

**From Elitism  
to Inclusivity:  
Reforming  
Lebanon's Social  
Protection System**

Jad Mezher

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# Abstract

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There are several distinct viewpoints on social protection that have evolved over time. The initial idea of state welfare was posited by Bismarck 130 years ago. This idea would undergo significant growth over the years, especially after World War II. In a State Welfare system, the government is in charge of ensuring the social and economic well-being of its residents and has laws in place to protect them against the risks they face throughout their lives. There are a few other unique and specific types of social protection systems that totally differ from the concept of State Welfare. La Sociale, or Citizen Welfare, was created in France in 1945 as a result of Ambroise Croizat's "commoning" of the welfare system. Under this arrangement, social protection became universal, and its management and governance were granted to the workers themselves. In contrast, an Elite Welfare system was put into place in Lebanon over the last decades, in which the political ruling class controls social protection. The neopatrimonialism identity of Lebanon and later the global trend of privatization and financialization of social security institutions helped build this Elite Welfare. The political elite in Lebanon controls the country's primary healthcare and educational institutions, and at the same time, has created informal social safety nets through a large number of NGOs and charitable organizations that provide aid to the populace in place of the National Social Security Fund (NSSF) and other formal social protection schemes.

In this paper, we draw from scholarly research on Lebanon's identity and the development of social protection concepts and systems to define the Elite Welfare scheme in Lebanon and examine it in practice. Lastly, we want to pinpoint the changes required to shift from an Elite Welfare system to its complete opposite, a Common Welfare system, ensuring inclusivity and social justice and ending the political ruling elite's domination of the public.

# Key Words

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Social Protection, State Welfare, Citizen Welfare, Elite Welfare, Common Welfare, Neopatrimonialism, Formal Social Protection, Informal Social Protection, National Social Security Fund (NSSF)

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# I. Introduction

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The beginning of Social Protection in Lebanon is associated with the establishment of several social security schemes in 1963 under the reign of President Fouad Chehab (in office 1958-1964). In January 1963, public sector employees, security forces, and military personnel became eligible for social security coverage through the establishment of the Civil Sector Cooperative Scheme, which was designated for employees in the public sector, while other social protection schemes were designated for non-civil sectors. A few months later, in September 1963, the National Social Security Fund (NSSF) was established to cover formal private sector employees. ***Through the NSSF, the State, employers, and employees serve as the three pillars that regulate and guarantee social protection.***

***Since their inception, social security schemes have been divided into various bodies, each of which is focused on a particular industry. As a result, a large number of workers, particularly those employed in the informal sector and non-Lebanese workers, have been left out of social security schemes.*** With the spread and evolution of neoliberal policies, a number of social safety net programs were created designating “the poorest” as their primary focus. The World Bank financed many of these initiatives, the most well-known of which was the National Program Targeting Poverty, which was first launched in 2011 and then reintroduced in 2014 as the Emergency National Program Targeting Poverty (ENPTP). In 2020, the World Bank provided funding for a new project called the Emergency Social Safety Net (ESSN) in response to the economic and financial crisis in Lebanon and the COVID-19 pandemic<sup>1</sup>. In addition to the World Bank programs, each ministry, particularly the Ministry of Social Affairs and the Ministry of Public Health, has its own unique social safety net programs, each of which focuses on a certain category of the population, as well as a certain life-cycle risk.

***Lebanon had an informal social security system in place long before 1963. Forms of social aid were primarily guaranteed by charitable organizations, which were frequently associated with political and sectarian elites*** (H. Yehya, 2015). These charitable organizations still exist today, and continue to accumulate shares. Due to the current escalation of the crisis in Lebanon and the underfunding of conventional social security

programs, philanthropic associations are gaining ground and are quickly taking over as Lebanon’s primary source of social protection, especially for the most vulnerable and disadvantaged. With their close ties to political parties, sectarian institutions, and Lebanon’s elite ruling class, the current network of charitable groups and non-governmental organizations is a reflection of the clientelism and neopatrimonialism in Lebanon today.

To better understand the specifics of the welfare system in a neo-patrimonial state such as Lebanon, which we define here as an “Elite Welfare,” we first conduct a thorough historical background analysis of the development of social security and its various concepts and typologies. We then demonstrate how the “Elite Welfare” system operates by examining a network of nonprofit organizations and charity associations connected to the political ruling class’s top elite. In opposition to this type of “Elite Welfare” social protection, we call for significant changes to the NSSF in Lebanon, with a focus on three key tenets: (1) that social protection should be seen as a right rather than an offering; (2) the need for the unification, universality, and inclusiveness of the NSSF; and (3) the need for the “commoning” (V. Fournier, 2013) of the NSSF so that it is run and funded by the interested parties themselves, i.e., by the people. By implementing these reforms, we completely flip the script on the current “***Elite Welfare***” and create a “***Common Welfare***”.

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<sup>1</sup>The Center for Social Sciences Research & Action (CeSSRA), Timeline: Social Protection in Lebanon | September 1946 to December 2021. This timeline retraces the main stages of the construction of social protection systems in Lebanon.

## II. Methodology

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This research paper applies a multi-faceted approach in investigating Lebanon's neopatrimonial identity, with an emphasis on social protection mechanisms and the Elite Welfare system they produce. We begin with desk research studying the notion of neopatrimonialism, a term used to describe a political system in which the governing class uses public resources for its personal gain, frequently at the expense of the general populace.

To better understand social protection frameworks in general, this research plunges into the history of various social protection systems and their origins, including the work of Bismarck, Beveridge, and Esping-Andersen's three typologies of State Welfare. The paper then compares State Welfare with Citizen Welfare. This analysis will allow us to develop the concept of Elite Welfare that results from the combination of State Welfare and neopatrimonialism.

This research study draws on a variety of diverse sources and analytical techniques in order to build a comprehensive knowledge of Lebanon's neopatrimonialism identity and the consequences of this identity for social protection policies and the public. This study clarifies the intricate and often muddled political and social processes at play in Lebanon by examining the many social protection options accessible to the ruling class, as well as the function of NGOs and local initiatives. Furthermore, the paper looks deeply into the French Social Security System of 1945 as a source of inspiration for reforms in the social protection system in Lebanon.

The study also investigates the function of non-governmental organizations (NGOs) and local initiatives in the social sector, as well as their connections to the ruling class. To this purpose, the study examines 63 NGOs and charitable associations functioning in the social sector in order to assess how closely they resemble the interests of the ruling class.

## III. Historical And Theoretical Overview

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### A) The Neopatrimonialism Identity of Lebanon

The concept of "neopatrimonialism" was first introduced by the political scientist *Jean-Francois Bayart* in his 1979 book "The State in Africa: The Politics of the Belly." *Bayart attributed the term neopatrimonial to states in which a dominant political elite that is in power and that manages public administrations and institutions considers public resources as its own.*

This concept replaces the concept of political clientelism as it encompasses practices not covered by the concept. Different features are included within the neo-patrimonial state: clientelism, prebendalism, patronage, tribalism, cronyism, social exchange corruption, economic corruption, and nepotism. In each case of a neo-patrimonial state, one of these practices is given priority in its functioning<sup>2</sup>.

Bayart's studies focused mainly on the case of African countries during the post-colonial period between 1960 and 1980, during which patrimonial practices persisted alongside the establishment of public institutions and administrations that give the impression of the existence of a modern, Western-like state. Such cases are not limited to African countries, and can be observed in most of the underdeveloped countries that are emerging from ethnic, confessional, or other conflicts, due to the fact that these conditions make it difficult for the people to gather under a well-defined common identity that is collectively respected and valued.

