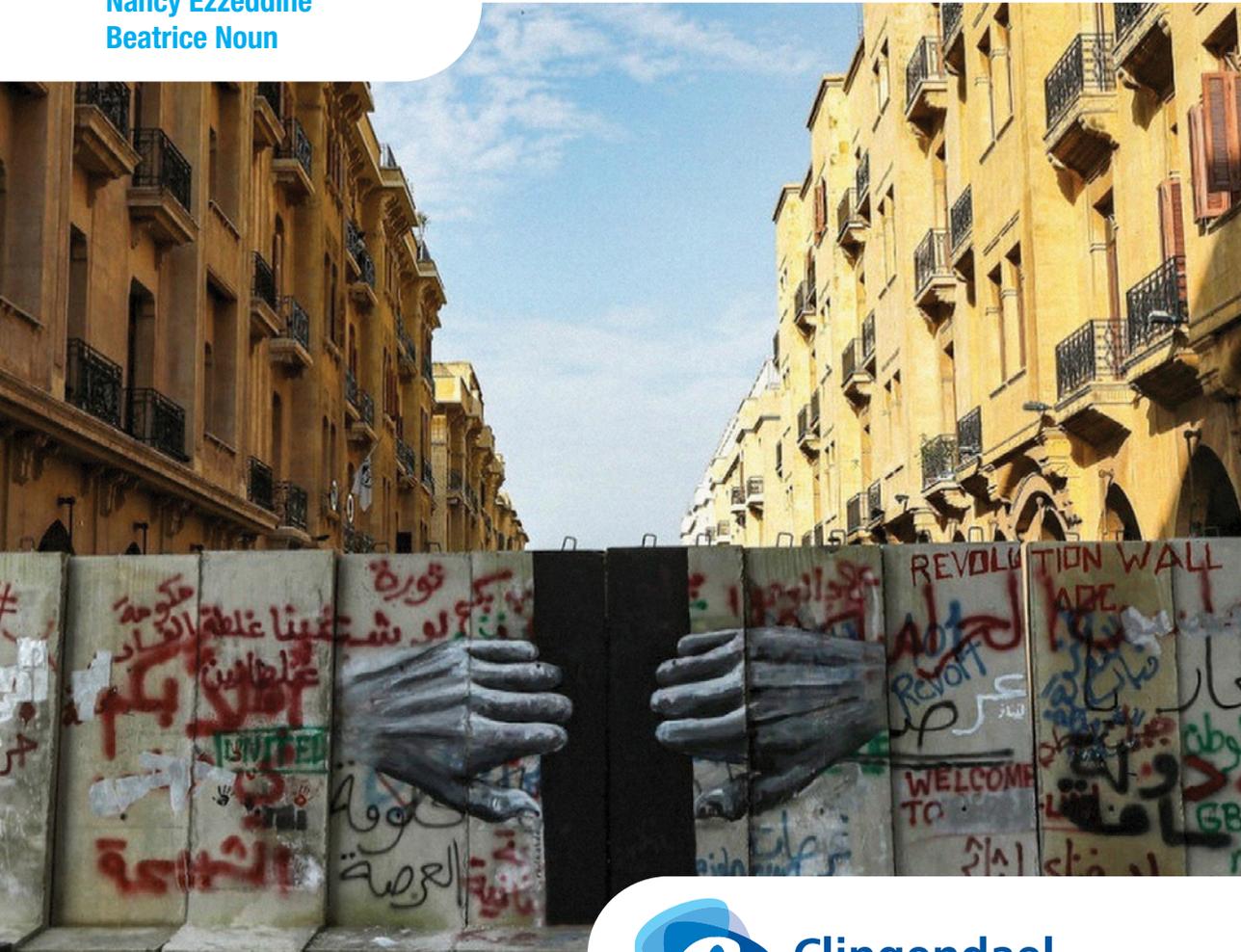


Iraq and Lebanon's tortuous paths to reform

CRU Report

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Cover photo: A mural painted by Roula Abdo on one of the new walls erected in downtown Beirut to block access to the Parliament building © Abby Sewell/Al Arabiya English

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Executive summary

The recent protests in Iraq and Lebanon are driven by the effects of inadequate governance, which itself is the result of years of corruption, nepotism, and the appropriation of public authority and resources for sectarian purposes and self-enrichment. The governance model of both countries – sectarian quasi-democracy – is increasingly proving to be a long-term dead end. Both countries stare into the abyss of public bankruptcy, crumbling social services, growing poverty levels and the lingering threat of renewed violence. Yet, the Lebanese and Iraqi political elites are stubbornly refusing to make more than token concessions to the protesters' demands. If they were acting in the interest of their own citizens, their response to the present crisis would be neither repression nor violence. Rather, a considered undertaking of essential political and economic reforms would be implemented before tensions get fully out of hand. Instead, their ruling elites have made their attachment to the status quo clear through repression and stalling tactics. True, the reforms protesters seek are ambitious due to the many mechanisms that have entrenched elite capture of public authority and budgets in both countries over past decades. These include, in particular: (1) the deep institutionalisation of consociationalism that prevents more radical reform; (2) the pervasiveness of public/private arrangements that political elites use to dominate socioeconomic interactions to their benefit; and (3) the steady courting by many domestic political parties of foreign alliances that sustain the sectarian status quo.

Notwithstanding the roadblocks to reform thrown up by these three mechanisms, this paper argues that today's mix of political and economic crises offers opportunities to bring about change. This is because these crises starkly expose the deep failure and unsustainability of current governance and developmental mechanisms in Lebanon and Iraq. Both countries produce too few public goods, and too many private ones that benefit too few citizens. However, revolts or mass protests, rapid economic reform or landslide electoral shifts are not really on the cards as viable paths to reform. Faced with resilient, sticky systems that feature many veto players, reform is inevitably bound to be a gradual, long-term process that slowly and painfully strengthens and changes political structures. Key ingredients of such a path are the capacity of civil society structures to influence and guide decision making, the extent to which the international community is ready to challenge the status quo via conditions and incentives for genuine reform, and the ability of protestors to keep pressing for and prioritising domestic agendas despite geopolitical tensions.

In the final analysis, it is essential that domestic civil society and the international community join forces in bringing about a mix of modest short-term change and longer-term structural reforms. Such a partnership is not intuitive, and it will demand effort

to make it happen. Each player has a complementary role to play and their synergy will be essential to success in the face of ossified, fragmented and change-resistant ruling elites. In the short term, only local civil society can keep the pressure on reform-resistant Lebanese and Iraqi political elites and monitor the true nature of their reform intentions. At the same time, only the international community (such as the international financial institutions (IFIs), US and EU) have the means to prevent economic collapse. Their support should be tied to strong reform conditionalities and based on loans, not grants. While the IFIs have a good track record of attaching demanding conditions to their funds, their ability as 'principals' to monitor their 'agents' is less impressive. It is the mix of outside means and inside legitimacy that can create pressure for reform that will really make a difference.

Introduction

The streets of central Beirut and Baghdad are still strewn with reminders of the protests that rocked both cities between October 2019 and February 2020.¹ The centre of Beirut is covered in revolutionary art, including a phoenix poised to take flight, made from the pieced-together remnants of protesters' tents destroyed by government supporters. In Baghdad, Iraqi artists have transformed the tunnel leading to Tahrir Square into a revolutionary art gallery. A large mural on the square itself celebrates the month the protests began, declaring simply 'October!'. Labelled as 'sister-protests' by some, there are a lot of parallels between the respective predicaments of both countries. Protestors chanted 'from Baghdad to Beirut, one revolution that never dies', as they faced the formidable task of changing entire political systems to address their grievances.² In both countries, the demonstrations cut across class and sectarian lines, and grew from a shared sense of frustration with high levels of corruption, dire socioeconomic conditions and the constant effects of foreign interference in domestic politics.

One year on from the start of the protests, the optimism that prevailed has largely subsided. Although many rejoiced over the resignation of both countries' prime ministers (PMs), many protestors recognise that a long and complicated road lies ahead. Unlike much of the Arab world, Iraq and Lebanon are not ruled by autocrats but by democratically elected kleptocrats who are securely embedded in deeply entrenched and convoluted sectarian power-sharing systems. Paradoxically, a change in government rarely heralds a shift in domestic politics. In Iraq, the government of PM Mustafa Al-Kadhimi is best viewed as a caretaker government, with limited prospects for bringing about meaningful political reform. The PM is part of the country's oligarchic and clientelist system of rule and has so far played within the boundaries of the existing distribution of power while trying to expand his own base. In Lebanon, despite the Beirut port blast and a plummeting economy pushing more than 55 per cent of the population below the poverty line, Saad Al-Hariri has been

1 The authors gratefully acknowledge the review of this paper by Stephan Massing (World Bank), Fanar Haddad (Middle East Institute), and Erwin van Veen (Clingendael). Its contents remain the authors' responsibility.

2 See: <https://www.opendemocracy.net/en/north-africa-west-asia/iraq-lebanon-and-back-people-want-fall-regime/> (accessed 26 October 2020).

reelected as PM in a tacit power-sharing agreement, a year-minus-one-week after his last resignation.³

In both countries, it has proved difficult to disrupt the ossified structure of permanent elite collusion. With this in mind, our report examines core mechanisms that entrench elite capture in both countries and bring about deadlock. We focus on a review of selected institutional and legal structures that sustain sectarianism in political life (Section 1), analysis of the practical tools that political elites use to dominate socioeconomic interactions to their benefit (Section 2), and foreign interference that exacerbates such interactions and structures (Section 3). The paper concludes with a set of feasible short- and long-term opportunities for reform that could offer a way out of the present conundrum. To contextualize the discussion that follows, Box 1 below provides a brief summary of Lebanon and Iraq's consociational models of rule.

Box 1 Revisiting Lebanon and Iraq's consociational models

Over the past year, Iraqi and Lebanese protesters have made their slogan, 'no war, no violence, no sectarianism', famous the world over.⁴ Bringing this about would generate a new paradigm for the Lebanese and Iraqi political order. Both countries expanded their present sectarian arrangements in the wake of civil war (Lebanon) and brutal autocracy as well as civil war (Iraq) to restore a measure of peace and stability. The thinking was that explicitly recognising the ethno-sectarian identities that led to conflict in the first place, and which became more salient because of it, would dampen their destructive confrontation. It is not hard to understand this logic if one recalls Iraq's bloody 2005–2009 civil war, which claimed on average about 3,000 civilian lives per month, and Lebanon's 16-year civil war between its ruling Maronite Christian elites and its Arab Muslim population, which led to an estimated 200,000 fatalities.⁵

- 3 In the latest blow, a massive blast ripped through Beirut's port on 4 August 2020. It killed more than 200 people, injured thousands and rendered approximately 300,000 people homeless. Leenders, R, 2020. 'Timebomb at the Port: How Institutional Failure, Political Squabbling and Greed Set the Stage for Blowing up Beirut'. Arab Reform Initiative. <https://www.arab-reform.net/publication/timebomb-at-the-port-how-institutional-failure-political-squabbling-and-greed-set-the-stage-for-blowing-up-beirut/> (accessed 27 October 2020); Ibrahim, A. 2020. 'Beirut's homeless after the deadly port blast'. <https://www.aljazeera.com/news/2020/8/24/beirut-homeless-after-the-deadly-port-blast> (accessed 27 October 2020).
- 4 Kranz, M, 2019. 'In Beirut, women lead show of unity after night of tensions', *Middle East Eye*, <https://www.middleeasteye.net/news/beirut-women-lead-show-unity-after-night-tensions> (accessed 13 July 2020).
- 5 BBC News, 2011. 'Iraq war in figures' <https://www.bbc.com/news/world-middle-east-11107739> (accessed 13 July 2020); Nayel, M. 2014. 'Lebanon marks civil war anniversary', Aljazeera. <https://www.aljazeera.com/news/middleeast/2014/04/lebanon-civil-war-anniversary-2014412171036541966.html> (accessed 13 July 2020).

