

# Fractionalization and Reform – A Framework of Political Collaboration with Application to Lebanon

Accepted Version – December 2019

Economics of Governance, 21(2), pp. 187-214, 2020

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**ABSTRACT** How does fractionalization affect political collaboration on reform? We develop a theory to explain observable variation in legislative output over time and policy areas. We show how the properties of a reform project determine the extent to which fractionalization affects political collaboration on reform. We apply our framework to the case of Lebanon and present mixed-methods evidence based on a novel comprehensive dataset of legislative activity and 32 interviews with parliamentarians, ex-ministers, and other high ranking officials. Our findings contribute to explaining ambiguous evidence in the literature on the political economy of reform.

**Keywords:** Reform, Political Collaboration, Policymaking, Fractionalization, Lebanon

**JEL:** P48, K00, D78

## 1. Introduction

In Lebanon, a high degree of fractionalization in political representation determines political exchange and curtails legislative activity (LCPS, 2018). In 2015, for example, despite conditions of economic and fiscal hardship that have set macroeconomic indicators on an unsustainable path (World Bank, 2016), political actors failed to approve important reform, such as a mandatory budget law. However, in November of the same year, the same political actors, operating in the same configuration of political power, approved law No. 44, a controversial reform aimed at “fighting money laundering and terrorist financing.”<sup>2</sup>

Numerous accounts can be cited as to why some of these bills passed while others did not, which are mostly personalistic or related to Lebanon’s fractionalized consociational democracy (see Leenders, 2012; Salamey, 2014; Salloukh *et al.*, 2015 for recent reviews). However, differing outcomes of political collaboration on reform despite a similar configuration of political power are commonplace in fractionalized countries (Williamson and Haggard, 1994; Corrales, 1998; Galasso, 2014). Extant theoretical approaches tend to model the delay or adoption of reform with distributional conflict as a function of the degree to which a country is fractionalized (see Khemani, 2017, for a review). While these models offer explanations for why reform gets delayed, they offer few insights

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<sup>1</sup> Dublin City University. We are grateful for support and helpful comments on earlier drafts provided by Marsin Alshamary, Michael Breen, Melani Cammett, Jonas Draege, Jeffry Frieden, David Jacobson, Sarah El-Jamal, Mohammad Pournik, and research groups at the Harvard Kennedy School Middle East Initiative, Orient Institute Beirut, Issam Fares Institute for Public Policy and International Affairs, and the Economic Research Forum. Funded has been provided by the Irish Research Council [GOIPG/2018/1389].

<sup>2</sup> The purpose of the law was to ensure the stability of the financial sector by complying with fresh United States regulations and sanctions aimed at curtailing economic and financial activities of organizations related to terrorist groups as well as drug and weapons smuggling. The law was controversial as it incurred potential distributional consequences on politically powerful groups financed by rents from related activities. Available at: [http://www.bdl.gov.lb/files/laws/Law44\\_en\[3\].pdf](http://www.bdl.gov.lb/files/laws/Law44_en[3].pdf) [accessed 25/07/2019]

into why actors encounter a varying degree of difficulty to collaborate on reform depending on the issue they are dealing with.

This paper develops a theoretical framework to explain observable variation in legislative output across time and policy areas. We leverage the framework to explore the mechanisms through which fractionalization affects political collaboration in Lebanon. We argue that the properties of a reform project determine the extent to which fractionalization affects political collaboration on reform: the higher the institutional requirements of a reform are, i.e., the number and nature of political actors and institutions involved in accrediting the legislation, and the broader its impact, i.e. the number of groups that are affected, the more fractionalization can impede political collaboration.

We depart from previous research in two important ways. First, because political bargaining ultimately takes place in governmental institutions, we analyze the impact of fractionalization on political collaboration at a governmental level. We thereby refine the scope of recent empirical work, which analyzes the effects of fractionalization for a country as a whole, and not government itself. While extant research focuses on the impact of ethnic diversity (Alesina, Baqir and Easterly, 1999; Ashraf and Galor, 2013), ethnic inequality (Kyriacou, 2013; Alesina, Michalopoulos and Papaioannou, 2016), and cross-cleavages (Finseraas and Jakobsson, 2012) on political and economic outcomes, our contribution follows recent research in highlighting the impact of fractionalization within governmental institutions (Beach and Jones, 2017).

Second, we depart from extant literature on the political economy of reform by using legislation itself as a dependent variable, rather than aggregate reform indices or the amount or quality of public goods. Traditional reform indices mostly reflect changes in the regulatory environment of a given country and thereby risk conflating distinct causal connections that link collaboration and regulatory change (Babecký and Campos, 2011; Campos and Horváth, 2012). Similarly, analyzing the provisioning of public goods inherently restricts the analysis on a specific set of policy areas, such as education or health care. By treating reform as a multi-layered concept, we achieve a fuller understanding of the phenomena under investigation, that are, political collaboration and reform.

We derive our core concepts from political transactions theory (Spiller and Tommasi, 2003; Stein et al., 2006; Scartascini, Stein and Tommasi, 2013). To achieve reform, political actors need to engage in political collaboration, which requires political transactions in the form of intertemporal agreements. These transactions are intertemporal in nature in the sense that political concessions today are exchanged in return for concessions tomorrow. The central argument of political transactions theory is that the functioning of political institutions impacts upon the capacity of political actors to engage in political transactions and, hence, the quality of policies. Because the concept of political transactions applies to democratic regimes independent from the structure of a polity, we employ it as an epistemological framework in this paper.

Moreover, we refer to fractionalization as the number of politically significant social groups with veto powers in the process of collaboration (Cox and McCubbins, 2001; Tsebelis, 2002). Extant studies on the political economy of reform find higher degrees of fractionalization to decrease the likelihood of reform in specific policy areas, such as trade or privatization (Banerjee and Munger, 2004; Brooks and Kurtz, 2007; Bortolotti and Pinotti, 2008; Galasso, 2014), and the ‘level’ of reform (Tsebelis, 1999; Torevlied and Haarhuis, 2008). As many of these findings are results of panel-data regression analyses, however, they tend to leave transmission channels that could explain individual reform episodes underdetermined (Scheemaekere, Oosterlinck and Szafarz, 2015; Mahmalat and Curran, 2018).

This study addresses this shortcoming by applying our framework to the case of Lebanon.<sup>3</sup> The country is a particularly relevant case to study as political interactions are largely determined by a high degree of fractionalization among sectarian communities and has a track record of low legislative output.<sup>4</sup> We present evidence in a mixed-methods approach in two steps. First, based on a novel database of legislative activity, we show that the core concepts of our framework help to explain variation in legislative output. We exploit a sudden reconfiguration of political power that occurred in 2005: the so-called *Cedar Revolution*, which ended Syrian military presence in Lebanon. The revolution led to the sudden, in its timing unexpected realignment of political power as the withdrawal of a political hegemon reinforced the position of political parties and enabled the (re)appearance of politically significant parties that had formerly been outlawed or oppressed. The effects of the revolution reduced the production of “high-profile” legislation with high requirements and broad impact, while it left legislative activity with lower requirements relatively unaffected (Section 3).

In a second step, we discuss reasons for the reduction in high-profile legislative activity and use the framework to identify mechanisms that link the properties of reform projects to political collaboration (Section 4). The analysis is based on 32 guideline-based semi-structured expert-interviews with parliamentarians, ex-ministers, and government and party officials of all major political factions represented in the Lebanese parliament. We identify two mechanisms. First, uncertainty about time horizons of key actors reduces the incidence of legislation for which the duration of the collaboration game overstretches those of political actors in office. Second, a higher number of political actors requires more mutual trust to make intertemporal agreements credible in the absence of impartial enforcement mechanisms.

