



Analysis

Against the Current:
Reflections and Lessons on Service in Government
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About the Author

Dr. Saade Chami is an economist and public servant with over 35 years of experience in international and national institutions. He served as Lebanon's Deputy Prime Minister from September 2021 to February 2025, where he led the government's economic reform efforts and negotiations with the International Monetary Fund (IMF), culminating in a preliminary agreement in April 2022. He also chaired several committees focused on economic and structural reforms.

Dr. Chami spent two decades at the IMF, leading missions in the Middle East and contributing to programs in Europe, Africa, and Asia. His last roles included Assistant Director in the Middle East and Central Asia Department and Director of the IMF's Middle East Technical Assistance Center. He later served as Secretary General of the Capital Markets Authority and as Group Chief Economist at the National Bank of Kuwait.

Dr. Chami advised the Lebanese government on reforms that underpinned the 2007 Paris III donor conference. Earlier in his career, he taught economics and finance at the American University of Beirut from 1987 to 1993, where he served for one year as Director of the Graduate School of Business. He was also an advisor to the Central Bank of Lebanon, McKinsey & Co., as well as other public institutions.

Why I Accepted the Role

When I accepted the position of Deputy Prime Minister in the midst of an unprecedented economic and financial crisis, I did so with a full understanding of the obstacles that lay ahead. I had no grand illusions; I knew that any serious attempt at reform would face resistance, given the nature of Lebanon's political and governance system. Lebanon's political economy was deeply entrenched and vested-interest groups—powerful and closely linked to the political elite—would resist change at every turn.

Still, I accepted the responsibility with both conviction and hope. I was convinced that a difference could be made, as I was entrusted with leading the government's economic portfolio and negotiating a reform program with the International Monetary Fund (IMF)—a mission deeply meaningful to me. I also hoped that the magnitude of the crisis, unlike any Lebanon had experienced before, would compel even the most entrenched political leaders to act in the national interest, as millions of Lebanese were bearing the brunt of the collapse.

That hope, however, proved misplaced. Despite the tragic economic situation, the political class and its business associates—those who had benefited from the old order—could not envision a new one that might deprive them of their privileges or require meaningful change. Populism abounded, while real action was nowhere to be found. Yet my conviction remained that one should always strive to make an impact—by persevering in the face of strong opposition, by setting an example of how public officials should conduct themselves, and by refusing to give in to pressure while serving the public good.

Preliminary Agreement with the IMF

The financial system had imploded, the exchange rate was in free fall, deposits were trapped in banks, salaries had lost much of their value, skilled Lebanese were leaving in droves, and public trust was at its lowest point. In the government's policy statement, there was a clear commitment to negotiate an agreement with the IMF to help put Lebanon on the right path. I was entrusted with this task, chairing a committee that included the Minister of Finance, the Minister of Economy, the Governor of the Central Bank, and an adviser to the President.

After complicated and often exhausting discussions with the IMF team, we reached a Staff-Level Agreement (SLA) in April 2022—about six months after taking office. The agreement offered a comprehensive framework for reform: restoring fiscal balance, putting debt on a sustainable path, improving public services, enhancing governance, building credible institutions, and restructuring the banking sector.

This agreement, widely welcomed at first, was soon met with strong opposition and a barrage of criticism—motivated mainly by those who stood to lose their privileges. It was based on a comprehensive reform plan we had prepared. No one claimed it was perfect, but it represented the best possible outcome under the circumstances and was, relatively speaking, more lenient than many would have expected given the complexity of the case.

Yet the plan included several actions that were difficult for the political and business elites to accept, as they required fundamental changes in the way the economy was governed. It also charted an arduous road to recovery—because there was, quite simply, no easy path forward.

Lebanon's crisis was multidimensional and deeply rooted. There were no easy solutions. We could, of course, proceed without the IMF or international support, but doing so would mean implementing far harsher measures in the absence of external financing. To reject assistance and still do nothing, however, would only ensure that the crisis worsened further.

I have always emphasized that the IMF is neither a savior nor a panacea. It provides financial assistance and helps mobilize international support, but success ultimately depends on the country's own commitment to reform. Around the world, some IMF-supported programs have failed because of poor diagnosis, while many others have failed due to the absence of national ownership and political will. Successful programs, by contrast, are those in which governments embrace reform and take bold measures to achieve their goals.

At the time, some argued that the situation could correct itself gradually, but such complacency ignored the human cost. The price of inaction would be immense, falling disproportionately on Lebanese who had already slipped into poverty. Meanwhile, the middle class—the backbone of recovery and growth—was rapidly disappearing.