However, sectarianism – i.e. the primacy of ethno-religious considerations in the formation of personal and group identity – rapidly became the overriding criterion for the organisation of consociational governance – i.e. cooperative governance between key sociopolitical groups based on power sharing. In other words, governance is organised on the basis of the principles that: 1) a clearly delineated set of 'agreed' sectarian groups is guaranteed a minimum level of representation in national politics; 2) policies and politics respect the interests and red lines of sectarian elites; and 3) such groups are allowed a considerable level of social autonomy.⁶

Apart from their conceptual advantage of conflict mediation, the sectarian systems of Lebanon and Iraq suffer from notable disadvantages. Consociational political structures are rigid because they are tied to group identities and do not respond easily to social developments within such groups, let alone to their diminishment or disappearance. They assume that sectarian salience is 'natural' and 'permanent' instead of 'created' and 'maintained'. The associated norms and structures prevent the emergence of a unifying ideology that can bridge social divisions. Moreover, ruling elites actively and easily use an 'us vs. them' rhetoric to keep their constituencies in line, supported by their ability to provide physical security and patronage. While this has kept social instability more or less manageable, it has also created artificial stability. This is evident in the lack of post-conflict reconciliation initiatives in both countries. In brief, the institutionalisation of sectarian systems after civil conflict has both forestalled and blocked the de-politicisation of their underlying ethno-sectarian identities.

In addition, sectarian systems in Lebanon and Iraq have often obstructed good governance. Preventing direct conflict between groups is time and resource consuming. In a consociational democracy, citizens are incentivised to accept ethno-religious identities because the political structures reward cohesive groups with access to state power and resources. Sectarian communities have a stake in running the state as an overarching administrative entity, but they also retain significant autonomy from the state, especially in the cultural and religious realm. Sectarian leaders both lead their communities and are also part of peer networks that run the entire system. The consociational systems of Iraq and Lebanon thus serve communities at the expense of the nation, which results in minimum denominator compromises, short-term horizons in terms of political decision making, and many unresolved problems. Paradoxically, in the longer term, these systems render the state prone to instability. Moreover, if ethno-religious groups are run by a relatively fixed set of leaders, it is easy for elite capture of government to occur. Indeed, the permeability of the democracies

6 See: Lijphart, A, (1969). 'Consociational Democracy', *World Politics* 21(2): 207–225.

of Lebanon and Iraq to new political groups or leaders has been low. In consequence, governance systems are ossified and premised on the interests of sectarian groups as articulated and mediated by their elites.

*Source*⁷: Lijphart, A, 1969. 'Consociational Democracy', *World Politics* 21(2): 207–225⁸; Lijphart, A, 2006. 'Self-Determination versus Pre-Determination of Ethnic Minorities in Power-Sharing Systems', Dekmejian, R, 1978. 'Consociational Democracy in Crisis: The Case of Lebanon', *Journal of Comparative Politics* 10(2): 251–265; Bogaards, M, 2019. 'Iraq's Constitution of 2005: The Case Against Consociationalism Light', *Journal of Ethnopolitics* DOI: 10.1080/17449057.2019.1654200; Jabbra, J and Jabbra, N, 2001. 'Consociational Democracy in Lebanon: A Flawed System of Governance', *Journal of Developing Studies* 17(2): 71–89; Dodge, T, 2020. 'Iraq's Informal Consociationalism and Its Problems', *Studies in Ethnicity and Nationalism*, Special Issue <https://doi.org/10.1111/sena.12330>; Salloukh, B et al., 2015. *The Politics of Sectarianism in Postwar Lebanon*, London: Pluto Press; Haddad, F, 2012. *Understanding Sectarianism: Sunni-Shi'a Relations in the Modern Arab World*, Oxford: Oxford University Press.

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- 7 For broader background reading on sectarianism and consociationalism beyond Box 1: O'Leary, B and McGarry, J, 2007. 'Iraq's Constitution of 2005: Liberal Consociation as Political Prescription', *International Journal of Constitutional Law* 5(4): 670–698; Salloukh, B F, 2019. 'Taif and the Lebanese State: The Political Economy of a Very Sectarian Public Sector', *Journal of Nationalism and Ethnic Politics* 25(1): 43–60; Salamey, I and Payne, R, 2008. 'Parliamentary Consociationalism in Lebanon: Equal Citizenry vs. Quotated Confessionalism', *The Journal of Legislative Studies* 14(4): 451–473; Calfat, N, 2018. 'The Frailties of Lebanese Democracy: Outcomes and Limits of the Confessional Framework', *Contexto Internacional* 40(4); Aboultaif, E, 2015. *The Limitations of the Consociational Arrangements in Iraq*, Ethnopolitics Papers 38.
- 8 In the late 1960s, Arend Lijphart proposed 'consociational democracy' as a possibly suitable governance arrangement for plural societies. For plural societies, he suggested ethnic-based consociationalism as a form of governance defined as a 'government by elite cartel designed to turn a democracy with a fragmented political culture into a stable democracy'. He described a plural society as being characterised by deep religious, ideological, linguistic, regional, cultural, racial, and/or ethnic segmental cleavages, having public loyalty fragmented according to representative groups rather than being embedded in a single national authority. He characterised consociational democracy as possessing four main political tenets: a grand coalition, a mutual veto, proportional representation and segmented autonomy.

1 Institutional and legal structures enabling elite capture

It could be argued that, by running their political systems based on group religion and identity, Iraq and Lebanon have traded a vast undersupply of public goods and a static representational governance model for peace and stability. But recent history suggests that while the downsides of this trade-off are apparent, the upsides are less certain. Consider, for example, the 2005 assassination of Rafik Hariri, the 2006 Lebanon-Israel conflict, the 2008 struggle for control over Beirut, the 2020 Beirut port blast, the several rounds of sectarian violence in Iraq between 2005 and 2009, the rise of Islamic State (IS) in 2014, violence against protesters, and increasing confrontation between the government and several Iran-linked armed groups after 2018. To explore this argument, we first take a brief look at the institutional and legal particularities of sectarian governance in each country.

Lebanon's rigid consociationalism

Lebanon adopted a consociational approach to governance in its early days of contemporary state formation.⁹ Sectarianism became an institution that turned into a 'socially-constructed reality' with the passage of time.¹⁰ Lebanon's political framework placed sectarianism at the heart of all facets of political life: political representation; justice and security; and access to resources.¹¹ This framework was formalised in 1989, when a Saudi-led effort brokered the Taif Accord to end the civil war. The Accord guaranteed power sharing through religious institutions – 11 officially recognised sects were to be represented in the government's legislative and executive branches, with separate personal status laws and courts for each.¹² A proportional number of high-level government offices, cabinet seats (including ministries up to the level of

9 Lebanon's consociationalism has two origins: first, episodes of peasant uprisings and communal strife in Mount Lebanon from 1820 to 1960; second, the partition of the region between the British and the French.

10 Luckmann, T and Berger, P, 1991. *The Social Construction of Reality*, London: Penguin Books.

11 Salloukh, B F, et al., 2015. *The Politics of Sectarianism in Postwar Lebanon*, London: Pluto Books.

12 The Taif Accord established two objectives for postwar parliamentary elections: mutual, peaceful coexistence between the different confessional groups (al-aysh al-mushtarak) and their proper political representation (al-tamthil al-siyasi).

secretary-general and general-director), parliamentary positions, judicial council members, and public sector jobs were reserved for representatives of each religious community.¹³ Under Taif, positions are shared equally between Christian and Muslim sects, replacing the earlier 1943 National Pact, which favoured Christians by a ratio of 6:5.

The new constitution also shifted executive power from the Maronite President to the Council of Ministers, presided over by a Sunni Muslim prime minister and administered by a Shi'a Speaker of Parliament. However, the balance of power is guaranteed by veto power granted to all three major political communities through the three 'presidencies' (the prime minister, speaker of the parliament and president), forming a 'Triumvirate or Troika'.¹⁴ The objective of this mutual veto system is to ensure that different political communities can protect their interests and must cooperate to enable meaningful governmental decision making.

Once in power, however, mutual vetoes coupled with superficial interconfessional alliances led more often to stalemate and inoperability than to good governance and cooperation. This undermined executive decision making by making it difficult to garner consensus for contentious decisions. An example of such stalemate is the presidential vacuum that occurred between 2014 and 2016 as political factions struggled to elect a new president. A standoff ensued that effectively paralysed the country for over two years, since the president appoints a prime minister to form a government. The decision to elect Michel Aoun as president came after an agreement was reached between him and Saad Hariri. Few details are known about the terms of the deal, apart from a pledge to appoint Hariri as PM in exchange for him dropping his opposition to Aoun's candidacy.¹⁵ The executive branch is approved by parliament and the presidency, and reflects parliament's power-sharing model as well as featuring representation of different sectarian groups. This has produced conflicts of interest between the legislature and executive that have paralysed the executive. A good example is Hassan Diab's 'government of specialists', which came into being as the result of another bout of haggling by Lebanon's ruling elites. After failing to implement reform policies – which were continuously rejected in parliament – Diab's cabinet resigned once it became clear

13 Saliba, I. 2010. *Lebanon: Constitutional law and the political rights of religious communities*. Library of Congress 12: 1–8. <https://www.loc.gov/law/help/lebanon-constitutional-law.php> (accessed 15 July 2020); Calfat, N. 2018. 'The Frailties of Lebanese Democracy: Outcomes and Limits of the Confessional Framework'. *Contexto Internacional* 40(2): 269–293.

14 Johnson, M. 2001. *All Honourable Men: The Social Origins of War in Lebanon*. London: IB Tauris; Majed, Z. 2010. *Hezbollah and the Shiite community: From political confessionalization to confessional specialization*. Aspen Institute 11: 1–28.

15 In Lebanon, a newly elected president appoints a prime minister following consultation with MPs.

that, to protect party interests, parliament was refusing an independent investigation into the Beirut port blast.

