UNDERSTANDING POLICY-MAKING IN LEBANON:
An Application of the Multiple Streams Framework to the 2012 Wage Hike

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UNDERSTANDING POLICY-MAKING IN LEBANON: AN APPLICATION OF THE MULTIPLE STREAMS FRAMEWORK TO THE 2012 WAGE HIKE

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In January 2012 Decree No. 7426 was adopted increasing the monthly minimum wage for private sector employees from $333 USD to $450 USD and providing for a living cost increase up to $200 USD. This paper seeks to answer two questions: First, what led the issue of wages to become prominent on the policy agenda, with decree No.7426 viewed as the solution? Second, what other solutions were considered but dismissed, and why? In answering these questions, this paper aims to critically analyze the wage hike using the theoretical approach of the Multiple Streams Framework as an instrument to consider the agenda setting, and decision-making processes as well as the role of policy entrepreneurs.

List of Acronyms

MSF  Multiple Streams Framework
GCWL General Confederation of Workers in Lebanon
MOL  Ministry of Labor
PIC  Price Index Committee
CPI   Consumer Price Index
UCC  Union Coordination Committee
CoM  Council of Ministers

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INTRODUCTION

The majority of Lebanese workers are salaried employees (49%), out of which 19% are informal wage earners.1 According to Article 44 of the Code of Labor, “the minimum pay must be sufficient to meet the essential needs of the wage-earner or salary-earner and his family.” According to Article 46, “the minimum pay assessed shall be rectified whenever economic circumstances render such review necessary.” Law No. 36 of 1967 stipulates that the government is to periodically set a minimum wage and to define the increase of living costs and its implementation, while Law No. 2000/138 stipulates an annual wage adjustment. Nevertheless, since the 1990’s the 1967 Law was not applied and the average wage was low when compared to the cost of living while significant inflation has lowered the real wages of employees.2

In January 2012 Decree No. 7426 was adopted increasing the monthly minimum wage for private sector employees from $333 USD to $450 USD and providing for a living cost increase of up to $200 USD. This paper seeks to answer two questions: First, what led the wage issue to become prominent on the policy agenda, with decree No. 7426 viewed as the solution? Second, what other solutions were considered but decided against, and why? In answering these questions, this paper aims to critically analyze the wage hike using John Kingdon’s theoretical approach of the Multiple Streams Framework (MSF) as an instrument to consider the agenda setting and decision-making processes, as well as the role of policy entrepreneurs.

In his work Agendas, Alternatives, and Public Policies, John Kingdon focuses on processes that shape what issues rise to the public agenda and what solutions are likely to be adopted. The choice of Kingdon’s heuristic as an analytical framework for the study of the 2012 wage increase policy in Lebanon hinges on the main underlining assumption of Kingdon’s framework which is a policy process approach that “deals with policy-making under conditions of ambiguity and focuses on the “dynamic, complex, and chaotic nature of political life” with “other frameworks simply assume away”. Kingdon’s MSF offers a way to explain how political systems and organizations operate and function in an ambiguous world. Ambiguity refers to “a state of having many ways of thinking about the same circumstances of phenomena”. It is different from uncertainty, which refers to the inability to accurately predict an event.3

In line with the focus of this research on the role of policy entrepreneurs, Kingdon’s framework provides the analytical tools to examine how and under what conditions entrepreneurs manipulate the policy process to push for certain policies, initiate action, and create policy windows. The central argument of Zahariadis’s book Ambiguity and Choice in Public Policy is that policy entrepreneurs play a key role in manipulating factors in the political system to produce public policies in an environment full of ambiguity. Conversely, the Advocacy Coalition Framework (ACF) has been criticized for not clearly defining policy brokers. The ACF does not explicitly consider the material self-interests of policy actors and policy brokers beyond their belief system4. While the framework pays special attention to policy brokers, Christopher Weible, Paul Sabatier, and Kelly McQueen explicitly recognized that most of ACF applications largely overlook the role of policy brokers as important components of ACF5.

Finally, only scant analysis of the 2012 wage hike policy has been done despite its controversial process and political context. Moreover, to date, Kingdon’s approach has not been applied to the analysis of any policy domain in the Arab region. Around 1,900 peer-reviewed journal articles have mentioned or applied the MSF since 2000. Kingdon’s approach has proven useful in explaining national policies in topics

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1 The World Bank, “Lebanon. Good Jobs Needed: The Role of Macro Investment, Labor, Education and Social Protection Policies”, Washington DC: The World Bank, 2012. According to the World Bank study, “around 20% of the labor force is informal wage employment lacking access to social insurance and labor regulations. Another 30% is self-employed in low productivity activities and is also not covered by the mandatory programs”. According to the International Labour Organization, “Employers, [are those] who hold self-employment jobs (i.e., whose remuneration depends directly on the (expectation of) profits derived from the goods and services; wage-earners or ‘employees, [are those] who get a basic remuneration not directly dependent on the revenue of the employer - among whom countries may need and be able to distinguish ‘employees with stable contracts’ (including “regular employees”); self-employed or ‘own-account workers, [are those] who hold self-employment jobs and do not engage ‘employees’ on a continuous basis”. Refer to the “Resolution Concerning the International Classification of Status in Employment”, known as ICSE-93.
including security, tobacco, health, welfare, social issues and transport.6

This paper aims to analyze a temporal frame from January 2011 to the time of signature of Decree No. 7426 in February 2012 with a brief retrospective between 1996 and 2011. There has been little critical examination on how Decree No. 7426 was adopted – increasing the monthly minimum wage to LBP 675,000 ($450 USD) – and agreed upon by the General Confederation of Workers in Lebanon (GCWL)7 instead of its initial demand of LBP 1,200,000 ($800 USD)8 or the minimum wage of LBP 868,000 ($533 USD) which was proposed by the Ministry of Labor9. In other words, while several ideas and “solutions” were proposed for wage adjustment, how come Decree No. 7426 was adopted? It is important to take a critical view and trace in detail how the problem of wages and the need for increase surfaced, and rose on the public agenda. Such analysis would underline the conditions which trigger and lead to such decisions and explain how an arguably unjustified policy gained support.

While the paper focuses on the MSF – centered on the policy issue itself – in describing the problem, policy and politics streams and examines the role of policy entrepreneurs, it also takes into account the regime properties of Lebanese politics and charts a brief advocacy coalition analysis. More precisely, some regime properties of Lebanese politics are briefly examined as they significantly shape the policy process without being detected by a strict MSF analysis. The 2012 wage hike process studied in this paper shows political regime properties blocking solutions coming from the policy stream, which is focused on the policy issue itself. Also, a brief advocacy coalition analysis for the wage hike issue shows the entanglement of its major proponents/antagonists with the regime logic: the paper attempts to show policy issue coalitions subjected to the regime logic.