To fully understand the concept of the neo-patrimonial system, it is essential to properly define the patrimonial system. Generally, patrimonial refers to inherited property (movable or real estate) and wealth. Hence, the concept of patrimonial system in politics according to Max Weber<sup>3</sup> is a mode of political authority based on the exclusive and bureaucratic power exercised by a "royal family." This power is, by definition, inherited, and is contained exclusively within a specific family, or

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<sup>2</sup>Medard J.F, 1995, "Patrimonialism, patrimonialization, neo-patrimonialism and the study of the post-colonial state in sub-Saharan Africa", contribution to the seminar on "Max Weber, politics and administration in the third world", Roskilde University, Denmark

<sup>3</sup>Maximilian Karl Weber was a German political economist, sociologist, historian, and jurist who is recognized to be among the most significant thinkers of the evolution of contemporary Western society. His theories have a profound effect on social theory and research.

in a well-defined group. Neo-patrimonial systems may also incorporate features of the structure of modern states as conceived by the West, such as formal institutions and administrations. However, the patrimonial aspects of these systems are retained by the presence of a dominant group that is always in power and is always in charge of state and public resources. Historically well-constructed relations between the dominant minority result in a balance of power favorable to them. According to Michael Bratton and Nicolas Van de Walle<sup>4</sup>, the primary characteristic of neopatrimonialism is the incorporation of a patrimonial logic into an institutional logic known as bureaucracy. Thus, the neo-patrimonial system is based on three foundations: the personification of power; a system of patronage and clientelism; and a misallocation and misuse of public resources.

Neopatrimonialism, as already mentioned, encompasses clientelism. Historically, clientelism has referred to the practice whereby a person who possesses and controls certain wealth obtains the submission and obedience of a group of people who, in turn, form his or her "clientele". This phenomenon is well present in political life by extension, in which case political parties and leaders seek to enlarge their "political clientele" by granting unjustified advantages in exchange for future support and absolute loyalty. ***Patrimonialism favors and facilitates clientelism, and neopatrimonialism does the same in a more institutionalized manner by way of the modern legal and formal structures of the State.***

These aspects allow for the formation of a particular type of political elite, the neo-patrimonial elites. ***These elites control public resources with the purpose of maximizing personal wealth through the privative use of state resources. This form of governance, which seeks to serve private rather than public interest, necessarily becomes a source of political and administrative dysfunction of the State.*** As a result, a neo-patrimonial state is hostile to growth and economic progress due to the fact that the neo-patrimonial elite is not concerned with the goal of development but rather, with the accumulation of resources to its members for their own gains. In turn, the ruling class transforms into a predatory elite by turning the State into a predatory State. In this context, failed economic policies and economic failure become instruments for politicians to ensure control of their positions of power<sup>5</sup>. Instead of employing good economic policies to reward their voters, the predatory elite

in the neo-patrimonial state adopt a system of prebendalism of public resources.

***This simultaneously strengthens the client network and opposes economic growth.***

According to James K. Galbraith<sup>6</sup>, the predatory State designates a public power whose intervention mechanisms have been diverted from their main objective—normally, the search for the collective interest—in order to serve individual, private interests. The predatory elite that is itself, directly or indirectly, in political power benefits from a minimized role of the State. This minimized State role allows the predatory elite to accumulate more wealth through the management and appropriation of public resources, or through the weakening of public services, which would allow for the replacement of these services with private enterprises and services. ***According to Galbraith, predatory elites demand privatization when the economy is doing well, as this allows for their acquisition of public assets. However, during worse economic conditions, predators tend to present themselves as "too big to fail" and often use their political power to obtain state protection, or even state indebtedness, to support their institutions.***

The ability of the predatory elite to maintain control of the State and its resources necessitates the control of the popular masses in order to prevent the possibility of uprisings and revolutions and ensure the continuation of their affairs. One of the tools for limiting the mobilization of the people is the control of services that provide social security and respond to the main health and well-being risks faced by individuals (e.g. health, family, old age, and work accidents). This serves a double role for the predatory elite: on one hand, they are able to increase their wealth through the control and management of sectors that can be well-remunerated (hospitals, schools, universities). On the other, the predatory elite maintain indirect control over the people by preventing their access to any services housed in institutions outside of their control. The distraction of the popular masses from main political, economic, and social issues is an indispensable condition for the functioning of the neo-patrimonial state system. For this reason, there is a pressing need for the people to be well-focused on their coverage against the main risks to their health and well-being and on obtaining their fundamental rights.

<sup>4</sup>Michael Bratton and Nicolas Van de Walle, 1997, *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective*.

<sup>5</sup>Hilton L. Root and Bruce Bueno de Mesquita, 2010, *Governing for Prosperity* chap. 1 "When Bad Economics is Good Politics."

<sup>6</sup>James K. Galbraith, 2008, *The Predator State: How Conservatives Abandoned the Free Market and Why Liberals Should Too*

## B) The Welfare Systems

Economic growth and social protection are closely related. Economic development has been a factor in the historical foundations of social protection since the Middle Ages. **Despite what the title “social protection” might imply, social protection does not only serve social needs:** social protection may occasionally have economic goals, in which case it would be considered an economic policy.

**Social protection is not an independent system that is imposed upon unconnected economic structures. Rather, social protection needs to be seen as a product of societal and economic change.** Because original economic structure types correspond to particular social protection organizations, it is possible to infer knowledge about the historical development of social protection from the economic changes in the productive system.

**Social protection, in the genuine sense of the word, was not born with the modern state.** The existence of social risks which are independent of solitary individual decisions, such as illness or old age (for example, one does not choose to grow old) is what motivates people to take social precautions. Relationships of proximity serve as the foundation for this protection. In fact, throughout the Middle Ages, mutual aid practices and networks are what made it feasible to sustain those unable to provide for themselves. This reciprocal form of aid, however, was not blind, and the contours of the community served as its boundaries. **In this context, the foundation of social protection is the community** itself: people, as part of a community, were able to depend on one another in times of need, and thus the community cell provided for social and self-defense. The most fundamental type of this reciprocal social bond can be seen within family and kinship structures. For example, a farmer may pass on the farm to his children, who, in return, would provide for him in his old age. The idea of “family” can be also interpreted metaphorically. For example, a “large family” can refer to guilds or fraternities, further explaining the motivation of those who worked in the same industry to assist one another socially. Solidarity was also considered key in lessening the struggles or difficulties faced by friends or fellow workers. The parish, as another example, was the community’s second face, and the church brought together individuals by providing them with shared values. This crucial element of early

social protection was reinforced by the first social laws, *The English Poor Laws*, which were passed in 1601 and stated that parishioners were obliged to help the most vulnerable. The constitution of 1793 would go on to reproduce the phrase “a sacred debt” in the statement of the rights of man and of the citizen, referring to the importance of public help.

From the point of view of classical liberal thinking, the harmful effects of state-organized social protection justify community-based social protection. Economic policy is significantly impacted by demographic changes, and only strong community ties can temporarily overcome poverty. **This viewpoint would later be altered by the way that economic structures have changed following the industrial revolution.**

The development of industrial centers led to large demographic shifts from the countryside to the cities. The retreat into parish was denounced by this rural exodus. The workforce’s required mobility weakened social bonds within families as well as within other communities, leading to a sole reliance on close relationships for social solidarity. A new type of social protection became necessary as a result of these economic changes.

Poverty and precarity would also shift throughout this time. **The industrial revolution led to the rapid emergence of a new class of underprivileged workers, known as proletarians. From this point forward, one could be destitute, socially fragile, and at the same time, employed.** Social protection now had to meet the needs of both those who were working and those who were employed and yet living in poverty. **From this point on, the worker had to be protected.**

### Work and Social Protection: The Bismarckian Logic

The proletariat, or those who relied solely on their labor force to survive, emerged as a result of the industrial revolution. Zola’s<sup>7</sup> literary work sheds light on the many proletarians of the previous century, describing them as being forced to be “inexpensive” due to the laws of supply and demand, which caused widespread worker suffering.

In this historical context, **the first organized social protection system was Prussian.** The system was spearheaded by Chancellor Bismarck<sup>8</sup> and was

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<sup>7</sup>Emile Zola, *Germinal* (Paris: Editions Charpentier, 1885), is a notable novel that explores the lives of French coal miners in the late 19th century. The novel has been recognized for its realistic portrayal of the harsh conditions endured by the proletariat, and it has been praised for its social and political commentary.



based on three basic laws: health insurance (1883), work accident insurance (1884) and disability and old age insurance (1889) for industrial workers whose salaries fell below a certain threshold. This social protection program combined both work and insurance, following the logic that social insurance benefits the workforce. Different European nations embraced this system, often known as the "Bismarckian system," to varying degrees. It offers three diverse kinds of logic:

#### **A) An Insurance-Based Logic:**

When a worker is unable to work, he or she must be able to provide for themselves. In other terms, he or she must be covered. The worker is assured of indemnification in the event that a social hazard, such as disease, prevents him or her from engaging in his or her professional activity. Hence, social insurance here is defined as the guarantee of a payment in the case of a social risk.

