

OVERARCHING POLICY ASKS

INTRODUCTION

Lebanon is in its fourth year of a deep economic, political, and social crisis. According to the World Bank, the Lebanese crisis ranks among the “most severe crisis episodes globally since the mid-nineteenth century,” and is the product of decades of deliberate reckless fiscal and monetary policies, in addition to a crippling refugee crisis where the country has the highest refugees per capita in the world.

In fact, the economy remains in decline. Policy-making initiatives are introduced piecemeal and on an ad hoc basis. Crisis management decisions are inadequate, geared towards the short term, often skewed towards the protection of vested interests, and do little to support a comprehensive and equitable recovery plan. This dysfunctional situation continues to perturb the private sector while increasing socio-economic inequalities and frustrating the law-abiding business community and enterprising individuals.

The crisis has also had a devastating impact on the provision of public services at all levels.

The Lebanese state - represented by its different ministries and departments - must assume the difficult task of elevating the country up to the standards of a functioning Nation-State by managing revival and growth through a solutions-based approach away from the prevailing “ruling regime logic”. This is best accomplished through capitalizing on the country’s comparative advantages to design and implement a comprehensive national strategy. The strategy would create an environment conducive to business that utilizes the concepts of product space and smart specialization within an updated and reformed regulatory and legal framework.

It is essential to protect the law-abiding private sector in its capacity as the main pillar of the Lebanese formal economy and its driving force whilst curtailing and forcefully opposing the growing unlawful, informal, parallel, and illegal economies.

POLICY ASKS



RATIONALIZE REGULATORY FRAMEWORKS AND INTEGRATE NECESSARY ADMINISTRATIVE REFORMS LEADING TO:

- Reduction of bureaucratic Red Tape.
- Restructuring, upskilling, and downsizing of the inflated inefficient public sector.
- Integration of clear guidelines and procedures in relation to investment and ease of doing business requirements.
- Implementation of E-government.



ENHANCE THE RULE OF LAW AND ENSURE THAT PREVAILING LAWS ARE IMPARTIALLY APPLIED AND ENFORCED UNDER THE CONTROL OF AN INDEPENDENT JUDICIARY. THIS WOULD ENTAIL THE FOLLOWING:

- Revival of the role of regulatory bodies with a large degree of independence to govern, manage, regulate, and police sensitive sectors. .
- Implementation of an open government program to increase public oversight.
- Achievement of stability & security through the adoption of positive neutrality.
- Enhancement and acceleration of private sector related legislation.



IMPROVE THE PRIVATE SECTOR ACCESS TO RESOURCES AND INFRASTRUCTURE THROUGH THE FACILITATION OF:

- Access to skilled labor.
- Access to financing via a reformed banking sector and unconventional innovative financial instruments.
- Access to efficient and affordable services (telecommunications, energy, water, transportation, digital connectivity).
- Access to international markets.



CREATE TARGETED LABOR MARKET REFORMS THROUGH:

- Amendment of the National Social Security Fund (NSSF) & labor laws.
- Automation of the NSSF.
- Establishment and implementation of a National Job Creation strategy.



IMPLEMENT FISCAL INCENTIVES THAT ARE TARGETED, TRANSPARENT, AND ALIGNED WITH ECONOMIC DEVELOPMENT GOALS, INCLUDING:

- Investment Allowances.
- Regional development incentives.
- Research & Development grants.
- Green incentives.
- Export promotion incentives.
- Training & skills development incentives.



CREATE & IMPLEMENT A NATIONAL STRATEGY THAT UTILIZES THE CONCEPTS OF PRODUCT SPACE, SMART SPECIALIZATION, AND THE BRANDING AND MARKETING OF LEBANON INTERNATIONALLY BY:

- Identifying sectors and industries where Lebanon has a comparative advantage and a potential for growth.
- Drawing on successful practices from both developed and developing countries.
- Rolling out a comprehensive plan across all relevant ministries to bolster the growth of the productive and service sectors.