Our findings contribute to existing literature in two important ways. First, our results help to make sense of ambiguous empirical evidence on the extent to which fractionalization affects the likelihood of reform. Following war-of-attrition models (Alesina and Drazen, 1991) and veto-player theory (Tsebelis, 2002), this literature argues that higher degrees of fractionalization in government settings protract reform over distributional conflict and the reduction of the win-set of the status quo. However, empirical evidence fails to confirm these arguments coherently in studies on different reform areas, such as product market reform, liberalization, or privatization (Campos and Horváth, 2012; Mahmalat and Curran, 2018). This paper offers a framework to explain observable variation of legislative activity across policy areas. It suggests that fractionalization impacts collaboration depending on the degree of mutual trust required to make intertemporal commitments credible. In environments without impartial enforcement mechanisms, trust gains in relevance the more players are affected by a reform project and take part in the collaboration game. As different policy areas impact different sets and numbers of social groups, trust among actors varies in importance for collaboration.

Second, our findings elaborate on research which contends that governmental cycles influence the likelihood of reform (Pinea, 1994; Williamson and Haggard, 1994; Alesina, Ardagna and Trebbi, 2006; Høj *et al.*, 2006; Tompson and Price, 2009). The central argument of this strand of research is that governments are more likely to reform just after having taken office. This literature suggests two channels. First, governments enjoy higher legitimacy just after having taken office which allows them to enact more contentious reform. Second, governments want to pass contentious reform early in their legislature to allow the reform to take effect in an effort to avoid electoral backlashes. Our analysis offers a refinement of these mechanisms. The time-horizons of political actors affect collaboration depending on the requirements of a legislative project. As legislation increases in requirements and complexity, the elaboration and bargaining time prolongs and the more likely it is that reform take

<sup>3</sup> Analyzing just one country is, of course, only a step towards a comprehensive comparative approach. However, case studies are found to be a suitable means to explore heretofore unobserved causal mechanisms between variables “because they are not limited to the variables or measures of complex concepts that appear in preexisting datasets” (Gerring, 2007; Weller and Barnes, 2014, p. 4). Therefore, the paper aims at providing a conceptual basis for the application to future empirical work on a comparative basis.

<sup>4</sup> For example, the average number of laws passed per year from 1990 until 2009 in Lebanon was 80.2 compared to 186.3 for a set of European countries. Source: Authors’ calculation based on data of the “Comparative Agenda Project” and the Lebanese Official Gazette. Countries included: Belgium, Denmark, France, Hungary, Netherlands, Spain. Available at: [comparativeagendas.net](http://comparativeagendas.net)

longer to pass than a ministers' term in office. Short or uncertain time-horizons lead to friction losses as incentives increase to avert that other parties that follow suit reap any benefits of own efforts.

The remainder of the paper is organized as follows: Section two develops the conceptual framework. Section three presents evidence of its applicability. Based on the framework, section four identifies mechanisms by which fractionalization impedes collaboration. Section five concludes.

## 2. The Framework

This section sets out the conceptual building blocks of our framework of collaboration on reform as illustrated in Figure 1. We discuss four analytical concepts of policymaking and their connection to the phenomenon under consideration, that is, political collaboration. We are ultimately concerned with the type of legislation which constitutes our dependent variable, such as laws or decrees (1). We view legislation as the outcome of political collaboration in the form of intertemporal political agreements. Political collaboration, in turn, is conditioned by the functioning of political institutions (the “rules” of the collaboration game) (2), the setting of social groups (their political polarization and fractionalization) (3), and the properties of a reform project (a projects’ institutional requirements and breadth of impact) (4). While the setup of social groups and the properties of a legislative project interact with the functioning of institutions, we argue that they constitute separate analytical dimensions. Last, we derive hypotheses which we test in subsequent sections.

### [FIGURE 1 ABOUT HERE]

#### 1) Political Collaboration and Reform

In an attempt to capture the complexity of the concept of reform, this study follows political transactions theory to define political collaboration and reform (Spiller and Tommasi, 2003). The central concept of this theory are *political transactions*, which involve mutual agreements over political concessions that are intertemporal in nature and commonly involve the exchange of “current actions or resources (such as votes) [...] for promises of future actions or resources (they are inter-temporal transactions)” (Stein et al., 2006, pp. 17, emphasis added in original). In what follows, we refer to *political collaboration* as the exchange of intertemporal political transactions in the process of bargaining over legislation. That way, collaboration can be understood as the succession of political interactions by which legislation is processed: from the initial necessity assessment to drafting a bill, discussing and voting in respective institutions, and the eventual publication in official journals.

Following this logic, *legislation* refers to the entirety of documents that enter legal force by representing the outcome of an exchange of political transactions. We define *reform* as ‘high-profile’ legislation which establish or amend impersonal rules and significantly change the regulatory framework of a country. Notably, this definition departs from the Spiller and Tommasi framework as it does not refer to the concept and elaboration of *polices* – in their function of setting guidelines for the elaboration of legislation – but focuses on legislation in its function to amend institutional frameworks. As we will argue, this definition enables a conceptual differentiation between policy areas and its institutional origins of a reform in empirical models. Empirical analysis, then, can infer more differentiated conclusions on the mechanisms by which the given socio-economic configuration of a polity impacts political collaboration, and thereby the occurrence of reform.

#### 2) Political Institutions and Political Collaboration

Political transactions theory defines a set of determinants of an institutional environment that facilitates the ability of political actors to engage in intertemporal agreements (see Spiller and Tommasi, 2003, pp. 288–291). First, the number of key political actors with veto powers should be small. The larger the number of veto players, the smaller the win-set of the status quo, that is, the realm of acceptable solutions to all players (see also Tsebelis,

2002). Second, political actors need to have strong intertemporal linkages. Frequent replacements of key political actors undermine the ability to engage in credible intertemporal agreements. Third, political moves should be easily observable. Collaboration is harder to sustain if actions of actors are difficult to verify or predict. Fourth, there should be strong and impartial enforcement mechanisms, such as an independent judiciary or bureaucracy to which certain tasks can be delegated. Fifth, key political exchanges should take place in formal rather than informal arenas in which the properties one to four are satisfied. These arenas, such as parliamentary institutions, offer an environment that makes agreements easier to observe and enforce. Sixth, the short-run payoff from deviating from collaboration should not be too high. The payoffs-structure of collaboration should provide incentives to sustain collaboration.

However, as the political transactions argument designates the *quality of policies* as its dependent variable, it does not specify how the specific *type* of legislation can affect political collaboration, i.e. whether it constitutes a law, decree, or otherwise. As we will discuss below, different types of legislation change the nature of the bargaining game as they involve different institutional processes, actors and incentives.

### 3) Fractionalization and Political Collaboration

A fractionalized or polarized polity reflects the difficulties actors encounter to make concessions beyond group boundaries (Easterly and Levine, 1997; van Staveren and Pervaiz, 2017). In a governmental context, fractionalization commonly refers to the “probability that two deputies picked at random from among the government parties will be of different parties” (Cruz, Keefer and Scartascini, 2016, p. 12). We refer to fractionalization as the number of social groups with veto-powers in the process of political collaboration.<sup>5</sup>

Extant literature identifies several mechanisms by which fractionalization within a governing body can affect collaboration. Fractionalization tends to impact political and economic outcomes due to differing preferences among groups (Alesina, Baqir and Easterly, 1999; Putnam, 2007; Ashraf and Galor, 2013). The more cleavages among groups overlap with political organizations, then, the more fractionalization can reduce trust among actors (Finseraas and Jakobsson, 2012) and increase conflict (Selway, 2011). Accordingly, Beach and Jones (2017) find that increased fractionalization of governmental bodies – US American city councils in their case – reduces spending on public goods.