The resignation of the Minister of Labor at the end of the policy process as examined in this paper signals the definitive triumph of the political regime over the issue logic. The regime logic being stronger could be one of the main lenses necessary to understand the policy process in Lebanon in general as well as the limitations of policy entrepreneurs versus the magnitude of the role played by the long-lasting “policy godfathers” of the political regime in particular.

This report consists of the following sections: 1) the methodology; 2) an overview of political regime properties; 3) the development of the wage increases as a policy issue; 4) a brief advocacy coalition analysis; and 5) analysis mapped against Kingdon’s multiple streams heuristic; and 6) conclusions pertaining to the role of policy entrepreneurs in the Lebanese political regime in place.

7 The General Confederation of Lebanese Workers was established in 1958 and included the three registered federations of trade unions at the time. In 1970, all five federations that were outside the GCWL rallied under its umbrella. As a result all Lebanese federations united under the GCWL. From that day on, the GCWL became the main representative of trade unions in Lebanon. Following the debate about the wage hike and the controversial attitude of the GCWL, several unions withdrew from the confederation (Fenasol).
9 Price Index Committee, “Report of the Price Index Committee, Part II” (Beirut, January 18, 2012). The report valued the CPI-based minimum wage at LBP 816,000 ($540 USD).
METHODOLOGY

The first step was to form a detailed chronological account of the wage adjustment policy process during 2011 and 2012 until the wage increase was adopted in February 2012. This account was formed based on collected documents including newspaper archives, press releases, government and institutional documents such as reports and minutes of meetings of the Consumer Price Committee, correspondence of the Ministry of Labor, Opinions of the Administrative Court, and drafts of decree proposals submitted to the Council of Ministers. These texts were mainly obtained through members of the Consumer Price Committee. Consumer Price Index for the period 1995-2011 was obtained from the Consultation and Research Institute. The search of online archives of major newspapers in Lebanon identified around 50 media articles in three major Lebanese newspapers\(^{10}\). The search terms included “minimum wage”, “consumer price committee”, “ministry of labor”, “General Confederation of Workers in Lebanon”, and “business associations”. Additional searches were made on the online archives of newspapers using the names of key figures involved in the development of the policy, for example, Minister of Labor Charbel Nahas, Prime Minister Najib Miqati, and President of the GCWL Ghassan Ghusn.

All documents were grouped by type then each type of document was organized chronologically to form a timeline of events. A second search was then conducted to collect sources cited within these documents and which were not found in the initial search described above. Based on the completed timeline of events, a narrative of policy development was formed. The use of publicly unavailable sources, such as the minutes of meetings of the Price Index Committee allowed access to undisclosed processes during the policy development.

The timeline was coded and classified against Kingdon’s Multiple Streams Framework following the approach used by Lancaster et al (2014)\(^{11}\). Interviews with stakeholders were conducted to identify information gaps and to validate the timeline. The coded timeline was analyzed in view of identifying coupling moments, policy windows, and policy entrepreneurs based on Kingdon’s heuristic (refer to the annex).

This paper focuses on the wage adjustment policy development that started in 2011 and adopted in 2012, and in turn the analysis is limited to the temporal frame from 2011 until the time of adoption of Decree No. 7426 governing the increase of minimum wage and adjustment of wages in 2012. The focus of this paper is restricted to the introduction of this policy, agenda-setting, policy windows and policy entrepreneurs during this temporal frame excluding later debates regarding the wage adjustment. In the following section presents the findings of this analysis mapped against Kingdon’s Multiple Streams Framework.

Before delving into the analysis of the 2012 wage increase as a policy issue, the following section examines some facets of the political regime in order to better understand its role and repercussions on policy-making in general, and to better examine the wage increase within the MSF analysis in particular.

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\(^{10}\) An-Nahar, As-Safir, and Al-Akhbar.

REGIME PROPERTIES OF LEBANESE POLITICS

The MSF forefronts a logic of policy issues, and backgrounds ‘politics’ as auxiliary routine to help figure out policy problem-solution combinations. But in Lebanon there is a regime logic that, frequently, plays a seminal role in the policy process regardless of problem-solution combinations and the capacity of policy entrepreneurs.

First, sectarianism is enshrined in the Lebanese political system. The core pillar of the Lebanese political system is consociational power-sharing based on sectarian identities, which remains the key measure of political representation. More precisely, the following political parties and movements are almost exclusively associated with the three largest religious communities, namely Sunni, Shiite, and Maronite:

- The Future Movement, founded by former Prime Minister Rafiq Hariri, is associated with the Sunni Muslim community. His son, Prime Minister Saad Hariri, succeeded his father at the head of the party;
- Hezbollah and the Amal Movement are directly linked with the Shiite Muslim community. Hassan Nasrallah, the Secretary-General of Hezbollah and Nabih Berri, the President of Amal and Speaker of the Parliament since 1990, are both considered the leaders of the Shiite sect.
- The Free Patriotic Movement, the Lebanese Forces party, and the Phalanges party are associated with Maronite Christians. The Free Patriotic Movement (FPM) was founded by the current President of the Republic, Michel Aoun.

Representatives of these three sectarian groups constitute elite ruling based on a power-sharing formula that was adjusted after the Ta’if agreement at the end of the civil war in 1990. In turn the division of state institutions among the ruling elite and their respective sectarian groups is clear.

Following the assassination of Rafiq Hariri in 2005, the political divide in Lebanon was consolidated into two coalition groups: March 14 and March 8. March 14 was a coalition of political parties and included the Free Patriotic Movement, Future Movement, the Lebanese Forces, the Phalanges, the Progressive Socialist Party, and the Democratic Left. March 14 parties, led by the son of Rafiq Hariri, were united by their anti-Syrian regime position. The March 8 coalition was named after the March 8, 2005 demonstration when different parties, notably Hezbollah and Amal, protested in downtown Beirut. The demonstration expressed gratitude to the Syrian regime during the civil war and accused Israel and the USA of interfering in Lebanon. The March 8 coalition also included Al-Marada and the Syrian Social Nationalist Party. In 2006, the Free Patriotic Movement signed a memorandum of understanding with Hezbollah and became a de facto member of the March 8 coalition.

Second, several countries exert influence in Lebanon. The Lebanese state has been a territory for proxy wars in the region and in turn subject to the influence of mainly USA, Saudi Arabia, Syria and Iran. The shifts in the power relations between countries have immediate repercussions on domestic politics, party affiliations and alliances, and consequently on policy-making in particular.