On top of elite scheming to retain as much control as possible, the rigid sectarian quotas in both elected and non-elected public offices are unresponsive to demographic change. This means that the representativeness of sectarian elites is not necessarily as solid as it might look. For example, having undergone rapid demographic growth since the 1970s, Lebanon still maintains political representation based on its population census of 1932. As a result, the number of non-Christian seats in parliament is equal to that of Christians, even though Christians were estimated to total 38.2 per cent of voters and Muslims 61.6 per cent in 2011.¹⁶ This means that certain electoral constituencies are under-represented while others are over-represented.¹⁷ In short, by making organic change difficult (e.g. by allocating offices and resources based on regular independent population censuses), sectarian communities are in permanent competition to find loopholes and backdoors in the electoral system to achieve larger representation and political gains.

One way of doing this is by manipulating electoral laws to garner cross-confessional seats and control a larger proportion of parliament than the allotted sectarian quota. For example, Christian seats in southern electoral districts are elected by the majority Shi'a population and considered the Shi'as' Christian seats. Such issues have been a source of contestation and explain why the previous parliament postponed national elections three times in five years as factions could not agree on an electoral law.

Strong symbolic narratives underpin such power distribution and conservation mechanisms. The Christians continuously refer to 'preserving' political power in order to mobilise their constituency because if Lebanon's demographic shifts were reflected in the country's electoral system, they would spell a loss of Christian influence. Simultaneously, Muslims have capitalised on under-representation in government to institutionalise a discourse of marginalisation and a narrative of staying relevant. In the 2018 parliamentary election, none of the confessional political parties ran with a policy programme but instead relied on the discourse of preserving sectarian identities. For example, the Lebanese Forces party more than doubled its seats from 2009 by positioning itself as the champion of Christian values and influence. Its success reflects

16 Izady, M, 2016. 'Lebanon ethnic composition'. The Gulf Project 2000. Columbia School of International and Public Affairs. http://gulf2000.columbia.edu/images/maps/Lebanon_Ethnic_Ig.png (accessed 15 July 2020); Lebanese Information Center, LIC (LB), 2013. *The Lebanese Demographic Reality*. Washington, DC: LIC <http://www.lstatic.org/PDF/demographenglish.pdf> (accessed 15 July 2020).

17 Lebanese Association for Democratic Elections, LADE (LB), 2015. Vote Power Data Maps. Beirut. http://lebanonelectiondata.org/vote_power.html (accessed 15 July 2020).

how this discourse resonates with Lebanon's Christian population,¹⁸ while diverting attention away from good governance and effective party performance. Between 2009 and 2017, parliament failed to address citizens' needs and priorities – with only 9 per cent of laws passed addressing socioeconomic concerns.¹⁹ In fact, MPs have a different set of priorities than citizens. While 58 per cent of citizens highlighted socioeconomic challenges – such as unemployment, price increases, health, education, electricity, and water – as their main concerns, only 30 per cent of MPs shared these concerns.²⁰ Completing this paradox, in May 2018 almost half of Lebanon's electorate voted for the same political parties as they had in 2009. Perhaps, inadvertently, they showcased the robustness of sectarian politics.²¹

Iraq's incomplete consociationalism

In many respects, since 2003 Iraq's political system has evolved along similar lines to Lebanon's consociational democracy.²² The new constitution, ratified in 2005, stressed that 'Iraq is a country of multiple nationalities, religions, and sects'.²³ Unlike Lebanon's corporate consociational system, which accommodates groups according to predetermined sectarian or ethnic criteria, Iraq's liberal consociational system is based on democratic preferences.²⁴ As such, the principle of sectarian proportionality is not constitutionally enshrined. Article 49 of the Constitution states merely that 'representation of all components of the people shall be upheld in parliament'. In practice, however, Iraqi consociationalism began to generate patterns and discourses similar to Lebanon's, with the dominant positions of state being filled by Iraq's main communities: the presidency by the Kurds, prime minister by the Shias,

18 Majdi, K. 2018. 'ماذا تفوق القوات اللبنانية؟' Alhurra [online](#) (accessed 15 July 2020).

19 Lebanese Center for Policy Studies. 2018. 'هل قام النواب بواجباتهم؟' <http://niyabatanani.com/pdf/Infographics.pdf> (accessed 15 July 2020); Equivalent to 31 laws, 21 of which are loan agreements.

20 Atallah, S. 2018. 'Addressing Citizens' Concerns is not on the Parliament's Agenda', Lebanese Centre for Policy Studies (LCPS). <https://www.lcps-lebanon.org/featuredArticle.php?id=142> (accessed 15 July 2020).

21 Arnous, M. 2018. 'The Robustness of Sectarian Politics in Lebanon: Reflections on the 2018 Elections', Civil Society Knowledge Centre, Lebanon Support. <https://civilsociety-centre.org/paper/robustness-sectarian-politics-lebanon-reflections-2018-elections> (accessed 15 July 2020).

22 Consociationalism is typically associated with the work of Arend Lijphart, who outlines four core features of the model: government by grand coalition or executive power sharing, veto rights for the different groups, proportionality, and a high degree of autonomy for each segment. See: Lijphart, A. 1977. *Democracies in Plural Societies: A Comparative Exploration*, New Haven: Yale University Press.

23 Constitution of Iraq, 2005. https://www.constituteproject.org/constitution/Iraq_2005.pdf?lang=en (accessed 15 July 2020).

24 McGarry, J and O'Leary, B. 2007. 'Iraq's Constitution of 2005: Liberal consociation as political prescription', *International Journal of Constitutional Law* 5(4) 670–698.

and the house speaker by the Sunnis.²⁵ The need to represent all communities extended beyond top-level appointments and the Iraqi government through the *mahasasa* system – the distribution of jobs between particular parties and coalitions within a given ethno-sectarian group based on a points system.²⁶ It should be noted, however, that Iraq's consociational democracy centres on inclusive ethno-sectarian representation (distribution of posts) much more than on inclusive ethno-sectarian decision making (distribution of power). This means that both majority and minority groups can be excluded and allows for significant concentrations of real power that risk undoing any benefits of consociational governance. As with Lebanon, it generates serious challenges to the business of adequate public governance.²⁷ Below, we discuss three key mechanisms in Iraqi governance that can work to exclude other groups from power, despite their representation in government or the administration.

The first issue is that, according to article 76 (1) of the Iraqi constitution, the majority bloc has the right to form a government. This is followed by a confidence vote in the prime minister designate, which requires only an absolute parliamentary majority as per article 76 (4). These two provisions are non-consociational. First, the very fact that the largest bloc is automatically designated to nominate a PM undermines the need for bargaining between elites in a deeply divided society. However, since there is ambiguity as to how the largest bloc is designated, there is plenty of horse-trading to agree on criteria and procedure. In the last two elections (2014 and 2018), especially, this has involved cross-sectarian collusion.

Second, the possibility of winning a confidence vote by an absolute majority is problematic from a consociational point of view because it implies that a major political group may form a coalition government with a number of insignificant groups and exclude other major ones. In practice, even absolute majorities are a tall order given the fragmentation of Iraq's political blocs. The process of fragmentation has been witnessed in every electoral round since grand coalitions (now defunct) were formed in the 2005 elections. A compromise – the so-called Erbil Agreement – was reached in 2010, under

25 Power sharing also extends beyond high politics to public service appointments in Iraq. Although not by design, the Federal Supreme Court has an overrepresentation of minority judges. The Iraqi army, for example, is roughly made up of 60 per cent Shi'a, 20 per cent Sunni Arabs, and 18 per cent Kurds, reflecting the assumed proportions in Iraqi society at large.

26 Al-Shaheedi, H, Van Veen, E, 2020. *Iraq's Adolescent Democracy: Where to go from here*, The Hague: The Clingendael Institute.

27 Plans for extra-constitutional institutions such as the Political Council of National Security, the Federal Oil and Gas Council, and the National Council of High Policies, which could be seen as attempts to create additional consociational layers in Iraq's power-sharing democracy did not go far. Visser, R, 2012. 'The emasculation of government ministries in consociational democracies: The case of Iraq', *International Journal of Contemporary Iraqi Studies* 6 (2) 231-242.

which the main political parties agreed to form a grand coalition at the executive level with an understanding that ministries would be distributed among the main parties. Accordingly, Iraqiya (a coalition consisting of the Sunni National Dialogue Front, Shi'ite Ayad Allawi, and new nationalists) expected to receive the Ministry of Defence and the presidency of the Security Committee, while Maliki received the premiership. Nevertheless, after the formation of the government and parliament's vote of confidence, Maliki renounced his commitment to the Erbil Agreement and turned down all the candidates that Iraqiya proposed.

A third issue arising from posts being shared on a sectarian basis, but power being exercised on a non-sectarian basis, is the broad authority it affords the prime minister. The constitution allows the PM to exercise wide-ranging executive powers, direct the general policy of the state, control Iraq's security forces, and preside over the council of ministers.²⁸ The PM's power is increased because communities and individual ministers have no executive veto, and there is no quorum to hold a cabinet session or take decisions. Moreover, the president and the PM can dismiss ministers if they do not follow the rules or carry out the wishes of the PM.²⁹

This has had two serious effects on Iraqi politics. First, it enables the PM to engage in substantial abuse with potentially devastating effects. For example, during his five-year term as prime minister, Maliki built a personal power base in the security establishment and bolstered the electoral prospects of his Da'wah Party.³⁰ Secondly, such a concentration of power increases political competition for the office of PM, making forming a post-election coalition more difficult. Because Iraq uses a system of proportional representation, no one party is ever likely to gain a majority in an election. Therefore, a process of cross-party coalition building follows every election. In these negotiations, all parties compete for the position of prime minister because it is seen as the only position that matters. This zero-sum game leaves the country vulnerable to political instability after every election.

28 Constitution of Lebanon (Article 17); Constitution of Iraq (Article 78). In contrast, the president is described by the Constitution as simply a 'symbol of the unity of the country' (Article 67) with the power to issue pardons, ratify international treaties, award medals and accredit ambassadors (Article 73).

29 Nonetheless, dismissing the minister requires the consent of the Council of Representatives by an absolute majority (article 68a: Constitution of Iraq). Given that the prime minister is selected from the biggest parliamentary bloc, this is unlikely to pose too much constraint.

30 He took security decisions without consulting the cabinet for authorisation, including unilaterally forming personal intelligence and military units outside the jurisdiction of the Ministry of Defence and the Ministry of Interior. Maliki also created tribal-support councils in provinces across Iraq that were seen as Dawah party tools for controlling and influencing local populations. Gompert, D., Terrence, K., and Watkins, J., 2010. *Security in Iraq: a framework for analyzing emerging threats as U.S. Forces leave*, Rand Cooperation.

