

## Lebanon's alternative plan

**Hiba Huneini**

The unveiling of the economic plan by the Lebanese government on April 30, 2020, to tackle the country's economic woes has been described on a presser by the prime minister as a "historic announcement" for "the first comprehensive financial plan in Lebanon's history." The plan has already been endorsed by the Cabinet and shared with Lebanon's international partners, notably the International Monetary Fund, to support Lebanon's request for a \$10 billion loan.

However, this economic blueprint and the aforementioned steps have sparked many debates and discussions, both around the country and internationally. Key questions have been raised around, inter alia, the technical soundness of the plan; the relevance of the plan to the current deteriorated situation; the degree of political and social buy-in; the risks which the plan could bring to the Lebanese context and its consistency with international credit standards; and the absence of concrete sectors-based plans.

Lebanon as had a number of strategic and reform plans over the course of its history which tackled economic, financial and sectoral challenges, starting from IRFED plan in 1961 which founded Lebanon's Central Bank as an example, all the way up to CEDRE, which introduced a complete package of financial and fiscal reforms to the international community and secured \$11 billion in pledges which make the claim that the government's plan is the first of its kind an overstatement.

Lebanon's quest for a strategic, financial and economic plan is not a unique one. All countries which have experienced social uprisings, financial collapse and overall economic hardships have, without exception, resorted to strategic planning as a policymaking methodology to ensure procedural harmony and clarity of objectives to ease coordination and gain public and institutional trust nationally and internationally. The nature of these plans and the processes which led to them played an instrumental role in the ratio of success.

Strategic plans at times of political turmoil cannot merely be the product of experts' experiments, especially when related to the future and fate of an entire nation. Moreover, the experiences from other countries around the world prove that financial plans alone cannot help struggling countries ride the storms of political and economic malaises. Fiscal policy, concrete growth and development-oriented planning are imperative to success. In that sense, discussions and serious engagement with different stakeholders in the private sector are paramount.

One concrete example of this consultative and simulative approach is the "Alternative Economic Revival Plan" released by InfoPro, a market research and analysis corporation. The process of developing the plan included data from four surveys including a questionnaire with members of LeadersClub by Lebanon Opportunities, interviews with stakeholders, and a survey with 300 companies. In addition, more than 150 company leaders attended a general consultation meeting that was followed by a series of seven sectorial consultation sessions which the public could attend and discuss the topics of the plan. Based on the consultations, the plan was updated and distributed to various stakeholders that endorsed the proposal.

According to Ramzi El Hafez, the founder and general manager of InfoPro, "the major economic challenges can no longer be dealt with one by one, in a 'retail' manner. The approach needs to be 'wholesale,' tackling the fundamentals of our system, and making many changes all at once." This approach is reflected in the plan which stresses on the inter-related relationship between the economic and political reforms, away from the current political trending clichés and parroted analysis that have no scientific basis.

The plan takes into consideration the series of reforms to which previous governments were committed, including those required by the Paris conferences (I, II, and III) and the CEDRE conference, as well as the economic vision in the McKinsey report. This is an example of how planning does not need to start by demonizing previous development attempts or act with cynicism especially during such a critical moment in Lebanon's history.

The Alternative Economic Revival Plan tackled basic pillars and general issues; and it studied the core sectors to highlight the state of each sector, the required measures and the set of relevant indicators. It also introduces a set of bold measures such as: "eliminating a large number of ministries, adopting e-government to its maximum extent, simplifying administrative procedures, having an independent and effective judiciary, implementing administrative decentralization, and redesigning a tax system for the period following this five-year plan."

What's unprecedented is that the plan sets aside the historical analysis of the current situation, which has been overwhelming, and instead focuses on the solutions and the short-term, medium-term, and long-term measures.

Lebanon needs every possible effort to overcome its multifaced crisis. Experiences show that no single actor can individually solve such complex problems and that structured participation of all national stakeholders is critical for national buy-in, trust building and potentially efficient implementation.

**Hiba Huneini -is Manager of the Youth and Civic Engagement Program at the Hariri Foundation for Sustainable Human Development. [hiba.h@hariri-foundation.org](mailto:hiba.h@hariri-foundation.org)**