Veto-player theory provides another link. A higher number of veto players – an actor whose agreement is needed to change policy – reduces the win-set of the status quo and lowers the likelihood of ‘political change’ (Tsebelis, 1999, 2002) and the “level” of reform (Torevlied and Haarhuis, 2008). What is more, the competencies and capacities of politicians are likely to decrease in fractionalized polities, particularly in consociational ones, which impedes the quality of political engagement (Samuels, 1999; Banerjee and Pande, 2007). Lastly, more fractionalized countries exhibit lower levels of trust among political actors (Alesina and Zhuravskaya, 2011; Chakravarty and Fonseca, 2014; Desmet, Ortuño-Ortíz and Waciarg, 2017). In the logic of intertemporal transactions, trust (or the lack thereof) influences actors’ perceptions of other actors’ future objective function. In consequence, lack of trust makes it more difficult to engage in intertemporal agreements since commitments become less credible.

The more homogenous groups are, the more can fractionalization lead to polarization. Higher degrees of polarization are found to increase the chances for conflict and political instability (Esteban, Mayoral and Ray, 2012), delay reform (Alesina and Drazen, 1991; Alesina, Ardagna and Trebbi, 2006), lower the occurrence of ‘significant’ reform (Howell *et al.*, 2000; Clinton and Lapinski, 2006), and law production (McCarty, Poole and How, 2006, pp. 176–183).

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<sup>5</sup> It is important to note here that the concept of fractionalization refers to any identification criterion that gains in political meaning, including ethnicity or religion (Cammett, 2014). As discussed below, fractionalization in the Lebanese case refers to sectarian-based political identities.

#### 4) Properties of Reform Projects and Political Collaboration

The above discussion raises important questions about variation in legislative activity: Why does fractionalization hinder reform efforts in some policy areas, while collaboration in others remains unaffected? Which conditions determine the relative legislative activity of governmental institutions, such as the parliament, or a council of ministers? Which *types* of reform are possible in the face of increased fractionalization, and which are blocked?

With a view to answering these questions, this section discusses how the properties of a reform project – the “objects of collaboration” – condition collaboration. To that end, we review how a country’s legal code defines the type of legislation, such as laws, decrees, or resolutions. We identify two properties of a legislative project that condition political collaboration: its institutional requirements and breadth of impact. *Institutional requirements* refer to the number and nature of political actors and institutions that are involved in accrediting the legislation under consideration. *Breadth of impact* is defined as the number of and degree to which a legislation affects different social groups.

##### *Institutional Requirements*

Reform originating from different governmental institutions, such as a parliament or a council of ministers, expose political collaboration to distinct rules and constraints (Kingdon, 2003; Jones and Baumgartner, 2005). Legislative institutions on higher levels, such as the parliament, impose a higher degree of *institutional friction* on legislative projects (Chaqués-Bonafont, Palau and Baumgartner, 2015). That is because the *decision costs* to come to an agreement increase in higher levels of government as these involve more veto-players and mandatory procedures, such as voting.

Different types of legislation, then, exhibit varying institutional requirements, i.e. the degree of institutional friction a legislative proposal needs to surpass in order to be adopted. These requirements increase for legislation that needs to pass higher levels of government, such as laws, or constitutional amendments. The nature of these governmental levels is defined by the legislative hierarchy as outlined within a country’s legal code. The higher the hierarchical position of a legislative proposal, the higher – on average – the institutional requirements for collaboration.

To illustrate the relationship between institutional requirements and the legal code, we briefly refer to the example of the Lebanese legal code – an example which informs the empirical analysis in Sections 3 and 4. However, the concept is easily adaptable to the legislative context in other countries. Table 1 shows a simplified hierarchy of the Lebanese legal code, which is modeled after the French legal code.

##### **[TABLE 1 ABOUT HERE]**

Laws set the legal framework for all legislation further down the hierarchy and have – on average – the highest institutional requirements. They involve the largest set of political actors, as they need to be elaborated in commissions, crafted by lawyers and experts, discussed by all parties in the parliament, and so on. At the lower end of the complexity spectrum, decrees and resolutions serve the purpose of applying the law on an administrative basis and potentially involve the lowest number of actors. Such legislation is issued by ministries which are usually governed by party members or affiliates that enjoy administrative authority over the legislation a ministry provides.

##### *Breadth of Impact of Reform*

Mutual trust plays an important role for collaboration in fractionalized polities due to the intertemporal nature of political exchange. In polities with weak legislatures, and we argue that Lebanon is such a case, political exchange takes place in alternative settings that are less formal, more uncertain and harder to enforce as credible enforcement mechanisms, such as an independent judiciary, are absent (Spiller and Tommasi, 2003; Scartascini, Stein and Tommasi, 2013). Political actors' ability to engage in such transactions depends on their ability to accurately forecast the likelihood that other players will abide by their commitments.

The credibility of commitments is likely to vary with the breadth of the impact of a policy issue. The broader the impact of a reform proposal in terms of its effect for a larger number of groups, *ceteris paribus*, calculations about future preferences increase in complexity and information asymmetries are harder to overcome (Laban and Sturzenegger, 1994; Acemoglu, 2003). If the impact of reform is sufficiently narrow or balanced and allows for reliable predictions of future preferences of other groups, collaboration on reform becomes less susceptible to the lack of trust. Local environmental projects, for example, are reforms for which lack of trust is less of an issue for collaboration, as the distribution of costs and benefits is clearly defined. In contrast, if the impact of reform is broad, such as for tax reforms, a large number of groups is affected which complicates the assessment of the implications of reform.

### **Implications for Reform**

The above discussion enables us to refine how fractionalization can impact collaboration on reform. A higher level of fractionalization in governmental institutions increases the institutional friction in governmental institutions. As the legislative process in higher-ranking levels of government necessitates agreement among a higher number of potential veto players, in particular in unity governments and power sharing arrangements, an increase in fractionalization should affect the collaboration on legislation with high-requirements more than legislation further down in the legal hierarchy.

What is more, a multitude of actors with veto powers decreases the win-set of the status quo of a reform project. Higher fractionalization should therefore deter collaboration on reform with a broad impact as it increases the number of veto players with an incentive to exercise their veto powers. This should reduce the likelihood of reforms that establish impersonal, general rules, such as laws, which apply to multiple or all social groups in a country or have distributional consequences that are more difficult to predict.

### **3. The Effects of a Revolution on High-Profile Legislation**

To verify the applicability of the framework, we exploit a sudden reconfiguration of political power that occurred in Lebanon in early 2005, the *Cedar Revolution* (Bosco, 2009). In the logic of intertemporal agreements, the shock was exogenous in the sense that actors could not *ex ante* base their intertemporal mutual agreements before the revolution in 2005 on the expectation of a change in the configuration of political power. While Lebanon's governance structure of communal power sharing remained unchanged, political agreements suddenly had to be made on a political consensus that involved a larger set of political actors.

The analysis in this section merely verifies that our core concepts can help explaining variation in legislative output. Section 4 discusses the potential mechanisms by which fractionalization affects political collaboration.

#### *Historical Background and Identification*

Following military involvement during the Lebanese civil war (1975-1989), Syria maintained a military presence with direct political influence in Lebanon until 2005. During that period, the Syrian government served as a political hegemon and important arbiter in Lebanese politics: by imposing authoritative political and military control, whenever a dispute between major political actors over legislation threatened to lead to gridlock, the

Syrian government intervened to resolve conflict (El-Husseini, 2012). Moreover, the Syrian government prevented several parties, which fought against them during the civil war, from partaking formally in the political arena.