In recent years, political blocs have opted for a compromise 'weak' prime minister, one who does not threaten the interests of any of the large blocs. Adel Abdel-Mahdi, for example, was a compromise candidate between Sadr's Sairoun and Ameri's Fateh parliamentary blocs. Similarly, PM Mustafa al-Kadhimi is a compromise between the Kurds, Sunnis, and Shi'as' parliamentary blocs. The result is a weak government and a weak PM, neither of which have sufficient support from the political blocs and parties to counter corruption and attempt real reform.

Interim conclusion

The consociational systems of both Iraq and Lebanon demonstrate how political elites in both countries have developed a system that creates and maintains control over the main levers of governance on a sectarian basis. The key problem is less the fact that the state is ruled by an oligarchy, or by a consensus between sects, but rather that no one really rules. The state as a set of institutions is run by a semi-opportunistic collusive-cum-competitive interaction between various parties that emerged from conflict. All parties continuously deploy all possible means to keep the others in check via control over public resources and public institutions while jealously guarding their own prerogatives and social autonomy. Paralysis is both a feature and an output of the political system, in which self-preservation is valued over the need for reform. Sectarian mechanisms are valued above all else because it allows established parties continuous control over political processes and enables resource appropriation. The logic of sectarian-based power sharing produces lengthy political stalemates almost by default and makes long-term decision making a Herculean task. Typically, this leads to weak governments with limited political autonomy that are incapable of adequate public performance, let alone of innovating the state.

2 Practical tools used by elites to appropriate society-state relations

As the preceding analysis has shown, the structure of the consociational frameworks in Lebanon and Iraq perpetuates sectarian identities, facilitates elite capture of the state, and reduces state performance. It also cuts ties between citizens and the state by allowing recognised sectarian groups to serve as intermediaries in many areas of life. From this perspective, both countries are night-watcher states in a novel sense of the term – their governments are not small in size, in fact they are rather bloated, but their functional output is minimal.

Below, we examine the tools used by politicians to maintain exclusive ties between sectarian parties and citizens and to cement their grip on the sectarian consociational governance structures of their countries. The basic mechanism is that political parties appropriate a share of public authority and public resources and redistribute them to maintain sectarian groups through clientelism – without forgetting themselves in the process. Naturally, this model features few incentives for elites to engage in reform, including in the face of sustained protests. Two such tools are public sector jobs in exchange for loyalty and parallel service structures.

Patronage politics: a bloated public sector

In material terms, the consociational governance systems of Lebanon and Iraq centre on the control of state resources by ethno-sectarian parties and elites, represented in an inclusive government. It includes fierce competition between parties and elites for power and influence through patronage networks. Specifically, public sector employment has become the primary means for building such networks because of its dominance in the economy. Patronage politics have also led to a dramatic expansion in the number of public sector employees. In Iraq, public sector employment has grown more than three-fold since 2003, with a nine-fold increase in spending on employee compensation, totalling an estimated US\$50 billion in 2020. Predictably, this has led to burgeoning state budgets that are almost entirely dependent on fluctuating oil revenues.³¹

31 Al-Mawlawi, A, 2020. *Public Payroll Expansion in Iraq Causes and Consequences*, London: LSE Middle East Centre.

Although national statistics are notoriously unreliable in Lebanon, the increase in the size of the country's public sector has also been alarming: from 75,000 employees (1974) to 175,000 in 2000, to approximately 300,000 in 2017. Moreover, and given the new ministerial prerogatives as a result of the Taif political reforms, it is estimated that approximately 50 per cent of new appointments in Lebanon were made on the basis of sectarian rather than meritocratic considerations, i.e. outside the purview of the Civil Service Board.³²

The extension of the confessional parity principle beyond senior government positions mentioned earlier has a significant negative impact on the performance of state institutions. One immediate consequence is a reduction in the competence of personnel in the public sector. Another is an increase in personnel costs. Appointments are often made to benefit individual parties and involve nepotism and bribery, mostly for electioneering purposes in exchange for votes. For example, the majority of public schools in Lebanon have an average of three or fewer students per teacher compared with nearly 12 per teacher in private schools. Each public school student costs US\$4,000 a year, a highly inflated figure considering the quality of education offered in many of these schools. In Iraq, the buying and selling of senior military ranks was a common practice, with bribes being paid in exchange for lucrative appointments. During a parliamentary session in November 2014, PM Haidar Al-Abadi claimed that some 50,000 'ghost soldiers' were on the Ministry of Defence payroll. Unsurprisingly, such practices undermined the competence of the Iraqi military during the fight against IS.³³ The total number of ghost employees in the country is estimated at 500,000 – 20 per cent of the government payroll – at a cost of 5.5 trillion Iraqi Dinars (US\$4.6 million) each month.³⁴

Control over recruitment in the public sector also provides the political elite with substantial leverage over lucrative government contracts and tenders. Illicit party financing has historically been extracted by profiting from the award of major ministerial contracts. For example, the Druze leader Walid Joumblatt's Progressive Socialist Party has been granted a number of infrastructure projects through controlling the General Directorate of Urban Planning, which operates under the purview of the Ministry of Public Works and Transportation.

32 Salloukh, B, 2019. 'Taif and the Lebanese State: The Political Economy of a Very Sectarian Public Sector', *Journal of Nationalism and Ethnic Politics* 25(1): 43–60.

33 Al-Salhy, S, 2014. 'How Iraq's ghost soldiers helped ISIL', AlJazeera. <https://www.aljazeera.com/news/2014/12/11/how-iraqs-ghost-soldiers-helped-isil/?gb=true> (accessed 19 October 2020).
Abu Zeed, A, 2014. 'Ghost soldiers haunt Iraqi army', Al-Monitor. <https://www.al-monitor.com/pulse/originals/2014/11/iraq-army-ghost-soldiers-officers-corruption.html> (accessed 19 October 2020).

34 Wali, Z, 2020. 'Iraq PM vows to bust bloated pay, duplicate salaries amid economic strife', Rudaw. <https://www.rudaw.net/english/middleeast/iraq/300520201> (accessed 19 October 2020).

Most importantly, privatisation of the state via the public sector payroll shields political elites and their cronies from accountability and legal procedures, since sectarian leaders also appoint key judges and investigating magistrates. For example, even though Iraq has an Integrity Commission whose independence is assured by the constitution, it has thus far failed to prosecute high-level politicians or officials with ties to one of the larger political parties for corruption.³⁵ In situations where rule consists of a mix of elite collusion and competition based on sectarian power-sharing mechanisms, it is easy – and likely correct – to dismiss any charges against politicians and their associates as politically motivated.³⁶ The result is that justice is rarely done. In Iraq, corruption has also influenced authorities' willingness to respect court orders: Interior Ministry and Justice Ministry employees often extorted bribes from detainees to release them even if the courts had already accorded them the right to be released.³⁷

Over time, many public institutions operate as sectarian or party bastions. The Amal Movement is labelled 'Lebanon's deep state', given its extensive clientelist network throughout the public sector. For example, the Ministry of Information is considered a party stronghold, as is the Council of the South, serving as Amal's main patronage vehicle. In Iraq, the Ministry of Interior has long been the purview of the Badr Organization which, in consequence, controls a number of the country's security organisations such as the federal police. Therefore, while the face of the minister may change, sizeable parts of the federal police retain loyalty to Badr. As such, sectarian appointments become a strategy to balance the influence of other factions, producing dangerous intra-state competition. Iraq's Sunni-controlled Ministry of Defence is often used to balance the Shi'a-controlled Ministry of Interior. The Lebanese Future Movement closely vets recruits to the Internal Security Forces' Intelligence Branch (fur'al-ma'lomat) in a bid to create a security arm that can serve as a counterbalance to the influence of the Amal Movement and Hezbollah in the Directorate of General Security and Military Intelligence.

35 Al-Shaheedi, H and van Veen, E, 2020. *Iraq's Adolescent Democracy: Where to go from here*, The Hague, The Clingendael Institute.

36 In response to widespread protests in Lebanon and before his resignation, Hariri promised to pass laws that would establish an anti-corruption committee and restore stolen public funds. Shortly afterwards, Mount Lebanon Public Prosecutor Ghada Aoun, a Maronite, brought the first corruption case against Sunni former PM Najib Mikati for illicit enrichment from subsidised housing loans. Denying these allegations, Mikati claimed the charges against him were politically motivated because he did not support the election of Maronite president Michel Aoun in 2016, and because he called for Hariri's recent government to resign. This claim was plausible given that prosecutor Aoun is reportedly close to president Aoun and was appointed through the sectarian system. See: <http://www.naharnet.com/stories/en/265859> (accessed 26 October 2020).

37 Business Anti-Corruption Portal (GAN). 'Iraq Corruption Report', GAN. <https://www.ganintegrity.com/portal/country-profiles/iraq/> (accessed 15 July 2020).

The result is a public sector riddled with sectarianism, patronage, corruption, cronyism, and other types of distortion. The high public sector payroll limits the fiscal space available for investment.³⁸ Undersupplied public goods include infrastructure, education and capital stock – essential to sustainable economic growth. The size of the public sector payroll, the state's weakness in enforcing the rule of law, its sizeable bureaucracy, and its central economic role also inhibit the formal private sector's growth and its ability to generate decent jobs. In turn, this ensures that the general population remains dependent on employment in the public sector through *wasta* (i.e. connections and social/sectarian favours).

Parallel service channels

The bloated size of the public sector, along with levels of corruption and inefficiencies, means that a large proportion of tax revenue does not translate into public services. This gap is filled by sectarian political elites that perform state-like functions in the place of, or alongside, weakened official institutions in sectors such as healthcare, education, water, and even electricity. Such channels are not necessarily national in scope, but typically limited to particular geographical areas or social groups. It is important to note that this is not entirely a form of clientelism since the goal of service delivery is not always to gain political loyalty. Rather, it is a tool for sectarian groups to gain power in a certain spatial denomination and to increase their revenue. Since these channels tend to be more efficient than the state, they also have the power to undermine it, either through direct competition or by keeping particular constituencies turned away from the state in terms of their attitude towards it, or sometimes even their political affiliation.

Most importantly, however, such forms of parallel service provision disincentivise reforms to public service delivery and enable political elites to deliver to their constituents what the state fails to provide. As a result, dependencies between parties and constituents deepen and electoral loyalty is preserved. Electricity is a prime example in which sectarian loyalties manifest themselves. Lebanon's electricity cuts extended to more than 20 hours a day in the summer of 2020, forcing households to rely on private neighbourhood providers. These largely unregulated neighbourhood suppliers are called the 'generator mafia' for their supposed political clout and the protection they enjoy from political and armed groups.³⁹ In Iraq, the capture of public electricity infrastructure in post-invasion Baghdad under the Sadrist movement meant that Sadrist-affiliated

38 In Lebanon, this was financed by Rafiq Hariri's neoliberal economic model that piled up Lebanon's current public debt. In Iraq, the growth was largely a function of the country's increasing oil wealth, as oil prices rose, and production expanded.