This presupposes that a social danger may be recognized and described in advance, and so choosing what should be considered to be social protection requires defining social risk. If disease, old age, and loss of work are considered social risks, the same cannot be said, for example, of the loss of a home, which would not, in this case, be covered by social security.

A definition of social risk is thus necessary for social insurance. *In the Bismarckian system, a social risk is an occupational risk, and social insurance is an occupational insurance. The worker is the main beneficiary of this type of social protection.*

#### **B) A Political Logic:**

The system of social insurance protection was designed to protect workers, or what was referred to as "the dangerous class", to mitigate the risk of them revolting either spontaneously or in a planned manner. Bismarck did not hide the fact that his social laws (promulgated in a period of intense socialist effervescence) and, more generally, the notion of the "social state," were also intended to placate the working class and divert it from demanding objectives. *A socially protected worker is an anesthetized individual.*

#### **C) A Co-management Logic:**

The focus of Bismarckian social protection is the workplace, and so it would follow that the workplace would have to finance it. Mandatory social contributions were established on the one hand through employee contributions, and through employer contributions on the other. The

management of social protection is provided by the State in exchange for funding to the trade unions, who represent both employers and workers. *The various social protection systems would be jointly managed by the employers and the trade unions in accordance with the "whoever pays, manages" principle.*

## **Unemployment, Individuals, and Social Protection: The Beveridgian Logic**

After the 1929 economic crisis, widespread unemployment posed a significant social risk. Poverty and marginalization are caused by unemployment, and so the need to cover dangers associated with not working became greater than the need to cover work-associated dangers. A successful social safety system in this context must thus combat the danger of unemployment (employment policy) and its effects (lack of pay, poverty). In 1942, Lord Beveridge, who was chosen by Churchill to lead a ministerial committee, issued recommendations for social protection with this notion in mind. The three points that make up the content of these recommendation are as follows:

#### **A) A Focus on the Individual Rather Than the Worker**

*The Beveridgian system defines the individual beyond his or her professional affiliation. As a result,* the socially insured person is now recognized for their citizenship rather than for their status as an employee. All factors that endangered a person's ability to earn a living on a regular basis, including sickness, workplace accidents, death, old age, pregnancy, and unemployment, were now classified as social risks in the Beveridge Report. As individual citizens replace the worker as the fundamental category for social protection, it is their representatives—and not those of wage earners—who must organize the system. Consequently, *the management of social protection is transferred from the social partners to the government and parliament, who are the country's elected representatives.* These representatives manage the system on both the revenue and expenditure sides. In terms of revenue, taxes that are imposed by the government and approved by parliament take the role of social contributions made by the working population. On the expense side, the state budget establishes the payments made for social protection.

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<sup>9</sup>Otto von Bismarck (1815 - 1898), was a prominent German statesman who played a key role in the unification of Germany in the 19th century. He served as chancellor from 1871 to 1890.

## B) The “Three U’s”

This focus on the individual is reflected in three principles known as the “three U’s”:

- **Universality**

Social protection is an inherent right that every person has, regardless of their participation in the labor market or their socioeconomic status. *The system is thus universal, since it extends social protection to all.*

- **Unicity**

Every insured individual is reduced to a single category of person, and the *management of the social protection system should be delegated to a single entity*. The system must not account for individual variances, especially those related to the nature of the work. There must be no disparities in treatment based on professional classifications. In this light, the Beveridge report advises the establishment of a centralized public service.

- **Uniformity**

The only foundation for social assistance is the identification of social dangers, and social assistance should be paid regardless of the recipient’s income. For example, in the case of a health risk, all patients, whether wealthy or impoverished, must be provided with the same social coverage. Hence, *social benefits are consistent and independent of the socioeconomic status of the individuals involved.*

## C) Social Protection for the Sustainability of the Political System

In contrast to the Bismarckian system, in which unemployment is disregarded as a social risk, the Beveridge Report considers unemployment to be a core economic issue. The 1929 financial and economic crisis revealed the market’s inability to accommodate widespread unemployment. At the same time, the crisis brought about a period of significant political turmoil that sparked a war and imperiled the survival of the capitalist system. After reading the writings of economist Keynes with enthusiasm, Beveridge made the case that only the power of the State could restore the major fundamental balances in order to prevent such situations of crisis. In other words, *government economic intervention is necessary for the capitalist system to continue existing.*

Beveridge found that only the government could successfully tackle unemployment and prevent it from having a negative political impact. Social

protection is viewed as a way to implement such a policy due to the fact that, from an economic standpoint, it entails providing financial assistance to individuals. In this way, social protection actively contributes to the recovery of the economy during economic downturns. It serves as a tool to combat unemployment and poverty and is thus an advantageous way to guarantee the long-term viability of the economic and social system.

After Roosevelt’s “New Deal” in 1933, the Beveridgian social safety net officially ushered in the “welfare state” era in the United States. The welfare state system shields citizens from income variations that can arise from becoming aware of a societal risk, and in turn, citizens are entitled to support from the guarding State. This idea of aid is not necessarily negative. In reality, it is nothing more than a specific type of insurance—an income insurance that reduces the danger of poverty and unemployment. The Beveridgian system suggests a social insurance model, just like the Bismarckian system. It is the *fusion of these two insurance types that led to modern social protection systems.*

Model	Bismarckian	Beveridgian
Historical and geographical period	Prussia, 1883	England, 1942
Economic changes	Rural exodus and industrial revolution	Crisis of 1929 and entry into the consumer society
Definition of the individual	The worker	The citizen
Protection space	The workplace	The society
Social position of the individual conveyed by	His or her status as a worker	His or her status as a consumer
Major uncertainty	Inability to work	The absence of income
Main objective	Fight against professional risks	Fight against unemployment
Insurance logic	Occupational	Universal
Management entrusted	To the social partners	To the elected officials of the nation
Means of financing	Social contributions	Taxation
Main defenders	The Unions	The governing parties

*The implementation of any of the two above-mentioned models greatly changes the function of the State. With social protection systems, the State moves from a police state whose responsibilities are restricted to those of justice, national security, diplomacy, and security to a welfare state that is also responsible for the social protection of its residents.* Social protection acts as a domestication mechanism<sup>10</sup> to maintain the loyalty of the populace, particularly in the prevention of uprisings after wars, and specifically among the “hazardous” working class.

## The Concept of Decommodification and Welfare State Typologies:

Although instructive, the contrast between Bismarckian and Beveridgian systems is too binary to truly comprehend complicated and non-European systems. To address this contrast, Esping-Andersen<sup>11</sup> created a different, more thorough typology of welfare states. *According to Esping-Andersen, it is preferable to differentiate*

*between welfare states based on their level of decommodification.*

Decommodification refers to freedom from the labor market. Without being forced to obtain all of one’s sustenance from the labor market, one can house themselves, secure food and nutrition, etc. The decommodified welfare state thus assures that workers are not marketable. This does not suggest the total abolition of work as a commodity. Instead, the idea refers to how well people or families can sustain a socially acceptable standard of life while they are not actively seeking employment. When work is closer to free choice than to necessity, decommodification may be equivalent to de-proletarianization.

<sup>10</sup>Mehrdad Vahabi, 2016, A Positive Theory of the Predatory State

<sup>11</sup>Gøsta Esping-Andersen is a Danish sociologist whose primary focus has been on the welfare state and its place in capitalist economies. In his book “The Three Worlds of Welfare Capitalism” (1990) he identified three main types of welfare states based on their approach to social policy.

## Welfare State Regimes

Esping-Andersen sought three dimensions to quantify decommodification:

1. What are the eligibility requirements for receiving benefits?
2. What kind of income replacement?
3. What social risks?

Esping-Andersen established commodification ratings for each of the countries studied in his analysis. By analyzing how social safety systems exclude or emancipate people from the labor market, he was able to rank the various nations studied using a decommodification score. As a consequence of long-lasting and/or large social benefits, coupled with flexible eligibility criteria, people are freed from their dependence on the labor market in the event of a social risk. Strong protection ensures that illness, retirement, family burden or unemployment does not affect the ability to attain a socially acceptable standard of living.