In February 2005, ex-prime minister and critic of the Syrian presence Rafiq Hariri, was assassinated by a car bomb in Beirut, an attack for which large parts of the international community and the Lebanese population held the Syrian government responsible. The events that followed led to the so-called Cedar Revolution which resulted in the almost immediate withdrawal of Syrian troops from Lebanon by April 2005.<sup>6</sup>

The withdrawal increased the fractionalization within governmental institutions. In the absence of a hegemon, the political significance of political parties increased as legislation could be bargained among ruling elites in their function as party leadership without direct external imposition. Moreover, two political parties reappeared in the political arena that have been forbidden during the Syrian presence, specifically the *Lebanese Forces* and the *Free Patriotic Movement*.<sup>7</sup> These two parties henceforth played a major role in Lebanese politics. Their political leadership was released from prison or allowed to return from exile, which increased the number of communal leaders, or oligarchs, that maintain veto-powers in decision making at the elite level.<sup>8</sup> No other extraordinary institutional or constitutional amendment has been introduced in this period.

### *The Dataset*

We use a novel comprehensive database on legislative activity in Lebanon since 1950 (Mahmalat, 2019). The data is based on the Lebanese *Official Gazette*, the official government journal that publishes all relevant legislative texts enacted by any governmental body in order to take effect and become legally binding.<sup>9</sup> Each legislative text, from laws to decrees or circulars, constitutes one observation.

The dataset is retrieved from *Al-Mustachar*, a Lebanese law firm who that provides an online archive for legislative documents,<sup>10</sup> and is organized as follows. In total, the dataset includes 15,112 observations (i.e., legislative texts) over 67 years from 1950 until 2016. The database distinguishes between 33 policy areas of legislation and provides for each observation the reference number, the type of legislation (i.e., law, decree, resolution, circular, or other), the date of publication, and the title. Table 2 displays summary statistics.

### **[TABLE 2 ABOUT HERE]**

### *The Dependent Variable – Introducing a Measure for High-Profile Reform*

We use a measure of high-profile legislation as our dependent variable. To indicate high-profile legislation, we reviewed the content of all laws between 1990 and 2016 in order to identify policy areas that comprise high-profile legislation. The choice of policy areas is based on the assumption that laws published in these categories represent high profile reform and required a political bargain that involved the approval of most, if not all political parties and veto players. We follow the recommendations by Clinton and Lapinski (2006) and others to validate

<sup>6</sup> Second semi-annual report of the Secretary-General to the Security Council on the implementation of resolution 1559, available at: <https://undocs.org/S/2005/673>, [accessed 7/12/2018]

<sup>7</sup> They gained parliamentary representation and won 6 and 15 of 128 parliamentary seats in the 2005 general elections that were held in May and June after the revolution. See the official webpages of the Lebanese Government, <http://www.pcm.gov.lb/arabic/subpg.aspx?pageid=31>, [accessed October 2017].

<sup>8</sup> See section 4 of this paper and Mahmalat and Chaitani (2019) as well as, for example, Leenders (2012) and Salamey (2014) for more detailed information on this point.

<sup>9</sup> See the official webpages of the Lebanese Government and parliament, <http://www.pcm.gov.lb/arabic/subpg.aspx?pageid=31>, <http://www.loc.gov/law/help/legal-research-guide/lebanon.php>, [accessed October 2017].

<sup>10</sup> The archive can be accessed under: <https://almustachar.com/> [accessed May 2018], dataset is available for download at [mounirmahmalat.com/data](http://mounirmahmalat.com/data).

the choice of, in their words, “significant” legislation with third sources: we consulted legislative experts, politicians, and extant literature on the work of the parliament (LCPS, 2018) to identify high-profile legislative categories. Based on these considerations, we create a variable that comprises of legislation within the following policy areas: banks and financial institutions, environment and health, industry and oil, public finance and water and electricity. We conduct robustness checks with alternative specifications.

### *Hypothesis and Model Specification*

We test whether the core concepts of our framework help to explain variation in legislative output in Lebanon. Based on the theoretical discussion above, we hypothesize that higher degrees of fractionalization should reduce the amount of high-profile legislation, while they leave collaboration in lower layers of government relatively less affected. The framework hence predicts that parliamentary activity (laws) in the identified policy areas should decline more than governmental (decrees) or ministerial activity (resolutions) in the same policy areas.

We leverage a differences-in-differences model in order to test this hypothesis and analyze the impact of the sudden change in political fractionalization that the revolution induced. We use our measure for the number of high-profile legislation as a dependent variable. To test the predictions of the framework, we take laws as the treatment group and both decrees and resolutions of the same policy areas as control groups.<sup>11</sup>

Difference-in-differences models rest upon the assumption that the data generation processes for the control and treatment groups follow similar trends before the treatment (Morgan and Winship, 2014). To scrutinize this parallel-trend assumption, Figure 2 compares legislative activity in the identified high-profile issue categories between laws and decrees from 1990 until 2016. The graph indicates that 2005 constituted a disruption in the trajectory of the data generating process for laws, while it left the trend for decrees unaffected. Before 2005, both laws and decrees increased almost in parallel which reflects a revival in administrative capacity after the civil war. After 2005, the average level of high-profile laws dropped and has stagnated thereafter while the number of decrees continued to increase.

### **[FIGURE 2 ABOUT HERE]**

We use a negative binomial estimation rather than a Poisson regression since the dependent variable shows signs of over-dispersion, i.e., the variance far exceeds its mean (table 3).

### **[TABLE 3 ABOUT HERE]**

We estimate the following equation

$$Y_{ct} = \alpha + \gamma R_t + \lambda L_c + \delta(R_t * L_c) + \varepsilon_{ct}$$

where  $Y_{ct}$  is a count variable and depicts the number of laws in policy area  $c$  and time,  $t$ .  $R_t$  is a dummy variable for the post-treatment years and takes the value of 1 for years greater 2004.  $L_c$  is a dummy variable for legislation in the treatment group (laws) in policy area,  $c$ .  $(R_t * L_c)$  represents the differences-in-differences estimator, *DiD*. All specifications are run by using robust standard errors.

### *Results*

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<sup>11</sup> Geo-political developments as a potential confounding factor, which could conceivably have changed the ideational environment for political priorities in the same time period, are highly unlikely to invalidate our results. Since we include a diverse set of policy areas in our dependent variables and robustness checks that covers a variety of issue areas which are moreover specific to the Lebanese context, policymaking is unlikely to be susceptible to a similar degree in all areas to a potential international ideational change.

Table 4 shows regression results. The differences-in-differences estimator *DiD* is significantly and negatively related to the number of high-profile laws in all model specifications. Model 1 uses the number of decrees in high-profile categories as control group, while model 2 takes the number of resolutions. Model 3 uses the sum of decrees and resolutions as control group. The effects of the 2005 revolution reduced the passage of high-profile legislation per year by more than one vis-à-vis lower-profile legislation in the same policy area.

#### [TABLE 4 ABOUT HERE]

To test the robustness of our results, we run two types of robustness checks. Models 4 and 5 take the sum of all categories as a control group in decrees and resolutions, not only the legislation passed in the categories identified above as belonging to “high-profile.” Furthermore, we create an alternative measure for high-profile reform categories. The alternative variable specification includes all policy areas that refer to non-generic categories pertaining to public goods provision. These categories include environment and health, education and culture, industry and oil, water and electricity, and transport and cargo. We exclude financial categories to account for the possibility that financial conditions after 2005 would have relieved the pressure on the government to react via legislation in these categories. We test them in models 6 and 7 by using decrees and resolutions in these categories as control groups. The differences-in-differences estimator is again negatively and significantly related to the number of laws passed in high-profile categories.

