



HAL
open science

Trafficking, Rents, and Diaspora in the Lebanese War

Elizabeth Picard

► **To cite this version:**

Elizabeth Picard. Trafficking, Rents, and Diaspora in the Lebanese War. Cynthia J. Arnson and I. William Zartman. RETHINKING THE ECONOMICS OF WAR: THE INTERSECTION OF NEED, CREED, AND GREED, Woodrow Wilson Center Press, pp.27-67, 2005. halshs-00807577

HAL Id: halshs-00807577

<https://shs.hal.science/halshs-00807577>

Submitted on 4 Apr 2013

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

2

Trafficking, Rents, and Diaspora in the Lebanese War

Elizabeth Picard

Economics against Culture: A Lebanese Controversy

The civil war in Lebanon took place between 1975 and 1990, nearly a quarter-century before the wave of low-intensity conflicts that plagued numerous countries in Africa, Southern Europe, and the Middle East. Even a decade and a half after the adoption of the Taif agreement that put an official

Elizabeth Picard is research director at the Institut de Recherches et d'Études sur le Monde Arabe et Musulman, Centre National de la Recherche Scientifique, in Aix-en-Provence, France. She lived and worked in the Middle East for several years and directed the French research center in Beirut and Amman from 1997 to 2000. She has written extensively about security and identity politics in the Middle East and is the author, among other works, of *Lebanon: A Shattered Country* (Holmes and Meier, 2002) and *La nouvelle dynamique au Moyen-Orient* (L'Harmattan, 1993). She thanks Kathleen Collins, assistant professor at the University of Notre Dame, for her stimulating comments on an earlier version of this chapter.

end to the fighting,¹ specialists on Lebanon remain divided between two schools of analysis. Some see the Lebanese civil war as a portent of the “war of cultures” that underlies international relations in the age of globalization.² Others insist on its economic dimensions and on the strategies of rational actors taking advantage of the breakdown of the rule of law.³

The first group relies on convincing arguments. Because of Lebanon’s unique character in the Middle East—its population more or less evenly distributed between Muslims and Christians on the eve of the war, its cultural attachment to Western and at the same time to Arab norms and values, and its adoption of consensus democracy ensuring the domination of a multisectarian oligarchy⁴—tensions between identities, between beliefs, and between ideologies played a major role in igniting the conflict as well as in spreading it by means of antagonistic martial propaganda. From the start, the leaders of the warring parties described their enemy in essentialist terms (it was a war between Islam and the West) and interpreted the war using cultural concepts (ethnic antagonism, or a conflict between “traditional authoritarian” and “modern democratic” values). Their explanations received a large popular echo because the shared culture of Lebanese society in the mid-twentieth century was permeated by the memory of past intercommunal hostility, making groups vulnerable to ideological provocation and strategic mobilization. An ahistorical interpretation gained ground, fed by the repressed collective memory of intercommunal massacres in the 1860s.⁵ Among each of the seventeen sectarian groups that made up the Lebanese nation, a view began to prevail that religious creed and the survival of minorities were threatened by hostile ethnic groups. In a sweeping dichotomization, the war was deemed a Muslim *jihâd*, or a Christian

¹Having been summoned to a conclave in Taif, Saudi Arabia, in October–November 1989, fifty-eight of the ninety-nine members of Parliament adopted, under heavy regional (mainly Syrian) and international (mainly American) pressure, the Document of National Reconciliation, which contained various amendments to the constitutional system. See Joseph Maïla, *The Document of National Reconciliation: A Commentary*, Prospects for Lebanon 4 (Oxford: Centre for Lebanese Studies, 1992).

²For an example of this school, see Walid Phares, *Lebanese Christian Nationalism: The Rise and Fall of an Ethnic Resistance* (Boulder, Colo.: Lynne Rienner, 1995).

³See, e.g., the famous Lebanese economist Kamal Hamdan, *Le conflit libanai* (Geneva: United Nations Research Institute for Social Development, 1997).

⁴Elizabeth Picard, *Lebanon: A Shattered Country* (New York: Holmes and Meier, 2002).

⁵Leïla Tarazi Fawaz, *An Occasion for War: Civil Conflict in Lebanon and Damascus in 1860* (London: I. B. Tauris, 1994).

crusade, for the promotion of the “true” faith on the Lebanese land, by expelling (in the first case) or subjugating (in the second case) the believers of the other faith who, in turn, thought they were rightly defending themselves against such a threat.

Needless to say, several characteristics of the war belied this rigid identity framework of analysis; namely, the frequent occurrence of intracommunal divisions and intercommunal alliances and cooperation. For example, Shiite Muslims, often depicted as *the* unanimously frustrated Lebanese religious community, deemed to form the bulk of insurgency,⁶ were divided into many regional subgroups and as many ideological factions. Some chose to stay in Christian-dominated areas; several notables of the community remained opposed to the insurgency and preferred to abide by the old intersectarian elite pact; moreover, among the Shia, the mainstream opposition movement split between the rival Islamist movements of Amal and Hizbollah. While Amal fought the Palestinian guerrillas based in the country and tried to put up with the Israeli occupation of South Lebanon after 1982, Hizbollah supported the Palestine Liberation Organization (PLO) and led the resistance against the Israeli Defense Force under Syrian and Iranian patronage. In the end, both factions waged a direct intracommunal war in Beirut’s southern suburbs that only ended with a Syrian diktat in December 1990.

Similarly, the internal history of the Christian camp during the war was punctuated by rivalries and fratricidal conflicts that culminated in a two-year war between the Christian fraction of the national army commanded by General Michel Aoun and the main Christian militia group (the Lebanese Forces) in 1989–90, until their common subjugation by Syria. To make the picture more complex, each Christian faction established alliances within the opposite camp. Thus, the Lebanese Forces, whose project was to establish a Christian-dominated state and expel the Palestinians from Lebanese soil, helped PLO fighters to land in the area they controlled in order to go on fighting Amal Shiite militia forces in the 1980s. At the same period, they organized a shared control of Beirut’s southeastern suburbs with Hizbollah, ideologically their worst enemy. If it is assumed that the rationale for conflict is to win and that belief and collective identity were the central stakes of the war, much of the behavior on all sides seems unconvincing, not to say bizarre.

⁶Augustus R. Norton, *Amal and the Shi’a: Struggle for the Soul of Lebanon* (Austin: University of Texas Press, 1987).

In spite of all the qualifications and difficulties in understanding the Lebanese war as a “war of cultures,” the fact remains that creed was a powerful driving force during the fifteen years of fighting. This was all the more important given the fact that the leaders of the warring parties declared creed to be central in their strategic choices and that the populace in each camp saw it at the heart of their commitment.

However, as convincing as “creed” may be in analyzing the Lebanese war, the notion is not inconsistent with other explanations of the Lebanese civil war that refer to need and greed factors and, more broadly, to economic variables. Like any other human being, the Lebanese is an homo economicus as much as a political animal. It is necessary to take into account the material realities too easily hidden under ideological discourse and cultural superstructures in order to reconcile the apparent contradictions of the war. In the two decades before the outburst of violence, rapid growth benefited a limited monopolistic upper class, which contrasted with the proletarianization of masses of rural migrants. At the same time, a large range of middle-class employees and independent workers suffered from the deterioration of their working and living conditions.⁷ As I have argued elsewhere, the “need” factor in the outburst of the civil war could be analyzed in terms of relative deprivation; economic inequalities became blatant within each sectarian group, in which rich individuals contrasted with a mass of laborers and a large urban subproletariat.⁸ Because of the territorialization of religious groups, the contrast between affluence in Beirut and central Lebanon and underdevelopment on the peripheries overlapped with the sectarian divide, allowing an interpretation of social inequalities in terms of religious differences and giving ground to sectarian strife.

Certainly, war did not put an end to economic inequalities and popular frustration—far from it. From the start, the war occasioned systematic economic destruction that affected the population of all regions and com-

⁷Salim Nasr, “The Crisis of Lebanese Capitalism,” *MERIP* 73 (December 1978). Here, the Lebanese situation diverges from World Bank economist Paul Collier’s finding that “a prior period of rapid economic *decline* increases the risk of conflict” (emphasis added). See Paul Collier, “Doing Well of War: An Economic Perspective,” in *Greed and Grievance: Economic Agendas in Civil Wars*, ed. Mats Berdal and David Malone (Boulder, Colo.: Lynne Rienner, 2000), 97.