The typologies identified by Esping-Andersen are the following:

**“Liberal” Welfare State** (Australia, Canada, Japan, Switzerland, USA): “in which means-tested assistance, modest universal transfers or modest social-insurance plans predominate”. The emphasis in these states is on individual responsibility and self-reliance with a limited role for the State.

**“Conservative-Corporatist” Welfare State** (Austria, Belgium, France, Germany, Italy): These welfare states offer more social benefits than liberal welfare states, but they nevertheless value individual and family responsibility. Benefits are frequently dependent on employment and welfare system contributions.

**“Social Democracy” Welfare State** (Denmark, Finland, Netherlands, Norway, Sweden): “In which the universalism and decommodification of social rights are extended to the new middle classes”. The State in Social Democracy welfare states largely assumes the traditional role of the family in providing social welfare. In addition, the Social Democratic regime supports full employment as a cornerstone for its commitment to the welfare state, setting it apart from the above mentioned regime types.

To resume, three models were indexed according to their decommodification score.

a) **Liberal Model with low decommodification.** Archetype = USA and the Anglo-Saxon world. Free welfare model with Beveridgian safety nets for the poorest, oldest, and sickest.

b) **Conservative-Corporatist model with medium decommodification.**

Archetype = Germany. Bismarckian but with a protection that does not come from work itself but rather from the profession (corporation). The system is labelled as conservative because the professions defend their acquired advantages.

c) **Social democratic model with high decommodification.**

Archetype = Sweden and other Scandinavian countries.

A Beveridgian model focused on the fight against inequalities.

## The Citizen Welfare

“La Sociale,” or Citizen Welfare, was created under the Paris Commune of 1871 to address socioeconomic issues of the time. Citizen Welfare is defined by two main features: (1) the distribution of social security and insurance against social risks; and (2) the political self-organization of citizens against the State in response to total war conditions.

The defining aspect of the **“La Sociale” or Citizen Welfare** system is the separation of the public and private aspects of social security, making it a common **social security system that is run, funded, and managed by the people.** As a result of the “commoning” of social security under Citizen Welfare, the potential for the use of social protection systems as a means of dominance over the people is undermined, as is the case with welfare states.

Based fundamentally on anti-capitalism as well as on solidarity and strengthening mutual aid and fraternity among all workers and all people, we thus bring the concept of Citizen Welfare back to **the liberation of social security systems from governments and therefore from the State on the one hand, and from the market and the private sector on the other.**

The establishment and management of Citizen Welfare was an expression of the unprecedented

power gained by the workers in France during the Second World War. It was buttressed by the weight of The Communist Party, the CGT (*Confédération Générale du Travail*, General Confederation of Labor), and specifically Ambroise Croizat, the communist minister tasked with setting up the social security system after the Liberation. This gives rise to the most famous example of Citizen Welfare, the French Social Security of 1945, upon which we will expand further later on in this paper.

## C) Social Protection Under Neopatrimonialism: The Elite Welfare

*When the idea of the Welfare State and the neopatrimonial aspect of the State are combined, a new form of social security is created, which we refer to here as Elite Welfare.* Here, the political elite are at the center of a predatory State that uses public resources for the benefit of the ruling class. The Elite Welfare system relies on the manipulation of public administrations and institutions in order to maintain the social security system's structures while simultaneously weakening the role of the State. The resulting system *gives the appearance of a welfare state, but the role of the State and its structures are reduced in order to protect the interests of the ruling political elite class.* The elite replace public institutions (such as schools, universities, hospitals, etc.) with private ones under their control. Thus, the following ideas can be used to summarize the underpinnings of this Elite Welfare system:

- Keeping the structure of a national social security system controlled and managed by the State (indirectly, therefore controlled by the political elite) to give the illusion of the existence of a Welfare State;
- Weakening the national social security system, while establishing substitutes that are squarely under the elite's control;
- Partializing the national social security system, in order to keep vulnerable groups without any access to social protection and dependent on handouts from the elite and their charity foundations; and
- A lack of financing of the national social security system. Part of the taxes allocated will be used to finance private institutions instead of investing in public ones or in the national social security fund.

Similarly to the welfare state, Elite Welfare uses social advantages to maintain control over the people and ensure their loyalty, especially in the case of the lowest and most dangerous classes. However, *in this instance, the allegiance of the people is to a specific political figure rather than to the nation or its institutions.*

The functioning of this system can be summed up as follows: citizens pay the taxes that ordinarily should finance the formal national social security system; however, because this system is governed by the State and thus by the political elite, it will be marginalized. As a result, the taxes will be used as a source of funding for private institutions that meet the needs of those who gain access to these institutions thanks to the assistance of the political elite.

*To conserve this structure, the same elites also run most of the "non-profit" organizations operating in parallel to the State.* In this manner, the elites control not only the private institutions, but also the charitable associations that receive financing from donations, public subsidies, and foreign and/or local fundings to offer social assistance. *Overall, the Elite Welfare system operates effectively, and the total domination over the majority of the people is ensured through controlling the State and its public institutions, as well as controlling or at least exerting significant influence on both private sector institutions and the "nonprofit" sector.*

# IV. Social Protection in Lebanon

## A) The Formal Social Protection: The NSSF

Formal social protection in Lebanon is characterized by a multitude of institutions that often overlap (the NSSF (National Social Security Fund), the Civil Service Cooperative Scheme, and the social protection of the non-civilian sectors), and affects only declared employees and a few liberal professions. Formal protection ignores disability and unemployment and only addresses medical insurance, end-of-service benefits, and family benefits. **Lebanon's social protection system fails to protect those who need it most: only 20% of low-income earners are enrolled in social insurance, compared to 65% of top decile households**<sup>12</sup>. Since informal laborers, farmers, and non-Lebanese are not covered by social protection, **the majority of state spending on social protection goes to public sector employees and formal private sector employees**. Almost 63% of Lebanese in the poorest 10% of the population have no social protection at all.

On September 26, 1963, the National Social Security Fund (NSSF) was established with the purpose of overseeing the entire social security system and its various branches. According to the law, the NSSF has legal personality, financial independence, and administrative autonomy. The fund is under the Ministry of Labor's supervision, as well as the Court of Auditors' oversight and the Council of Ministers' prior monitoring and supervision<sup>13</sup>.

The Board of Directors is composed of 28 members who are distributed as follows<sup>14</sup>:

- Six delegates representing the State
- Ten delegates representing the employers (members of the most representative organizations)
- Ten delegates representing workers and employees (members of the most representative unions)
- Two delegates representing the agricultural sector (both employers and workers)

Appointments are subject to the acceptance of the Ministry of Labor, which has the authority to request the replacement of a representative if it deems such a replacement necessary.

According to Decree No. 2390 issued on April 25, 1992, which is still applicable today, the ten delegates representing the employers must be appointed by: two representatives of the Lebanese Industrialists Association; two representatives of the Merchants Associations of Beirut, Tripoli, Zahle and Sidon, one of whom must be from Beirut; one representative of the following free professions unions: doctors, dentists, pharmacists and hospital employees; one representative of the following free professions unions: engineers, lawyers, journalists and owners of private schools; one representative of the Association of Lebanese Banks (ABL); one representative of the Association of Insurance Companies; one representative of the Federation of Craftsmen's Unions; and one representative of the unions of owners of hotels, restaurants, cafes and cinemas.

The same decree entrusts the CGTL (General Confederation of Labor in Lebanon) to appoint the ten representatives of the workers and employees.

The NSSF includes the following branches<sup>15</sup>:

- Health and maternity insurance
- Workplace accident/occupational disease insurance
- The family allowance scheme
- The retirement and end-of-service allowance scheme

The decree describes three phases required for the implementation of the social security system. The first stage<sup>16</sup> is to immediately integrate contractual workers who work for the State and the municipalities, Lebanese employees (regardless of the nature of their work contract and whether or not they are attached), and teachers at private schools into the NSSF. Lebanese and foreign students (in accordance with bilateral agreements reached between Lebanon and the countries to which they belong) are exclusively covered by the sickness and maternity insurance. Special

<sup>12</sup>ILO, "Vulnerability and Social Protection Gaps Assessments - Lebanon"

<sup>13</sup>Article 3 of the Code of the National Social Security Fund in Lebanon: Powers of the Board of Directors

<sup>14</sup>Article 2 of the Code of the National Social Security Fund in Lebanon: The composition of the Board of Directors

<sup>15</sup>Title II, "The stages and scope of Social Security", Article 7, "The branches of Social Security" of the NSSF Code

<sup>16</sup>Title II, "The stages and scope of Social Security", Article 9, "Identification of the beneficiaries of the NSSF branches since the beginning of the 1st stage" of the NSSF Code

conditions apply in the case of foreign employees residing in Lebanon.