In all this, I assumed that my two decades of experience at the IMF would be viewed as an advantage—knowing how the institution works and how to engage with it effectively. Instead, I soon discovered that it was seen by some as a liability. I was even accused, absurdly, of being the IMF's "man" in the government. In a typical display of political theatrics, the economic reform program was quickly branded "the Saade Chami Plan." Perhaps they thought I would be an easy target who could be pressured or discredited.

The Opposition to Reform

Powerful Financial Groups

Once the implications of the reform program became clear, powerful economic and financial actors reacted with vehement opposition. Some banks, business associations, and their allies within the political class quickly recognized that meaningful reform would expose accumulated losses and threaten decades of unchallenged entitlements. Their strategy was simple: deny the magnitude of the problem, discredit the reformers, and stall any decision that might impose costs on them.

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The Association of Banks in Lebanon (though not all banks shared its position) launched an aggressive campaign to protect its interests. Publicly, it claimed to defend depositors; privately, it sought to shift losses away from shareholders and large creditors onto the state—and ultimately onto the public. This was evident as they repeatedly refused to

acknowledge responsibility or accept losses on their capital. While responsibility did not rest solely with them, they could not claim complete innocence. The state also bore part of the blame for the financial collapse and had to contribute to maintaining social cohesion—but placing all the blame on the state served to deflect pressure and avoid accountability.

Refusing to budge and insisting that shareholders should lose their equity before depositors lost a single dollar, they intensified their campaign to undermine and discredit the Staff-Level Agreement—after initially welcoming it—all under the pretext of defending depositors. When they realized this position would not

change under pressure, they shifted to populist rhetoric and started playing the role of depositors' first defenders, ignoring that every dollar of capital retained is one dollar lost to depositors. They bet that time would heal the crisis and that the state could somehow compensate all depositors without addressing the underlying causes.

This narrative was soon adopted by certain business associations for the same reasons, influenced mainly by members representing the banking sector. They fought hard to block the program under various pretexts, going so far as to accuse us of "destroying the economy." Their arguments were amplified in parts of the media and in political circles that preferred comforting myths to painful truths.

Political and Media Resistance

The public debate that followed was anything but rational. Financial interests understood that shaping public opinion was as important as influencing decisions—a message well received by some influential groups in Parliament. Sessions that should have been devoted to analyzing draft laws turned into performances of indignation and political theater—the voices of some MPs who genuinely wanted change were drowned out by the more influential blocs. Committees refused to meet under the pretext that the government had no reform program. The goal was rarely to improve legislation but to exhaust the process until public attention drifted elsewhere.

This opposition was accompanied by a coordinated media campaign that blurred facts, questioned motives, and created confusion about what was at stake. Some talk shows and newspapers repeated the same slogans: that the government's plan aimed to "write off deposits," that it would "destroy the banking sector," and that foreign institutions were dictating Lebanon's policies. In a country already weary and distrustful, such messaging found fertile ground. And those most affected by the crisis—the depositors—clung to any hope of recovering their lifetime savings.

In the process, I learned that resistance to reform rarely declares itself openly. It operates through delay, distortion, and deflection. It hides behind legalistic arguments, appeals to sovereignty, or sudden demands for further study. Each delay erodes momentum—until paralysis becomes policy. I also realized that time has no value in the corridors of politics.

Hesitant Government Support

Inside government, reform proposals encountered hesitation, second-guessing, and tactical silence. Some ministers—even those who were part of the team that negotiated with the IMF—eventually turned against the agreement, voicing populist positions on television or even marching with demonstrators who opposed it, chanting hostile slogans against those deemed responsible. The government's support for reform was, at best, lukewarm.

The absence of a unified governmental voice complicated matters and made the environment less conducive to sound decision-making. Reform required coherence—a government that speaks with one message to the public, to Parliament, and to the international community. Instead, contradictory statements created uncertainty and diluted credibility. In such an environment, the public heard many claims but few truths and eventually lost faith in all.

In Cabinet discussions, I often sensed that reform was viewed not as a national imperative but as a political liability. Proposals were dissected not for their substance but for their implications for the political parties that had appointed the ministers, a few of whom were allied with powerful external and financial groups.

Some ministers echoed arguments borrowed from financial-sector representatives or business lobbies. It was a sobering reminder that in systems built on narrow interests, truth carries little weight unless it serves power.

Our government underestimated the power of narrative. We had no communication strategy to explain clearly what we were doing and why, despite the urgent need for one. Technical correctness is not enough when the debate takes place in a marketplace of fears. Without transparent communication, vested interests will always fill the void with their own narrative—one that defends privilege while pretending to protect the people. And this is exactly what happened.