⁸See Ted Gurr, *Why Men Rebel* (Princeton, N.J.: Princeton University Press, 1970); and Elizabeth Picard, “The Lebanese Shi’a and Political Violence,” in *The Legitimation of Violence*, ed. David Apter (London: Macmillan, 1997).

munities,⁹ while the drastic impoverishment of middle classes went hand-in-hand with the accumulation of amazing wealth. Although the model of conflict laid out by Paul Collier—a model privileging motivations of greed—should not be applied to the Lebanese civil war without strong qualification,¹⁰ greed incited warlords and political entrepreneurs to take advantage of the breakdown of state authority, as social insecurity offered growing opportunities of predation by armed groups.¹¹ Over a period of fifteen years, they imposed a new social and economic order that came to be known as “Lebanization” and was imitated in several civil wars.¹²

Far from being a hiatus of exceptional circumstances, the war was preparation for future economic developments in the country, while economically motivated violence gave way to new and unprecedented peacetime corruption.¹³ In the period of reconstruction that followed, not only were agriculture and industry unable to recover the position they had occupied in the prewar Lebanese economy, but the structure of the national economy also showed growing distortions; by 1998, interest represented 23 percent of gross national product (GNP). Two sectors—land and money—monopolized national wealth and imposed their logic on every economic activity, while emigration, mostly of young degree holders, reached the dramatic cumulative figure of 950,000 people between 1994 and 2000 in a country of 3.5 to 4 million.¹⁴

More than two decades after the end of the Lebanese civil war, scholars have rightly focused attention on the economic rationales underlying identity

⁹The destruction of the industrial zones in the eastern and southern Beirut suburbs deprived workers from all religious communities of their salaries and revenues.

¹⁰The model raises reservations about his periodicization of wars, the social categories it relies on, and its absence of diachronic comparison. See Paul Collier, *Economic Causes of Civil Conflict and Their Implications for Policy* (Washington, D.C.: World Bank, 2000).

¹¹Elizabeth Picard, “The Political Economy of Civil War in Lebanon,” in *War, Institutions and Social Change in the Middle East*, ed. Steven Heydemann (Berkeley: University of California Press, 2000).

¹²Joyce Starr, “Lebanon’s Economy: the Cost of Protracted Violence,” in *The Emergence of a New Lebanon: Fantasy or Reality*, ed. Edward Azar (New York: Praeger, 1984); Nasser Saidi, “Economic Consequences of the War in Lebanon,” *Bulletin Trimestriel de la Banque du Liban*, 1986, 29–30.

¹³Sena Eken, Paul Cashin, S. Nuri Erbas, José Martinelo, and Adnan Mazarei *Economic Dislocation and Recovery in Lebanon* (Washington, D.C.: International Monetary Fund, 1995).

¹⁴Republic of Lebanon, Administration Centrale de la Statistique, *Monthly Bulletin*, 1994–2000.

conflicts. Nevertheless, an analysis of the war based on political economy, which takes into account interests and rational strategies, is not inconsistent with the interpretation of these interests and strategies within what Max Weber would call a “web of meanings” that makes up the culture of the actors.¹⁵ Understanding the Lebanese case involves drawing on both perspectives: Just as the cultural explanation has an economic dimension, so an economic explanation has to rely on a cultural interpretation of the context surrounding competing strategies.¹⁶

This chapter discusses three wartime economic activities pertaining to Lebanon’s main commodities and resources: (1) the trafficking in illegal or legal goods, (2) land speculation, and (3) emigration. Each factor had a particular relation to war making, by provoking, sustaining, or prolonging armed conflict. In paying attention to these economic dimensions, the chapter relates them to issues of political competition and social representation. The aim is to analyze the war not as a mechanical, reified process but rather as a total social fact.¹⁷

Studying drug trafficking (and oil smuggling), land speculation, and the role of the war émigrés during the war, demonstrates, first, that economic interests and rational strategies as well as primordial identities and group solidarities are independent variables that help explain the outbreak, transformation, and prolongation of the war. Second, examining the role of resources suggests that time is at the heart of the interaction between need and greed on the one hand, and creed on the other. Time refers not only to the change in the relative importance of each variable over the fifteen years of war, when need and creed were progressively superseded by the crude and growing greed of the antagonist parties. The concept of time also suggests

¹⁵Max Weber, “Religious Rejections of the World and their Directions,” in *From Max Weber: Essays in Sociology*, ed. H. H. Gerth and C. Wright Mills (New York: Oxford University Press, 1958), esp. 323–24.

¹⁶Jean Leca, “L’économie contre la culture dans l’explication des dynamiques politiques,” *Bulletin du CEDEJ* (1988): 23.

¹⁷Ideally, the chapter would also have included a discussion of the banking and financial sectors, as banks turned from surrogates for the collapsed political system into agents suspected of money laundering. However, given the difficulties in obtaining information on this subject in a country protected by banking secrecy, as well as the overly technical dimensions of banking and finance, the subject is left out. Other important aspects of wartime economic activities, such as plundering and looting, are also left aside. On the role of the banking system, see Clement Henry Moore, “Prisoner’s Financial Dilemma: A Consociational Future for Lebanon?” *American Political Science Review*, March 1987.

that the reliance on different kinds of goods or commodities to support war expenses implied a different relation to time and, subsequently, inclined various actors to give priority to either their economic interests or their cultural values.

The following discussion of the Lebanese conflict's economic rationales and identity politics in relation to issues of time follows four central arguments. First, because drugs (and oil) were rapidly produced, easily moved, and immediately consumed goods, the enormous profits they generated were threatened by the return of the state and its concomitant imposition of legality and regulations. As these short-time activities became more and more intense, profit became the main driving force behind the fighting, at the expense of political and ideological rationales. Second, a warring party's reliance on land speculation helped maintain a balance between economic and cultural logic behind the war. On the one hand were the huge financial benefits derived from real estate sales and rentals, as well as from housing construction for refugees who moved back and forth according to the rhythm of battle. On the other hand, however, lay the aspiration for a secure, homogeneous cultural environment and the desire to control land and property in the long term, an aspiration that privileged identity politics. Third, financial support from war expatriates and the Lebanese diaspora helped reinforce the military power of various militia groups, raising the level of fighting and thus immediately aggravating the consequences of the war. This support from abroad, however, was often detached from local strategic, economic, and political priorities, because it stemmed from a timeless utopian perspective born far outside the country's realities. And fourth, the fullest explanation of Lebanon's civil war requires that its ideological and economic dimensions be analyzed within a broader sociological and historical framework.

Trafficking and the Resource of Illegality

The cultivation, commercialization, and consumption of hashish have been part of the habits of Middle Eastern societies for centuries. Though consumers could be found among Lebanese of all social classes, most of the local production was traditionally exported, mainly to Egypt and, since the 1950s, to Israel and Europe. Such trafficking was more than tolerated by the Lebanese state, whose political elite was notoriously involved in hashish smuggling—one of the country's many lucrative trades. In 1974, the head of state himself, President Sleiman Frangieh, had his luggage searched by

narcotics agents upon his arrival in New York for the annual meeting of the UN General Assembly. Although the search turned up nothing and caused a diplomatic incident, and it was not initiated arbitrarily, because rumors put his son Tony high on the long list of Lebanese drug dealers.¹⁸

At the time, Lebanon was not in a state of war, and its institutions forbidding drug consumption and punishing related activities had not collapsed. But there was a tacit collusion between its political and even judicial elites to turn a blind eye to the illegal activity for their common benefit. Limitations and sanctions emanated from the international arena only. Hashish, and eventually poppies, were cultivated in remote mountain areas, especially in the northern Beqaa Valley and in Hermel, regions from which public administration, police, and security services had been noticeably absent since the creation of the state, despite efforts during the presidency of Fuad Shihab (1958–66). The absence of clearly demarcated borders between Syria and Lebanon—a situation that continues to this day—added to the permissive environment in which drug trafficking flourished. The permeable frontier facilitated crossings by a variety of legal and illegal dealers, including gold smugglers from Kurdish tribes.¹⁹ Local Shiite clans prospered thanks to the production and export of hashish, with the complicity of Lebanese as well as Syrian customs and security officers. Such actions contributed to rather than resulting from the eventual collapse of the state.