The results confirm the hypothesis outlined above. The sudden reconfiguration of political power in 2005 had a significant impact on collaboration for legislation with high institutional requirements and with broad impact. At the same time, collaboration on legislation that was less exposed to the effects of increased fractionalization was relatively unaffected.

## 4. Mechanisms

After having verified that our core concepts help explaining variation legislative output, our conceptual framework allows us to identify mechanisms that explain *how* fractionalization affects collaboration on reform in Lebanon. The analysis is based on a series of 32 semi-structured expert-interviews with Lebanese parliamentarians, ministers, and party officials of all factions represented in the Lebanese parliament. The interview framework and coding scheme were designed to elicit the mechanisms by which fractionalization influences political collaboration on reform. Details about methodology, interview framework, as well as interviewee selection are provided in the appendix.

Subsection 4.1 reviews salient characteristics of the Lebanese polity to describe the functioning of its political institutions. Subsection 4.2. discusses possible mechanisms, while subsections 4.3 and 4.4 identify the relevant ones based on the interviews.

### 4.1 Central Features of Lebanese Political Institutions

The Republic of Lebanon is a parliamentary democracy in a sect-based consociational power-sharing arrangement with limited presidential executive authority (see Leenders, 2012; Salamey, 2014; Salloukh *et al.*, 2015; Hermez, 2017 for recent reviews). The country’s constitution recognizes a number of religious sectarian groups, whose political representation is organized in dedicated political parties. The leadership of these parties, or oligarchs, comprises the economic and political elite of the country and maintains power by distributing clientelist rents to their constituencies (Leenders, 2012; Cammett, 2014; Diwan and Haidar, 2019; Mahmamat and Chaitani, 2019). These oligarchs maintain veto powers and important decisions must be taken by mutual consent of most if not all communities. Political collaboration is determined by the competition between these oligarchs, which is

largely informal and takes place in arenas outside of political institutions in which impartial enforcement mechanisms are absent.

In formal arenas too, political collaboration depends on transactions between a large number of political actors. Due to the high number of parties represented in the parliament,<sup>12</sup> no single party is strong enough to establish a government by itself. This makes coalitional arrangements the rule and unity governments frequent (The Monthly, 2017) and thereby necessitates constant interaction among actors from most parties.<sup>13</sup>

#### 4.2 Possible Effects of the Revolution on Collaboration

The revolution reconfigured political power and thereby impacted political collaboration. There are several mechanisms by which this could have happened, two of which we verify in our analysis. First, a greater representation of political parties and the absence of a political hegemon can lead to an increase in democratic accountability. Electoral incentives could become of higher relevance to structure political life. However, given that the structure of political exchange in a sectarian power sharing arrangement did not change, the extent to which parties relate to electoral incentives did not significantly increase after 2005<sup>14</sup> and did not figure in the narrative of any interviewee despite explicit references in the questionnaire.

Second, the events led to major political polarization along the lines of foreign policy positions: most political parties grouped into the so-called “March 8” and “March 14” alliances. These two blocs were formed before the 2005 general elections that took place after the revolution and remained politically relevant until the general elections 2018.<sup>15</sup> However, unity governments occurred frequently after 2005 and policy positions and preferences vary widely *within* parties (LCPS, 2018). As verified in the interviews, such divergence diminishes the importance for polarization between parties on collaboration. Moreover, polarization along sectarian affiliation did not significantly change patterns of collaboration as political parties frequently engaged in cross-sectarian “alliances” to preserve their strategic interests (Karam, 2017).

Third, the sudden increase in fractionalization has contributed to increased political instability in the absence of effective enforcement mechanisms of political transactions. While the duration of governments remained almost constant before and after 2005 at about 1.5 years, the post-2005 era experienced a number of ‘political gridlocks’.<sup>16</sup> As our analysis confirms, political instability reduces the confidence into intertemporal commitments as it shortens the time-horizons of key actors.

Lastly, an increased fractionalization in terms of number of political parties can complicate the exercise of forecasting the objective functions of other players in political bargain. Accordingly, the trust of actors into others’ in that they keep their intertemporal commitments can decrease. Our analysis confirms channels three and four:

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<sup>12</sup> 22 parties or blocs in the 2009-2018 parliamentary cycle

<sup>13</sup> The seven biggest parties are: Free Patriotic Movement, Lebanese Forces, Kataeb (all majority Christian supporters), Future Movement (majority Sunni Muslim supporters), Amal and Hezbollah (majority Shi'a Muslim supporters), the Progressive Socialist Party (majority Druze supporters).

<sup>14</sup> Voters exhibit a high degree of loyalty to a party: more than 90 per cent of voters voted for the same party in the 2009 and 2018 parliamentary elections (Mourad and Sanchez, 2019). Accordingly, the “democratic accountability” measure of the Political Risk Services Group (PRS), indicating the degree of responsiveness of governments to citizens’ demands, increased from 2 in 1990 to 5 in 2004, so before the revolution, and remained stable on 5 thereafter.

<sup>15</sup> While they remained major political platforms during the 2018 general elections, they ceased in their relevance to structure political life after 2015/2016 and amended the political narrative that gave them political meaning.

<sup>16</sup> While the average period to form a government was 6 days from 1989 to 2005, this time increased to 100 days from 2005 to 2016. Accordingly, the measure “government stability” of PRS, assessing “both of the government’s ability to carry out its declared program(s), and its ability to stay in office”, decreased from an average of 7.8 in 1990 until 2004 to an average of 6.3 from 2005 to 2016.

collaboration on high-profile legislation is impeded when (1) a high degree of trust is required to make inter-temporal commitments credible and (2) the time horizons of the collaboration game overstretch those of political actors.

#### 4.3 Mutual Trust

This section argues that collaboration in environments of higher fractionalization requires higher degrees of mutual trust. The weakness of state institutions in Lebanon results in a lack of political competition along stable ideological platforms (see also La Ferrara and Bates, 2001; Cammett, 2014) and pushes political collaboration into informal arenas in which enforcement mechanisms are absent. In such environments, mutual trust between political actors becomes the key factor that determines their capacity to engage in transactions that are inter-temporal. As a consequence, collaboration on reform with a broad impact, i.e., reform that affects many groups, gets impeded as the objective functions of other players become more difficult to predict. This requires a higher degree of trust among political actors that promises for intertemporal agreements are kept.

##### *“There are no political parties”*

The weakness of Lebanese political institutions influences political collaboration in two important ways. First, parties maintain an important role in public service provisioning based on which parties cater to constituencies in return for votes (Cammett, 2014). Every institutional change tends to be perceived as a potential threat that challenges both the fragile balance of power and distribution of economic rents (Interviews, A27, A29). As one Member of Parliament stated while explaining why identity largely determines political collaboration until today: “The problem in Lebanon is the psychological reconstruction, particularly after the civil war … The Lebanese aren’t ready yet. Reconciliation has not been achieved.” (Interviews, A3) A former ministerial advisor put it more succinctly: “There are no *political* parties in Lebanon.” (Interviews, A28)

As a consequence, the ideology of actors fails to structure their party affiliation (LCPS, 2018). Very different personal political positions within the same party prevent the establishment of coherent party positions along stable ideological platforms. Such incoherencies make future preferences less predictable and thereby complicates political collaboration.