The second stage<sup>17</sup> entails extending the provisions of the current NSSF Code to employees in the agricultural sector. This step also entails establishing a group of voluntary insured. The third stage<sup>18</sup> is to be determined by a special law in the second stage of the implementation of the social security system.

Phases two and three of the NSSF were put on hold in the 1990s due to a number of internal and external factors. *The Lebanese Civil War that took place from 1975 till 1990, the predatory elites, the nation's neo-patrimonial nature, the implementation of neoliberal policies, the dissolution of unions, and the appropriation of the CGTL are all internal factors, in addition to the global trend of the financialization of social security, which started in the 1970s and gained enormous momentum during the 1990s.* This leaves most of the population in Lebanon without social protection, and *around two thirds of jobs are not formally registered with the NSSF.*

The NSSF, the Civil Service Cooperative Scheme, and the social protection of the non-civilian sectors have been facing major problems for years. Currently, the magnitude of these challenges is enormously aggravated, especially since the beginning of the humanitarian crisis in 2019.

*In parallel to these three organizations, which leave the majority of the population without any form of social security, different programs targeting specific categories of the population have been put in place, which further increases the fragmentation of social protection and renders it more and more difficult to access.* Most of these programs depend primarily on donations from the international community. It should be noted that their reach and influence are extremely constrained.

Along with the fragmentation of social protection and its limited impact, the Lebanese face a lack of functional public services, especially in the education and health care sectors. The government's promotion of private schools at the expense of public education greatly harms the educational system. Lebanon strongly subsidizes the private education sector, with 28% of all public education spending allocated to the private sector.

This subsidy exacerbates inequality and does not contribute to better education overall. Children from poorer families have higher dropout rates than do those from wealthier families<sup>19</sup>.

In Lebanon, half of the population does not have effective medical coverage. The private sector provides 82% of health care services<sup>20</sup> and most of the government health budget subsidizes hospital care in private facilities. At the same time, the state subsidizes the health care of the wealthiest of the Lebanese population: only 17.7% of low-income Lebanese have private health insurance, compared to 88% of the richest 10%<sup>21</sup>.

## B) The Informal Social Protection in Lebanon

Given the state of formal social protection in Lebanon and the challenges associated with changing its structure, informal social protection measures outside of the Lebanese administrative system are frequently used by the people of Lebanon. *The international community, local and international NGOs, local mutual aid programs, as well as the Lebanese diaspora, are the main players in this field. These actors construct the country's informal social safety nets.*

These actors have been active in the Lebanese field for a very long time. The number of active NGOs significantly increased in Lebanon following the Syrian war in 2011, which caused thousands of Syrian refugees to flee the Syrian territories and seek refuge in Lebanon. In addition, the NGO phenomenon has grown more prevalent following the humanitarian crisis in 2019 and particularly following the explosion in the port of Beirut in 2020.

## The International Community

Since 2019, political immobility, coupled with corruption and mismanagement of funds in the past, has meant that international donors often prefer to work outside of government structures. At the same time, Lebanon's rapidly changing humanitarian needs over the past two years have led international donors to adopt opaque methods of aid distribution, and to become ineffective

<sup>17</sup>Title II, "The stages and scope of Social Security", Article 10, "Identification of the beneficiaries of the NSSF branches at the 2nd stage" of the NSSF Code

<sup>18</sup>Title II, "The stages and scope of Social Security", Article 12, "To describe the requirements for the implementation of the social security system in a special law in the second stage" of the NSSF Code.

<sup>19</sup>Hussein Abdul-Hamid and Mohamed Yassine, "Political Economy of Education in Lebanon" (World Bank, 2020)

<sup>20</sup>Institute of Health Management and Social Protection, "National Health Statistics Report in Lebanon (2012)"

<sup>21</sup>ILO, "Vulnerability and Social Protection Gaps Assessments - Lebanon"

due to the multitude of overlapping programs. Due diligence and transparency must be applied in the way funds are distributed and in the way these funds are used by private sector initiatives and nongovernmental organizations. Despite the relative transparency of incoming UN funds, the disbursements and investments tied to aid in the aftermath of the Beirut Port explosion remain unclear<sup>22</sup>. The lack of a unified donor position on multiple BDL exchange rates has also caused the loss of at least 50% of aid coming from the UN, or \$250 million<sup>23</sup>. Despite the work of the international community outside of government structures, there is still a need for them to be firmer in their dealings with the dominant political class in Lebanon.

## The Diaspora

The Lebanese diaspora, which includes almost 14 million spread across the continents, has historically served as a source of funding for both their families and the entire Lebanese financial system, which, in turn, has heavily relied on the flow of diaspora capital and deposits into the Lebanese commercial banks. Diaspora transfers have continued after the crisis in 2019, and notably the crisis that affected the financial sector, but have taken place outside the banking system. The transfers are estimated to fall in the region of 7 billion dollars annually. Similarly, the mobilization of the diaspora is not limited to the level of cash transfers, but also more specifically to the sending of medicines. Without the diaspora, the situation of residents in Lebanon would become increasingly serious.

## International and Local NGOs, Self-Help Initiatives and Charity Work

Lebanon has historically been home to a very large number of non-governmental organizations, but after the war in Syria, particularly in 2012 with the arrival of refugees, the number of NGOs has greatly increased. Some estimate that there are 10,000 NGOs operating in Lebanon, with more than 1,000 having registered in the previous two years following the economic and humanitarian crisis and particularly in the wake of the Beirut port explosion in August 2020. The crisis no longer only affects refugees, but has evolved to affect the entire Lebanese population. We note that at this level, local actors, initiatives, and NGOs receive only

4% of international aid, with the remaining 96% distributed among international NGOs. According to a study conducted by CeSSRA (The Center for Social Sciences Research and Action) during the Covid-19 confinement between January and March 2021, 45% of initiatives in support of vulnerable populations came from local civil society, 33% from local organizations, 7% from individual initiatives, and 10% only from international NGOs<sup>24</sup>.

The concern remains that this humanitarian money is the target of the predatory political elite, which has historically founded NGOs to mask certain activities and to provide social assistance for their clientele and thus maintain their loyalty.

Moreover, after 2019, the number of local mutual aid initiatives increased enormously, with the aim of establishing community collaborations to face the crisis. These initiatives are considered to still be very small and not well-organized, and face financial difficulties. This makes them susceptible to the interventions of the traditional political elite and their financial means.

## C) The Elite Welfare in Practice

As we have already stated, the fundamental goal of the ruling class is to control the populace by restricting their access to fundamental rights like education, healthcare, and basic medications.

***The political elite has two available channels to achieve these goals. The first entails direct supervision over hospitals, healthcare facilities, educational institutions, and universities in the areas they govern, and the second involves maintaining control through charitable and philanthropic organizations that provide social services.***

Through their influence on governments and legislative chambers, the political elite control public institutions and the budgets allocated to the development of public schools and universities as well as public hospitals and health facilities. Additionally, political leaders have direct control in the administration, funding, and day-to-day operations of both public and private institutions in regions under their jurisdiction. Political leaders intervene in the smallest details: for example, witnesses from public schools describe how the ruling party directly influences the choice of school administrators in the region under their authority.

<sup>22</sup>L'Orient Today, "What Happened to the International Aid Promised to Lebanon After the Beirut Port Blast?", 17 December 2021

<sup>23</sup>Reuters, "Lebanese banks swallow at least \$250m in U.N. aid", 17 June 2021

<sup>24</sup>"Shrinking space, constraints, and fragmentation: Lebanon CSOs civic & operational space during the lockdown of January-March 2021", CeSSRA, May 2021



Moreover, the Lebanese state promotes the establishment of educational institutions that are founded and operated in accordance with moral principles and religious commitments. Article 10 of the Lebanese constitution<sup>25</sup> expressly recognizes and protects community-supported educational developments.