The civil war brought a quantitative and qualitative modification to the combination of social and political power, financial accumulation, and exercise of violence surrounding illegal drug-related activities. The war did not initiate them, for these activities had existed before. Nor is there any indication that the war was ignited by drug bosses' "greed," for the drug economy had functioned virtually unchecked, leaving drug lords prosperous and, for the most part, safe. What the war did provoke was the entry of new actors and an unprecedented rise in the level of illegal activity. First, there was a rise in Lebanese drug consumption, especially among fighters of all groups, who used narcotics to enhance their faith and morale. War reporters, personal testimonies, and the postwar literature all

¹⁸According to the *Washington Post* correspondent in Beirut ten years later, Tony made \$300 million a year through the export of hashish. See Jonathan Randal, *Going All the Way: Christian Warlords, Israeli Adventurers and the War in Lebanon* (New York: Vintage Books, 1984), 157.

¹⁹E.g., after the spring harvest, nomad sheep breeders from Syria used to wander through the eastern and northern peripheries of Lebanon.

attest to this phenomenon. Second, the disruption of food market networks and the massive and repeated exodus from war zones caused a nearly complete breakdown of traditional agriculture.²⁰ Neither religious prejudice nor the fear of state police prevented the remaining farmers from turning to more lucrative crops. The rapid development of hashish and poppy production evidenced the distortions of an economy that fulfilled immediate financial needs without taking long-term interests into account. The area used for growing hashish doubled between 1976 and 1984, and did so again in 1988.²¹

Likewise, between 1984 and 1988, and guided by Kurdish experts under the protection of the Syrian army, the area of poppy cultivation increased from 60 to 3,000 hectares. Drug income gave rise to sudden and ostentatious prosperity in rural areas of Hermel and the Beqaa, where Shiite as well as Christian farmers built oversized Riviera-style villas for themselves.²² This sudden and short-lived prosperity occurred precisely during the period in which several revolutionary movements—the Armenian ASALA, the Kurdish PKK, the pro-Syrian Palestinian Salvation Front, and finally the Lebanese Hizbollah—established barracks and headquarters in this remote area under Syria's umbrella. The drug culture thus developed in a heavily militarized region that was also a political no-man's-land.

The costs of waging war certainly provided a strong incentive for militia groups to enter into and expand drug activities. At the outset of the war, most militias were only local self-defense organizations formed in response to real or imagined threats. They developed a symbiotic relationship with the population from which they had sprung, sharing its sectarian identity and living off the looting of territories under their control—both the territories they protected and those they attacked. However, as the objectives of the warring parties became more and more obscure, the civilian population suffered a rate of casualties as high as the “combatants,” as snipers and

²⁰On the eve of the war (1974), the primary sector provided a mere 9 percent of the country's GNP and Lebanon's dependence on imported grains amounted to 76 percent.

²¹Hashish cultivation covered 80 percent of the cultivated surface area in the region of northern Biqaa and Hermel, according to *Al-Nahar*, September 25, 1985.

²²For a description of this restructuring, see Hassan Makhoulf, *Culture et commerce de drogue au Liban* (Paris: L'Harmattan, 1994). See also “Face à la mafia de la drogue,” *Le Commerce du Levant* 5703 (1993); U.S. Department of State, *International Narcotics Control Strategy Report* (Washington, D.C.: U.S. Government Printing Office, 1990). Salim Nasr gives some figures, without citing sources, in “Lebanon's War: Is the End in Sight?” *MERIP* 162 (January–February 1990); the same numbers appeared in *L'Express*, April 30–May 7, 1987, citing the U.S. Drug Enforcement Administration.

raiders targeted mainly civilians. Throughout the 1980s, and culminating with civilian protests in 1987, relations between the minority of combatants that took advantage of the conflict, and the masses that suffered from the war deteriorated.²³

Relations also worsened as the economic situation grew more dire, as Lebanon became deprived of the two external rents that had sustained domestic consumption during the early years of the war. First, PLO expenditures in Lebanon shrunk from \$1 billion a year to a fifth of that following the expulsion of Yasser Arafat and his men from Beirut by Israel in 1982.²⁴ Second, after 1984, oil prices began to slide on the world market, carrying with them a drastic diminution of financial support from rich Arab countries to the various fighting factions in Lebanon as well as to the Lebanese state. As a consequence of civilian estrangement and economic crisis, the larger militias (the Lebanese Forces among the Christians, the Druze Parti Socialiste Progressiste, and Amal and Hizbollah among the Shia) turned into professional organizations whose members were paid wages. About one-sixth of the male population joined the militias at one time or another during the war, receiving between \$60 and \$350 a month.²⁵ Added to the cost of equipment and ammunition, the war cost Lebanon several hundred million dollars year for fifteen years. Drugs, in some respects, were a direct response of the militias to the extraordinary demands of war making. Yet, in a logic described by Charles Tilly,²⁶ drugs also provided for massive capital accumulation among leaders and various middlemen, because the profits from drug processing, transport, and commercialization were immeasurable.²⁷

²³Ghassan Slaiby, "Les actions collectives de résistance civile à la guerre," in *Le Liban d'aujourd'hui*, ed. F. Kiwan (Paris: CNRS Éditions, 1993).

²⁴After being under siege in West Beirut from June to September 1982, PLO forces left by sea and land under the protection of the Multilateral Force. See Rashid Khalidi, *Under Siege: P.L.O. Decisionmaking during the 1982 War* (New York: Columbia University Press, 1986).

²⁵"Liban: L'argent des milices," *Cahiers de l'Orient* 10 (1988); *Al-Hayat*, January 31–February 8, 1990.

²⁶Charles Tilly, "War Making and State Making as Organized Crime," in *Bringing the State Back In*, ed. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University Press, 1985). Some of the Lebanese warlords (among the Christians and the Druze) aimed to build their independent state.

²⁷According to Georges Corm, "The War System: Militia Hegemony and Reestablishment of the State," in *Peace for Lebanon: From War to Reconstruction*, ed. Deirdre Collings (Boulder, Colo.: Lynne Rienner, 1994), the figure is \$700 million per year; *Le Commerce du Levant*, July 11, 1988, gives a figure of \$1 billion.

As described above, the traditional trivialization of hashish growing and drug consumption in the Middle East contributed to decriminalizing the agricultural shift of the war. Financial incentives combined with physical threats easily convinced hesitant farmers to cultivate drug-producing crops. That said, another crucial factor in the dramatic growth of the narcotics economy was the transcommunal and interregional cooperation among militias—cooperation that developed beyond the religious divide. Indeed, the image of ethnic and religious fragmentation of wartime Lebanon should be tempered by the acknowledgment that markets operated not only within but also across newly created territorial boundaries, producing forms of interaction—and even of interdependence and cooperation—that seemed almost out of place given the intensity of violence between highly polarized communities. Such cooperation started as early as the autumn of 1975, when the *souqs* (markets) and port of Beirut were being sacked. At the time, it took the form of various mechanisms of compensation and supervision between regions—mechanisms that depended, ultimately, on personal trust, notwithstanding the national, sectarian, and family affiliations of the parties. Thus, the narcotics trade provided a large opportunity to turn the wartime economy into a strategic resource: Far from being an obstacle to trafficking, the division of Lebanon into several quasi-autonomous statelets increased the rents from the drug trade.