Third, after the civil war ended in 1990, the labor movement, represented by the General Confederation of Workers in Lebanon (GCWL), witnessed a larger scale of political intervention that aimed at taming its protests against neoliberal government policies. The impact of sectarianism, political affiliations, and government intervention within the union structure implied, first, a divided movement, and second, an overall cautious and moderate behavior towards the government. The state and the ruling elite worked on emaciating trade unions and blocking any of their opposition to socio-economic policies as well as their repeated sets of demands. The major tool of the ruling elite in their relation with the GCWL was the intervention at the institutional and organizational level including the control of the affiliation of the successive ministers of labor, the withholding of the budget allocation to the GCWL, the intervention in executive council elections, and the excessive authorization of federations of specific political affiliation. At the end of the 1990’s the GCWL mobilizations were faced with repression and co-optation. At this point, the GCWL had become a tool that Rafiq Hariri’s opponents such as Nabih Berri used against him as a pressure tool to surge their share from the neoliberal rent. As shown in the development of wage increases as a policy issue in 2012, the Confederation was once again used by one of the

coalitions to influence the policy-making process amidst an absence of an authentic mobilization of workers due to the emaciation of the workers’ movement.

These facets of the political regime play a seminal role in the policy-making process in Lebanon, and should be taken into account in the analysis process along the MSF heuristic. In this context, the following section considers the development of the wage increase as a policy issue based on the created timeline.

**THE DEVELOPMENT OF WAGE INCREASE AS A POLICY ISSUE**

At the outset of the Lebanese civil war in 1990, the government agreed to limited wage adjustments in 1994, 1995, and 1996. In February 1996, the GCWL expressed its opposition to the economic and political policies of the government and declared February 29 to be a national day for strikes and demonstrations. In March 1996, business leaders revealed they were ready to discuss labor demands and wage increases. Consequently, the Price Index Committee (PIC) held a set of meetings in March 1996 to identify the price increase of basic goods and services in 1995 and to determine the cost of living adjustment that should be done for 1996. While the GCWL demanded a 76% wage increase, business representatives offered nothing more than 15%. As a reaction to the government silence and inaction, the GCWL decided to use the upcoming visit of the French President Jacques Chirac as a pressure tool against the government: the government would answer the workers’ demands at once or the workers would organize a sit-in in front of the parliament coinciding with President Chirac’s speech on April 6, 1996. Throughout that day, the Lebanese army blocked the entrance to the GCWL headquarters and prevented those inside from marching to the parliament. Instead, the sit-in was held inside the headquarters and was covered by media. Following the April 1996 War, the government approved a scheme for wage increase whereby minimum wage was set at LBP 300,000 ($200 USD).

It is important to note that this wage adjustment introduced for the first time a government coping-strategy to limit the wage increase: transport and education allowances were introduced as a temporary measure in a separate decree and were in turn considered not to be an integral part of the salary. Consequently, transport and education allowances were not included in the National Social Security Fund (NSSF) contribution paid by the employer, nor were they provided to informal workers knowing that Lebanon is

16 The Price Index Committee includes representatives of business associations, GCWL, and the Ministry of Labor to determine annual wage.
17 As-Safir, March 13, 1996, 3.
18 An-Nahar, April 4, 1996, 2.
19 In April 1996, Israel launched “Operation Grapes of Wrath” against Lebanon where it conducted extensive shelling for 16 days in what it claimed was an attempt to stop the rocket attacks of Hezbollah.
marred by a large informal sector. This strategy alleviates the financial burden on employers in general and the business elite in particular. These measures became permanent and this issue of transport allowances would continue to be a seminal negotiation point with business associations in future minimum wage policies as shown in the sections below.

Until 2008, the government did not adopt any other wage adjustment. In September 2008, the government implemented a wage adjustment, consisting of a flat increase of all monthly wages by LBP 200,000 with retroactive effect back to May 2008; the minimum wage was hence increased from LBP 300,000 ($200 USD) to LBP 500,000 ($333 USD) (Decree No. 500). Similar to the 1996 raise, the government issued Decree No. 501 pertaining to transport fee increase for each effectively worked day from LBP 6,000 to LBP 8,000. While the minimum wage became $333 USD, the average household income had to exceed $500 USD in order to stay above the poverty line. Furthermore, as the raise was not indexed to the consumer price index, it was not in proportion to the changes in the cost of living. This wage adjustment represents a 17% average increase in contrast to a 64% increase in the general consumer price index between 1996 and 2008.

Furthermore, as long as transport allowances were not integrated in the minimum wage, increases of transport allowances were deducted from NSSF. Despite the difference between the voiced demand and the increase that was passed, the co-opted GCWL considered the wage increase a victory for workers.

In 2011 the question of wages was raised again, and a new wage increase was adopted in January 2012. The following section is a detailed account of the wage increase policy development.

2012 Wage Hike

The beginning of the year witnessed the re-election of Ghassan Ghusn for his fourth term as President of the GCWL and in June 2011, with the formation of a new government, the confederation demanded a minimum wage increase to LBP 1,200,000 ($800 USD) and Ghusn embarked on a series of meetings with the President of the Republic, the ministers of justice and finance, as well as representatives of the chambers of commerce. In September, the confederation announced a labor strike for October 12, 2011 should the government ignore its demands.

From his side, the newly-appointed Minister of Labor Charbel Nahas revived the PIC on September 23, 2011, as per Decree No. 4206 of August 8, 1981, which stipulates its creation and formed the new committee composed of representatives of workers and business associations. Law 36/67 date 16/5/1967 stipulates that the Government of Lebanon is bound to publish, through the PIC, a yearly cost of living index. Nevertheless, this committee had not convened for fifteen years since 1996 nor had there been any CPI-based wage increase during that period.

After deliberations among stakeholders within two consecutive PIC meetings, data analysis showed that according to the Central Administration of Statistics (CAS), the CPI increased by 35% between 1998 and August 2011 and 58% as per the Consultation and Research Institute (CRI). However, a striking increase of living cost took place between 1996 and 1997 – only CRI’s CPI was available during this period – whereby prices increased around 100% from 1996 to 2011. Furthermore, between 1996 and 2011, transport fees were four times increased whereas wages were only increased by 16% instead of 121% based on calculated prices increase during that period.

At this point the GCWL proposed to raise minimum wage to LBP 1,250,000, to raise wages based on a progressive scale, to consider 1996 as the starting year for price increase calculations, to reconsider transport allowances and school assistance. Business associations proposed to consider 2008 as the starting point for minimum wage increase to adopt the 16% increase since 2008.

