

ROUNDTABLE

GLOBALIZATION AND HUMAN DEVELOPMENT: THREATS AND OPPORTUNITIES FOR LEBANON

College Hall, American University of Beirut

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Within the context of the National Human Development Report process, there will be a series of initiatives, events and meetings during the next few months. The objective is to raise awareness about the subject of globalization and human development and to contribute towards *building consensus* among stakeholders on salient issues brought about by globalization and how to address them and on seizing extraordinary opportunities for furthering human development. This series is in support of the **2000/2001 National Human Development Report “Globalization and Human Development in Lebanon; Choosing to be Prosperous”**, an initiative of the United Nations Development Programme in cooperation with the Council for Development and Reconstruction.

This roundtable discussion was the initial activity. **Dr. Fadia Kiwan, Professor, Faculty of Law Université Saint Joseph/Lebanese University**, moderated the roundtable discussion.

Mr. de San, UNDP Resident Representative, welcomed the participants (**list in Annex**) and explained the National Human Development Report process. He raised a question, for consideration in the discussion, concerning the attitude to globalization in the Lebanese context:

- Why is it that Lebanon has been hesitant in the past years to join the new wave of globalization?
- Why is it that the Lebanese abroad respond and interact with globalization in a remarkable manner? How can Lebanese (residents) regain a can-do attitude?

Minister of Economy and Trade Dr. Basil Fuleihan, introduced the roundtable discussion. The Minister agreed that the term “globalization” is being widely referred to. Yet, for decades global trends and international systems have impacted on individual countries, especially small countries like Lebanon, irrespective of what terminology was given to the phenomenon. In recent years, the rules of the game have changed faster and the impact of globalization has become greater, particularly on small open countries.

Should we or should we not approach globalization as a phenomenon? Lebanon's prosperity in the fifties and the sixties was due to its openness. It has been the view of many that the war of the seventies and the eighties resulted in a collapse of the economy and a destruction of the services sector. *In reality, the services sector relocated to other countries, itself an act of globalization.* Today, attempts are made for the economy to adjust to this dislocation. Thus, the issue is not of globalization but of adjustment of relocation.

Are we to respond to global trends or do something to improve ourselves? Lebanon is a small country; we are among the *trend takers not the trendsetters*. We must try to adjust to change in a manner that will be beneficial for us. In the context of globalization, national governments lose ability to influence the national economy. When governments cannot monopolize, they revert to one of two courses of action: either to try and increase control and power or to try and relinquish control and increase delegation to the private sector. Those who choose the first option are doomed to fail.

Has Lebanon responded? It is an undeniable fact that Lebanese have always excelled as individuals and failed as a group. *The private sector has succeeded in advancing and civil society has demonstrated excellence, whereas the public sector has not.* No, we have not been slow or afraid to respond to change. Governments have different ways of reacting to change. We are now accelerating to integrate the global economy. We realize that there

will be a short-term cost compared to a long-term pay-off. We are moving into the Euro-Mediterranean partnership and towards WTO membership. We are modernizing our legislation. The result is not always completely positive or always totally negative. For example, with respect to passing the law on money laundering the banking sector was the most responsive and supportive party in order to preserve the credibility of the sector, despite short-term disadvantages.

The strongest asset of Lebanon is human capital. True that the removal of traditional trade barriers poses threats. Yet, these are replaced with new barriers to trade, i.e. norms and standards relating to health, environment and labour, etc. We may decide not to play the game or to play alike countries experiencing similar circumstances. The Lebanese have a great ability to capture opportunities, the achievement of which will reactivate growth.

A changing role for the Government. There are downsides and risks, which we have to minimize and limit. Inevitably, this implies a changed role for the Government, one that is reduced and will focus on the main issues. For instance, we need to change the way we deal with health and education, which cost is high and outcome not satisfactory. The Government needs to play the role of regulator, continuing to provide some services it cannot avoid, and to support the private sector to meet the challenges of globalization and achieve rapid growth. Intrinsically, Lebanon has the possibility to prosper – in a deregulated, open economy.

Youssef Samaha, Journalist, Al-Hayat Newspaper, briefly discussed developments of the 1990s when Lebanon entered a new phase. The signature of the Taef agreement (1989) ended the war and set the rules for domestic peace and reconstruction. A national reconstruction plan was formulated and initiated. Both the end of the cold war and the Gulf war affected domestic developments. Also in the 1990s, there was the momentum build-up of globalization.

This forum is inclined to refer to Lebanon as an early globalizer. Lebanon has actually experienced the full impact of globalization since the early nineties, notably the excesses of the free market together with internal divisions caused by inward-looking traditional systems.