The cooperation among militias was organized around multiple, cross-sectarian economic networks that negotiated specific divisions of labor: taxing farmers, supervising processing and packaging in remote clandestine plants, and carrying the drugs to the many illegal harbors on the Lebanese coast and from there to various intermediary points (such as West Africa) or final destinations. For purposes of drug trafficking, Amal was associated with the Progressive Socialist Party (PSP), and Hizbollah with the pro-Syrian militia of Tripoli, the Lebanese Forces, and even with officers of the Israeli Golani brigade that had occupied the southern region of the country since 1978, notwithstanding the fact that Syrian army and security officers had the upper hand on production areas as well as strategic cross-roads and domestic boundaries. Each group performed its share of operations and took its share of the profit. In that sense, there was an indisputable collective interest in protracting the Lebanese war.

Drug networks not only operated across communal and military borders but also were also connected to larger international networks. This helps explain why, after the end of the war, drastic measures imposed by Syrian authorities under pressure from the U.S. Drug Enforcement Administration

did not succeed in suppressing the lucrative drug business, even though they had a dramatic effect on the peasantry. The brutal reduction of poppy cultivation and the incremental uprooting of hashish produced a long-term economic crisis; whatever the promises of the Lebanese government or the ambitious alternative development projects of international agencies such as the United Nations Development Program, peasants who returned to traditional agriculture were unable to resist competition from imported Syrian and Jordanian fruit and vegetables. About ten years later, it should have come as no surprise that, as several sources indicated, poppy cultivation was back in the Beqaa Valley.²⁸

There has been no sign that clandestine laboratories have been closed or drug networks dismantled. They now feed upon external production zones—mainly in southern Turkey and the Caucasus—and are linked to banking circuits in Lebanon and industrial countries.²⁹ The demobilization of the militia organizations that had fostered and protected local drug networks resulted in the networks' long-term integration into international drug marketing rings. In Lebanon itself, the men who had led the game for fifteen years kept hold of the local segments of the networks, albeit in their new guise as civilian businessmen and political bosses. What postwar official measures induced was not a break from the war economy but its modernization and routinization.

Beyond the significant distinction between legal and illegal products, the same evolution occurred with regard to several public goods. The importation and distribution of crude oil for the two state refineries in Tripoli and Zahrani (Sidon), and the import of oil derivatives for the Dora reservoir near Beirut, escaped state monopoly as early as 1976; at that time, militia groups associated with the Syrian president's brothers began importing without state licenses. After the two refineries (located in Sunni and Shiite zones, respectively) had been destroyed by Christian fire, the minister of industry and oil—who had close links to the Christian militias—deemed it technically impossible to bring them back into use. Almost overnight, storage units in the central Christian regions (Dora, Nahr el-Mott and Dbayeh) became the country's main supply centers for fuel, supplying other regions on the basis of intermilitia agreements. However, the Caisse des Carburants

²⁸*Al-Nahar*, August 13, 2001.

²⁹Between 1995 and 1997, the Lebanese authorities announced several arrests of cocaine dealers linked to Brazilian and Colombian networks, while rumors soared about drug-money laundering by local banks.

(State Fuel Fund), whose ledgers had been “accidentally” burned in 1977, kept subsidizing oil products until 1986, even though the militias were openly collecting their own taxes and even reexporting to neighboring countries.³⁰ Finally, postwar governments resolved to deregulate the oil trade, legalize a dozen private oil terminals established along the coast, and accept the transformation of the state monopoly into a oligopoly of six private companies, each linked to an ex-militia group.

For oil, as for drugs, individual or collective greed helps to explain the development of the war economy; this greed was associated with, or grafted onto, the exceptional financial expenses incurred by the warring militias or their leaders. In return, economic logic contributed to extending and increasing the level of fighting, even at the expense of the security of the civilians associated with each group; this logic took advantage of the discourse of rupture and intersectarian hostility and drew from deeply rooted creed disputes. Greed in the defense (or promotion) of creed could not have been satisfied if it had not been for the cooperation of individuals willing to trust one another beyond apparently intractable identity and ideological differences, in order to maximize their gains. How else could we explain the shelling of the oil terminal of Zahrani by the pro-Israeli South Lebanon army, which overnight in 1988 raised the price of oil imported (and sold) by its local adversary, the Shiite militia Amal? What of the often-told story of Camille Chamoun, the elderly leader of the Christians, coming to his enemy, Bachir Gemayel, in the wake of the crushing defeat of his militia by the young man’s Lebanese Forces in 1980, and offering peace “as long as he could keep free use of his illegal harbor at Dbayeh?”³¹

On the whole, there was a direct relation among military escalation, arms expenditures, and the reliance of nearly all militia groups on the trafficking of drugs and various other goods. Progressively, as the legitimacy of the cause eroded among the population associated with each sectarian group and the corresponding resources drawn from civilians ran dry, smuggling and trafficking provided a larger part of militia finances. As years passed and the war went on, these activities tended to develop an economic logic of their own, disconnected from the driving ideal of group mobilization. Consequently, the logic of seeking rapid and uncontrolled profit persisted after the war, even after the demobilization of the militias and the official reconciliation of the warring sectarian groups.

³⁰The oil bill accounted roughly for 10 percent of nonmilitary imports during the war.

³¹Randal, *Going All the Way*, 139.

From Territorial Illusion to Land Rent

Examining the function of territory and land during the Lebanese civil war sheds another interesting light on the complex relationship between creed and greed as well as on Lebanon's specific political economy. The hegemonic discourse of sectarian groups based their militia strategy on security priorities and an obsession with communal homogeneity; this strategy resulted in several ethnic cleansing operations, although the term was not used at the time. The Christian central regions under the Lebanese Forces and the Druze region under the PSP constituted the most blatant examples of such cleansing, with the heavy use of religious and political symbols to mark homogenized territory, a much publicized discourse of threat (against internal dissidents) and fear (of alien enemies), and the dramatic expulsion of minority groups.³² In some cases, sectarian nationalism was strong enough within the society, and especially among intellectuals, to nearly lead to secession.³³ In most cases, it led to the creation of separate public administrations and services, the construction of new local infrastructure, and the reshaping of economic activities.

That said, internal feuds within each of the "liberated" statelets and active transectarian cooperation outside belied the territorial illusions aroused by militia leaderships. After two years of fighting, when the boundaries had been solidly established and the crossing points neatly controlled, kidnapping, car bombs, and gang fighting within each zone caused more civilian losses than did reciprocal shelling.

The behavior of the militia leaders as well as their confessions made obvious the economic rationale behind the territorial fragmentation of the war. Such fragmentation favored the emergence and development of alternative urban and commercial centers, whose prosperity fluctuated according to the economic climate of the moment.³⁴ The construction of internal frontiers generated revenues in several ways: through the levying of cus-

³²Elizabeth Picard, "The Dynamics of the Lebanese Christians: from the Paradigm of the *'ammiyât* to the Paradigm of Hwayyek," in *Christian Communities in the Arab Middle East*, ed. A. Pacini (Oxford, Clarendon Press, 1998); Judith Harik, "Change and Continuity among the Lebanese Druze Community: The Civil Administration of the Mountain, 1983–1990," *Middle Eastern Studies* 29, no. 3 (1993).

³³Percy Kemp, "La stratégie de Bachir Gemayel," *Hérodote* (1983): 29–30.

³⁴Elisabeth Longuenesse, "Guerre et décentralisation urbaine au Liban: Le cas de Zghorta," in *URBAMA: Petites villes et villes moyennes dans le monde arabe* (Tours: Urbama, 1986); William Harris, "The View from Zahleh: Security and Economic Conditions in the Central Bekaa, 1980–1985," *Middle East Journal*, 39, no. 3 (Summer 1985).

toms duties, the artificial creation of local shortages leading to skyrocketing prices and windfall profits, and even the lengthening of transportation distances that increased transport fees. As the state retreated, the partitioning of Lebanon among militias nearly reproduced the old Ottoman divisions of military-controlled fiscal domains (*iqta'*), each with its borders and customs checkpoints: Bater and Monteverde for the PSP, the Awali bridge north of Sidon for the Nasserists, the Qasmieh bridge for Amal, Barbara for the Lebanese Forces, and so on. Each of these crossing points generated significant revenues for the militias that controlled it.