Nahas had put together a reform package that aimed at ensuring the periodic adjustment of wages in accordance with Law 36/67, integrating transport allowances in wages, increasing wages by 20% with a ceiling of LBP 1,500,000 ($1,000 USD) increasing taxes on real estate transactions, and reviving the role of trade unions. The reform package included a strategy for the creation of a universal health care scheme in Lebanon. The integration of transport allowances in wages aimed at protecting employees that do not necessarily earn transport allowances: 45% of employees in Lebanon were not effectively granted transport allowances.

However, the package of reforms of the Ministry of Labor were not put on the agenda on the upcoming Council of Ministers. Instead, the Council of Ministers...
approved a proposal (illegally) put forward by Prime Minister Najib Miqati: The Prime Minister is not entitled to present a wage increase proposal but this falls instead under the prerogatives of the Minister of Labor. The proposal provided for an increase of the minimum wage from LBP 500,000 ($333 USD) to LBP 700,000 ($460 USD), and a flat living cost increase of LBP 200,000 or LBP 300,000 for salaries of up to LBP 1,800,000, instead of a percentage-based increase, and an increase of daily transport allowances to LBP 10,000.

The GCWL not only relinquished the occasion to champion the social reforms package presented by Nahas, but it was also quick to cancel the strike call as a sign of acceptance of the Miqati proposal. However, in its opinion from October 27, 2011, the administrative court, seized by the Ministry of Labor) known as the Shura Council27 found that the government’s decision was illegal for several reasons, mainly the fact that it did not comprise a cost of living index justifying the proposed wage increase as per Law 36/67.28

On December 21 Nahas planned to present a wage proposal to the Council of Ministers (CoM). Nevertheless, during the council meeting which was taking place at the presidential palace, Prime Minister Miqati and President of the Republic Michel Suleiman had invited representatives of business associations and the GCWL to convene in a nearby meeting room and facilitated an agreement among present parties on a minimum wage increase. This agreement was handwritten and signed by all representatives in parallel to the meeting of the CoM. As soon as the agreement was signed, Miqati declares that the discussion of and vote on the proposal was no longer needed since business associations and the GCWL agreed to a proposal (illegally) put forward by Prime Minister Najib Miqati: The Prime Minister is not entitled to present a wage increase proposal but this falls instead under the prerogatives of the Minister of Labor. The proposal provided for an increase of the minimum wage from LBP 500,000 ($333 USD) to LBP 700,000 ($460 USD), and a flat living cost increase of LBP 200,000 or LBP 300,000 for salaries of up to LBP 1,800,000, instead of a percentage-based increase, and an increase of daily transport allowances to LBP 10,000.

On January 25, 2012, Decree No. 7426 was adopted increasing the monthly minimum wage for private sector employees from LBP 500,000 ($333 USD) to LBP 675,000 ($450 USD) and providing for a living cost increase up to LBP 299,000 per month ($200 USD)32 after the deduction of the LBP 200,000 flat increase of 2008 and the annulment of the related Decree No. 500 dated October 14, 2008.

Prime Minister Miqati then asked for a decree reinstating the transport allowance in spite of the fact that Minister Nahas did not include it in the proposition submitted to the council and of the fact that the Administrative Court had formally banned the promulgation by the CoM of such allowances. Miqati insisted, but Nahas refused to sign the second decree related to transportation allowance that stipulate a

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27 The State Shura Council is one of the highest judicial authorities in Lebanon that plays a top advisory role. The Council functions as an appellate or Cassation level court to review judicial decisions made by a variety of administrative bodies and also acts as an original court for certain types of disputes such as annulment requests against ministerial decrees. The Administrative Court gives non-binding opinions on the legality of proposed governmental decrees.
30 Price Index Committee, “Report of the Price Index Committee, Part II” (Beirut, January 18, 2012). The report valued the CPI-based minimum wage at LBP 816,000 ($540 USD).
31 Coalition of the public primary and secondary school teachers’ leagues, the Association of the Private Schools Teachers, and the League of Public Sector Employees.
32 An increase of 100% on the first fraction of the wage (with a minimum of LBP 375,000) and a maximum of 9% on its second fraction. First fraction of the wage is the first LBP 400,000 and the second fraction of the wage is between LBP 400,000 and LBP 2,500,000).
daily transport allowance of LBP 8000, contending that it was illegal and violated workers’ rights. Prime Minister Miqati suspended cabinet meetings until Nahas signed the decree. Nahas resigned on February 21, 2012 and the decree was signed immediately thereafter by Acting Minister of Labor Nicolas Fattoush.

Following the description of the development of wage increase as a policy issue during 2011 with a brief overview of its development since the end of the civil war in 1990, this section applied the Kingdon’s multiple streams heuristic to examine the policy development process.

33 Shura Council, “Shura Council Opinion 95/2012.” The Shura Council had found that the transportation allowance decrees adopted by the consecutive Lebanese cabinets were illegal and that the executive had no jurisdiction to issue such decrees.

**BRIEF ADVOCACY COALITION ANALYSIS**

In the ACF, a subsystem is composed of advocacy coalitions whose members can include legislators, agencies, interest groups, researchers, and journalists. They coordinate based on shared beliefs. The account of the 2012 wage hike policy-making process showed the entanglement of the major proponents/antagonists with the regime logic while the policy issue was relegated to the forefront.

The analysis suggested the presence of two coalitions operating in the wage increase subsystem which are labelled: ‘social wage’ coalition and a ‘status quo’ coalition. The Shura council acted as a broker between both coalitions.

The social wage coalition included the FPM, the ministers allied to the FPM in government, and Union Coordination Committee of public sector employees. The coalition introduced the social wage approach through the price index committee reports. The core belief of this first coalition was the importance of periodical wage increases indexed to the consumer price index as well as the inclusion of transport and education allowances to the wage core.

The status quo coalition included the Future Movement, Prime Minister Miqati (allied to Future Movement), Speaker of the Parliament Nabih Berri (Amal Party), the GCWL whose president is allied to Berri, and representatives of leading business associations. The core belief of this coalition was the importance of the status quo of the wage increase process in place.