***As a result, each religious group has a sizable “nonprofit” organization that provides healthcare and education.*** One example of these organizations is the Shia communal hospital and university Al-Rassoul Al Aazam. Sunni community schools and hospitals are run by Al-Makassed, and Al-Irfan hospital and schools are designated for the Druze community. Several colleges, institutions, and schools are connected to the Christian faith, including Saint-Joseph University, Saint George Hospital University Medical Center, along with numerous Catholic Schools in Lebanon. In addition, other organizations are more closely linked to political parties, such as Abdul Rahim Murad at the Lebanese International University, Al-Mahdi Schools with Hezbollah and the Hariri family and Future Movement with Rafic Hariri University.

***In addition to these medical and educational institutions, the political class also controls a large number of philanthropic groups that are considered to be “nonprofits” by the law but are unquestionably profitable in terms of influence and political benefits.*** A list with examples of these associations, totaling 63, is provided on the following page.

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<sup>25</sup>Refer to the Lebanese constitution of 1926, which underwent significant revisions when Lebanon attained independence in 1943 and again in 1989 as a result of the Taif Accord, which resulted in the foundation of the Second Republic. According to Article 10 of the Constitution, “education is free insofar as it is not contrary to public order and morals and does not interfere with the dignity of any of the religions or creeds.” The articles particularly stressed that “there shall be no violation of the right of religious communities to have their own schools, provided they follow the general rules issued by the state regulating public instruction.”

Association	Affiliated To / Beneficiary	Political Status
Achrafieh 2020	Nadim Gemayel	Political family and MP since 2009
AFLEG Massoud Achkar	Massoud Achkar	Political figure. Parliamentary candidate in Beirut (Achrafieh) district.
Al Farah	Progressive Socialist Party	Political party
Al Midan	Rima Sleiman Frangieh	Spouse of Sleiman Frangieh, head of the Frangieh political family and presidential candidate. Ex-minister and MP multiple times.
Al Risala Association for Healthcare	Nabih Berri	Head of parliament since 1992 and head of Amal Movement.
Alwaleed Bin Talal Humanitarian Foundation	Leila El Solh Hamadeh	Political figure. Ex-candidate for Prime Minister.
Azm & Saade Association	Najib Mikati	Current Prime Minister and ex-minister and MP.
Azm School	Najib Mikati	Current Prime Minister and ex-minister and MP
B Beirut	Lebanese Forces	Political party
Beitna Beitak	Minteshreen Party	Political group
Boustany Foundation	Nabil Boustany	MP from 1992 till 2009.
Cedar's Mountain Foundation	Lebanese Forces	Political party
Chababouna Center - (Tripoli)	Mohamad Safadi	Political figure, ex-minister and MP multiple times.
Chronic Care Center	Mona Haraoui	Spouse of Elias Haraoui, president of Lebanon from 1989 till 1998.
DAFA	Paula Yacoubian	MP 2018 & 2022
Diane Foundation	Diana Sfeir Fadel	Spouse of Maurice Fadel and mother of Robert Fadel. Robert was elected MP in 2009.
Druze Foundation for Social Welfare	Wael Bou Faour, Marwan Hamadeh, Anwar El Khalil	Religious association. The three mentioned names are on the board of trustees, and -all are current or ex-MPs and ministers.
El Khalil Foundation	Anwar El Khalil	MP from 1991 till 2022 and ex minister multiple times.
Embrace Lebanon	Mia Atoui	Political figure (member of Minteshreen party) and potential candidate 2022.
Emir Majid Arslan's Foundation	Emira Zeina Arslan, Talal Arslan	Spouse of Talal Arslan, political figure and MP in 1991, 1992, 1996, 2000, 2009 & 2018, ex-minister multiple times.
Forsa	Salim Edde	Nominated for presidency in 2022.
Georges N. Frem Foundation	Neemat Frem	MP 2018 & 2022

Association	Affiliated To / Beneficiary	Political Status
Ground Zero	Lebanese Forces	Political party
Hani Saliba Foundation	Hani Saliba	2022 Parliamentary candidate in the Metn district.
Hariri Foundation	Future Movement	Political party
Imam Sadr Foundation	Amal Movement	Political party
Jihād al-binâ'	Hezbollah	Political party
Joseph Skaff Foundation	Joseph Skaff	Political family in Zahle
KAYANY	Nora Jumblatt	Spouse of Walid Jumblatt, political Druze leader and head of PSP (Progressive Socialist Party).
Kelna La Baad	Maggy Aoun	2022 parliamentary candidate
Khadhet Beirut	Najat Saliba	MP 2022
	Lama Tannir	2022 parliamentary candidate
Lebanese Welfare Association for The Handicapped	Randa Berri	Spouse of Nabih Berri, head of parliament since 1992 and head of Amal Movement.
Lebanon of Tomorrow	Antoun Sehnaoui	Political figure and bank owner
Les Restaurants du Coeur	Michel Eddeh and Joseph Khoury Helou	Political figures and families
Live Achrafieh	Michel Pharaon	Political figure and ex MP and minister for several times.
LOGOS	Ziad Abs	MP candidate 2018 & 2022
LOST	Amal Movement	Political party
Maarouf Saad Social and Cultural Foundation	Oussama Saad	Political family in Sidon, leader of Popular Nasserist Organization (PNO) movement and MP 2002, 2018 & 2022.
Makhzoumi Foundation	Fouad Makhzoumi	MP 2018 & 2022
Marsat Center - (Tripoli)	Mohamad Safadi	Political figure, ex minister and MP for several times
My Beirut	Free Patriotic Movement	Political party
Nehme and Therese Tohme Foundation	Nehme Tohme	Minister in 2005 and MP from 2000 till 2022
North Autism Center (NAC)	Rima Sleiman Frangieh	Spouse of Sleiman Frangieh, head of the Frangieh political family. Candidate for presidency. Ex-minister and MP multiple times.
North Center for Diagnosis and Intervention (NCDI)	Rima Sleiman Frangieh	Spouse of Sleiman Frangieh, head of the Frangieh political family. Candidate for presidency. Ex-minister and MP multiple times.
Nuh Foundation	Hasnaa and Bahaa Hariri	Bahaa Hariri, political figure and son of Rafic Hariri.
Offre-Joie	Melhem Khalaf	MP 2022
Red in Circle	Lebanese Forces	Political party

Association	Affiliated To / Beneficiary	Political Status
Rene Moawad Foundation	Michel Moawad	Political family, MP & presidential candidate.
Saeb Salam Foundation for Higher Learning	Tamam Salam	Ex-MP and Ex-Prime Minister
Safadi Accelerated Vocational Training Center - SAVOTEC	Mohamad Safadi	Political figure, ex-minister and MP multiple times
Safadi Foundation (Beirut)	Mohamad Safadi	Political figure, ex-minister and MP multiple times
Safadi Foundation (Tripoli)	Mohamad Safadi	Political figure, ex-minister and MP multiple times
Sama Niha	Rania Gheith	2018 & 2022 Parliamentary candidate for the Chouf District
The Imam Khomeini Relief Foundation	Hezbollah	Political party
The Lebanese Women's Forum	Emira Zeina Arslan, Talal Arslan	Political figure and MP in 1991, 1992, 1996, 2000, 2009 & 2018. Ex-minister multiple times.
The Maronite Foundation in the World	Neemat Frem, Amal Abou Zeid, Sarkis Sarkis, Ziad Hawat and many other Maronite figures	Religious association. The names listed are current, candidates or ex-MPs.
The Martyr Foundation (mu'assasat al-shahid)	Hezbollah	Political party
The Mikati Foundation	Najib Mikati	Current Prime Minister and ex-minister and MP
The Motherhood Committee	Emira Zeina Arslan, Talal Arslan	Political figure and MP in 1991, 1992, 1996, 2000, 2009 & 2018. Ex-minister multiple times.
Waad Association	Hezbollah	Political party
White Land Foundation	Naji Amal Abou Zeid	Son of Amal Bou Zeid, member of the Free Patriotic Movement and MP in 2018.
Women Academy (Tripoli)	Mohamad Safadi	Political figure, ex-minister and MP multiple times.