At the leadership level within each territory, ruptures and clashes resulted more from competing interests than from ideological or strategic contention; both factors were not insignificant, however, as illustrated by the competition between Amal and Hizbollah for support from various Iranian centers of power after 1982, or by the strong interest in controlling the racket of the northern cement factories, an objective that motivated the "punitive" expedition of the Lebanese Forces against the fiefdom of their Christian rival, former president Frangieh, in 1978.³⁵ The same factors were present in the early destruction of downtown Beirut in 1975–76. Though several assailants were motivated by their fury against unfair economic advantages and their fascination with the destruction of the symbols of consensus life,³⁶ the destruction was accompanied by the systematic looting of shops and harbor warehouses and was followed by the selling of stolen goods all over the country and in Syria.

Thus, economic lust combined with identity mobilization in the destruction of certain districts and in their transformation into long-term disaster areas. Throughout fifteen years of insecurity, luxurious homes, fashionable shops, and expensive leisure establishments such as restaurants and nightclubs deserted the brisk, modern, and confessionally mixed area in west Beirut, and moved to the city's (Christian) eastern part and northern suburbs. As targeted shelling and military roadblocks helped suppress west Beirut's economic life, the rise of fundamentalist religious movements in this Muslim-dominated area motivated Muslim contractors and businessmen to invest preferably in the Christian part of the city and to launch joint

³⁵About 20 percent of the salaried employees in the cement works of Chekka were "protector-guards," according to local terminology. Rifaat el-Assad, the brother of the late Syrian president, shared the Chekka racket with the family of President Sleiman Frangieh.

³⁶This is what Eric Hobsbawm calls a "revolution of destruction," in *Bandits* (London: Weidenfeld & Nicolson, 1969).

ventures with their Christian fellow countrymen; these, in return, welcomed their capital, in spite of the xenophobic discourse of the local religious authorities.³⁷

Another illuminating case involves the way the land occupied by Palestinian refugee camps was dealt with during and after the war. From the very beginning of the war, ethnic antagonism lay at the core of the refusal to settle (*tawtin*) Palestinian refugees and their political and military institutions in Lebanon. To Christians as well as to the Shia who fought the Palestinian encroachment of state authority, the Palestinian *fidayin* (guerrillas) and the masses of Palestinian refugees represented the negative and unbearable “other,” stirring up powerful popular hostility. As a result, the siege of the refugee camp of Tell ez-Zaatar by Christian militias (1976), the massacre of Sabra and Chatila by the Lebanese Forces (1982), and the war fought by Shiite militias against the southern suburb Palestinian camps in 1985–88 were among the bloodiest and merciless episodes of the civil war. Hostility did not diminish after the war, and today resentment toward the Palestinians might be the strongest feeling shared by Lebanese of all sects. Underneath this “creed” aspect, however, loomed another dimension, involving private and public maneuvers to get hold of the camps’ much coveted land located in the close-in suburbs of Beirut and to resettle the refugees in remote areas or even abroad. The desire for land revenue thus tells another story and sheds a different light on wartime hostilities.³⁸

One might perhaps suspect economic premeditation in the treatment of the Palestinians, as in other campaigns of forced displacement (and extermination) that unfolded one after another in an apparent emotional fury of reprisals, affecting one-quarter to one-third of the country’s population at one time or another.³⁹ These military campaigns were related to the high value of land and the heavy demographic pressure on the eve of the civil war in highly disputed zones of the coastal strip, such as Beirut’s central dis-

³⁷E.g., after the war, Maronite and Greek Catholic clerics continued to forbid the selling of land to *ghuraba* (west Beirut inhabitants)—foreigners to the region, even if they were of Lebanese nationality. The clerics conjured up the specter of the “islamization” of the land.

³⁸*Palestinians in Lebanon: Conference Report* (Oxford: Center for Lebanese Studies, 1996).

³⁹According to Ali Faour, *Geography of the Displacement* [in Arabic] (Beirut, Naufal, 1995), 900,000 Lebanese were displaced during the war. The Ministry of the Displaced put the figure at 450,000. See Ministry of the Displaced, *The Question of the Displacement in Lebanon 1976–1990* [in Arabic] (Beirut: Ministry of the Displaced, 1992).

trict and the regions directly north and south of the capital. In these areas—including the Beirut suburbs, the eastern villages surrounding Sidon, and some quarters of Tripoli—the process of expulsion was notably violent and systematic. At the same time, a relative sectarian pluralism persisted in several other regions.

The craving for land did not decline during the war, as militia leaders, surrounded by entrepreneurs and prone to Weberian “economy-oriented” initiative strove to secure and enlarge their territorial and hence economic power.⁴⁰ From at least the early 1980s, developers showed an interest in land recovery and reconstruction in the above-mentioned areas. With the agreement of the local militias—and often with their financial participation—they launched a variety of speculative projects, including coastal land reclamation, marinas, high-rise luxury hotels, gated communities, and shopping malls. Some of these projects, such as the line of seaside resorts extending twenty miles north of Beirut in the Christian zone, were completed and operational before the end of the war. Others—such as the Solidere private real estate operation initiated by Prime Minister Rafic Hariri to rebuild Beirut’s destroyed central district—could not be implemented because of continuous fighting and were only undertaken after the war.

Wartime constituted an exceptional period and allowed exceptional initiatives to be taken in the domain of land and real estate dealing. In many towns and villages, official registers disappeared in fires and other violent or obscure circumstances. During more than half the war’s fifteen years, fighting prevented civil servants from coming to their offices. Although all of them continue to receive their salaries, many, in fact, had joined the militias or left the country. Those who did report to work took orders not from state authorities but from militiamen, who were called at the time “de facto forces.”

In this environment, thousands of land transactions took place without registration and without the payment of legal taxes (although hefty “taxes” were paid to the de facto forces). Thousands of houses and apartments were illegally occupied, either after owners had been violently expelled or when displaced persons squatted in vacant buildings.⁴¹ Thousands of acres of

⁴⁰Weber, “Religious Rejections,” in *From Max Weber*, ed. Gerth and Mills, 331–33, 366, 382.

⁴¹After the war, most of the money spent by the governmental Fund for the Displaced (\$250,000 in the Beirut Central District alone, according to the private group Solidere) was distributed to squatters in order to make them leave, rather than to the displaced who needed help to return to their homes. The controversy about fictitious squatters raged in the Lebanese press during October and November 1994.

empty land were built up without permits, especially in Beirut's suburbs, where hundreds of thousands of southern villagers took refuge after successive Israeli invasions (1978, 1982). After the war, this type of construction raised the thorny question of regularization.⁴² Ministers operating without controls in this chaotic environment enacted exceptional decrees that allowed for local or national infringement of zoning laws,⁴³ the pillage of natural resources,⁴⁴ and the privatization of the public domain and public infrastructures.⁴⁵ In a country long famous for its successful laissez-faire policies, sheer violence became the ultimate authority and the shortest road to profit.⁴⁶

Because reliable documentation is lacking, no study has detailed the changes in land and real estate holdings that occurred during and because of the war. Nevertheless, in postwar Lebanon, booming land and real estate speculative transactions contrasted with the steady emigration of labor power and a continuous decline in GNP.⁴⁷ This suggests that war transactions

⁴²Wafa Charaf ed-Din, "L'habitat illégal dans la banlieue-sud," in *Reconstruire Beyrouth*, ed. Nabil Beyhum (Lyon: Maison de l'Orient, 1991).

⁴³Elie el-Achkar, *Réglementations et formes urbaines: Le cas de Beyrouth* (Beirut: Cermoc, 1998).

⁴⁴The Council of the South, a state institution headed since its creation in 1984 by Amal leader Nabih Berri, allowed a Shiite diamond dealer from Sierra Leone to mine sand off the beaches of Tyre. Similarly, large-scale mining of quarries by private entrepreneurs linked to, and protected by, militia groups began during the war and continued during the reconstruction period. The government failed to adopt the regulations called for by environmentalists in the 1990s, for (ex-militia) ministers and members of Parliament had a direct interest in the business. Karam Karam, "Les associations: Défense de l'environnement et recomposition d'un nouvel espace public," in *Reconstruction et Réconciliation au Liban*, ed. E. Huybrechts and C. Douayhi (Beirut: Cermoc, 1999).

