

Proposed hiring freeze may harm vital state organs, endanger public services

Benjamin Redd|

BEIRUT: A measure meant to save the state money could end up costing Lebanon dearly. In the draft budget Cabinet sent to Parliament last month, the ministers agreed to extend a hiring freeze in place since 2017 through 2022, part of a package of reforms meant to control spiraling costs and cut the state's deficit from 11.1 percent of GDP last year to 7.6 percent.

Parliament is currently reviewing the draft budget; it is expected to pass a final text by the end of next month. Meanwhile, numerous state institutions are already understaffed, their directors told The Daily Star, and an extended hiring freeze could make their jobs that much more difficult.

"We are handling ourselves OK now," says Mohammad Chehabeddine, who heads the safe operation of all nonmilitary aviation for the country. He says his agency, the Directorate-General of Civil Aviation, currently employs about 200 people - just a fifth of what he said it needs. "I think as we go further - you know, so many staff [members] are retiring ... You can't endure this situation without hiring new staff," he warns.

Chehabeddine's concern is echoed by Sami Alawieh, who runs the Litani River Authority, which oversees irrigation and electricity production from the river, winding from the Bekaa Valley through south Lebanon to the sea.

It has also launched a campaign to combat dumping in the heavily polluted waterway.

The LRA has 195 employees, he says, but the agency needs about 100 more.

"We have many needs. We require engineers, specialists in electricity, specialists in water," he says.

The National Center for Scientific Research, or CNRS, is another scientific agency lacking in manpower.

"In our four research centers, we have 23 full-time researchers with Ph.D.s," Mouin Hamze, CNRS' director, says. It needs 60, he says, "to be able to solve the problems" facing Lebanon.

"The mission of CNRS is important ... Can you imagine not having a center to monitor earthquakes?" he asks. "We are the only body dealing with satellites and the applications of satellite imagery on the development of natural resources."

CNRS also monitors air pollution, ensures food quality and investigates counterfeit banknotes, among other duties.

Other understaffed state institutions are more visible to the public.

The Public Corporation for Housing, responsible for helping low- and middle-income Lebanese residents buy a home, has 80 employees. It needs 170, according to the agency's head, Rony Lahoud.

Despite the massive lack of staff, Lahoud says the PCH is running fine - for now.

But if the hiring freeze is extended until 2022, the agency may not be able to function at full capacity.

The hiring freeze could also affect internet users. "We are operating off 1.3 employees per 1,000 subscribers, which is not enough," says Imad Kreidieh, who runs state telecoms company Ogero. "We need to be around three per 1,000."

This affects wait times for customers who want to repair lines or install new ones - a common task given the poor state of the company's infrastructure.

Kreidieh is embroiled in a controversy surrounding Ogero's recruitment of more than 400 employees after the hiring freeze went into effect in August 2017. He has been charged personally, but maintains the hiring was legal, and that it was included in budgets approved by the Finance Ministry and Parliament.

The Ogero case is one in a much larger anti-corruption drive spearheaded by Ibrahim Kanaan, the chair of Parliament's Finance and Budget Committee.

In May, Kanaan announced that state institutions had employed more than 5,000 people since the hiring freeze went into effect. Another 32,000 were hired illegally before August 2017, he said.

Kanaan's claims rested on a monthslong investigation carried out by his committee, which relied heavily on two oversight bodies, the Central Inspection Bureau and the Civil Service Board.

The results of the investigation were given to the Court of Audit to hold those responsible to account.

However, both the Central Inspection Bureau and Court of Audit are themselves severely understaffed.

The CIB has just 70 inspectors, MP Elias Hankash previously told The Daily Star.

"In the late '50s ... they had 200 inspectors for 11,000 state employees," he said.

Today, there are likely around 110,000 government workers - 10 times as many - according to the CIB's chief, George Attieh.

The Court of Audit, meanwhile, has 33 monitors and 19 investigators, in addition to judges and administrative staff, according to Judge Ahmad Hamdan, the court's head.

"To work as efficiently as possible, we would need around 60 monitors and 40 investigators," Hamdan says. The lack of staff "of course has an impact on the speed at which we can carry out our duties."

The court is also tasked with another serious anti-corruption file: auditing state accounts.

In any given year, the Finance Ministry should send the Court of Audit a report of all the money coming into the Treasury and leaving it.

After the court audits this report, it sends the report to Parliament for ratification. This is all supposed to happen before Parliament passes the next year's budget.

But the last time Parliament passed this so-called closure of accounts was for the 2003 fiscal year.

In March, Finance Minister Ali Hasan Khalil submitted to the court a 490-page report on state finances from 1993 to 2017.

Based on this report, the court is now preparing the missing closures of accounts, starting with 2017 and working backward.

Filling in these gaps has been another of Kanaan's main pushes as Finance and Budget Committee chair. However, with fewer staff, the process will take longer.

Kanaan did not respond to requests for comment for this article.

And the hiring freeze may run counter to anti-corruption drives in another way.

Alawieh of the Litani River Authority says he supports the hiring freeze in principle, but that implementation is lacking.

"The opposite effect is happening because they are opening the door for illegal employment" - just as happened with the initial hiring freeze, in August 2017.

While the proposed legal text of the hiring freeze allows for exceptions, it presents new hurdles in the already complicated state employment process.

"I think we'll discover two years later that they hired X number of people" illegally, says Sami Atallah, director of the Lebanese Center for Policy Studies, a think tank.

Atallah suggests a more holistic approach. "If I'm in a crisis ... I don't just go and cut, cut, cut. I need a vision," he says.

"What is the vision of the state? What do you want the state to do?"

This is especially important given the aid promised at the CEDRE conference in Paris last year - the original impetus for Lebanon's ongoing budget slashing.

“If you want to build a state that’s competent to manage even just the CEDRE projects,” you need to empower oversight agencies, Atallah says.

That means a more nuanced approach to the problem. “We’ve got a lot of ministries that are overstaffed ... and there are others that are very important that are understaffed,” Atallah says.

“Freezing [everything] doesn’t tell me anything. It’s a time-out, not a change in strategy.”

Jawad Adra, the founder and managing partner of the consulting firm Information International, suggests that the imbalance between overstaffed and understaffed institutions lends itself to a natural solution: moving workers to where they are needed most.

“Somebody should be reviewing payrolls and deciding how to” deploy resources.”

“If there are still skills that are lacking, then they can hire new people,” Adra adds.

But whether such a review will happen - and whether it will come soon enough to avoid damage to the state - remains an open question. Until then, the Lebanese may have to rely on a dwindling number of workers at vital state agencies. - Additional reporting by Emily Lewis and Jacob Boswall