39 Mohsen, A, 2012. 'Lebanon's Electricity Mafia'. https://www.academia.edu/34337304/Lebanons_Electricity_Mafia (accessed 19 October 2020).

neighbourhoods saw an average increase in access to electricity that was significantly greater than in other areas of the city.⁴⁰

In Lebanon, parallel structures started to develop during the civil war – i.e. when there was a complete breakdown of state government. In the post-war period, when militias transformed into political actors, parallel service provision channels enabled the consolidation and expansion of their position. Although the Taif accord ended the violence, it also institutionalised the war's militia economy. Hezbollah's growing socioeconomic footprint in southern Lebanon, a Shi'a majority region long neglected economically by the Lebanese state, is a good example. State negligence provided the party with the opportunity to provide services – such as education, healthcare, infrastructure and construction, micro-credit, sports and youth clubs, and religious institutions – gaining credit and followers in the process.⁴¹ Similarly, Rafik Hariri – a Sunni businessman – metamorphosed into Lebanon's main Sunni politician after 1990 when he realised that his economic clout and good relations with foreign patrons were not sufficient to fulfil his ambitions. He founded a philanthropic arm called the Hariri Foundation that, in just a few years, became the country's largest provider of healthcare, education and social services, but mostly for the Lebanese Sunni population.⁴²

In Iraq, services are also provided by charitable organisations tied closely to certain political groups. After the fall of the Hussein regime, Shi'ite religious centres resurfaced with their basic structures relatively intact. This was chiefly visible in governorates south of Baghdad, where groups gather around religious figures (including Ayatollahs Al-Hakim, Al-Kho'ei, and Al-Sadr). For example, the Al-Hakim Foundation, headed by Ammar Al-Hakim and created in 2004 in Najaf, established more than 500 educational, cultural and humanitarian centres throughout Iraq in less than a decade. Following the 2003 US-led invasion, Sadr issued a directive to his fledgling movement to assist victims of the conflict. What had been a small social outreach organisation based in Sadr's home in the Shi'ite holy city of Najaf was expanded to meet the massive humanitarian needs of Shi'ites in Baghdad. Today, Sadr is considered one of the main providers of emergency assistance in Iraq – gifting money to the families of the dead and injured, resettling

40 Parreira, C, 2020. 'Power politics: Armed non-state actors and the capture of public electricity in post-invasion Baghdad', *Journal of Peace Research* 52(1): 91–104.

41 For instance, Hezbollah's Islamic Health Unit operates a network of hospitals, clinics, dispensaries, dental practices and mobile clinics, while its Education Unit runs schools and provides educational scholarships throughout the country. In total, the party runs at least six hospitals in the country, and its school system is now also dispersed across Lebanon.

42 Cammet, M, 2014. *Compassionate Communalism: Welfare and Sectarianism in Lebanon*, New York: Cornell University Press; Baumann, H, 2017, *Citizen Hariri: Lebanon's Neoliberal Reconstruction*, Oxford: Oxford University Press.

displaced families free of charge, and helping to feed tens of thousands of Sadr City's most impoverished people every month.⁴³

Armed groups have also increased their role as service providers in Iraq in localities where the state has a poor reach, evoking comparisons with groups in Lebanon. For example, the Hashd Al-Sha'abi, an umbrella organisation composed of mostly Iran-linked Shi'a groups, engaged extensively in reconstruction and humanitarian relief after the declaration of victory over IS in 2017.⁴⁴ In doing so, these groups acquired utilitarian legitimacy.

In a 2019 Chatham House survey, respondents across Iraq argued that providing services was the third most important quality for a legitimate leader.⁴⁵ In times of crisis, such parallel service channels become even more important. The Hashd al-Sha'abi has led much of the relief effort to combat the spread of Covid-19 in Iraq through public awareness-raising workshops in universities and schools, disinfecting streets and holding public buildings, and guarding cities and neighbourhoods. In addition to making their field hospitals accessible to the public, the Popular Mobilisation Forces have joined forces with the Shrine authorities in Karbala to build civil hospitals providing intensive care.⁴⁶ In Lebanon, Hezbollah recently announced the implementation of a fully-fledged health emergency plan. While Covid-19 tests remain expensive, the party ensures that its hospitals administer free testing and treatment.⁴⁷ As such, the Covid-19 crisis has provided political elites and sub-state actors in both Iraq and Lebanon with an opportunity to reassert their roles in relation to the very citizens who, only weeks ago, were protesting against them – and in some cases still are. But the gravity of the crisis has re-imposed relations of dependency.⁴⁸

43 Corboz, E, 2015. *Guardians of Shi'ism: Sacred Authority and Transnational Family Networks*, Edinburgh: Edinburgh University Press;

Bengali, S, 2015. 'Charity work shows another side to Sadr's movement in Iraq', <https://www.mcclatchydc.com/news/nation-world/world/article24483049.html> (accessed October 2020).

44 Ezzeddine, N and van Veen, E, 2019. 'Who's Afraid of Iraq's Hashd?', War on the Rocks, <https://warontherocks.com/2019/09/whos-afraid-of-iraqs-hashd/>.

45 The swift rise of IS is an extreme example of a similar legitimisation process. In June 2014, when the Salafi-jihadi organisation took over the city of Mosul, its first priority was restoring security and providing basic services (primarily water and electricity).

46 See: <https://twitter.com/teamsmediawar/status/1244325436282241024> (accessed 19 April 2020).

47 Perry, T. and Bassam, L, 2020. 'Hezbollah deploys medics, hospitals against coronavirus in Lebanon', *Reuters*, 26 March, <https://www.reuters.com/article/us-health-coronavirus-hezbollah/hezbollah-deploys-medics-hospitals-against-coronavirus-in-lebanon-idUSKBN21C3R7> (accessed 19 April 2020).

48 Engin, Y, Ezzeddine, N, Netjes, R, Noun, B, Tekines, H and van Veen, E, 2020. *Pandemic or Pandemonium? Covid-19 and conflict in the Middle East*, The Hague, The Clingendael Institute.

Interim conclusion

Clientelist relationships and informal service delivery channels are mechanisms that ensure the dependence of citizens on sectarian parties. In consequence, since sectarian favouritism takes precedence over universal provision based on citizenship and output efficiency, these mechanisms undermine the state as provider of public goods. Since the corrupt parties that run these mechanisms also run the state, using it as resource to keep going – and recycling themselves in the process – they make the state resistant to reform. Hence, sectarian mechanisms, as well as weakening the state's ability to deliver, also make the state resistant to change. Once the logic of power sharing on a sectarian basis has asserted itself in combination with social autonomy for a particular sectarian constituency, incentives for change wither. The setup produces significant benefits for those with the power to change it. From an individual point of view, it is often more beneficial to be part of the system than to be excluded from it, which helps explain the durability of some sectarian constituencies despite massive public performance failures.

3 Privileged ties between domestic elites and foreign powers

Since the early days of independence, Lebanese politicians have relied on foreign actors to strengthen their domestic influence and control.⁴⁹ This has included the Saudi-imposed Taif agreement and the Syrian military intervention after the country's civil war. Actors and parties approved by the Saudis and Syrians were deemed legitimate while others were sent into exile or imprisoned. In Iraq, politics after 2003 also became intertwined with regional and international politics, as the weakening of the state made it more susceptible to external influences. For the first years after the US-led invasion, the American Coalition Provisional Authority (CPA) became the sovereign of Iraq. During this period, all political actors in Baghdad needed to have strong relationships with the CPA to be deemed legitimate. Some parties still focus largely on foreign legitimisation. For instance, the Kurdistan Democratic Party (KDP) used the strength of its relations with the US and Turkey to increase its capabilities and demonstrate to its constituents that the party was now on the world stage. This form of international recognition gave Masoud Barzani, the leader of the KDP, considerable legitimacy in the eyes of his people and encouraged the party to focus its communication efforts on publicising his relationships with world leaders.

In addition to foreign legitimisation, most political parties benefit directly from foreign financial contributions, which are necessary to sustain their political activities. Unlike in most European countries – where public funding of political parties is increasingly used as a way to strengthen representative democracy by addressing resource disparities among political groups – political parties in Iraq and Lebanon are not allotted a portion of public finances to sustain their activities. There has been little discussion of public funding for political parties in Lebanon and Iraq and politicians have continuously expressed reservations against it.⁵⁰ A public funding system would also require parties to reveal their funding sources, something that many parties in both countries are unwilling to do. Instead, their current political financing systems force parties to rely largely on

49 The Maronites relied on the French colonisers to legitimise control of the state in 1943.

50 Despite attempts by the Lebanese parliament in 2005 to discuss a proposed law on political parties including a general principle that gives the Lebanese state the right to fund electoral campaigns for political parties, parties expressed strong reservations against it. See: Waleeki, M et al., 2009. *Public Funding Solutions for Political Parties in Muslim-Majority Societies*, Washington DC: International Foundation for Electoral Systems.

a mix of domestic and foreign revenue streams to launch and run competitive political campaigns – including their own television channels, campaign materials, religious celebrations, conferences and workshops – and vote buying.

Foreign funding tends to tilt competition in favour of sectarian parties that can, at times, act as proxies, and disadvantages local political groups with a more national agenda. In Lebanon, Iran is believed to finance all Hezbollah's allies directly, including Amal, Marada and Tawhid. Most of these would have found it difficult to sustain political activity without such support. The situation is similar, if not more complex, in Iraq, with funding coming from a wide number of regional and international actors. PM Haidar Al-Abadi previously stated that his State of Law Coalition received about US\$250 million from a European country to fund his 2010 parliamentary campaign.⁵¹

The simple reality is that domestic political rivalry between and within sectarian blocs in Iraq and Lebanon encourages foreign patronage as a way to gain a leg up in domestic political competition. For example, during his second term, Maliki worked more closely with the Iranian government to outcompete his Kurdish, Sunni and Shi'a political rivals; the KDP moved closer to Turkey as differences with Baghdad grew; and Sunni leaders reached out to Turkey, Qatar and Saudi Arabia to improve their relative weight and competitive position vis-à-vis Iraq's Shi'a-dominated central government. In turn, foreign powers have been active in supporting their respective allies among the different sects to achieve advantageous geo-strategic positions. In Lebanon, Saudi Arabia continuously provides financial assistance to Sunni candidates running against Hezbollah to reduce Iranian influence and Shi'a dominancy. The risk of such linkages is that domestic power-sharing arrangements are shaped in a bid to correct the regional balance of power instead of reflecting domestic group interests and relevance. This polarises ethno-sectarian tensions and risks undermining the consociational state to the benefit of specific groups. Logically, with the growing complexity of contemporary regional power struggles, politics in Lebanon and Iraq have further fragmented along party lines, pitting different groups against each other. The consociational state plays, at best, the role of referee.