##### *“Out of Shape” Lawmakers*

Legislators and related institutions in Lebanon have an exceptionally low capacity to prepare and process legislative proposals with high requirements (LCPS, 2018). The number of laws drafted and enacted by domestic legislators is low and results from several institutional deficiencies. Any bill must be discussed within parliamentary commissions and referred by these to the parliament after consensus has been reached. These commissions, however, constitute severe bottlenecks in the output flow of legislation (Interviews, A1, A2, A3, A5, A6, A7). For example, after 1989 the parliament convened on average only four times per year and therefore necessitated that a high number of laws be passed within each session (Moukheiber, 2013). In the words of a parliamentarian in elaborating on the difficulties to engage in discussions about budgetary and taxation issues: “This parliament has not debated any tax or any financial budget issue for the past twelve years. So, you’re out of shape! [...] That’s a parliament that’s supposed to run a marathon, and it’s been in a wheelchair for the past twelve years.” (Interviews, A5)

As a consequence, the legislature tends to fail to keep pace with legislative demand and governmental institutions often fail to process requests for input, which diminishes trust in the accuracy of their work (Interviews, A31). The general sense of incapacity is exemplified by a Member of Parliament on the question of the extent to which threats of economic crisis are reflected in the everyday work of political actors: “Forget all of that, whether

it's valid or not. But you've got a bunch of people that are left in the dark, alone, with no assistance whatsoever, on issues of economics, on issues of tax, other than their friends and relatives." (Interviews, A5)

### *Importance of Mutual Trust*

The low capacity of legislators and the unpredictability of policy positions due to high fractionalization undermines mutual trust necessary to engage in political collaboration with a broad impact. Numerous accounts lamented over instances in which agreements have been reneged on and direct exchange over policy issues was avoided as soon as the exchanges become complex ("The minister kept running away!" Interviews, A8, A1, A4, A5). Collaboration on reform projects appears to be more successful when the impact on all groups involved is sufficiently predictable in that they can calculate the cost and benefits for all parties involved (Interviews, A6, A8) and state resources can be allocated equally across groups (Interviews, A27, A29).<sup>17</sup> In elaborating on a reform project in which collaboration was particularly successful, a Member of Parliament explains why a reform project focused on local environment could be implemented in collaboration of a wide range of actors: "[...] the many facets of the project – whether it's water, or health, or environment – were extremely important issues that helped us to bypass political differences, because the topic was very focused." (Interviews, A1)

#### **4.4 Short-Time Horizons of Key Executives**

This section argues that collaboration on legislation with high institutional requirements is more difficult the shorter the time horizons of key actors are. Political instability decreases the confidence into the duration of a government's longevity. Key political actors, therefore, face uncertain time horizons in terms of the intertemporal commitments they can agree on. Because political exchange is complex and unstructured due to the many actors involved, actors are more likely to exercise veto power or block the work of institutions over which they prevail as they cannot predict distributional consequences. This impacts high requirement reform that necessitates intertemporal commitments that overstretch their or their opponents' term in office.

##### *"Zero Economic Vision"*

As discussed above, Lebanon suffers from high political instability with frequent government changes. In the twenty-seven years since the end of the civil war 1989 until 2016, there have been seventeen governments with a total of 453 individual ministerial positions.<sup>18</sup> After 2005, some of these governments only had a caretaker function. These frequent government changes lead to extensive friction losses. For example, institutional knowledge gets lost as actors engage in conscious efforts to prevent successor governments from other parties to reap the political and economic benefits of ongoing work: key experts, studies and proposals are simply withdrawn from ministerial offices which prolongs the time of incoming staff to become effective (Interviews, A23). As a Member of Parliament states: "But, the problem is that everyone wants to find a solution at the expense of the others." (Interviews, A3)

Such impaired transitions of power hamper long-term planning, and the executive is commonly accused to have "zero economic vision" and few strategic plans (Interviews, A19, 20, 21, 28). The absence of long-term planning subsequently disincentivizes initiatives aimed at implementing reform with high requirements, which take a relatively longer time to be developed and is likely to be stymied or abandoned by successor governments. Limited

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<sup>17</sup> For example, Salti and Chaaban (2010) investigate the geographical distribution of public resource allocation in order to trace each municipality's (i.e. sect's) share of public spending. They find that public resource allocation is based on a "one-man one-dollar rule," rather than on a distribution based on financial needs. Each municipality obtains public funds in relation to their demographic size rather than their demands for investment.

<sup>18</sup> Authors' calculations, The Monthly (2017)

exchange across ministries exacerbates the lack of coordinated effort, leading to the emergence of different agendas across ministries and extensive friction losses (Interviews, A30).

#### *“Abusive Authorities”*

As the capacities of parliamentary commissions both in terms of technical expertise and manpower are low, complex reform can take up to a decade to be completed. This gives rise to bottlenecks in terms of the technical elaboration of legislative texts (Interviews, A5, A6): the work of the commissions tends not to be supported by sufficiently qualified staff that elaborates legislation on behalf of the Members of Parliament (Interviews, A5). Moreover, the sectarian composition of governmental institutions tends to lower bureaucratic quality due to clientelist structures. For example, hiring processes of civil servants are based on few objective criteria or competency-based job descriptions (Interviews, A30). Lastly, parliamentary work in commissions tends to be carried out with less discipline than needed and on occasions meetings even fail to reach quorum, as rules to punish absentees are “practically never” applied (Interviews, A2, A6).

As a result, political exchange is perceived as unstructured, especially in unity governments which maximize the numbers of players involved in bargaining (Interviews, A30). The interplay of different veto players becomes complex to the extent that political actors commonly refer to the collaboration game as “the system.” As an interviewee states, in an attempt to explain their anti-collaborative behavior in certain areas of service provisioning: “The system forces us to think like this” as it would not permit free expression of ideology (Interviews, A14, A15).

Such unorganized and opaque political exchange gives rise to opportunistic behavior. Actors are more inclined to pull the ‘emergency brake’ in the form of their veto when the distributional consequences of a reform project are not sufficiently clear or balanced. This impacts collaboration on reform of high requirements with higher divergence of policy preferences and which involve more potential veto players. In practical terms, certain actors, such as the heads of parliamentary commissions, exploit their “abusive authority” which is capable of blocking any bill that does not find their consent: They amend the agenda to the extent that it induces an effective paralysis in the institutions over which they preside (Interviews, A5).

#### *Importance of Time-Horizons*

The uncertainty about the time-horizons of key actors impedes collaboration on legislation with high requirements. This uncertainty reduces the incentives of key actors to collaborate on reform that overstretches their own term in office and would, therefore, require intertemporal agreements that are unlikely to be kept (Interviews, A4, A6, A8). Legislation of high requirements are therefore exposed to changing political environments and more likely being reversed or discontinued. The sense of avoidance of responsibility for concrete action is exemplified by the words of a parliamentarian in response to the question of how the party would tackle the challenges of financial impasse: “Well, I think … when … the president of the party, Dr. Geagea, was nominated for presidency, almost three years ago, there was a plan. There was a very clear policy statement that included policies in every single sector. Now, in order to tackle the Lebanese economic problems, it cannot be a linear way of thinking, it must be a systemic way of thinking.” (Interviews, A1)

## **5. Conclusion**

This paper has provided a conceptual framework that offers a more nuanced understanding in empirical analysis of political collaboration on reform in fractionalized societies. We show how the properties of a reform project determine the extent to which fractionalization affect political collaboration on reform. The framework helps to fill a gap in the literature of the political economy of reform, which is to identify transmission channels by which fractionalization impacts political collaboration on reform (Gören, 2014; Papyrakis and Mo, 2014).

While our analysis provides case study evidence and does not intend to generalize the findings beyond the case of Lebanon, our framework shall provide the basis for comprehensive comparative approaches. Towards that end, future research should elaborate and refine the institutional requirements across different legal codes and different political settings. We believe that our framework provides a means to further explore the underlying political dynamics of political collaboration on reform in divided societies, in particular power-sharing arrangements, which are a frequently discussed option to appease conflict (United Nations and World Bank, 2018).