The analysis shows that these coalitions stem from the political power distribution of the government during this period. The newly formed government was composed of a majority of 18 seats for the March 8 coalition and a minority of 12 seats close to the prime minister, the president of the republic, and the March 14 coalition. Within the March 8 coalition, the FPM had the largest bloc with eight ministries, including justice, energy, telecommunications and labor. Miqati had a block of six ministers including the ministries of finance, economy, and trade. The fact that the FPM had the largest bloc of ministries ever since it ran its first elections in 2005, connotes their position of strength and explains its support to the Minister of Labor in its wage increase policy process as a conflict arena with the opposing ministerial block. In turn these coalitions were more a reflection of power conflict within the political regime in place rather than a reflection of core beliefs pertaining to the policy issue in itself.

Taking into account the persistence of the regime properties and the advocacy coalitions built around it, an MSF analysis is carried out in the following section. The MSF presented below depicts the policy issue logic and attempts to chart the agenda setting, the proposed solutions, and the political background to the policy process, while highlighting the clash with the properties of the political regime in place.
KINGDON’S MULTIPLE STREAMS FRAMEWORK

The framework comprises five elements: problems, policies, politics, policy windows, and policy entrepreneurs. Problems, policies, and politics are three streams that flow through the policy system. Each stream is perceived as separate from the others.

The problem stream comprises problems or conditions that people and policy-makers want to solve or address. Examples include budget deficits, inflation, or lack of universal healthcare. Policy-makers know about these problems through indicators, focusing events, and feedback. Indicators assess the incidence, the size, or the change of a condition like debt service, healthcare cost, or unemployment rates. Focusing on events highlight the existence of a problem such as long workers’ strikes, or large demonstrations. Also, feedback from previously adopted policies could illuminate conditions of success or failure and might trigger the adoption of a similar policy.

The policy stream consists of a “primeval soup” of possible solutions or ideas. Different stakeholders including researchers in think-tanks, academics, or bureaucrats propose these ideas as solutions, which are in turn assessed through papers, discussions, or legal consultations. Some of these ideas disappear, others survive unchanged, and others are combined. Only few ideas survive to be seriously considered by policy-makers. The survival and consideration of ideas hinge on their feasibility, resource adequacy, value compatibility, and ultimately their acceptability to those in power.

The politics stream encompasses the national mood, pressure-group campaigns, and change in administrative, legislative or political staff. The national mood stands for the common thoughts of a large group of individuals during a specific period at the national level. Those moods can be monitored through opinion polls or surveys, which findings could impact agenda setting. In addition, the support or opposition of pressure groups also promote certain items on the government agenda. In addition to these elements, legislative or administrative turnover also heavily affects the choice and adoption of policies. The election of a new president of the republic may for instance award more attention to specific policies such as budget cuts, and less attention to other policies such as universal healthcare. The national mood and turnover of key government personnel can heavily impact agenda-setting and policy adoption.

Policy windows refer to the coupling of the three streams. At a specific point in time conceptualized as “policy window”, policy entrepreneurs couple the three streams using different strategies. According to Kingdon, a policy window is an “opportunity for advocates of proposals to push their pet solutions, or to push attention to their special problems”35. The coupling of the streams enhances the chances that policy-makers will adopt a specific policy36. Windows are usually opened by compelling problems or events such a new administration and are of short duration.

Policy entrepreneurs are individuals or organizations that try to join the three streams and are usually behind the push for certain policies. When a policy window occurs, policy entrepreneurs attempt to trigger action. Successful entrepreneurs tend to have access to policy-makers and to resources such as time and money to push their ideas and solution while resorting to manipulating strategies.

MULTIPLE STREAMS FRAMEWORK
AND THE 2012 WAGE HIKE

PROBLEMS STREAM
- **Focusing event**
  Revival of Price Index Committee
  GCWL call for strike
  UCC strike and protests

- **Indicators**
  121% living cost increase between 1996 and 2011

POLICY STREAM
- **Social wage reform**
  20% wage increase since 1996 based year
  Periodic wage adjustment
  Transport allowance integration
  Universal healthcare scheme

- **Safeguard of old scheme**
  Wage increase since 2008 base year

Policy Entrepreneurs
- **Minister of Labor Nahas**
- **Prime Minister Miqati**

Policy Window
- Opinion of the administrative court
- Political pressure from political leaders

Policy Godfathers
- Nabih Berri
- Michel Aoun

Political Stream
- **National mood: Syrian crisis**
- **Legislative turnover: New government formation; large FPM coalition; upcoming elections.**
- **Pressure campaign: business**

Policy Agenda Change
- Wage increase from $333 to $450 USD
- Flat living cost increase up to $200 USD
- Increase of daily transport allowance to $5.40 USD
FIRST STREAM: PROBLEMS

**Focusing events**
Several focusing events drew attention of policymakers, the media, and the public to the “problem” of wage adjustment. The revival of the Consumer Price Committee after sixteen years of non-existence was one of the most significant focusing events that brought back the problem of wages on the agenda.

In September 2011, Minister of Labor Charbel Nahas revived the PIC as per Decree 4206 dated August 8, 1981, which stipulates the creation of a Consumer Price Committee. The revival of the PIC marks the onset the Nahas’s efforts to put the wage issue on the policy agenda. His action may fall under the attempts of the FPM ministerial block to jolt the battle against the opposing coalition taking the wage issue as a competition arena. Drawing upon this assumption, this shows that the regime logic might be a guiding force in agenda setting: internal power relations within the CoM were at stake working irrespective of the merits of the policy issue and its legal framework.

This committee had not convened since 1996. The raise of wages adopted in 2008 did not involve the committee and was not based on a cost of living index. Therefore, in order to prepare a proposal of wage increase following the set legal provisions, Nahas issued decision No. 1/121 dated September 23, 2011 and invited the representatives of workers and business associations to meet under the scope of the committee to discuss the “problem” of wage adjustment as well as their proposed “solutions”.

Other focusing events included the calls for strike and protests of the GCWL and the UCC. In June 2011, the president of the GCWL called for a general workers’ strike in case the government did not approve a wage increase October 12, 2011. The GCWL demanded a minimum wage increase of $800 USD. The strike was cancelled on October 11 following the council of minister’s decision to increase the minimum wage to $460 USD. Despite its annulment, the call for strike in itself could be an event that drew the public’s attention to the wage “problem”.

The Union Coordination Committee went on strike and organized protests on December 15, 2011. After its first decision being revoked, on December 7, the CoM sat the minimum wage to USD 400 and a flat living cost increase ranging between $100 and $185 USD. One week later, in opposition to the decision of the CoM, the UCC implemented a strike coupled with protests in Beirut Central District. The strike of public sector workers and accompanying protests are also events that highlighted the issue of wages.

These focusing events drew the attention that a “problem” of low wages existed. The magnitude and scope of the problem were however assessed and identified through the use of data indicators.