⁴⁵Ten years before Prime Minister Hariri granted a concession in central Beirut in 1993 to Solidere, a private group in which he himself was one of the biggest shareholders, President Amine Gemayel (1982–88) authorized private developers related to the Lebanese Forces to embank the shore 15 miles north of Beirut and gave them possession of 80 percent of the reclaimed land. Prime Minister Hariri and Minister of Interior Michel el-Murr (himself an ex-member of the Lebanese Forces) insisted on the continuation of the project in the 1990s, despite criticism from the Council of State. See Henri Eddé, *Le Liban d'où je viens* (Paris: Buchet-Chastel, 1997); and Najah Wakim, *The Black Hands* [in Arabic] (Beirut: Sharikat al-Matbu'at lil-Tawzi' wal-Nashr, 1998).

⁴⁶Between 1987 and 1989, the Lebanese Forces dumped toxic chemical wastes from Italy in several mountain and coastal locations in the region they controlled, for which they were paid about \$80 million.

⁴⁷Ten years after the war, about half of Lebanon's GNP was immobilized in a fragile construction bubble. See Georges Corm, *Reconstruction and Public Welfare* [in Arabic] (Beirut: Mu'assasat al-Abhath al-Madiniyah, 1996); Natacha Aveline, *Marchés fonciers et immobiliers à Beyrouth* (Beirut: Cermoc, 2000). Such a rent system resulted in a constant rise in costs, as opposed to the stagnation (or reduction) of production.

did not constitute a *sui generis* process, whatever the superimposed collective rhetoric about the necessity to separate sectarian groups or the underlying financial appetites of the warlords. Rather, such transactions were in accordance with a long historical process that continued throughout the war and accelerated during the reconstruction period, as postwar Lebanon remained a nearly tax-free country for land and real estate investors. Indeed, for centuries during the Ottoman Empire, domination over a community's land and its population, through tax collection in the name of the state and thanks to an exceedingly unequal share of crops, had been the basis for the political power of Lebanese bosses. Land remained the first material source of enrichment and symbolic source of prestige at the time of independence because Lebanon's economy remained driven by rent, derived principally from banking deposits and land.⁴⁸

This history explains why the use of land by warring factions was related to the conservation of, loss of, and struggle for power among the elite and ultimately to the postwar reshuffling of the Lebanese polity. The apparent dichotomy between, on the one hand, ethnic division and hostility and, on the other, a shared, "secular" (nonsectarian) lust for land was resolved on the ground by intersectarian violence and the consequent redistribution of land in Lebanon. The long-term process of land accumulation in Lebanon was accelerated during the war as a result of the deepening of intersectarian distrust as well as to individual strategies of rent seeking.

Emigration, Diaspora, and Sectarian Politics

When dealing with the determinants of the civil war and its prolongation for fifteen years at the expense of all segments of society, one must certainly take into account the human factor. Because of a lack of natural and mineral resources, labor power has always been the main asset of the Lebanese economy, its real capital and comparative advantage in a Middle East region where education and professional skills lagged far behind those of industrial nations. In the two decades preceding the civil war, Lebanon, the "merchant Republic," had taken the best advantage of the rise in Arab oil

⁴⁸Ilya Harik, "The Iqtâ' System in Lebanon: A Comparative Political View," *Middle East Journal*, Fall 1965; Arnold Hottinger, "Zu'ama' in Historical Perspective," in *Politics in Lebanon*, ed. Leonard Binder (New York: John Wiley and Sons, 1966); Elizabeth Picard, "Une sociologie historique du *za'im* libanais," in *Histoire, sociétés et pouvoir aux Proche et Moyen Orients*, ed. C. Chartouni (Paris: Geuthner, 2001).

exports and the rapid development of the Gulf countries. Lebanon provided all kind of services, from banking to leisure and health care, to Emirati and Saudi societies, and it also sent hundreds of doctors, engineers, and teachers to fill the expertise gap in the oil-rich monarchies. Several economists argue that Lebanon's comparative advantage in expertise was rapidly decreasing in the late 1960s, and that the much-praised Lebanese miracle was already threatened because of the mediocre record of its educational sector, the growing imbalance in the urbanization process, and the blatant intersectorial inequalities mentioned above.⁴⁹

On the eve of the war, émigrés' remittances, reflecting a historical trend that had already become dramatic at the time of World War I, provided one-third of the country's resources, an exceptionally high level of external dependency.⁵⁰ The trend accelerated during the fifteen years of war, as economic destruction and physical danger combined to provoke massive emigration, whether temporary or permanent.⁵¹ But emigration did not stop in the following decade, when stagflation, a high level of unemployment (20 to 30 percent of the active population), and a sharp decline of minimum wages caused the departure of young degree holders.⁵² The "Lebanese miracle," if it had existed at all, had disappeared in the upheaval of war. Nor could it be revived, because in the meantime, neighboring Arab countries had become directly absorbed into the world economy.

Observing the effects of emigration on the Lebanese civil war supports need, greed, and creed theories of armed conflict. On the one hand, the Lebanese diaspora became a major source of financial support for the impoverished civilian population as well as for greedy warlords. The emigration removed about \$40 billion from Lebanon,⁵³ and this capital flight was

⁴⁹According to Toufiq Gaspard, an economic consultant for the United Nations Development Program (personal communication, Beirut, May 2001), only 20 percent of the Lebanese prewar degree holders had studied past elementary school. In 1970, 45 percent of the Lebanese were still living in small villages, while 45 others had moved directly to Beirut. In 1970, 45 percent of the Lebanese were still living in small villages, while 45 others had moved directly to Beirut.

⁵⁰Migrants' remittances accounted for 22 percent of the GNP in 1950, and up to 33 percent in 1975. Gaspard, personal communication.

⁵¹According to World Bank estimates, about 200,000 professional and skilled Lebanese sought employment in other countries between 1975 and 1990. This is 7.33 percent of the 1974 population. Eken et al., *Economic Dislocation*, 5.

⁵²The decline of minimum wages was 80 percent in real terms between 1981 and 1993. Eken et al., *Economic Dislocation*, 17.

⁵³Estimation by Merrill Lynch, March 6, 1997. The Lebanese GDP was \$8 billion in 1974.

accompanied by the dollarization of the national economy and spiraling inflation, thus drastically diminishing local investments. With production infrastructures destroyed, the goods and labor market dislocated, and the Lebanese pound having lost nearly 1,000 times its value in relation to the dollar, Lebanon's GDP in the early 1990s plunged to 48 percent of its 1974 level.⁵⁴ Those who remained in the country—families without resources, the unemployed, and armed groups—relied heavily on expatriates' remittances. The revenues returned from the diaspora were estimated at the time at \$1.5 to \$2.5 billion a year.⁵⁵

This situation, in turn, helped perpetuate an exceptional economic order sustained by continuous warfare, as militia networks supplanted traditional solidarity channels. Before the war, relations between the homeland and the diaspora were organized along family lines, as blood ties and patriarchal order maintained a mixture of sentimental attachment and sheer materiel interest. Now only the militias were able to grant emigrants access to their local assets, whether in the form of bank deposits or land and real estate. The militias' control of money transactions and foreign currency movements facilitated the laundering of illegal profits. Long after the fighting ceased and security went back to normal, the Lebanese banking system remained plagued by volatile and uncontrolled short-term deposits, a majority of them by nonresidents. In that sense, the civil war not only reflected the economic strategies of various actors; it also generated a new social and economic order, which survived the final cease-fire.

Economic collapse and the dependence on outside resources were aggravated by the number of additional people forced into exile at the end of the war. The demobilization of the militia enforced by the government in 1991 proved a painful time for arm bearers, who in a moment lost their source of revenue and social power.⁵⁶ The refusal of the rank and file of Hizbollah to turn back their arms in 1991 and their insistence to go on fighting the Israeli occupation in the South were partly motivated by basic financial needs, as well as by the dictates of their creed. For their part, hundreds of ex-fighters of the Lebanese Forces had no choice but to emigrate as their militia was disbanded and stigmatized as the spoiler of the restored national

⁵⁴See Republic of Lebanon, *Estimation des pertes en revenus en raison des agressions israéliennes contre le Liban* (Beirut: Republic of Lebanon, 2000).