A System Built to Block Change

Lebanon's crisis did not emerge in a vacuum; it was years in the making. It was the result of mismanaged economic policies sustained by a system that lacked good governance and demanded consensus for even the smallest decisions. The post-civil war political arrangement—originally intended to preserve communal balance—gradually evolved into a mechanism of mutual veto. Every major decision required near-unanimity among factions that shared little except the desire to preserve their own spheres of influence. In such a setting, even the most urgent reforms became hostage to endless bargaining.

Consensus, in principle, is a good thing. But when facing a difficult situation like the one we faced, reaching full consensus became nearly impossible. When every participant has the power to block any decision without bearing the cost of inaction, it turns into paralysis. Decisions are postponed, committees multiply, and accountability disappears into the fog of collective responsibility. The result is a state that cannot act—even when failure is visible to all. Here, courageous policymakers must take decisions without waiting for consensus, difficult as that may be, for the sake of the national interest.

The economic collapse exposed this dysfunction in its starkest form. Everyone agreed that reform was necessary, yet no one was prepared to take the first step. Political leaders feared losing influence by endorsing difficult measures. Members of Parliament competed to please their sectarian constituencies and were judged not by performance, but by how forcefully they opposed other communal groups. Within each community, politicians fought for popularity through populist posturing. Even technocrats hesitated, fearing to jeopardize future ministerial ambitions. There were only a few vivid examples illustrating the delays in taking any meaningful decision over the past few years. In the end, everyone waited for someone else to act.

This institutional paralysis extends beyond economics. It defines how Lebanon handles every national issue—from electricity to education to foreign policy. The system rewards avoidance: a culture where survival means never deciding. The tragedy is that such avoidance ultimately costs more than any difficult decision ever would.

Reform as a Moral Imperative

In the face of fierce opposition and media smears, I often asked myself whether the effort was worth it. Each initiative met resistance; each proposal was delayed, diluted, or distorted. The irony was that those defending the status quo—and those responsible for the crisis through empty assurances that “everything was under control”—were the first to lecture us on what needed to be done, instead of apologizing or withdrawing from public life. The frustration was immense—not because of disagreement on what needed to be done, but because of the absence of political will to do it.

Yet giving up was never an option. To abandon reform is to accept permanent decline. The cost of inaction is measured not only in deepening the crisis and present-day suffering, but also in lost generations—young people leaving because they no longer see a future in their own country. When a state fails to reform, it forfeits its legitimacy, and the space it vacates is quickly filled by sectarian, clientelist, or private interests.

Reform is not merely a technical exercise; it is a moral commitment. It affirms that the public good must come first, and that policy can serve citizens rather than factions. External assistance, while valuable, can never substitute for domestic ownership. No IMF program or donor package can succeed unless national leadership decides that truth is preferable to illusion and that responsibility must finally replace denial.

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Some argue that Lebanon’s crisis is too deep, that the political class is too entrenched, and that reform is therefore impossible. While there is some truth to this, and while a “shock therapy” designed to overhaul the political order has not yet matured in Lebanon, this does not mean we should resign ourselves to paralysis. Measured steps, however small, are far better than no steps at all. Change may be

slow, but it begins when truth is spoken and sustained by persistence. Every small, credible action creates space for the next. What is needed is not a miracle but a sequence of determined efforts that rebuild trust over time.

Still, time is not on Lebanon’s side. The region around us is transforming rapidly. Emerging economies are moving at high speed into the twenty-first century—embracing digitalization, artificial intelligence, and investment in human capital. Lebanon cannot afford another decade of drift. Without a leap forward, it will never catch up with its neighbors or other emerging markets. But embarking on a reform path would at least move us closer. In today’s world, stagnation is a form of regression.

Lessons Learned and a Path Forward

The experience of leading economic adjustment efforts in Lebanon revealed not only how difficult change can be, but also why previous attempts have repeatedly failed. Denial of the crisis, the dominance of powerful financial groups, the nexus between political power and vested interests, resistance in Parliament, and the absence of unified government support all combined to paralyze reform. Here are some lessons that could help current and future policymakers.

A clear vision and a unified message are the starting points for change. Reform cannot proceed without a coherent strategy that the public understands. Fragmented initiatives, however well-intentioned, must be anchored in a long-term vision; otherwise, they breed confusion. The government must clearly articulate priorities, set measurable targets, and communicate them consistently. A reform agenda must begin with honesty—acknowledging the scale of losses and the depth of the crisis. Without that clarity, denial fills the void, and reform becomes a slogan rather than a plan.

Institutions in charge of economic reform must be competent and accountable. The reform effort should focus on institutions capable of delivering results: the central bank, the Ministry of Finance, and the judiciary above all. Strengthening these pillars would create leverage across the system. But these same institutions must also be insulated from political and financial influence. For example, central-bank

independence must not be exploited to serve political ambitions but rather to shield monetary policy from interference. At the same time, it must be accompanied by accountability, transparency, and merit-based appointments.