**The use of indicator data**
“Indicators can be used to measure the magnitude of change in the hope of catching official attention”37. Based on Kingdon’s theory on how problems surface on the agenda of policy-makers, the case study above reveals that a number of indicators were used in 2011 to show that the minimum wage was a mounting problem. The interpretation and dissemination of indicator data, mainly the analysis of the consumer price index between 1996 and 2011, highlighted the long lasting, increasing, but covert “problem”.

Kingdon’s argues that “the data does not speak for itself” (Kingdon 2003, 94) and in turn the interpretation of indicators is important in the problem stream. This is demonstrated in this case study by the problem magnitude definition through the creation of the PIC, which was legally in charge of analyzing different sources of indicator data in order to determine the wage increase against the Consumer Price Index difference since the last wage increase in 1996. Several data indicators were used including labor market, macro-economic, and fiscal indicators.

The newly revived PIC in its second meeting on October 7, 2011 invited representatives of the two main data producers of CPI – the Central Administration of Statistics and the Consultation and Research Institute – and embarked in the comparison, analysis and interpretation of indicator data. In the PIC report that followed from the second meeting, the data is carefully charted including comparison of methods and limitations of available data. The report recognizes the problem of minimum wage and identifies its magnitude through interpretation of the available indicators.

At this point problem, attention was drawn to the “problem” and its magnitude was identified accordingly. The wage problem was put on the agenda as an issue of concern. However, recognizing a problem does not necessarily determine the government reaction, response and policy action. The proposed ideas and solutions of different stakeholders is discussed in the analysis of the policy stream in the following section.

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37 Ibid
**SECOND STREAM: POLICY PROPOSALS**

Deliberations within policy communities tend to narrow the number of proposed policy solutions and produce a short list of options.38

**Policy communities**

During 2011 there were a number of ideas and policy responses being formed, selected and rejected in what Kingdon calls the “policy primeval soup”. Most policy ideas and suggestions were funneled during the meetings of the PIC, and ministerial committees. During the meetings of the PIC, representatives of the Ministry of Labor, GCWL, the UCC, and business associations voiced their demands and solutions. The PIC-issued reports were the proposals that were presented. This venue, or a similar one such as the Economic and Social Council, were inexistence in the past 15 years. In turn, deliberations of solutions and proposals prior to the 2008 wage raise were scant. After the first CoM’s proposal was rejected by the administrative court, the prime minister stated that a ministerial committee will be established to discuss the wage issue – composed of the ministers of finance, labor, and economy. However, no information pertaining to committee meetings could be found. Finally, the prime minister organized side meetings, in parallel with, and despite of PIC meetings, with representatives of the GCWL and business associations in order to gather their agreement on a wage increase policy proposal. These meetings were crowned with a common proposal of the GCWL and business associations presented on December 21.

According to Kingdon: “Problems are often not self-evident by the indicators. They need a little push to get the attention of people”39. In this case study, the media coverage played this role. The role of media includes the simplification of the problem, visualizing policy proposals and setting the tone of debates. In turn, the importance of media relies on its capacity to mobilize support of policy solutions.40 The media played a key role in what Kingdon’s referred to as the “process of gradual accumulation of knowledge and perspectives among specialists in a given policy areas and the generation of policy proposals by such specialists”.41 Specialized newspaper columns promoted the idea of wage crisis and the need for a policy. Senior economists and specialists used these platforms, as well as television debates to communicate their reflection regarding the wage problem and policy proposals. The prominent newspapers covered almost daily the problem of wage, such as Al-Akhbar, As-Safir, An-Nahar. Throughout the wage policy process, Al-Akhbar not only dedicated daily columns for the wage problem, but also published full official governmental documents, and visualized through infographics the differences among the different policy proposals.42 The media allowed the discussion of problems and solutions, which specialists and stakeholders stimulated.

**Two main groups of policy proposals on the table**

Some ideas rise to the top of the “primeval soup” and gain support while others are combined and the rest does not survive. According to Kingdon, for an idea to survive in the policy stream, it must be technically feasible, compatible with the system of values of stakeholders, and financially efficient. In this case study, two groups of proposals rose to the top of the “primeval soup”: first a reform package for a new “social wage” approach, and second proposals aiming for the safeguarding of previous wage policy schemes which overlooked the CPI and relied on the increase of transport allowances.

The following section attempts to firstly describe each policy proposal, and secondly, to analyze the two main groups of proposals against the Kingdon’s criteria for survival. In Kingdon’s theory of policy stream, the criteria for policy survival include technical feasibility, value acceptability, and efficiency. Technical feasibility refers to the actual way by which an idea can be implemented and put in practice. Value acceptability refers to the compatibility of the solution with the value system of the stakeholders. Efficiency refers to the cost and benefits of expenditures related to the implementation of the policy.

**First Group - Reform package for a new wage approach - the “social wage”**

Minister of Labor Charbel Nahas, backed by the FPM coalition in the government, proposed a package of reforms for a wage increase. His proposal did not only tackle a wage hike but targeted the provision of additional social safety nets while adopting the approach of the “social wage”. Nahas’s proposal was evidence-based and subject to four amendments that aimed at increasing its chances of survival.

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Nahas revived the Price Index Committee and drawing upon its two first meetings and the resulting analysis of data indicators and calculations of living cost increase, the Minister of Labor proposed a series of reforms. In October 2011, Nahas put together a reform package that aimed at ensuring the periodic adjustment of wages in accordance with Law 36/67, integrating transport allowances in wages, increasing wages by 20% with a ceiling of LBP 1,500,000 ($1,000 USD) increasing taxes on real estate transactions, and reviving the role of trade unions. The reform package included a strategy for the creation of a universal health care scheme in Lebanon. The integration of transport allowances in wages aimed at protecting employees that did not necessarily earn transport allowances: 45% of employees in Lebanon were not granted transport fees. Furthermore, between 1996 and 2011, transport fees were four times increased whereas wages were only increased by 16% instead of 121% based on calculated prices increase during that period.

Later on, in December 2011 the amended version of Nahas’s proposal provided for an increase of the minimum wage from LBP 500,000 ($333 USD) to LBP 868,000 ($580 USD) or about 74%. Nahas won the cabinet vote this time and referred his proposal to the administrative court on December 29, 2011.

Prior to forwarding his proposal to the Shura Council, Nahas coordinated closely with the president of the administrative court, Chukri Sader, so that the necessary amendments are made to the proposal in order to guarantee the court approval. Despite the coordination between Nahas and Sader, the administrative court awarded its conditional approval on December 15, 2011 and recommended additional amendments.