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## APPENDIX: Interview Evidence

This section provides an overview of the makeup of the interview evidence, the sampling strategy, the sample, and the interview framework. This study draws on accounts of thirty-two expert-interviews with high ranking political actors of all factions in the parliament, within a guideline based, semi-structured interview approach. The interview sample is designed to capture the viewpoints and narratives of all major factions represented in the Lebanese parliament. Reflecting and merging the narratives about specific contentious political issues of all parties involved enables an analysis detached from the subjective ideological realm of the interviewee. The interview framework, therefore, focuses on specific instances of reform currently discussed in the parliamentary debate.

The interviews are based on guidelines with open-ended questions to allow for the free association of the interviewees towards the motives discussed (Hollway and Jefferson, 2000, 2008; Mason, 2002). The interviews are coded and analyzed following the Rubin and Rubin (2005) method of predefined coding structures. The approach requires a definition of the key concepts and themes as well as the relationship between them, based on literature reviews and the elaboration of hypotheses (Rubin and Rubin, 2005, p. 206). The Rubin and Rubin approach is suitable for the analysis since the research questions, hypotheses, and the epistemological framework was laid out before the commencement of the research process.

### Interview Sample

The sampling strategy focuses on political actors in their role as active Members of Parliament, former Ministers of State, government officials or high-ranking party members, and reflects the viewpoints of all major political parties. The participants have been chosen according to party affiliation and exposition to, or membership of, the budgetary or economic committee in the parliament. By focusing on political actors on economic and budgetary issues, the sampling assured to rely on participants that should have the resolution to financial and socioeconomic questions as their core field of expertise and daily work. What is more, participants of economic and budgetary committees are the actors most likely to comprehend the extent to which economic conditions pose a threat to the current economic order. Lastly and as to be discussed below, the process of introducing laws should originate from initiatives of Members of Parliament that introduce legislative proposals into parliamentary committees. Since parliamentarians often cannot craft legislation themselves, the interview sampling includes members of economic and financial councils of political parties, as well as economists and researchers from ministries and international organizations that support the process of legal drafting.

The central goal of the selection process of interview participants was to obtain the viewpoints of all major factions represented within the parliament and government. That way, we control for ideological and organizational differences in attitudes towards collaboration among parties. The sampling process allows one to establish a coherent picture of each participants' and party's narratives to define the "problem" under consideration (such as economic crisis, income inequality, fractionalization), the problems' respective origins, and the proposed solutions. All interviews have been conducted between February 2017 and March 2018 in Beirut. Table 2 provides an overview of interview participants.

### [TABLE 5 ABOUT HERE]

### Interview Framework

Figure 6 provides an overview of the interview framework. Fields shaded in dark gray represent the phenomena of interest, namely the phenomenon of differing perceptions of the same set of economic challenges, and the phenomenon of collaboration among political parties.

### [FIGURE 3 ABOUT HERE]

The interview framework is structured in four themes. The first theme elicits the narratives and perceptions of the challenges related to economic downturn or financial pressure. Participants should explain how they assess the severity of the economic and budgetary pressures, what they identify to be causes, and which solutions the interviewees personally and, in particular, their party offers to resolve related problems. Lastly, the interviewees should relate to the extent to which perceived economic and financial pressures influence their work and potentially facilitate political collaboration.

The second theme focuses on the influence of a party's constituency. In particular, the interviewees were asked to reflect on the extent to which characteristics of their supporter base influence their assessment of specific policy proposals. A tax hike proposal served as a focal point of discussion about the fairness of redistributive measures. Reflecting on the needs of a party's supporter base, in particular with regards to the relative impact of a policy proposal such as impactful as the tax hike proposal, then, enables an assessment of the extent to which a party takes relative income inequality into account for their decisions on collaboration.

In the third theme, interviewees were asked to reflect on the impact of fractionalization, that is, the high number of parties involved in negotiations, and political polarization. There are two reasons why these concepts were discussed within the same theme, although their theoretically different transmission channels could have suggested otherwise: a) the question design should avoid suggestion as of hinting at the origins of polarization; b) interviewees were likely to conflate the two in the same answer. The interviewees should, therefore, indicate in which instances a high number of negotiating partners hinders collaboration, and in which instances these can be overcome. The same applies to the concept of polarization, which the interviewees were asked to define before. That way, the interviewees should indicate to which extent geostrategic, sectarian, or other ideological polarization influences the mechanism by which fractionalization and polarization influence collaboration.

Lastly, the fourth theme focused on general patterns of collaboration within the parliament and the committees, in which an interviewee was a member. That way, previous answers could be reflected and contextualized with examples given by the interviewees.

**Table 1:** Hierarchy of legislation according to the French civil law code, as adapted within the case of Lebanon.<sup>19</sup>

Rank	Type of Legislation	Description	Issuing Body	Institutional Requirements
1	Law	A supreme, general and impersonal legal rule, following the Parliament's deliberation and initiative. No law can be enacted if it has not been passed by the Parliament.	Parliament	High
2	Decree	Administrative orders taken by the President of the Republic, or the Council of Ministers according to the powers allocated by the Constitution and the Laws. No parliamentary approval necessary but limited in scope by applying the law.	Council of Ministers, President	Moderate
3	Resolution	Issuance of the Executive power, i.e., the Ministers or the administrative authorities, to which constitutional laws conferred regulatory power. Limited legal scope within the realm of existing legal frameworks.	Ministers	Low

<sup>19</sup> Sources: Lebanese Constitution, *Dictionnaire du droit privé*, and *Glossaire de Vie Publique*.

**Table 2:** Categories and summary statistics of legislation within the database on the Official Gazette

Category	Obs.	Mean	Std. Dev	Min	Max
Agriculture	611	9.1	15.5	0	76
Tourism and Heritage	440	6.6	6.0	0	26
Labour and Social Security	207	3.1	5.0	0	19
Transportation, Cargo & Traffic	400	6.0	4.2	0	16
Water and Electricity	190	2.8	3.6	0	21
Industry and Oil	119	1.8	2.6	0	9
Trade and Economy	451	6.7	9.3	0	60
Tax and Customs	1669	24.9	38.3	0	175
Foreign Affairs	66	1.0	1.6	0	8
International Treaties and Organizations	1530	22.8	28.0	0	91
Banque du Liban (Circulars)	1223	18.3	18.2	0	94
Banks, Finance and Financial Institutions	561	8.4	10.4	0	56
Public Finance	248	3.7	6.6	0	48
Constitutional Law	186	2.8	2.6	0	11
Correspondence and Communications	399	6.0	8.7	0	38
Municipalities and Mayors	472	7.0	12.3	0	60
Coordination of Ministries	689	10.3	12.2	0	56
Public Institutions, Public Goods & Organizations	562	8.4	7.5	0	27
Personal Affairs and Sects	204	3.0	3.1	0	14
Media and Advertisement	51	0.8	1.4	0	9
Property and Real Estate	1921	28.7	45.3	0	218
Environment and Public Health	401	6.0	6.9	0	26
Education and Culture	899	13.4	13.4	0	89
Culture Sports and Arts	112	1.7	2.1	0	9
NGOs Cooperatives and Housing	138	2.1	2.6	0	14
National Defence and Security	502	7.5	17.5	0	144
Social Affairs	53	0.8	1.1	0	4
Internal Affairs	65	1.0	1.4	0	7
Press and Publications	18	0.3	0.5	0	2
The Judiciary	206	3.1	3.3	0	14
Sanctions and Penalties	61	0.9	1.0	0	5
Obligations and Contracts	49	0.7	0.9	0	4
Unions and Professions	409	6.1	9.0	0	46