⁵⁵Starr, "Lebanon's Economy," 72.

⁵⁶Elizabeth Picard, *The Demobilization of the Lebanese Militias* (Oxford: Centre for Lebanese Studies, 1999).

consensus. Those who left Lebanon became the financial supporters of those who remained in the country. However, the personal and financial investments of war émigrés in their Lebanese homeland were altogether volatile and divisive. After the war, expatriates remained reluctant to invest in their country's economy, beyond the support extended to their kin and community. Those who did invest in Lebanon were often suspected of contributing to the worst side of the Lebanese banking system: dollarization, a dangerous proportion of highly volatile deposits, and the presence of dirty money.⁵⁷

The financial support from the diaspora and new émigrés to fellow citizens at home began to reflect a clear sectarian dimension and involve political aims. Expatriates did not extend their support only for reasons of family, clan, or communal solidarity. Nor did they send their money for the sole purpose of sharing huge, rapid financial gains with greedy local warlords. Their financial support was also a by-product of what can be called a diaspora complex, a phenomenon related to "creed"; it was a mixture of nostalgia and remorse for being so far from the homeland's danger, shortsightedness compensated by the illusions of an invasive memory, ideologization of domestic political stakes, and a violent mobilization discourse to cover up the absence of direct commitment.⁵⁸

Colonies of Lebanese migrants around the world echoed and magnified the conflict at home.⁵⁹ A global geography of war mobilization outside Lebanon could be mapped with Amal and then Hizbollah supporters in West Africa, and Lebanese Forces supporters in Australia and the United States, among others. The collection of money was organized on a sectarian basis, thus enrolling every member of the expatriate community in support of a warring sectarian group at home, irrespective of individual convictions. Churches, mosques, and charity foundations played a militant role among scattered Christian and Muslim communities, by collecting funds that were

⁵⁷Economist Intelligence Unit, *Lebanon Country Profile 2000* (London: Economist Intelligence Unit, 2001).

⁵⁸See Robin Cohen, *Global Diasporas* (London: UCL Press, 1997); Aline Angoustures, "Diasporas et financement des conflits," in *Economie des guerres civiles*, ed. François Jean and Jean-Christophe Rufin (Paris: Pluriel, 1996).

⁵⁹Elizabeth Picard, "Les émigrants et leurs nations: Recompositions identitaires et nouvelles mobilisations des Arabes d'Argentine," in *Les communautés syriennes et libanaises en Argentine*, ed. M. Nancy and E. Picard (Aix-en-Provence, France: IREMAM, 1998).

used as much to buy arms and pay militiamen as to bring relief to civilians. On some occasions, diaspora communities even succeeded in mobilizing public opinion and the government of the host country, as did the supporters of General Aoun after 1989 in France.⁶⁰ After the Taif agreement of November 1989 had imposed the suspension of hostilities on the ground, tension, acrimony, and the refusal to acknowledge the new balance of power within the restored political system persisted in the diaspora, fed among other things by the growing discrepancy between the sectarian composition of Lebanese society and that of the diaspora.⁶¹

Seeing war from afar and judging the warring parties according to their own memory of an idealized past, the Lebanese diaspora mobilized around large political issues: relations with Israel, the role of Syria in the Lebanese war and in postwar reconstruction, the (Christian and/or Arab) identity of Lebanon, and the recovery of Lebanese sovereignty. Émigrés divided on these themes (with a few exceptions) along sectarian lines, in accordance to what they understood to be the prevalent division of the society and polity in Lebanon. They saw the war mainly as an issue of sectarian balance and brought their support to the local militias on a sectarian basis. As a consequence, émigrés who retained a rather conservative image of their country reentered the domestic political arena through sectarian solidarities, thus contributing to the reproduction and confirmation of war cleavages. While leading a modern and often secular life in the industrial countries in which they had settled, they preserved an idealized image of Lebanon and cultivated a utopian design for its future. As a result of their special relation to time through distance, they brought an uncompromising creed-based dimension to the civil war and, by their inflexible militancy, helped prolong the fighting.

⁶⁰In 1989–90, General Michel Aoun and the faction of the Lebanese army he commanded opposed the Taif reconciliation agreement and the surrendering of all warring factions to Syria. He was militarily defeated then sent to France by French diplomats. See Antoine Dinimant, “La politique dans la diaspora libanaise à Paris en 1988–1990: Réseau, identité et territoires,” *Mémoire de DEA* (Paris: Institut d’Etudes Politiques, 1998).

⁶¹Although the Christians made up the majority of the Lebanese abroad, they represented about 35 percent of the residents in postwar Lebanon, where the Shia had become by far the largest religious community.

Putting the War in Historical Perspective

Examining the Lebanese economy's three main resources—legal and illegal goods, land, and labor power—in the prolongation of the civil war draws our attention to the variable of time. It also requires us to use sociology and history to come to a full understanding of the respective importance of resources, their interrelation, and change over the course of the war.

On the eve of the war, Lebanon was enjoying economic growth and undergoing rapid social transformation. The potential of its tertiary and service sector was large but had already been weakened by the decline of Lebanon's regional comparative advantage and the new balance of power induced by the peace process between Egypt and Israel. In such an ambivalent situation, there was an undeniable economic dimension to the motivation of the warring parties. The dominant social classes chose to stir up intersectarian conflict to defuse growing social tensions within each community and rally the masses under their patronage; meanwhile, exploited and marginalized groups in search of compensation took aim at public and private wealth, the centers of power, and especially its core—state institutions. Conservatives and leftists fought over the level of salaries and size of profits, the control of the market, and the balance between economic sectors and between regions of the country. Both agendas, the conservative and the revolutionary, became marginalized in the early months of the war, as the productive economy collapsed when Beirut's commercial district and industrial zones were destroyed. From 1976 on, the political economy framework of mobilization lost its momentum, to be replaced by communal and subcommunal factions, each funded by rents from external (foreign state support, emigrants' remittances) or domestic (goods, land, and financial speculation) sources.

Does this mean that the Lebanese civil war lost its economic dimension after two years, or that, after that time, combatants were driven only by sectarian antagonism and political contention—that social need was replaced by sectarian creed as its motive until the end of the war? On the contrary. Observation of the use of "primary" goods during the war—drugs and oil, land, and labor power—reveals their embezzlement and exploitation by new political and economic actors bound to armed groups and belonging neither to the establishment nor the rebels. Most of these men came from the rural or suburban lower middle classes. In the beginning, moved by religious conviction and drawn by personal loyalty, they had seen no alter-

native to their enrollment in the war. Soon, they became able to impose themselves on the traditional elite and the leaders in the contest, for they had mastered an extra resource: armed violence organized on a large scale and at a high level.

These new militia entrepreneurs seized opportunities to use public means to private ends. They organized the shifting of the Lebanese economy from rent to predation in order to quickly accumulate wealth before being integrated into the state elite at the end of the war: from legal trade to illegal traffic, from securing land rent and émigrés' remittances to looting private and public goods, and from the development of a national market and public space to their replacement by segmented, monopolistic, communal microspaces. Besides external factors (mainly the successive shifts in the Syrian–Israeli balance of power) and other domestic factors (the inability of the traditional elite to agree on constitutional reforms), the protraction of the civil war owed much to the “greed” of militia leaderships.

This appears all the more blatant when one observes that some leaders showed a willingness to go to the negotiation table earlier than others, depending on the wealth they had accumulated much more than on their military gains, as none could claim victory. Though the Shiite leadership of Amal could take pride in having gained powerful governmental and public administration positions, the Druze Parti Socialiste Progressiste had become rather isolated, short of resources, and eager to settle its relation with the state. For their part, the Lebanese Forces stubbornly continued fighting until their defeat, as if they were expecting no postwar benefit—an expectation that would be sadly fulfilled when they were finally outlawed in 1994. Personal tactics and the calculation of relative, rather than absolute, gain certainly delayed the adoption and implementation of the final cease-fire under Syrian patronage in December 1990.