Reform requires sequencing—but also decisiveness. Comprehensive reform does not mean doing everything at once, but it does mean acting decisively. For example, adopting a credible banking-resolution framework would send a strong signal to depositors and international partners. In my experience, the absence of proper sequencing—combined with endless debate over what should come first—became a convenient excuse for doing nothing. Delay in such foundational measures undermines all other efforts.

Transparency is the only antidote to mistrust and misinformation. In a society fractured by mistrust, disclosure is not optional. Publishing accurate data on key economic indicators, audits of state institutions, and updates on reform progress creates a shield against misinformation. Transparency is the answer to conspiracy and the foundation of accountability.

International support helps, but domestic ownership is indispensable. Partnership with the international community is helpful to reduce the pain of adjustment but should never replace domestic responsibility. Lebanon's crisis is too deep to be resolved without external support, but that support must reinforce—not substitute for—local leadership. Support from international partners was conditional on steps the government should take. Ultimately, reform must be anchored in Lebanese institutions and led by Lebanese. Without genuine local ownership, every plan risks being discredited as foreign interference rather than a national necessity. Going it alone would require much harsher measures that the population could hardly absorb.

Reform begins by breaking the nexus between politics and vested interests. No reform can endure if the intimate link between political power and economic privilege remains intact. The web of mutual dependency between politicians and powerful financial and business actors has long suffocated reform. It is this alliance—the political-financial nexus—that turned policymaking into a battle of self-preservation and Parliament into an arena of obstruction. Disentangling this nexus is essential—not only through stronger regulation and conflict-of-interest rules, but by exposing how private gain often dictates public policy. This is where the role of the media comes in. But when the media becomes part of this nexus, what I would call PoliFinMed, then the alliance will be even stronger.

Incremental progress can still create lasting momentum. A major overhaul of Lebanon's political system is unlikely in the short term; the preconditions for such transformation do not yet exist. But this does not mean we should sit idle and accept paralysis. Even incremental measures can create momentum. Momentum, once it builds, changes expectations, alters incentives, and makes broader transformation conceivable. That is how societies in transition move forward—through steady, cumulative progress that eventually redefines what is possible.

Reform is not an event—it is a continuous process that rebuilds trust. Reform in Lebanon will not be a single event or a single plan. It must be a continuous and cumulative process aimed at clear national objectives for the benefit of all. Each action must restore a measure of trust that was lost. Trust is not given; it is earned. Continuity in government is essential. Unfortunately, even recent experience did not bode well for continuity.

Values and integrity still count in public service—especially under pressure. High-ranking officials will always be subject to immense pressure to compromise—to soften positions, to delay action, to avoid confrontation. I witnessed such pressure firsthand. One should listen and consult but never yield on matters of principle, because doing so would mean betraying the very purpose of public service. In moments of doubt, those principles provide the clarity that politics so often obscures.

Real leadership demands courage—the willingness to lose power for the right cause. Leadership requires, above all, courage to confront entrenched power, to speak truth when silence is safer, and to risk personal loss for the sake of the public good. It also demands the ability to explain unpopular decisions and stand by them. While consensus is desirable, decision-making cannot depend on achieving it. True leaders must be willing to lose office for the right cause rather than keep it for the wrong reason. Reformers may not always prevail, but they can at least refuse to legitimize a system built on deception. Citizens can accept sacrifice if they believe it is shared and purposeful. What they will not accept is hypocrisy.

Conclusion

Looking back on my time in government, I am struck not only by the hostility of vested-interest groups but also by the complacency of many policymakers who knew the truth yet chose to ignore it, deflect it, deny it, or remain silent. Fear, self-interest, and convenience remain the greatest obstacles of all.

Lebanon's recovery will not come from foreign aid or hollow slogans. It will come when citizens, officials, and institutions assume responsibility—when service to the nation becomes a duty rather than a privilege, and when leadership shows the courage and resolve to act even under the most difficult circumstances.

When systems fail, those within them face a choice: to adapt, to collude, or to resist. One must choose resistance—not because success is guaranteed, but because silence would mean complicity. Reform, in the end, is about restoring integrity as a governing principle.

If there is one lesson to draw from this experience, it is that truth, even when it hurts, is far better than a deception that pleases. It sets a benchmark for the day when courage, not short-term calculation, becomes the only path left to progress.

Public service, even within a broken system, is not an act of futility. It remains an act of faith in the possibility of a better future. What matters is to keep alive the belief that governance can be honest, that principles can still guide public life, and that the next generation need not inherit only decline. Hope will return when leadership courage overcomes denial and fear.



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