The organizations mentioned here are merely a representative sample of the current landscape of charitable organizations in Lebanon. *The list includes a variety of political figures and groups. Some are seasoned veterans with deep roots in Lebanon's political landscape, while others are relative newcomers who seek to challenge the country's long-standing political establishment and ruling class.*

The situation of philanthropic organizations in Lebanon today is a product of its complicated political past. The nation has a long history of political divisiveness and sectarianism, with many factions vying for control and influence. As a result, *many nonprofit organizations have strong ties to political parties, and some of these organizations have been accused of utilizing their philanthropic activity to achieve their political objectives.*

Lebanon has had a history of politically-affiliated charitable work and social welfare long before the establishment of the NSSF in 1963<sup>26</sup>. Numerous individuals and groups have stepped forward to fill the gaps created by the government's inability to provide basic social services. *As shown in the accompanying table, the tendency we observe in traditional parties is unmistakably spreading to new political actors.* Since these institutions provide significant benefits, *it is unlikely that the State Welfare or any other form of Social Welfare will ever be in the interests of the parties whose power is drawn from the Elite Welfare programs.*

Since most of the political elite and political parties lack political ideology and social and economic policies, their ability to continue to exist depends greatly on their capacity to help those in need. In this approach, *people's support for a political party isn't based on its political platform but rather on the fundamental social amenities it offers, including food, housing, and healthcare.*

However, relying on social assistance programs to preserve influence and power can have detrimental effects on the larger community. *By concentrating solely on immediate relief operations, these groups ignore the need for long-term solutions to poverty and inequality.* Additionally, the politicization of social welfare programs has the potential to foster a culture of dependency, where *people and communities continue to depend on these institutions for their most fundamental needs instead of pursuing self-reliance and empowerment.*

## V. Commoning of Social Protection in Lebanon: Reforms Inspired by the French Security System of 1945

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### A) "La Sociale," The French Security System of 1945

The central institution for social protection in France is called Social Security. It guarantees payment in the event of the occurrence of a social risk, including sickness, work accidents, old age (in the form of a retirement pension) and family (in the form of family benefits). It is financed by a compulsory levy on income and wages. There are other organizations that pay social benefits, but they act according to the prerogatives and scope of Social Security. For example, a visit to a French doctor is paid 70% by Social Security and 30% by private insurance. Private insurers only intervene in the space left vacant by Social Security.

French social protection today appears rather muddled: it is funded by income tax and socializing wages (the generalized social contribution, CSG), intervenes widely for many risks but also leaves significant margins to the private sector (private health insurance, life insurance products for retirement, etc.), and operates on principles that are occasionally universal and occasionally conditional. In addition, it is not made up of a single fund, but rather a variety of funds based on professional standing. We must look back to the institution's inception following the Second World War in order to comprehend the intertwining of these various rationales and the corresponding representations.

There was a comprehensive social insurance system in place before 1945 that financed the payment of benefits through mandatory contributions. This system was also rather confusing due to the fact that it was founded on a series of unrelated laws that were created in response to political developments. These laws ultimately did not

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<sup>26</sup>Houssam Yehya. La protection sanitaire et sociale au Liban (1860-1963). Droit. Université Nice Sophia Antipolis, 2015.

address how inadequately social risks were covered.

The National Council of the Resistance, a group that brought together all political tendencies to prepare for the post-Liberation period, drafted its program *Les jours heureux* (Happy Days), which called for the development of a “complete social security plan.” In light of this, between October 4 and October 19, 1945, the Provisional Government of the French Republic established the Social Security administration guidelines.

It was not the creation of Social Security but the establishment of the Universal Social Security Plan (*Régime général de Sécurité sociale*) that marked the true advancement in social protection. Social Security as a form of public insurance that protected the public had existed before 1945. ***The introduction of the Universal Social Security Plan, which combined all previous provisions into a single body governed by the workforce itself, represented a major innovation.*** Three original principles highlight the unconventional nature of the plan:

- ***Centralized and single fund for social benefits.*** The goal is to combine all workers (regardless of their profession) and all social risks (sickness, work accidents, diseases, family, old age) into a single fund. The goal of the single fund is to offer more robust financial assurances (specifically, by making it possible to compensate between different risks).
- ***Single rate interprofessional social contribution.*** The pre-war funds collected contributions, with different bases for calculation depending on the company and the employee’s status. A single-rate interprofessional contribution has the benefit of eliminating company-specific treatment variations.
- ***Social Security is managed by the “interested parties” or “social democracy,” i.e., the contributing workers and their union representatives.*** The primary funds’ local board of directors is composed of 3/4 union representatives and 1/4 employer representatives. This organization thus assigns the management of the institution to the employees themselves.

The establishment of French Social Security was not simple and involved significant struggles: the creation of the system was led by conflict. In fact, handing over control of Social Security to the workforce and unions—in this case, the General

Confederation of Labor (CGT), which had ties to the Communist Party—meant separating it from the government (since Social Security was not the government’s responsibility) as well as from the employers and business owners.

Major historical configurations can explain these evictions: The Vichy regime collaborated with the Nazi occupiers, and thus, in 1946, parliamentary democracy was discredited. The employers had also compromised with the occupying forces, while workers were more widely involved in the resistance. Moreover, the pre-war social insurance schemes did not prove to be successful, likely due to the fact that they were mostly managed by notables and escaped the attention of contributors (whether social insurances or mutual insurances companies).

In 1946, the labor movement and the Communist Party had a more favorable power balance. This explains how they were able to handle the Social Security budget, which quickly overtook the State budget in importance. This also explains why Ambroise Croizat, a communist minister, was tasked with creating Social Security piece by piece and structuring it formally.

Thus, Social Security was born of a balance of power that gradually reversed itself over time. Today, few of the basic principles still apply because employers now handle daily operations, the government has gradually taken over, and social contributions are used less and less to cover social risks.

## **B) Reforms inspired by the French Social Security of 1945**

Elinor Ostrom, a well-known economist and political scientist who made history in 2009 by being the first woman to earn the Nobel Prize in Economic Sciences for her ground-breaking research on the management of common-pool resources and collective action, is largely responsible for the development of the idea of the commons in economics. Her study brought attention to the critical role that local communities play in resolving challenging social and environmental issues. Common-pool resources (CPR) are resources that are used collectively by a number of people or communities, whether they are natural or man-made resources. These resources are non-excludable, which means that it is challenging to stop others from using them, and rivalrous, meaning that one person’s use reduces the quantity or availability for others. Fisheries, forests, irrigation systems, etc. are some examples of common pool

resources. To avoid overexploitation and guarantee their sustainability for the benefit of all users, CPRs must be managed effectively.

The initial research on commons centered on the resource itself as the foundation of the commons. Later studies developed another understanding that focuses not only on the resource but on the method of management as well, which means that any resource could be a common if managed in a particular way. This concept is known as “commoning”. *The term “commoning” refers to the social practice and process by which individuals or communities come together to jointly administer and regulate shared resources or commons*, as explained by Valerie Fournier in her article “Commoning: on the Social Organization of the Commons”. It entails the collective and inclusive actions taken by individuals to conserve and protect a resource in a way that is all-inclusive, equitable, and long-lasting. Commoning places a strong emphasis on communication, deliberation, and acknowledging the rights and obligations of all parties participating in the management and usage of the commons. Therefore, we speak of “commoning” and the conversion of any resource into a common when it is managed collectively by the interested parties themselves and when rules are established to guarantee the preservation and sustainability of this resource.

A resource is simply anything valuable that is created by human action or is found in the natural world and used to satisfy a need or desire. Thus, *the organization managing social protection can be considered as a resource for the people.*

*By offering access to basic requirements for an adequate quality of life, the institution organizing the social protection scheme in a country is providing human rights to the people. Therefore, these human rights should not be viewed as services provided by the State nor by the private sector.* In the capitalist society in which we live today, maximizing profit is the main goal of private entities. As a result, entrusting them with the provision of healthcare, education, and other fundamental rights will have a negative impact on the poorest, who are typically those who require social protection the most. *As a result, many people—including the most vulnerable and poor—will be denied access to what ought to be considered fundamental rights.* On the other hand, if the State is in charge of managing social protection, it will be subject to political pressure and social protection will change depending on the political climate, the ruling parties, as well as political timetables. In other words, social protection can

evolve into a political weapon and, as a result, an offer that changes based on political requirements. *Subsequently, social protection may no longer be regarded as a right but rather as a gift from the government and those in positions of authority.* Therefore, we view the “commoning” of social protection, or in other words, *transforming it into a common outside the duality of the public and private sectors, as essential.*

For this, a series of reforms in the NSSF code, inspired by the social security system in France of 1945, are necessary to complete the shift towards a *Common Welfare*:

- The unification of all the social security schemes existing today (the NSSF, the Cooperative of public sector employees, the social protection of the non-civilian sectors) into a single fund, the NSSF;
- Expanding membership eligibility to include informal workers, as well as all residents;
- Expanding the risks covered, to include disability, unemployment, and old age;
- Changing the structure of the Administration Council of the NSSF to be 3/4 delegates representing workers (voted directly by the contributors and not nominated by the CGTL), and 1/4 representing employers, business owners, self-employed, entrepreneurs and liberal professions; and
- Lifting the supervision of the Ministry of Labor and the Council of Ministers.