The crucial question regarding globalization is whether the world can and will be really unified through openness, standardization and information technology – or are we to witness a relapse to tribal, ethnic and other divisions; divisions greater than any we have experienced in the past; divisions prompted by growth disparities and political conflicts. Globalization holds global prescriptions that tend to neglect cultural, social, economic, political and demographic characteristics of countries.

In Lebanon, market openness is characterized by expansion of what existed before rather than a real and sustainable development of the market. There is uneven development of the different regions and some regions develop at the expense of others. *Consequently, disparities are widening and confessional identities are reawakened.*

If globalization directs a review of the role of the state, then the following questions are to be addressed:

- After the Taef agreement, the Gulf war, the end of the cold war, and in the midst of regional conflicts, what should be the role of the state?
- *In a context whereby what is lost and renounced by the Government is gained by confessional forces and tycoons of the private sector – and eventually lost to a large segment of the people, what should be the role of the state?*
- Which globalization in the absence of security?
- *How to match the local agenda with the regional context? How to change threats into opportunities without a profound reflection on the regional role and position of Lebanon?*

Nawaf Kabbarra, President, Arab Organization of Disabled People, and Balamand University, stated forthright to be for and with globalization.

Where are we in Lebanon? Lebanon is living in a state of duality regarding globalization. The capital and part of Mount Lebanon are readily interacting with many of its features, whereas peripheral areas know nothing about globalization.

Lebanon is the country most prepared to play a lead role in globalization in the Arab region. Lebanon was an intermediary between Europe and the Arab World in the past. The new role for Lebanon is to be a bridge between the Arab world and the new world order.

Globalization existed in the past, but not in as structured a manner as today. International organizations, like WTO, IMF and the World Bank, now dictate the new rules of globalization. The globalization procedures and trends outlined by these organizations weigh heavy on global democracy.

Globalization trends weaken the role of the state. Some countries cannot cope, for example Sudan, Algeria and others. Lebanon is rather well endowed and prepared to deal with the challenges (and would be much more so when no longer burdened by the effects of the Israeli-Palestinian conflict). Globalization is here. We are part of it and should prepare ourselves to deal with it.

Ziad Abdel-Samad, Executive Director, Arab NGO Network for Development, discussed the core question of globalization, which is not whether to participate or not, but how to secure the right conditions to deal and cope with it? Lebanon's prosperity and the minimization of damage is dependent on securing several conditions:

- *Lebanon must define the goals and objectives it seeks to capture through globalization through fully joining globalization. The objective should be to achieve development – sustainable human development, as opposed to a market economy and economic growth only.*
- The state and the Government should have *sufficient and adequate capacity to respond* effectively to change, to secure jobs, and to perform in accordance with human development objectives.
- The Government should *be aware of the backlashes of globalization* and how they may affect people and should be capable to minimize the damage;

At present, there is the danger to simplify and minimize national dialogue with respect to negotiations. While Lebanon is negotiating market openness, it should keep in mind that each country is also negotiating to trade with 170 others. Hence, does Lebanon have a clear strategy when negotiating? What are the alternative opportunities for Lebanon to be preserved during the negotiations? Lebanon seems to be offering free opportunities to other countries rather than to negotiate with them.

There is a need to promote and secure national participation and involve all sectors of society in the making of these agreements and in identifying and maximizing areas of gain and in minimizing negative effects and losses. *Choosing to be prosperous* depends on how to play the game and gain. The main pre-requisite is good governance capacity of the state.

Discussion

- The fundamental issue before us can be summarized as: *How to be a citizen as opposed to a healthy consumer. How to build a city and not just a global market?* We need to look at what is being globalized? Globalization is essentially a political issue. There is a difference in the French language between the concepts of “globalisation” which refers to a dogma of markets and consumers and “mondialisation” which refers to a humanistic vision of values and citizenship. Globalization is synonymous to a post-modern utopia where something is being expanded.

- Meeting the challenges of globalization we should focus on: *How to be among the globalizers and rather than the globalized.* How not to fall into the trap of the haves and the have-nots. How can Lebanon face the multinationals. How to ensure that Globalization does not violate the social, natural, cultural contract of the country. Hence, to ensure that education is for all, and that the poor have access to health services.
- A participant from the private sector observed that *Lebanon lacks strategic planning* and needs to assess natural and human resources in order to organize its house and develop a realistic strategy.
- Lebanon perceives itself as globalized, yet *lacks the skills to successfully join globalization.* The priority is to develop the national agenda for globalization and then to find the means to implement it.
- We must *define the rules to move outward* (into the world), not inward (into globalization and its conditionality and rules).
- *Human resources and human capital are very important.* Human resources development for globalization must be encouraged by increased provision of project finance. However, trying to fit the needs of global markets would be dwarfing the creativity of the Lebanese.
- A query was raised on the missions of the state: *do we need less state or new missions of the state?*
- There has to be a change in *the role of government*, which *must be reduced and refocused on the essential functions.* To bring this about, the civil society has an important advocacy role to play.

