
Two states, one country

What Chehab built, what Hariri bypassed, and what the wreckage proves

By Dr. Bassel Al Hasan

CORE GROUP

STC02202605



Lebanon is told its administration cannot be fixed, that clientelism is in the country's nature and a competent state was never on offer. The historical record says otherwise. Lebanon built a meritocratic, planning state once, deliberately, in less than a decade. It was then dismantled, just as deliberately, by those whose power it threatened. The lesson is not that reform is impossible. It is that reform is a contest over power, and the country has already shown which side can win when it chooses to.

I.

Every conversation about reforming the Lebanese state begins by conceding the thing most worth contesting: that the administration is broken because Lebanon is Lebanon, that confessional patronage is the country's deep grammar, and that a neutral, capable bureaucracy is a foreign import the soil will always reject. On this account the civil service was never meant to serve citizens; it was, from the French Mandate onward, a mechanism for sectarian balancing and elite appeasement, and it has simply reverted to type.

Half of that is true. The Mandate did build a hollow administrative state, taxing heavily and investing little, and the 1943 National Pact did distribute the senior posts by confession. The merchant republic that followed kept the bureaucracy deliberately weak, so that citizens depended on their za'im for schooling, work, and care rather than on a ministry. None of this is in dispute. What is in dispute is the conclusion drawn from it: that because the state began captured, it must remain so. That conclusion is an inference, not a fact, and the Lebanese twentieth century contains the experiment that tests it.

II.

The experiment was Chehabism, and it was brief enough to be dismissed and concrete enough to be undeniable. Fouad Chehab took the presidency in 1958 on a single radical premise: that Lebanon's sectarian conflicts were, beneath the confessional surface, the symptoms of socio-economic inequality and an absent state. If that diagnosis was right, the remedy was not communal reconciliation but institutions.

He commissioned the evidence first. The French IRFED mission, tasked in 1959 with mapping the country's actual condition, produced the first empirical portrait of Lebanese society, and it demolished the myth of shared prosperity: a wealthy minority of roughly four percent of the population held nearly a third of national income, while close to half the country lived in severe poverty, concentrated in the North, the Bekaa, and the South, regions sealed off from Beirut's boom. The state, for the first time, was being asked to see its own people in numbers rather than in slogans.

What followed was the most concerted state-building project in Lebanon's history, and its instruments were institutional, not rhetorical. By legislative decree in 1959 Chehab created the **Civil Service Board** to conduct standardised examinations and recruit on competence

rather than confession, and the **Central Inspection** to audit performance and discipline corruption. In 1963 the **National Social Security Fund** began transferring welfare from the za'im and the religious charity to the state itself. A statistical institute and a research council were built to give planning an empirical spine. For a few years these bodies did what they were designed to do: they created a parallel administration where sectarian recruitment did not apply, and a generation of professionals long shut out, Muslim engineers prominent among them, rose on merit.

The point is not nostalgia. It is proof of possibility. **A meritocratic, planning, welfare-providing Lebanese state is not a hypothesis. It existed.** It was built quickly, by decision, inside the same confessional country that is now said to make such a thing impossible.

III.

Chehabism also shows why possibility is not destiny, and the reason is the heart of this issue. The project threatened precisely those who profited from the weak state: the za'im whose patronage the NSSF undercut, the religious institutions whose social monopoly the welfare fund displaced, the traditional elites whose recruitment networks the examination board bypassed. A state that delivers to citizens directly is a state that makes the intermediary dispensable, and the intermediaries were the political class. The expansion of state capacity was, for them, not progress but expropriation.

So when Chehab left and his successors lacked his resolve, the apparatus was recaptured, not by accident but by the steady reassertion of the interests it had briefly displaced. The civil war then completed the demolition: militias carved the country into service-providing cantons, infiltrated the surviving institutions, and entrenched the practice that would outlast them, the mass hiring of unmonitored contractual staff nominated by warlords, a parallel workforce installed by loyalty rather than competence. The merit machine Chehab built was not defeated by Lebanon's nature. It was dismantled by people with names and interests.

IV.

Taif, in 1989, is usually read as the end of the war. Administratively it was something narrower and more consequential: the legalisation of the recapture. The accord recalibrated the confessional formula and, in the same motion, integrated the former warlords into the state and licensed a mutual non-aggression pact among them, predicated on the shared pillage of public resources. The constitution restricted confessional quotas to the most senior grade; the political class ignored the restriction and applied them to every tier, so that competence was subordinated to communal balancing all the way down.

The second post-war paradigm arrived with Rafik Hariri in 1992, and it is the necessary contrast to Chehab because it inverts his method exactly. Hariri did not try to reform the captured ministries; he treated them as a lost cause and built beside them. His instrument was the parallel institution. The Council for Development and Reconstruction, expanded

and staffed with loyalists, was granted sweeping authority to plan, finance, and execute reconstruction outside the reach of the Central Inspection and the Civil Service Board, a shadow cabinet directing the great international flows toward the projects that fed elite networks while the conventional ministries were left to dispense low-grade patronage and lose what technical capacity they had.