On January 5, 2012 Nahas put forward another proposal for a minimum wage of LBP 800,000 and a CPI-based living cost increase of 100% on the first fraction of the salary and 25% on its second. On January 11, 2012, the administrative court awarded its conditional approval and recommended the elimination of an article related to transport fees extraction from wages of workers in case employers provide transport means or accommodation.

The policy solutions of Nahas stemmed from his perspective of "social wage" and in turn addressed questions of equity and fairness. These solutions demanded an evidence-based wage increase in accordance with official data indicators and legal provisions. However, most of the package of reforms initially proposed by Nahas was both of limited technical feasibility. The proposed NSSF reforms, fiscal reforms, and the establishment of a universal healthcare requested lengthy mechanisms of implementation and required larger expenditures than other proposals.

**Second Group – Safeguarding the prior wage policy scheme**

The second set of proposals aimed at preserving the status quo and to resume with the wage policy scheme previously adopted in 1996 and 2008.

The first proposal of Prime Minister Miqati provided for an increase of the minimum wage from LBP 500,000 ($333 USD) to LBP 700,000 ($460 USD), and a flat living cost increase of LBP 200,000 or LBP 300,000 for salaries of up to LBP 1,800,000, instead of a percentage-based increase, and an increase of transport allowances to LBP 10,000. However, in its opinion from October 27, 2011, the administrative court found that the government’s decision was illegal for several reasons, mainly the fact that it did not comprise a cost of living index justifying the proposed wage increase as per Law 36/67. The wage increase appeared as a fixed sum while it should set as a percentage of living cost increase, and it excluded the category of workers that earn above LBP 1,800,000. The administrative court considered the proposed wage increase breached to social justice.

On December 5, 2011, the second proposal put forward by Miqati, following negotiations with the GCWL and business associations outside the scope of PIC meetings, that sets the minimum wage at $400 USD and a flat living cost increase between $100 and $186 USD. The administrative court awarded the proposal a conditional approval on December 15, 2011 and recommended additional amendments.

Later on Miqati championed an agreement among GCWL and business association on a minimum wage increase. Business associations and the GCWL agreed to a minimum wage of LBP 675,000 ($450 USD) instead of its initial demand of LBP 1,200,000 ($800 USD) or the CPI-based minimum wage of LBP 800,000 ($533 USD).

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43 World Bank, good jobs needed
46 The Administrative Court gives non-binding opinions on the legality of proposed governmental decrees.
48 Price Index Committee, “Report of the Price Index Committee, Part II” (Beirut, January 18, 2012). The report valued the CPI-based minimum wage at LBP 816,000 ($540 USD).

Based on this agreement, on January 18, 2012, Miqati puts forward a proposal based on the championed agreement, increasing the monthly minimum wage for private sector employees from LBP 500,000 ($333 USD) to LBP 675,000 ($450 USD) and providing for a living cost increase up to LBP 299,000 per month ($200 USD)\(^{49}\) after the deduction of the LBP 200,000 flat increase of 2008.

This group of proposals aimed at perpetuating the previously adopted wage policy. The survival of these ideas stems from their technical feasibility as they required easy and fast mechanisms of implementation and low expenditures for the government and employers. However, this set of proposals did not address questions of equity and fairness – overlooking data indicators – as stipulated by Arab and international agreements, the Lebanese labor code and related legal provisions.

**THIRD STREAM: POLITICS**

**National mood**

The onset of the wage increase policy process coincided with the outbreak of the Syrian crisis in March 2011. Syrians were displaced and the number of Syrian refugees radically surged in neighboring countries including Iraq, Jordan, Turkey and Lebanon. The outbreak of the Syrian crisis and influx of Syrian refugees marred the national mood in Lebanon. At this point, the government and citizens began to be alarmed by the flow of Syrian refugees.

**Legislative and administrative turnover**

Amidst the Syrian refugee crisis, a new government was formed on June 13 which coincided with the beginning of the wage increase policy process. The contested relationship between two main coalitions in the new government is identified as a factor of significance to the composition of the political stream.

Najib Miqati was designated to form a government in January 2011. However, the government formation process took five months and a new government was formed on June 13. The differences between the two main political groups – March 14 and March 8 delayed the government formation process.

The differences between coalitions that delayed its formation also shaped the policy process during this period. The antagonism between coalitions with the government may explain the surfacing of the wage increase policy process an “arena” of contest between the parties.

On another level, most members of the government had significant stakes in the parliamentary elections of 2013. The FPM of Michel Aoun aimed at expanding the electoral victories in Christian districts achieved in 2005 and 2009. Miqati also wanted to win the elections in his Tripoli stronghold and he has in fact assigned four ministers from Tripoli to strengthen his position\(^{50}\). The interest in the upcoming elections of 2013 gauged an incentive to adopt a wage increase policy knowing that a wage increase will significantly stimulate the affiliation and satisfaction of constituencies.

**Pressure group campaigns**

While the policy process was mainly discussed in two institutional venues, the PIC and CoM, business associations conducted pressure campaigns throughout the policy process. Those campaigns

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\(^{49}\) An increase of 100% on the first fraction of the wage (with a minimum of LPB 375,000) and a maximum of 9% on its second fraction. First fraction of the wage is the first LPB 400,000 and the second fraction of the wage is between LPB 400,000 and 2,500,000.

aimed at influencing members of the government, and political leaders to accept the Miqati proposal as it implied less expenses for enterprises, whereas the reform package proposed by Nahas aimed for a periodic wage adjustment and tax reforms. In several speeches, business associations stated that the reform package put forward by Nahas is equivalent to “suicide” and will automatically lead to an economic crisis and the bankruptcy of enterprises. Statements also tapped into the Syrian crisis its impact on a lackluster economic growth.

Pressure groups of business associations were able to significantly shape the policy process because of the intertwined interests. In the post-war period, it became rather common for the Lebanese political class to encompass wealthy businessmen who represented the interests of the business-financial elite. This became an inherent part of the political formation of post-war Lebanon and its relation with an “ultra-liberal” economic model, which overlapped between the interests of the business-financial elite and the ruling political elite. Many examples of deputies and ministers who would later on become rich proved the entanglement between the economic and political arenas51.

Policy windows, Policy Entrepreneurs and Godfathers

The taxonomy of the different aspect of the 2012 wage hike case study based on the MSF underlines the development and features of each of the problem, policy and politics stream. The problem and the politics streams highlight problem- and agenda-setting. The policy stream encompasses the different generated ideas and solutions to the policy issue. According to Kingdon, these streams are conceptualized as independent from each other’s and only come together when “policy entrepreneurs” seize “policy windows” which consist of short opportunities to push their ideas.