Foreign backing has the additional disadvantage of limiting domestic agency in decision making. Over the years, foreign actors in both Lebanon and Iraq have played the role of informal kingmakers in government formation processes and political appointments. A prime example is Lebanon's PM Saad Hariri being held hostage in Saudi Arabia and forced to resign in a televised statement because Saudi Arabia did not approve of Hariri's decision to make a political deal with Hezbollah and its allies. In Iraq, Iran and the US play a role similar to Saudi Arabia in Lebanon. Take, for instance, the nomination of Mustafa

51 Hussainy, M, 2010. 'Shadowy campaign financing will mire Iraq's democratic elections', openDemocracy. <https://www.opendemocracy.net/en/opensecurity/shadowy-campaign-financing-will-mire-iraqs-democratic-elections/> (accessed 15 July 2020).

al-Kadhimi as Iraq's new prime minister in May 2020. This is widely believed to have been the result of a horse trade between the US and Iran in which Tehran agreed to back the former intelligence chief in return for unfreezing some of its assets targeted by sanctions.⁵²

The relevance and impact of foreign sponsorship has increased recently due to the militarisation of regional rivalries since 2005 (Lebanon) and 2014/2017 (Iraq). For instance, the mere fact that powerful foreign-backed parties possess arms makes reform efforts much riskier. In Lebanon, the events of May 2008 remain relevant today. As the government moved to shut down Hezbollah's telecommunication network, Hezbollah-led fighters seized control of several West Beirut neighbourhoods controlled by Future Movement groups loyal to the government, while the Lebanese security forces watched from the sidelines. In a similar vein, Kataib Hezbollah recently set up camp in front of the PM's office in Baghdad to make clear its capability to attack Kadhimi's government if it deems necessary. It has also carried out a number of violent attacks against embassies and civilians. The limiting impact of foreign sponsorship of political and armed groups on prospects for reform has also been clearly evidenced in the violent response to protesters in Iraq and Lebanon. In Iraq, the political elite deployed high levels of violence, killing hundreds of demonstrators, wounding thousands, and arresting and torturing thousands more. Repression has become the only route by which Iraq's ruling elites can prevent the reform of their sectarian quasi-democracy.⁵³

Interim conclusion

Over the years, domestic political actors in Iraq and Lebanon have relied on their ties with foreign actors to preserve (international) legitimacy, constituency control, and adequate financial support. Such foreign support has permitted larger political blocks to maintain and increase their political influence and patronage networks. However, foreign backing also limits the agency of domestic political actors in their decision making, since foreign powers seek to advance their own geopolitical interests by working through, or manipulating, their local clients, proxies and allies. Foreign interference in domestic affairs reduces sovereignty at the national level and leads to securitisation in competitive sectarian systems as foreign patrons are not above arming their local partners to gain advantage.

52 Jiyad, S, 2020. 'Time for a reset Iraq's new prime minister and the US-Iran rivalry', European Council on Foreign Relations. https://ecfr.eu/article/commentary_time_for_a_reset_iraqs_new_prime_minister_and_the_us_iran_rivalry/; Rubin, A, 2020. 'Iraq Chooses New Prime Minister, an Ex-Intelligence Chief Backed by US', *The New York Times*.; Hearst, D, 2020. 'The secret US-Iran deal that installed Kadhimi in Baghdad', Middle East Eye. <https://www.middleeasteye.net/news/revealed-secret-us-iran-deal-installed-kadhimi-baghdad>.

53 Dodge, T and Mansour, R, 2020. 'Sectarianization and De-sectarianization in the Struggle for Iraq's Political Field', *The Review of Faith and International Affairs* 18(1) 58–69.

4 Alike but different: The nature of the current crises in Baghdad and Beirut

The previous sections described mechanisms through which the consociational structures of Lebanon and Iraq have survived without producing much by way of positive governance results. Despite recurring discontent, for many both systems have remained relevant. This time around, however, things seem different. Both countries are facing convergent budgetary, political and security crises that are shaking their sectarian structures to the core. The compounded nature of their current crises limits the financial and political means available to elites to absorb their impact and respond adequately as socioeconomic conditions deteriorate rapidly.

The sectarian power-sharing systems of both Lebanon and Iraq generate a weak civil society and inadequate security. Social conditions are harsh and both countries' economies are imploding. Inefficient electoral processes and limited space for political activism discourage political competition. The oligarchy of power results in state capture and high corruption rates. Both countries are ranked among the most corrupt in the region by Transparency International, with Iraq listed as the 12th most corrupt in the world.⁵⁴ Poor public service delivery and the proliferation of informal governance systems make citizens more vulnerable as socioeconomic conditions deteriorate, poverty increases, unemployment grows, and access to basic services is limited. Both governments continue to finance corruption by accumulating public debt, with Lebanon's deficit exceeding 150 per cent of GDP and Iraq facing a 25 per cent fiscal deficit in its 2020 budget.⁵⁵ Table 1 below shows the major similarities and differences between the political economies of Lebanon and Iraq.

54 See: Transparency International. <https://www.transparency.org/cpi2019> (accessed 26 October 2020).

55 See: World Bank. <https://www.worldbank.org/en/country/lebanon/overview> (accessed 26 October 2020).

Table 1 Rough comparison of the political economies of Lebanon and Iraq

	Lebanon	Iraq
(1) Political system	Power-sharing (consociational) democratic system; <i>muhāsasa al-ta'ifiya</i>	Power-sharing (consociational) democratic system; <i>muhāsasa al-ta'ifiya</i>
(2) Political competition and entry of new actors	Oligarchy of political power by a number of parties with limited competition due to deficiencies in electoral processes and limited space for new political activism	Oligarchy of political power by a number of parties with limited competition due to deficiencies in electoral processes and limited spaces for new political activism
(3) Corruption and state institutions	Ranked 137 th most corrupt (out of 180) with political party capture of state institutions through infiltration ('deep state')	Ranked 162 nd most corrupt (out of 180) with political party capture of state institutions through infiltration ('deep state')
(4) Governance and service delivery	Poor governance and limited public service delivery (electricity, water, waste management, healthcare, education, and others); political support is exchanged for access to informal service provision	Poor governance and limited public service delivery (electricity, water, waste management, healthcare, education, and others); gradual proliferation of informal service providers
(5) Socio-economic conditions	Increasing poverty rates (50%) and high rates of unemployment	Increasing poverty rates (37%) and high rates of youth unemployment
(6) Intensity of protests	Mass protests of mixed sect, class and demographic composition met by vocal criticism and small-scale violence from party loyalists	Mass protests by mostly young, lower-income Shi'a youth met by heavy repression from the government and large-scale violence from armed groups
(7) Level of sectarianism	Deeply rooted sectarian identities in a fragmented society	Deeply rooted sectarian identities in a majority Shi'a population and isolated Kurdish ethnic regions
(8) Strength of CSOs	Large civil society but with limited citizen participation, under-representation of social groups, and limited organisational infrastructure ⁵⁶	Small civil society facing a hostile political environment, endowed with modest levels of expertise and resources
(9) Sources of rent	Foreign investments; diaspora remittances; foreign grants and loans	Oil revenues
(10) Structure of economy	Free market, laissez-faire; service-oriented; main sectors include banking and tourism Soaring public debt; currency crisis with depleted foreign reserves; liquidity crisis	State-dominated economy; led by oil sector (85% of government revenue) Negative growth; decreasing foreign reserves; soaring fiscal deficit caused by drop in oil prices

Source: Transparency International, 2019. 'Corruption Perception Index' <https://www.transparency.org/en/cpi#> (accessed 10 November 2020); World Bank, 2020. *Iraq Economic Monitor: Navigating the Perfect Storm (Redux) (English)*. Washington, DC: World Bank Group; World Bank, 2020.

56 Abou Assi, K, 2006. *Lebanese Civil Society: A Long History of Achievements Facing Decisive Challenges Ahead Of An Uncertain Future*, Civicus Civil Society Index Report for Lebanon. http://www.civicus.org/media/CSI_Lebanon_Country_Report.pdf (accessed 26 October 2020).

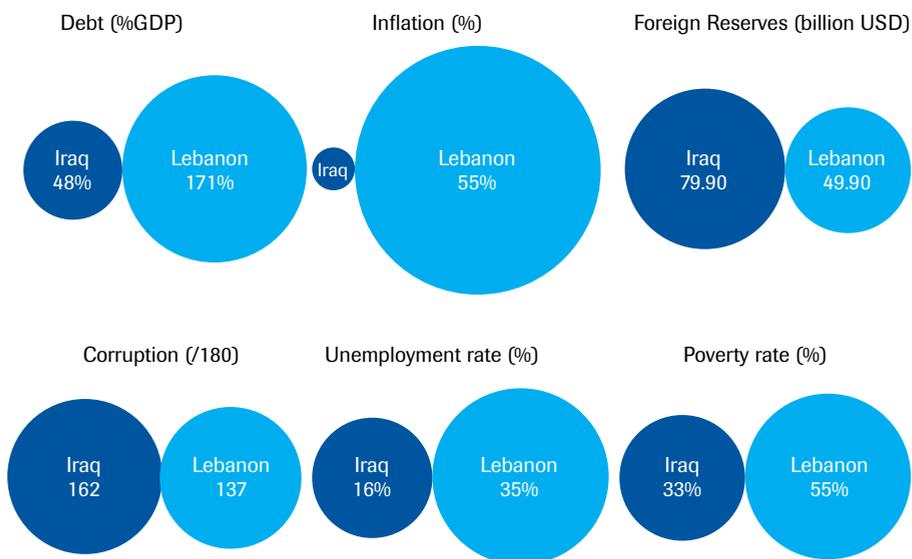
So When Gravity Beckons, the Poor Don't Fall, Lebanon Economic Monitor, Fall 2019.

The indicators depicted in Figure 1 (below) suggest that the economic situation in both countries is also similar. Despite Iraq faring better in a number of dimensions like inflation, poverty, and unemployment – largely due to its oil revenues – its revenue streams are volatile and not sufficient to finance Iraq's growing public sector payroll, debt level and corruption. In fact, Iraq faces a perfect financial storm in the longer term that shows similarities with Lebanon's economic situation between the 1990s and its current crash.⁵⁷ A predicament about 100 years in the making, Lebanon offers a cautionary tale for Iraq's adolescent democracy. It illustrates how sect-based elitism and corruption can institutionalise over time and how hard it is to reverse this process. In the meantime, Iraq still has opportunities to salvage its state institutions, revive its economy, and improve its state of operation. With a gradual recovery of oil prices, Iraq's treasury will again have the financial room for manoeuvre to improve public services and stimulate economic diversification in response to protestors' frustrations. In addition, Iraq's majority Shi'a demographic produces greater incentives for intra-sectarian competition, reducing sectarianism in the process. In a recent interview, Iraq's deputy Prime Minister and Minister of Finance, Ali Allawi, stated that Iraq is at a crossroads: 'These are difficult times, trying times. They can become the worst of times but also the best of times. The next few years are decisive as to whether Iraq goes towards great expectations or bleak times.'⁵⁸

57 Dibeh, G. 2005. *The Political Economy of Postwar Reconstruction in Lebanon*. <https://www.researchgate.net/publication/23566084> (accessed 19 October 2020).