*As a first step, it is necessary to unify the social protection system to be managed by a single organization*, which, in the case of Lebanon, is the NSSF. This has two purposes: First, to end all forms of discrimination against people based on their line of work. And second, to simplify the process of accessing social protection since the information distribution and entry conditions of the already existing organizations make people’s access to social assistance unclear and complicated. The various life-cycle risks (health, work accidents, family, old age, disability, loss of earning capacity, and unemployment) are also included in this unification. The single fund’s objective is to provide more reliable financial assurances, by enabling risk compensation.

As a second step, the universality of social protection in Lebanon must be ensured. Every citizen has the right to social protection, regardless of their position in the job market. In light of this, a system that offers social protection to everyone, regardless of their socioeconomic or

professional status, is considered universal. The NSSF should move toward universal coverage by including those in the informal sector through flat-rate contributions and required progressive registration, a strategy that has been successful even in nations with high levels of informality<sup>27</sup>. It should also integrate the most vulnerable groups. According to the Labor Force and Household Living Condition Survey (LFHLCS) conducted in Lebanon in 2018/2019, 42.1% of Lebanese people are not directly covered by any sort of health insurance policy, and 27.5% live in homes where no one has access to a health insurance policy. Women (52.4% uncovered) and the jobless (65% uncovered) have much lower affiliation rates. According to the same survey, informal employment accounts for 55% of all employment in Lebanon. In both official and informal businesses, as well as public institutions, there are informal employment ties<sup>28</sup>. According to the LFHLCS, the employment structure is slowly but steadily shifting away from agriculture (about 4%) and industry (about 21%) toward services (about 76%). The amount of insecure and informal employment will continue to be influenced by the ongoing slowdown in economic growth, the financial crisis, and the effects of the COVID-19 pandemic.

A fifth of the labor force is made up of foreigners, the majority of whom work informally. According to the LFHLCS 2018/19, almost 90% of non-national workers hold informal jobs. Due to legal limitations imposed by their immigration status and, more generally, the fact that they frequently work on contracts and in industries not covered by the NSSF, non-nationals' options to access formal employment are severely constrained.

Currently, the NSSF does not provide coverage for the following worker categories:

- Employees in the private sector who are not on permanent contracts, such as temporary contracts and seasonal labor, as well as non-permanent construction workers and agricultural employees who are not permanently hired by an agricultural institution.
- Part-time employees are legally entitled to coverage; however, it is not always fully implemented.
- Municipal contract employees.
- Teachers who work on a contract basis in the public sector.

- Employers and independent own-account employees are not required to be covered, except for taxi drivers, newspaper vendors, dock workers, mayors, doctors, and anyone who joined the voluntary program before it was suspended for these professions.
- Domestic workers.
- Foreign workers whose countries do not have bilateral social security agreements.

***The universality of the NSSF means the inclusion of all the above under the NSSF social protection scheme.***

***The third step entails extending the reach of NSSF.*** The NSSF currently provides family allowances, retirement and end-of-service pensions, healthcare and maternity coverage, and workplace accident and occupational illness insurance. ***As a result, three main life cycle risks—unemployment, disability, and old age—are not adequately addressed.*** Additionally, the NSSF covers up to 80% of medical consultation and medication costs and up to 90% of hospitalization costs. The remaining costs, which are 10% for inpatient services and 20% for outpatient services, including medication must be paid by the patients. These costs pose a significant financial challenge for NSSF members. All lifetime risks must be covered by the NSSF, and its member benefits, including allowances, and pensions must be improved.

***The NSSF's governance and, specifically, its "commoning" are addressed in the fourth and fifth steps.*** In order to make the NSSF a common, the Ministry of Labor and the Council of Ministers' oversight must be removed in order to guarantee the NSSF's financial and administrative independence. ***To fully complete the "commoning" of the NSSF, its board of directors should be made up of social partners, with the majority of seats reserved for the employees who are most affected by social protection. Representatives of employers, business owners, self-employed workers, entrepreneurs, and liberal professions make up one-quarter of the board of directors. The other three-quarters of the board are made up of NSSF members and workers' representatives who are elected directly by the contributors.***

In their current capacities, unions and the CGTL cannot be trusted to choose the workers' representatives. There are two basic reasons behind this: 1) The neoliberal and rentier economic

<sup>27</sup>ILO, Extending Social Health Protection in Lebanon

<sup>28</sup>Lebanon has adopted a legal statistical definition of "informal employment," which classifies as "informal" all employment relationships without an employer-provided social security affiliation. If this definition is unclear, paid sick leave and paid annual leave are examined to clarify the employment relationship.



structure that predominated in Lebanon, particularly in the post-war period, limited the influence of trade unions and workers' unions by promoting informal work, and this had a detrimental impact on these unions. 2) The political elite's grip over unions, particularly the CGTL: in order to obtain voting rights and subsequently control the CGTL, hundreds of tiny unions created by the elite were incorporated into it during the 1990s. Thus, the CGTL is now viewed as another tool used by the political ruling elite to subjugate the populace. The CGTL's final significant movements were in 1992 and 1994, particularly in May 1992 with the "tire revolution," a workers' strike against economic management, high unemployment, and inflation that resulted in the resignation of the prime minister. In recent years, there have been only two major players in labor movements: the League of Public Secondary Education Teachers of Lebanon and the Federation of Trade Unions of Taxi Drivers and Road Transport, which are also under political influence.

***Therefore, the liberation of the CGTL, or the recreation of workers' unions from scratch, as well as changes in the entire Lebanese economy are indispensable conditions for the liberation of social welfare and the establishment of social justice.***

## VI. Conclusion

***Historically, conflicts rather than consensus have led to the development of social protection systems around the world.*** Social protection schemes are typically the outcome of battles and economic arrangements; governments and companies are unlikely to implement them voluntarily. ***It is essential to remember the words of Ambroise Croizat, father of "La Sociale,":***



***"Don't talk about social achievements, talk about social conquests, because the bosses never disarm!"<sup>29</sup>.***

Hence, in order to better comprehend the advantages and disadvantages of social protection, we should delve deeper into its history, application, finance, and administration.

Although it is believed that Lebanon lacks a social safety net, an Elite Welfare system does exist and is governed by the political elite. By weakening the public sector and the country's national social security fund, this system forces citizens to rely on for-profit businesses run by the political elite, charitable donations from political leaders and their organizations, and NGOs and charities run by the same elite. ***This system aims to dominate and govern the populace while also fostering a sense of social protection.***

***Reframing social protection as a right rather than an offering, is the first step in implementing a Common Welfare in Lebanon, characterized by a social protection scheme unifying people regardless of their professional status, covering all life-cycle risks under one universal social security fund covering all residents in Lebanese, financed by contributions, and governed by the interested themselves.***

However, these changes require a different kind of mobilization, driven by workers themselves. A social security system that is truly beneficial to the people will neither be implemented by the government and employers, nor by international organizations such as the World Bank or the International Monetary Funds (IMF). To achieve this, workers' unions must be freed from the control of the political class, restructured, and reorganized, and should aim to establish an economic system that promotes the wellbeing of all people. ***The labor force in Lebanon should be the constructive force that reforms the social protection system, the economic model, and consequently, the entire nation.***

<sup>29</sup>Translated from French, original quote: « Ne parlez pas d'acquis sociaux, parlez de conquies sociaux, parce que le patronat ne désarme jamais »

# VII. References

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