The identification of economic factors and the study of economic mechanisms would be misleading, however, if not related to history, social logic, and political processes. Economics tells us about the ways and means—even the aims—of human activity; politics and political anthropology provide interpretations of the mental representations at the source of human initiative; and history is necessary to understand where opportunities originate, why they changed, and how actors took them into account in a shifting configuration of power. Thus, one needs to explore the social and political institutions underlying and favoring the development and protraction of a “war system,” as well as the institutional changes adopted after the war to minimize the revival of conflict.

Militia entrepreneurs did not invent a new Lebanese economy, and even less a “war economy.” Rather, they took advantage of the structure of opportunities offered by the Lebanese environment and distribution of power. More precisely, they took advantage of the social institutions of patrimonial domination that traditionally connected the leaders’ economic strategies to the logic of their collective identities in the Ottoman period, when power holders struggled to maintain their image of wealth and to insure its reallocation to diverse social categories in their community.⁶² In the Ottoman districts that would become Lebanon in 1920, land, tax collection, and trade were the main sources of wealth—not production. Official administrative procedures were subordinated to private interests and person-to-person agreement. The public space and the market were divided into a multiplicity of sectarian networks. Thus, patrimonial domination found its justification in the reference that structured the whole social life—sectarianism—and became its legitimization and empowerment in the juridical mechanisms and constitutional institutions of the political system.

In the last quarter of the twentieth century, the Lebanese state, although comparatively young, was supposed to have become a “nation-state” rid of patrimonial values and practices, thanks to a modern administration and institutions such as the judiciary and an elected parliament—all aimed at turning Lebanese civilians from “clients” into citizens. Simultaneously, the integration of the Lebanese market into international economic networks (in a pattern that presaged globalization) was supposed to facilitate Lebanon’s adoption of the rules and procedures of modern capitalism. However, behind the official discourse and the international optimism celebrating the country’s “modernization without revolution,”⁶³ reality was different. Neither state institutions nor market rules had been the object of prior agreement between rival communal elites to overcome the sectarian divide. Far from withering away, clientelism pervaded democratic institutions and the state bureaucracy. It has lasted because the unequal exchanges on which clientelism rested were quite economically efficient and politically adapted to indigenous representations of ethnic (family or sectarian)

⁶²See Samuel Eisenstadt, *Traditional Patrimonialism and Modern Neo-Patrimonialism*, Research Paper in the Social Sciences 90-003 (Beverly Hills, Calif.: Sage Publications, 1973); Jean Leca and Yves Schemel, “Clientélisme et patrimonialisme dans le monde arabe,” *International Political Science Review* 4, no. 4 (1983).

⁶³This is the title of a book published two years before the war. Elie Salem, *Modernization without Revolution: Lebanon’s Experience* (Bloomington: Indiana University Press, 1973).

solidarity. Modernization has meant the reinvention, not the disappearance, of tradition and its adaptation to the nation-state framework. As a consequence, the Lebanese state developed as a nonautonomous arena where the sectarian elites struggled for positions of power to enable redistribution to their clients.⁶⁴ Because the economy was altogether externalized and hardly productive, and the domestic market segmented along confessional lines, the Lebanese transition to capitalism was protracted and distorted.⁶⁵ No clear demarcation was drawn between the public domain and private interests. Both the state and the market thus functioned in ways quite distinct from what ideal or typical models would suggest.⁶⁶

It was not a halt in the practices inherited from the past and exacerbated by the fighting that was decisive in ending the war, but rather a change in the Syrian–Israeli strategic balance and an improvement in Syrian–American relations. With the restoration of the state after the adoption of the Taif agreement, the political system was reinstated after some minor procedural changes and constitutional modifications.⁶⁷ The sectarian division of power was confirmed and strengthened, notwithstanding the radical change in demographics. The political economy followed the same old rules and practices, with indispensable financial help from the diaspora and the new opportunities provided by the business of reconstruction.

After fifteen years of fighting, Lebanon's domestic social and political structures, political sectarianism, and unruly capitalism remained virtually untouched. Political life returned to its prewar factional games, while sectar-

⁶⁴An early and lucid analysis is in Michael Hudson, *The Precarious Republic: Political Modernization in Lebanon* (New York: Random House, 1968). Lebanon can be considered a perfect illustration of the “state-in-society” model. See Joel Migdal, “The State in Society: Developing a State-in-Society Perspective,” in *State Power and Social Forces: Domination and Transformation in the Third World*, ed. J. Migdal, Atul Kohli, and Vivienne Shue (Cambridge: Cambridge University Press, 1994).

⁶⁵Michael Johnson, “An Incomplete Bourgeois Revolution?” in *Class & Client in Beirut: The Sunni Muslim Community and the Lebanese State, 1840–1985* (London: Ithaca Press, 1986), 216–27.

⁶⁶This idea is borrowed from Reinoud Leenders, “Public Means to Private Ends, State Building and Power in Post-War Lebanon,” in *Politics from Above, Politics from Below: The Middle East in the Age of Economic Reform* (London: Saqi Books, 2003). Several of Leenders's remarks also apply to the prewar period.

⁶⁷Such as a parity between Christians and Muslims in state representation and the devolution of executive power to the Council of Ministers. See Joseph Maila, *The Document of National Reconciliation: A Commentary*, Prospects for Lebanon 4 (Oxford: Centre for Lebanese Studies, 1992).

ian bosses dominated the market.⁶⁸ More than ever, the Lebanese political system lacked a link between the constitutional references that provided for the security of each sectarian community, and the unifying discourse of civic loyalty to the state. The Taif agreement, like the Constitution of 1926, failed to introduce cross-cutting modes of representation based on sociological categories related to economic resources and need in order to compensate for the flaws of the sectarian-consensus system based on cultural resources and creed. The Second Republic proved unwilling to promulgate a civil personal status code and acknowledge a transsectarian public space, while the ruling elite carefully avoided any kind of political alternation or channels for upward mobility that might challenge its domination.

The incorporation of militia lumpen-elite and new political entrepreneurs into the traditional oligarchy did not represent a breach in the power-sharing logic, but rather its consolidation. The opening of the market to newly enriched factions neither restrained monopolistic and clientelist practices nor limited public corruption. Thus, the civil war can be understood as the military process through which new actors made their way into the spheres of government and wealth, acquiring by force positions of power that were made official in the postwar reconstruction. While physical violence was their main instrument, the process lasted until a new domestic distribution of power was finally established. But there was a major difference: the postwar balance was based less on intra-elite compromise than on crude power competition and an even deeper sectarian divide. Lebanon's war was over, but in the years that followed, the threat of civil strife loomed large.

Conclusion

As this chapter argues, understanding the Lebanese civil war and the connections between its multiple aspects defies explanation based on one single element. Though economic analysis and rational choice theory throw new light on a conflict too often described as a "war of cultures," these approaches do not diminish the importance of the war's subjective dimensions of creed, such as identity, faith, and group solidarity.

⁶⁸See Elizabeth Picard, "Les habits neufs du communautarisme libanais," *Cultures et Conflits*, 1994, 15–16; Guilain Denoeux and Robert Springborg, "Hariri's Lebanon: Singapore of the Middle East or Sanaa of the Levant?" *Middle East Policy* 6, no. 2 (October 1998): 158–73.

The three important economic resources in the war—drugs and oil trafficking, land acquisition, and expatriate remittances—all had financial value for the combatants as well as a concrete effect on the intensification and prolongation of the war. These resources also had a symbolic dimension, influencing the morale, ethics, and pugnacity of the warring parties through the collective representations underlying resource use. Land in particular reflected a material as well as symbolic stake in the war. And beyond providing financial support, the diaspora echoed and amplified the fears and expectations that moved the warring factions at home. Hence, their role in the war as well as in postwar reconstruction is better understood through the perspective of sociological history.

Finally, need, creed, and greed were of different importance at different periods of the war, with greed incrementally superseding need and creed as the war continued. Whether each variable reflected a more economic or more cultural dimension depended on its relation to time. Goods trafficking and financial profits contributed to the intensification of the war's violence, while the competition for land and mobilization in the diaspora tended to protract the war long after the cease-fire had been proclaimed.