58 TRT, 2020. 'One on One: Interview with Iraq's Deputy PM and Finance Minister Dr Ali Allawi' https://www.youtube.com/watch?v=lqMB92_CAK4&feature=youtu.be&ab_channel=TRTWorld (accessed 26 October 2020).

Figure 1 Lebanon and Iraq key economic indicators



World Bank, 2019. 'Central Government debt, total (% of GDP)' <https://data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS> (accessed 10 November 2020); Transparency International, 2019. 'Corruption Perception Index' <https://www.transparency.org/en/cpi#> (accessed 10 November 2020); Central Bank of Iraq, 2019. 'CPI and Inflation' https://www.cbi.ir/Inflation/Inflation_en.aspx (accessed 10 November 2020); Central Administration of Statistics, 2020. 'Inflation rate' http://cas.gov.lb/index.php/en/?option=com_content&view=article&id=111&Itemid=2 (accessed 10 November 2020); Central Bank of Lebanon, 2020. Lebanon Foreign Exchange Reserves <https://www.ceicdata.com/en/indicator/lebanon/foreign-exchange-reserves> (accessed 10 November 2020).

5 Pathways out of stasis: Four routes

Protestors, activists and civil society organisations are demanding an end to sectarian power sharing in the comparable political economies of Lebanon and Iraq. In Table 2, we summarise broad generic pathways for change based on an initial exploration of the large amount of literature available on political change and reform (hence, the table is indicative, not exhaustive). On the basis of this overview, we subsequently examine the feasibility of each pathway in the next section.

Table 2 Pathways out of stasis

Strategies	Enabling circumstances	Key success factors	Risks	Examples of success/failure
(1) Enact radical governance reform through revolts	Domestic policy failures affecting all citizens directly and rapidly worsening socio-economic conditions.	Persistence, structure, unity, external pressure and possibly violence. ⁵⁹	Consociational systems are sticky; radical governance reform can be blocked at many turns.	Success: Albania in 1997 (democratic setting). ⁶⁰ Failure: Syria in 2011 (authoritarian setting). ⁶¹
(2) Build greater economic agency and independence, through sustainable economic policies	Economic crises can demonstrate the unsustainability of the consociational order by increasing the cost of patronage networks and clientelism – stimulating the transformation of public administration.	Governance structures flexible enough to guide reform, capacity and expertise to reform the system, nature of the private sector, conditional international reform aid/investment.	Government and citizens will have to go through a slow and painful process of economic adjustment and restructuring just after the Covid-19 downturn.	Success: Estonia, Spain, Portugal, Ireland, and Latvia after the 2008 Eurozone crisis. Albania in 1997, post-Asian financial crisis 1998. ⁶² Failure: Argentina in 2001. ⁶³
(3) Enable a generational transition via gradual electoral shifts	Transformation of political culture by protest movements and socialisation experiences of youth that have not experienced sectarian conflict by creating a freer electoral context in which new voices can gradually compete more effectively.	Gradual change in voting laws, political values, new civil society structures, social and economic modernisation.	Political elites will seek to resist by monopolising electoral process or grant only a modicum of participation and suppress new political participation.	Success: Germany (1950s) Failure: Jordan; Brazil; Namibia in 2015; Mozambique in 2017; Angola in 2017. ⁶⁴

59 See for instance: 'Guigni, M, 1998. Was it Worth the Effort? The Outcomes and Consequences of Social Movements', *University of Geneva, Switzerland*, 374.

60 Jusufi, I, 2017. 'Albania's Transformation since 1997: Successes and Failures', *Croatian International Relations Review*, 23(77): 81–115; Darrow, S, 1997. *Albanian Troubles Expose North-South Differences*, CNN Interactive; Joshevska, J, et al, 2012. *Context Analysis; Migration and Remittances and Their Impact in Albania and Macedonia*, Regional Research Promotion Programme.

61 Daher, J, 2019. *Syria after the Uprisings: The Political Economy of State Resilience*. London: Pluto Press.

62 More on Albania: Jusufi, I, 2017. 'Albania's Transformation since 1997: Successes and Failures,' *Croatian International Relations Review*, 23(77): 103–110; Brinkerhoff, D, 2000. 'Assessing Political Will for Anti-Corruption Efforts: An Analytic Framework', *Public Administration and Development* 20(3): 239–252.

63 Argentina has been relapsing into financial crises and failing to sustain inclusive growth since 1990. See: Gillespie, P (2019). Argentina Can't Escape Its Economic Curse. <https://www.bloomberg.com/news/features/2019-08-01/argentina-is-trapped-in-a-cycle-of-economic-crisis> and World Bank <https://www.worldbank.org/en/country/argentina/overview>.

64 The elections in Namibia (2015), Mozambique (2017) and Angola (2017) replaced 'older', more traditional leaders with younger, more progressive ones who claimed they had democracy and economic growth at the heart of their agenda. Analysts, at first, considered this change a successful generational transition.

Strategies	Enabling circumstances	Key success factors	Risks	Examples of success/failure
(4) Increase the ability of civil society organisations (CSOs) to influence political debate and initiate societal renewal	Improved access to high-quality education, improved legislation that fosters political activism and civic engagement, free and independent media, capacity building for political advocacy and activism. ⁶⁵	Organised and structured protest movements, international assistance to civil society, conditionality of foreign aid to guarantee freedom of expression. ⁶⁶	Fragmentation and competition within civil society structures, co-optation by political actors, de-legitimisation by religious authorities. ⁶⁷	Success: CSOs' involvement in the Philippines in 2009. ⁶⁸ Failure: South Africa post-1989. ⁶⁹

However, it is argued today that these movements are likely to remain mired in a morass of patronage and corruption, and that these new faces will only perpetuate old agendas. It is also argued that reform will inevitably be compromised by the continuing strong presence within both state and party of those who were close to previous corrupt leaders and were deeply complicit in the project of state capture. More here: Southall, R, 2018. 'Presidential Transitions and Generational Change in Southern African Liberation Movements', *Review of African Political Economy* 46(159): 143–156.

- 65 Transformation of political cultures is important for a democracy to endure and prosper. Almond, G. and Verba, S., 1963, *The Civic Culture: Political Attitudes and Democracy in Five Nations*, Princeton: Princeton University Press.
- 66 Opportunity structures are exogeneous factors that limit or empower social movements. Doug McAdam, John D. McCarthy and Mayer N.Zald argue that the four dimensions of political opportunities can be summarised as follows: 1) The relative openness or closure of the institutionalised political system; 2) The stability or instability of the broad set of elite alignments that typically undergirds a polity; 3) The presence or absence of elite allies; 4) The state's capacity and propensity for repression. More details on opportunity structures and social movements: McAdam, D. 1996. 'Conceptual Origins, Current Problems, Future Directions' in: McAdam, D, McCarthy, J and Zald, M N (eds), *Comparative Perspectives on Social Movements: political opportunities, mobilizing structures, and cultural framings*, Cambridge: Cambridge University Press.
- 67 As Brinkerhorff argues, ongoing efforts and resources in support of anti-corruption activities must be continuous. 'This includes establishing a process for monitoring the impacts of anti-corruption/reform efforts and the means for incorporating those findings into a strategy for ensuring that reform goals and objectives are ultimately met. Strong and sustained continuity of effort would signal more political will, whereas weak, episodic or one-shot efforts would indicate less political will.' Brinkerhoff, D., 2000. 'Assessing Political Will for Anti-Corruption Efforts: An Analytic Framework.' *Public Administration and Development* 20(3) 239–253.
- 68 CSOs in the Philippines have been actively involved in various advocacy initiatives aimed at influencing decision making on policies that address national development issues. More details here: Biglang-awa, L and Bestari, G, 2011. *Successful engagement with Civil Society Organizations*, Asian Development Bank Independent Evaluation Unit. <https://www.adb.org/sites/default/files/evaluation-document/35836/files/ll-cso.pdf> (accessed 11 November 2020).
- 69 Habib, A, 2005. 'State-civil Society Relations in South Africa', *Social Research*, 72(3): 67–692.

Feasibility considerations

As a next step, we consider four reform pathways in greater detail in the Iraqi and Lebanese contexts.

(1) Revolt and radical reform. While it is true that enabling circumstances for revolts exist today (e.g. the presence of resilient mass protest movements), a decisive and unified revolt is unlikely in Lebanon or Iraq since their sectarian quasi-democracies are too fragmented and retain core groups of supporters. More importantly, the stickiness and entrenchment of both political systems makes radical political reform difficult. Following the October 2019 protests, the political elites of both countries did respond to protesters' demands by nominating new 'technocratic' governments. However, it turned out to be difficult to get even to this point, let alone consider further-reaching reforms.

- In Iraq, the parliament approved Mustafa Al-Kadhimi's (incomplete) government of 14 ministries on 7 May 2020 after five months of deadlock. While his predecessor, Al-Zurfi, failed to accommodate all political elites' interests, Kadhimi used a more flexible strategy and altered his cabinet three times before he presented it in parliament. Since then, Kadhimi has had to accommodate the consociational order by appointing party representatives to key positions within the state.⁷⁰
- In Lebanon, Saad Al-Hariri's resignation was followed by the nomination of Hassan Diab, who gained the support of Hezbollah and allies. Unlike Iraq's stalemate, Lebanon's prime minister was approved relatively quickly and without consensus from all factions. But with limited authority compared with the Iraqi PM, Diab's nomination carries less significance. More significant are Diab's failed attempts at reform once in office. He could not reform the system from within as party loyalists and parliament hindered his successive attempts at restoring control over his own governmental institutions. Parliament also rejected most of his proposed legislation and pressured him into resigning after an attempt to conduct a fair and independent investigation into the port blast.

In fact, revolts in quasi-democratic systems that overthrow the entire structure are not that common since power is presumably manifested through citizens' voting behaviour and parliamentary representation.⁷¹ However, this by no means suggests that protests are completely pointless or should be abandoned. They can be a significant source of

70 See: Al-Jazeera, [online](#) (accessed 26 October 2020).

71 Tilly offers a set of interesting reflections on the nature and frequency of revolutions in the European context. Over a roughly 500-year period that is not, in the main, characterised by democratic forms of statehood, he analyses many 'revolutionary situations' and 'revolutionary outcomes' but far fewer 'fully-fledged revolutions'. See: Tilly, C, 1996. *European revolutions, 1492–1992*, Oxford: Blackwell.

pressure on political elites and can also help to monitor government decision making and commitment to reform, e.g. through targeting one particular goal such as the passing of a new law, a new regulation, or the abolition of a certain tax.

