the principles of responsible democratic participation, which promote common practices that respect the needs and concerns of others and promote higher national interest. It is through such a transformation that we can regain our pride in our country, which has a role to play in these times and in this region.

The country we dream of belongs to all citizens equally. It is a country where safety, opportunities, protection and justice are enshrined. It has become crucial to build such a country, and it is no impossible task. We can agree on the future without necessarily agreeing on the past. The silver lining in the current crisis is that it has forced us to pay the price together. Therefore, we must be partners in shouldering the responsibility, each according to their ability, and in finding a solution, each according to their innovative capacity.

Our history books have only taught us the history of one Lebanese region: Mount Lebanon. People from the Bekaa, the North and the South have always been alienated and unconcerned by this history. In our modern history, we have disagreed on who is protecting our sovereignty and defending our independence. Is it the people sacrificing their lives at the country's southern, eastern and northern borders? Or is it the activists in cities who are carrying the banner of freedom, dignity, citizenship and distancing the country from

regional conflicts? Ought we not benefit from our collective energies and direct them towards a general, national goal, rather than placing them in conflicting positions? Just when the economic crisis united the Lebanese people due to the common threat of poverty and suffering, the “Deal of the Century” brought politics back to the scene. The decision was taken on our behalf in advance: we are not to distance ourselves.

So long as Lebanon’s geography extends from Naqoura to Arida, its history and its issues concern people from Naqoura to Arida. By history, I do not mean rulers, heroes and battles only, but also the history of victims and those who suffer, as well as their conventions, reconciliations and achievements.

Some may ask, “What is the use of delving into this maze right now? Talk to us about the exchange rate and the IMF measures!” To those I say, my belief is that our national currency draws its strength from people’s sense of belonging to their country; and our national economy draws its strength and the soundness of its material capital from that of its social capital. As for the IMF, it manages failed states, and we have not yet failed. All we must do is rid our core culture of its impurities.

Fourth: Managing Lebanese Diversity

By core culture I mean the shift from studying to learning – that is, from knowledge to culture, and from culture to behaviour. I agree with those who believe that religious culture is necessary to understand history and art – the history, art and heritage of Lebanese communities. If practices, rites and doctrines divide people, spiritual faith unites them, as we all believe in one God whose reign is undisputed. The history of Lebanon’s various regions contains enormous treasures of human wealth and noble stances. That is the true essence of our history, which is often mistaken to be one of conflict and war. Lebanon has always been a refuge for people longing for freedom, who have gathered in this piece of land to flee persecution. “Lebanon is a final nation for all its citizens;” let us make the leap from isolation to communication, from rejection to complementarity.

Conclusion

We no longer have the privilege to turn our backs to the problem or live in denial. We must not be afraid of the future, as we now have an opportunity to build a better one. Lebanon has always been a passageway for conflicts and campaigns, but it is also a “message,” as coined by Pope John Paul II. It now has the opportunity to regain its role as a bridge for communication and an oasis of peace and security.

In order for Lebanon to shape its surroundings, we must immunise it internally and increase its competitiveness and comparative advantage in economics, innovation and bridging gaps. There are three elements for success: knowledge, virtue and wisdom, and we have all three.

In terms of knowledge, the Lebanese human capital is qualified, tried and ready. The Lebanese people have always proven their competence wherever

life may lead them: in economics, finance, management, innovation and politics. The list of Lebanese men and women who have found astonishing success and developed solutions for problems and crises far greater than our own goes on and on.

As for virtue, it is drawn from spirituality, which is an inherent trait in us as firm believers in the Bible and the Quran. The hundreds of legal references and international conventions constitute a practical handbook on how to achieve this virtue, which can be promoted by an independent judiciary.

Last but not least, we must talk about wisdom. In our case, wisdom means to develop a precise formula that strikes a balance between growth and development. To achieve this, we must roll up our sleeves and get to work – both manually and intellectually. By increasing the size of our economy or achieving growth, we can resolve the deficit in the balance of payment, the public debt, unemployment and other negative indicators. This can be done by enhancing productivity, increasing income, creating job opportunities and attracting foreign investments. Lebanon is ranked among the lowest countries in terms of fairness of distribution. In order to avoid the downward spiral towards social unrest and possibly civil war, and in order to build a fairer country, we must abide by the slogan of the United Nations: *Leaving no one behind and reaching the furthest first*.

The process of development in Lebanon is much more complex than that of growth. Growth indicators are simple, and the tools to measure growth are well-known. However, development indicators are manifold, interconnected and hard to measure and detect. Perhaps the most credible indicator is inclusiveness. I believe that promoting the sense of belonging to our country and its issues requires a reconsideration of our educational curricula (particularly history and civic education books) and teaching methods. It also requires a systematic campaign to instil in people the values of citizenship, human dignity, social responsibility and the inviolability of public funds.

Thank you.