A serious challenge is to build the capacity of the public service and the structures of the public administration, which are main obstacles to ascertain the state as a regulator and to gain from globalization.

Do the financial means exist to change the role of state and the structure of provision of services in Government?

- *Primary/basic education is a pre-requisite for benefiting from globalization*, for preparing the work force, reducing the gaps between the have and have-nots. We are fighting a new war with an old weapon if we do not *maximize the use of technology* to reduce the divide. Nowadays, if one does not adopt new technology early on, the drawbacks will be greater later on. New technology can reduce the divide quickly. For example, Israel has an US\$ 18 billion technology industry and now exports education to Turkey where it has set up a programme for primary/basic education.
- *The impact of globalization on the labor market* (in Lebanon) poses a double penalty on the country: internal capacity is weakened and new capacity is contributed to the development of other countries. *We need a national vision to achieve sustainable human development and need to have a focus and targets.* We also need to establish competitive advantages.
- The social infrastructure of Lebanon is strong and society (individuals) has the instinct and know-how to optimize gains of globalization. The state has the main role.
- Do not be afraid of international organizations (WTO, EU), there is no conspiracy theory. On the contrary, learn to play the rules of the game in the best possible manner to maximize benefits and to offset disadvantages.
- The NHDR has to concentrate on alternatives (rules and initiatives) that promise prosperity.

- The cultural aspect of globalization is important. One issue relates to strengthening allegiance to the country. We also have to improve our group dynamics with a view to strengthening our social capital.
- *We choose to be prosperous.* The rules have been set. We must learn the rules so as to minimize the cost. We must also better seize the extraordinary opportunities. *We propose to develop dynamic communities* – of professors, educators and the students – to take a critical look at the trends, to identify the disadvantages of globalization and to *work towards influencing things and changing the rules.*
- *There is a disconnection between the thinkers and the policy makers. We need to establish a dialogue between the thinkers and the policy makers to do away with the simplification of the discourse of what is a complex phenomenon and to better understand globalization. A sounding board for the Government is missing; the first task is to establish and achieve dialogue.*

List of Participants

Moderator

Mrs. Fadia Kiwan, Professor, Université Saint Joseph/Lebanese University, Faculty of Law

Introduction

H.E. Mr. Basel Fuleihan, Minister of Economy and Trade

Discussants

Mr. Ziad Abdel-Samad, Executive Director, Arab NGO Network for Development

Mr. Nawaf Kabbara, President, Arab Organization of Disabled People, and Balamand University

Mr. Youssef Samaha, Journalist, Al-Hayat

Ms. Mirvat Abu-Khalil, Project Coordinator, LIFE programme

Mr. Rami Abu Salman, Focal Point, UNDP/LEDO project

Mrs. Badra Alawa, Project Officer, René Mouawad Foundation

Mr. Riad Al-Khoury, Director, MEBA

Mr. Joseph Assily, Social worker, Humanitarian Group on Social Development

Mr. Sami Atallah, Consultant, Ministry of Finance

Mr. Walid Atallah, representative of H.E. Mr. Marwan Hamadeh, Minister of the Displaced Persons

Mrs. Salwa Saniora Baassiri, Secretary-General, Lebanese National Commission for UNESCO

Mr. Najji Chamieh, General Manager, Envirotech

Mrs. Gina Chammas Mrad, Advisor to the President of the Republic

Mr. Antoine Courban, Professor, Université Saint Joseph

Mr. Ali Darwish, President, Green Line Association

Mrs. Florence Eid, Assistant Professor, American University of Beirut

Mr. Gihad El Zein, An-Nahar

Mr. Amin Farshoukh, Coordinator, Collectif des ONG au Liban

Ms. Hind Gebrane, Director of Department, Ministry of Environment

Mr. Hayyan S. Haidar, President, Lebanon Family Planning association

Mrs. Haifa Hamdan, Coordinator, Save the Children Fund (UK)

Ms. Rénalda Hayek, Director, Human Resources Department, FTML-CELLIS

Ms. Alia Ibrahim, Reporter, Daily Star

Ms. Raghda Jaber, UNDP Consultant

Mr. Abdo Kahi, Reach Mass

Mrs. Elham Kallab, Director, Centre International des Sciences de l'Homme, UNESCO-Jbeil

Ms. Annie Kechichian, Reporter, Lebanon Opportunities

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Ms. Samira Trad, Researcher, Humanitarian Group on Social Development

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Mr. Christian De Clercq, Project Manager/Senior Advisor

Ms. Randa Aboul-Hosn, Policy Specialist

Mrs. Soha Bsat Boustani, Information and Communication Consultant

Mrs. Michèle Abou-Saad, Senior Secretary