**Table 3:** Summary statistics of the dependent variable

Policy Area	Mean	Variance	N
1	2.31	7.35	54
2	1.96	21.77	54
3	1.87	11.09	54
4	1.68	1.95	54
5	0.62	1.48	54
Total	1.69	8.92	270

Note: Issue categories for both laws and decrees from 1990 to 2016

**Table 4:** Regression results

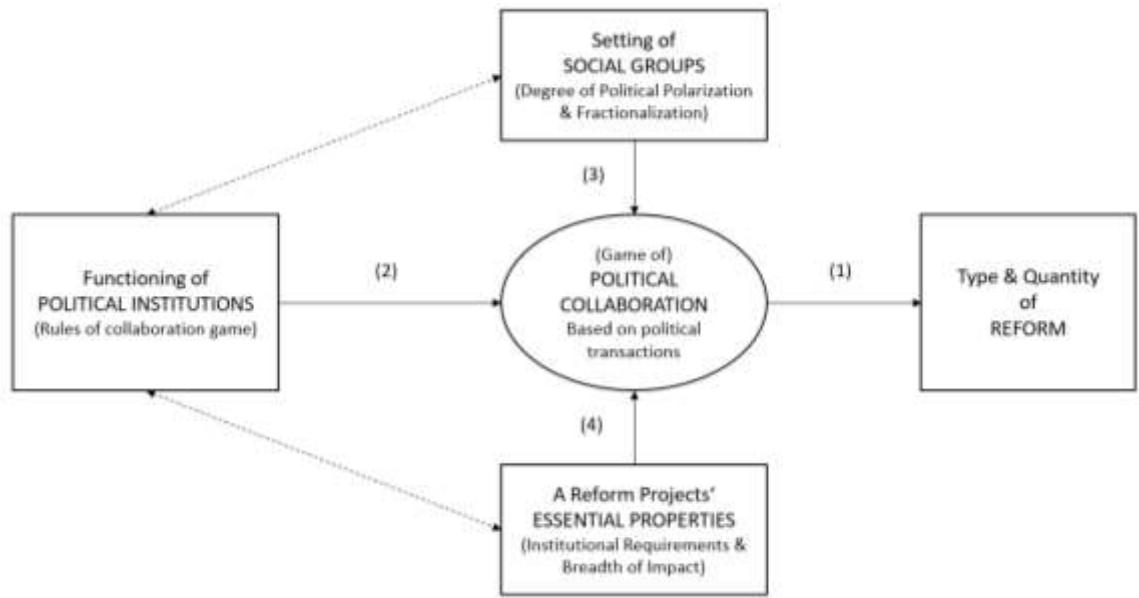
Independent Variable	Models						
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Dummy post-Revolution	0.76 (3.35)**	0.50 (2.10)*	0.59 (3.13)**	0.50 (2.11)*	0.76 (3.36)**	0.15 (0.79)	0.85 (3.57)**
Dummy Laws	-0.47 (2.36)*	-1.15 (4.43)**	-1.56 (7.08)**	-1.15 (4.71)**	-0.47 (2.00)*	-1.06 (5.14)**	-0.81 (3.32)**
DiD	-1.23 (3.89)**	-0.97 (2.99)**	-1.06 (3.66)**	-0.97 (2.56)*	-1.23 (3.43)**	-0.69 (2.14)*	-1.38 (3.70)**
constant	0.51 (4.03)**	1.19 (5.68)**	1.60 (10.16)**	2.80 (17.50)**	2.12 (13.30)**	2.87 (21.56)**	2.62 (16.01)**
<i>N</i>	270	270	270	54	54	54	54

Notes: \*  $p<0.05$ ; \*\*  $p<0.01$ ; t-statistics in parentheses; dependent variable for model I-V: number of laws in policy areas banks and financial institutions, environment and health, industry and oil, public finance and water and electricity; dependent variable in models IV and VII: sum of laws environment and health, education and culture, industry and oil, water and electricity, and transport and cargo. As models iv-vii use the sums of the areas regarded, rather yearly observations of each category, number of observations is 27 (years) for both treatment and control group.

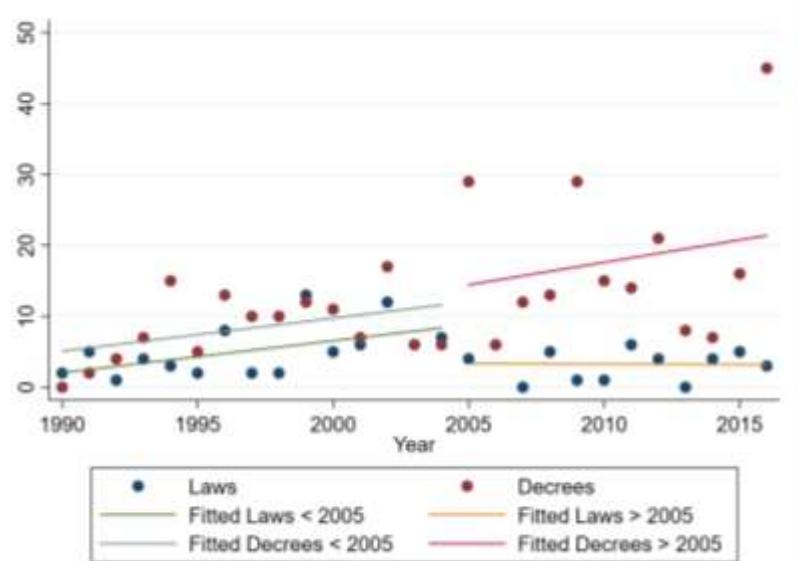
**Table 5:** Overview of interviewee affiliation

Name	Function	Party / Organization
A1	Member of Parliament	Lebanese Forces
A2	Member of Parliament	Lebanese Forces
A3	Member of Parliament, Ex-Minister	Future Movement
A4	Member of Parliament	Future Movement
A5	Member of Parliament	Free Patriotic Movement
A6	Member of Parliament	Kataeb
A7	Member of Parliament	Kataeb
A8	Member of Parliament	Amal
A9	Ex-Minister of Labor, Telecommunication	Independent
A10	Ex-Minister of Economy and Trade	Independent
A11	Ex-Minister on Culture, Information	Independent
A12	Member of Economic and Social Council	Lebanese Forces
A13	Head of Economic and Social Council	Kataeb
A14	Former Head of Party	Hunchak
A15	Head of Committee on Foreign Affairs	Hunchak
A16	Member of Committee on Foreign Affairs	Tachnaq
A17	Head of Committee on Foreign Affairs	Syrian Socialist Nationalist Party
A18	Leadership Economic Research Council	Hezbollah
A19	Economist	World Bank
A20	Economist	World Bank
A21	Economist	Ministry of Finance, World Bank
A22	Economist	Institut Bassil Fuleihan
A23	Economist, Researcher	Ministry of Social Affairs
A24	Economist, Researcher	International Crisis Group
A25	Professor of Political Science	American University of Beirut
A26	Economist, Researcher	American University of Beirut
A27	Professor of Economics	American University of Beirut
A28	Economist	Independent
A29	Leadership, Financial Operations Department	Banque du Liban
A30	Division Head	Office of the Minister of State for Administrative Reform (OMSAR)
A31	Economist	Ministry of Economy
A32	Former Secretary-General	Lebanese Association Democratic Elections (LADE)

**Figure 1:** The framework



**Figure 2:** Absolute number of high-profile laws and decrees from 1990 until 2016.



**Figure 3:** Interview framework for expert-interviews (own illustration)