(2) Stimulate greater economic agency. Economic crises caused by systemic governance failure also offer an opportunity to increase economic agency to the benefit of private sector and non-sectarian actors. Even if international financial assistance were to smooth the sharp edges of the looming fiscal cliffs facing Iraq and, especially, Lebanon, it will not be sufficient to restore growth. Lebanon's state-sponsored Ponzi scheme, run by the Central Bank to maintain the currency peg to the US dollar, ran out of money last year. This caused the Lebanese pound to lose about half its value on the black market, further burdening the lives of people who once moved easily between the two currencies. In Iraq, the drop in oil prices has put significant strains on government finances. Maintaining patronage expenditure on salaries and political side payments comes at a growing cost of cuts to investment spending plans, with the potential of eating into foreign reserves. Together, this could cause a similar currency devaluation as happened in Lebanon. In other words, sectarian elites in Lebanon and Iraq are running out of options as growing poverty and deteriorating prospects make seeking international financial assistance inevitable. In turn, this could open the door to a number of economic reforms that could, over time, decouple business activity from sectarian patronage politics.

(3) Enabling generational political transition. A third reform path is one of gradual steps that bring about a generational change in political culture. Democratic political cultures develop through the departure of older, more politically traditional citizens, and the entry of new generations with new political values. Unlearning values from prior regimes can take a long time. For example, 'Saddam nostalgia' is noticeable even among some of today's Iraqi protestors.⁷² Similarly, in Lebanon, several protestors have expressed frustration with the system but still want to be represented by their own socio-religious leader (or Zaim). Nonetheless, since 2015, Iraq and Lebanon have witnessed the rise of broad-based movements of popular protest that are mobilising a generation of young people demanding radical changes in governance. The protests in both countries manifest the growing gap between the political elite and the rest of the population. This path will become stronger and more feasible as an effect of strengthening civil society structures, making them more inclusive and less elitist (see below).

72 Similarly, in post-1945 Germany and post-Franco Spain, earlier surveys found that many people retained ties to the symbols, elites, and political norms of the previous authoritarian regime even while these nations were attempting to democratise.

(4) Strengthening civil society structures. Both Lebanon and Iraq suffer from a weak civil society. For generations of Iraqis, a meaningful role as an active member of civil society was fraught with (lethal) risks. The laws governing non-governmental organisations (NGOs) in Iraq are also outdated and endorse strong government control over civil society.⁷³ In Lebanon, contrary to the seemingly liberal legal environment, the NGO law gives government authorities large discretionary powers that are used to prevent 'illegal' assemblies and prosecute individuals criticising the government. According to a recent community survey, most Lebanese are not motivated to join CSOs, and show very limited civic engagement.⁷⁴ Moreover, none of the hundreds of Lebanese media institutions or outlets is national in its orientation. Instead, each operates as a voice for a political or sectarian faction, reinforcing and encouraging social divisions.⁷⁵ Similarly in Iraq, most media outlets are considered mouthpieces for powerful political groups. Finally, in both countries civil movements are weakened by limited capacity and expertise due to limited access to high-quality education and training. Civil society development requires capable and knowledgeable members to lead, including knowledge of political processes, civic responsibilities, and policy matters. Civil society structures should be inclusive and take into account the divergent socio-religious identities and realities of Lebanon and Iraq.

A two-stage exit of the roundabout of resilience against reform

A new political setup in both countries is required to guarantee democratic representation and to improve citizens' rights as well as access to basic services. This can take several forms, such as a sectarian (con)federation, a new consociational order, or a civic state, and will require extensive political discussion. Also, despite calls to do away with the status quo and its enabling political setup, Lebanon's and Iraq's history and recent developments demonstrate that socio-religious and ethnic identities are a difficult-to-ignore reality. In other words, change will require time in the best of circumstances.

Yet, the pressure for change is there, and it is there now. A key distinction between the current and previous crises in Lebanon and Iraq is their depth: government and administration, population and political elites – all are suffering from forms of financial

73 Malo, H, 2008. 'The Future of Civil Society in Iraq: A Comparison of Draft Civil Society Laws Submitted to the Iraqi Council of Representatives', International Center for Non-Profit Law. <https://www.icnl.org/resources/research/ijnl/the-future-of-civil-society-in-iraq-a-comparison-of-draft-civil-society-laws-submitted-to-the-iraqi-council-of-representatives> (accessed 15 July 2020).

74 Abou Assi, K, 2006. 'An Assessment of Lebanese Civil Society', International Management and Training Institute (IMTI). http://www.civicus.org/media/CSI_Lebanon_Country_Report.pdf (accessed 8 December 2020).

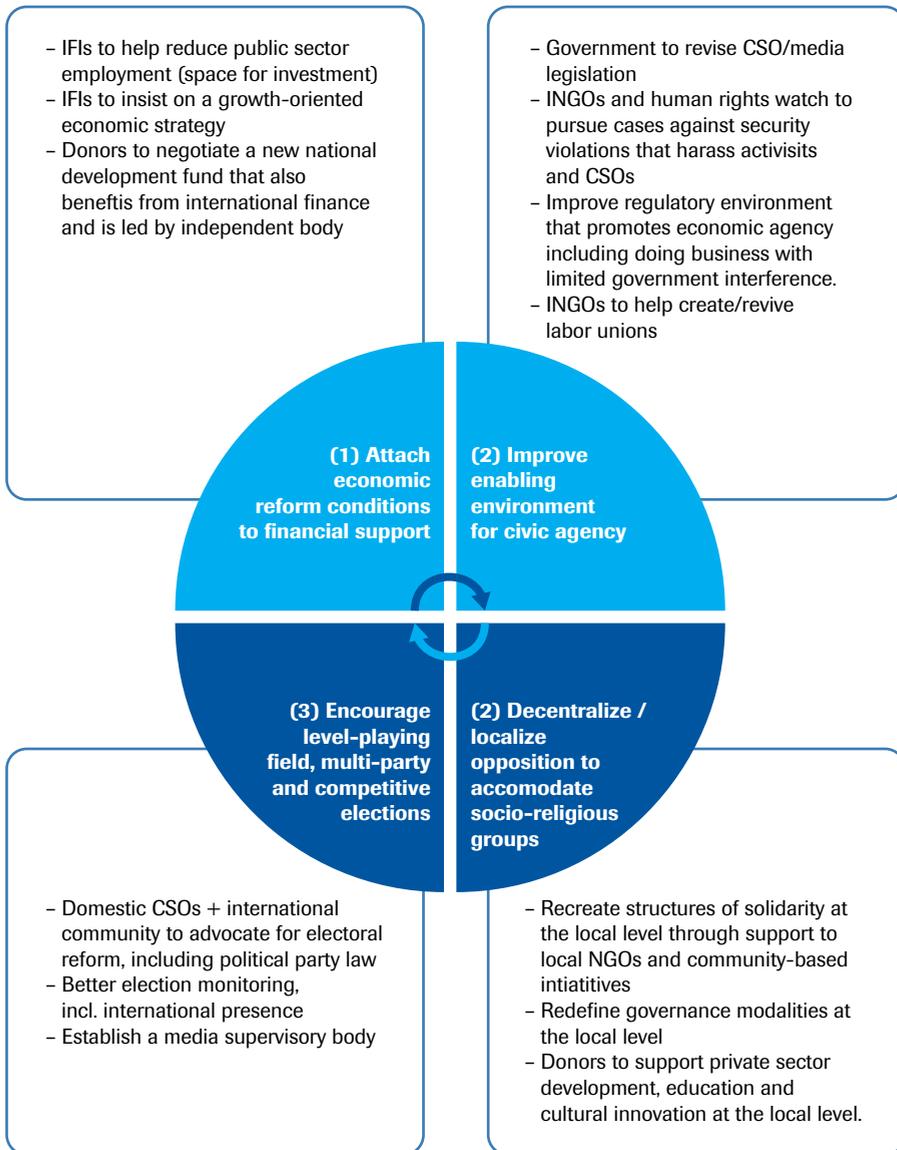
75 Ibid.

and moral bankruptcy, albeit to different degrees. Political elites will not be able to continue financing the sectarian mobilisation and patronage machines that maintain their legitimacy while vulnerability grows. In the short term, this makes the international community's response pivotal. Meaningful reform will require heavy external conditioning to erode the stranglehold of sectarian elites over the state. This will only be effective if there is strong popular support for such conditions and a dedicated civil society effort to advocate for them and monitor their implementation. For this reason, a strong partnership between external donors (e.g. the international financial institutions (IFIs), EU and US) and Lebanese/Iraqi civil society needs to be created. It is likely that only the mix of international financial fire power and domestic legitimacy can bring about change. Working with the more reform-minded elements of existing ruling elites will be inevitable, but hardly the primary strategy given noted constraints.

For this reason, conditions attached to international financial support (blue section in Figure 2 below) should combine economic and civic aspects. They should insist both on greater budgetary efficiency (e.g. centralising basic service delivery based on citizenship, facilitating private sector enterprise, and reducing the public payroll while providing a minimum social safety net) and on the creation of a safe space for domestic debate and influencing (e.g. by promoting legal and fiscal reform that enables the easier formation and effective operation of labour unions, civil society organisations, new political parties, economic empowerment and independent media while using pressure tools to protect activists from security threats). International support should be channelled to weaken the position of elites instead of strengthening it, by providing aid to independent agencies (e.g. a national fund), providing loans instead of grants, working on the basis of direct implementation of projects by donors and enforcing stronger monitoring of aid funds.

Such measures will help to create a broader, more mature and more knowledgeable landscape of activists, opposition groups and NGOs, as well as new political parties. Civil society structures (orange section in Figure 2 below) should continuously lobby for a level playing field and multi-party and competitive elections by pressing for a fair electoral law, independent monitoring of elections and independent media. Success also requires buy-in from elements of the political classes who might use such pressure to push for reforms from within the system. Finding potentially supportive individuals is important – not just to exploit divisions within the oligarchy, but also to have a chance of enacting change. Additionally, reinforced civil society structures should seek greater engagement through decentralising opposition to accommodate different socio-religious realities. This includes redefining structures of solidarity and governance at the local level and laying the groundwork for stronger localised opposition.

Figure 2 Making the Two-stage Exit of the Reform Roundabout Actionable



Note: The light blue areas indicate the economic and civic reform conditions that international actors should attach to their support; the dark blue areas indicate where civil society and protestors should put pressure on the government in order to bring about gradual change in political structures. It is the effective interplay between these dimensions that can create momentum for real reform.

To conclude, our analysis has shown that escaping the limitations of entrenched sectarian systems in quasi-democracies requires a sustained effort that simultaneously seeks to curb the public authority and resources of the political elites that have dominated these systems for so long, as well as developing civil society, the private sector and new political players. The window for implementing such a complex strategy, which requires a synchronised approach by international and domestic forces for positive change, has been left ajar by the triple budgetary, pandemic and social crises that have hit Iraq and Lebanon. It is time for the international community to bring a crowbar to pry that window open and encourage legitimate domestic forces of change, recognising that these are emergent and require support.