Where Chehab's answer to a captured state was to build insulated public institutions, Hariri's was to route around the state entirely. **The two paradigms are the country's real political choice, and they are not equivalent.** One accumulates state capacity; the other cannibalises it. Solidere, the private company empowered to expropriate the whole of downtown Beirut and convert ownership into shares, was the visible monument of the parallel model: efficient, profitable, and severed, literally trenched off, from the city and the citizens around it. Agility purchased by hollowing the institutions that agility was meant to serve.

V.

With the two paradigms in view, the post-war record reads not as drift but as a sustained campaign, because a functioning meritocratic bureaucracy was an existential threat to the elite consensus and was treated as one. The Office of the Minister of State for Administrative Reform, created in 1994, was given the task of modernisation and denied the authority to enforce it; three decades of competent proposals died for want of power to impose them. The Civil Service Board was made obsolete by the simple expedient of mass contractual hiring, tens of thousands appointed on loyalty, with exam thresholds adjusted when needed to hit a sectarian count. The Central Inspection and the Court of Accounts were starved and circumvented; off-budget entities and ghost institutions, the Railway Administration that runs no trains yet pays salaries, multiplied in the dark.

The scale is its own argument. The public sector grew from roughly seventy-five thousand in the mid-1970s to around three hundred thousand by 2017, capital spending crowded out by payroll, debt service, and transfers to enterprises like Electricité du Liban. When a 2019 budget law ordered a simple headcount of public employees, powerful enclaves, spiritual councils and security directorates among them, refused to submit their data, and faced no consequence. The refusal is the system in miniature: rules apply where the networks permit, and stop where they do not.

This is the link to the larger argument the Statecraft track has been making. The recurrence is the tell. **A failure that repeats regardless of who holds the office is not incompetence; it is design.** The administration is not broken in spite of the elite's efforts but in accordance with them, because an opaque, weak, patronage-dispensing state is the asset on which their position rests. The collapse that became total in 2019, the currency gone, the World Bank naming the model a deliberately engineered Ponzi scheme, the port detonating in 2020 on a foundation of evaded oversight, was not the failure of the system. It was the system arriving at its destination.

VI.

The newest reform front, the digital one, is worth attention not because technology is the answer but because it is the clearest current proof of the thesis. The National Digital Transformation Strategy, the Dawlati portal, the interoperability platform meant to link Justice, Finance, Labour, and Social Security, all promise the same thing: to make the state's human-resource rolls, procurement contracts, and off-budget flows legible. And that is precisely why they stall. Implementing decrees sit unsigned for years; ministries resist a central transparency layer; the laws that would force disclosure die in committee.

The instructive case cuts both ways. When the Central Inspection deployed its IMPACT platform in 2021 to run the vaccine rollout and a targeted-aid registry, transparent data and rules briefly bypassed the patronage networks and the thing simply worked, a small, contained replay of the Chehabist proof that capacity is available when it is insulated. And it was contained, because a tool that illuminates ghost entities and unmonitored contracts threatens the same interests the Civil Service Board threatened sixty years earlier, and meets the same resistance for the same reason. **Digitisation is not a way around the political contest. It is the latest battlefield of it.**

VII.

What the history establishes is narrow and firm, and the Statecraft track means to build on it rather than past it. It does not establish a reform programme; that is the work of later issues and, properly, of the rooms where decisions are taken. It establishes the premise those decisions have to start from.

A capable Lebanese state is not a foreign graft the country keeps rejecting. It was built here, by Lebanese, within living memory, and it was dismantled here, by Lebanese, for reasons that were never mysterious. The administration's condition is therefore not a fact of nature to be mourned but an arrangement to be contested, and the contest has a known shape: institutions that deliver directly to citizens against intermediaries who profit from citizens' dependence. **Reform in Lebanon has never failed for lack of a model. It has failed because the model works, and working is exactly what its opponents cannot afford.**

SOURCES

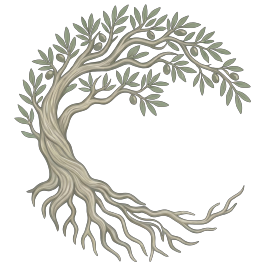
IRFED mission preliminary study (1960–61); Decree-Law establishing the Civil Service Board and Central Inspection (1959); NSSF Decree No. 13955 (1963); World Bank, *Lebanon Public Finance Review* (“Ponzi finance”); Central Inspection IMPACT platform documentation (2021). Full citations available on request.

ABOUT CORE GROUP

Core Group is a Beirut-based strategic foresight house. We produce decision-ready analysis and advisory for governments, diplomatic institutions, and strategic investors navigating Middle Eastern complexity. Our work integrates structured analytical products, applied strategic advisory, and analysis-informed mediation; delivered on daily and weekly cycles calibrated to the speed at which the situation changes.

ABOUT STATECRAFT

Statecraft is Core Group's policy track: sustained analysis of Lebanese state capacity, written to widen the realm of what the state can be argued to do, and to test the institutional arrangements that decide it.



CORE GROUP

Archive code STC02202605

beirutcore.com

info@beirutcore.com