The analysis of this case study shows that a specific policy window gradually opened with the inclusion of the administrative court as a key player in the policy process despite its non-binding opinions. In its first two solicited opinions, the administrative court esteemed the decision of the CoM illegally, and in turn paved the way for further discussions, compromise, and amendments regarding other policy solutions. The opinion of the administrative court was unexpected knowing that the decision of the CoM was in fact a proposal put forward by the prime minister himself.

These opinions of the administrative court gave the opportunity to Nahas to push forward the proposal of the Minister of Labor which ended it up winning the CoM’s votes. It is at this moment that another important factor led to the coupling of streams in a policy window: the same ministers who voted for the Ministry of Labor’s proposal, voted against it in the next council of minister’s meeting including the FPM the political coalition of the Minister of Labor. This return of votes – which allowed for the adoption of the Miqati proposal – was due to pressure exerted by political leaders on their coalition ministers in the cabinet. This pressure stems from an overnight agreement between the leaders of the FPM and Amal Movement. The Amal movement played a long-lasting role in the incorporation of the GCWL and influenced significantly its decision and performance. Media archives, and interviews reported the following: having controlled the GCWL stand and its agreement with business associations, Amal movement moved into striking a deal with the FPM leader, to vote against its minister, in exchange of another compromise later on.

Both the minister of labor and the prime minister were the main advocates of proposals exerting intense efforts in coupling streams and seizing the policy

windows. Nahas revived the price index committee and found a way to include the UCC which was not stipulated by the law relevant to the creation of the committee. The invitation of the UCC stemmed from his concern to include all relevant parties in the tripartite dialogue between the state, workers, and business associations. The PIC soon became one of the institutional venues for the discussion of policies among the different parties involved. At the third PIC meeting, Nahas explicitly said “we are trying to act now in order to benefit from a temporary opportunity”. During the third PIC meeting on November 11, 2011 Nahas urged the members to swiftly present their views and proposals on the matter, in order to be able to draft a proposal and refer it during the next CoM’s meeting. He explicitly asked the members to play their role and take action since the Ministry of Labor was to that point doing “80% of the work”. The Minister of Labor also played a key role in agenda setting by forcing the wage issue on the government agenda through the referral of the CPI report. On the other side, Prime Minster Miqati championed the agreement between the GCWL and business associations, developed the agreement in a ready to go format, and pushed for it in the council for ministers. He stated that the policy solution needed ground preparation for the agreement to be adopted and workers for the coupling of demands and concerns.

In his analysis and review of Kingdon’s framework, Zahariadis explains that not all entrepreneurs are successful. The most successful entrepreneurs are those who have greater access to policy-makers, have more resources to push their proposals, and employ manipulating strategies to reach their goal of coupling the three streams. This “inner-outer career” as referred to by Kingdon, increases the access of entrepreneurs to stakeholders.52 Charbel Nahas worked for the financial sector for several years before being appointed Minister of Telecommunications in 2009. Najib Miqati is a multimillionaire businessman and a telecommunication tycoon. Their network in both public and private realms enabled them to push forward their proposals in different circles while trying to seize policy opportunities. In terms of manipulating strategies, Charbel Nahas worked on framing the problem of wages while focusing on the inequality and injustice of the wage scheme in place and in branding his approach of “social wage” as a symbol of social equality. The problem framing of Miqati relied on “salami tactics” by promoting in steps the agreement between GCWL and business association.

Drawing upon the predominance of the long-lasting sectarian power sharing of the ruling elite, the analysis shows that “godfathers” of the regime such as Nabih Berri and Michel Aoun, who have been main players of the political regime in place before, during, after the civil war, are the decision makers regardless of the maneuvers and capacities of policy entrepreneurs in agenda setting and policy window creations. The power of the godfathers stems from the political regime in place.

52 Kingdon, 2003, 56.
DISCUSSIONS AND CONCLUSIONS

In this paper, I attempted to critically analyze the 2012 wage hike awarded to private sector workers in Lebanon. Using Kingdon’s MSF as a lens for analysis, the paper identifies how the issue of wage increase was put on the policy agenda, as well as the conditions under which the increase with its characteristics was endorsed by decision makers.

In this final section, I attempt to widen the discussion and consider how the application of the MSF in this case underlines the fact that policy problems are not obvious. In other words, while focusing events and indicator data highlight an issue to be addressed, there is a wide array of other factors that determine whether the government will respond and decide to address an identified “problem”. This application of the MSF shows that the problem of wages, was not there waiting to be solved. Instead the problem of wage increase was highlighted and put forward as a necessary policy action. In other words, the manipulation of the problem corresponded with the willingness of some political parties, mainly FPM through the Minister of Labor to “snatch” power in this arena. The wage hike issue as framed by the Minister of Labor was an idealistic attempt to integrate all major wage issues into a one state-governed national income policy (wages in public and private sector, health insurance, transport and education bonuses) not only in the interest of a grand national economic growth strategy but also in an attempt for leadership in the competition arena of Lebanon’s regime logic. This specific wage policy was only able to rise on the decision arena because of a fertile period of competition between a ministerial block enjoying growing and recent power in the government and a long-lasting ruling group.

The findings of this case study also demonstrate how the integrated wage hike proposal failed as it ran counter to the strategic status quo interests of regime godfathers who agreed together on its obstruction regardless of the efforts, tactics, and coupling of streams carried out by policy entrepreneurs. There were power relations working against the comprehensive reform proposal, irrespective of the merits of that proposal itself and its legal framework. Moreover, the financing, feasibility, and technical difficulties deriving from its comprehensive character explain the failure of the integrated wage hike proposal. Nevertheless, these difficulties were probably surmountable through policy transfer and learning from other countries, if backed by across-the-board political will.

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LIST OF PERIODICALS

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Al-Akhbar English.
Al-Hayat.
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As-Safir.
## ANNEX

### TIMELINE: KINGDON’S MULTIPLE STREAMS AND THE 2012 WAGE HIKE

<table>
<thead>
<tr>
<th>DATE</th>
<th>PROBLEM STREAM</th>
<th>POLICY STREAM</th>
<th>POLITICS STREAM</th>
<th>POLICY ACTIONS</th>
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</thead>
<tbody>
<tr>
<td>March 1996</td>
<td>The price index committee held a set of meetings to identify the price increase of basic goods and services in 1995 and to determine the cost of living adjustment that should be done for 1996</td>
<td>While the GCWL demanded a 76% wage increase, business representatives offered nothing more than 15%. The committee suspended its meetings</td>
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<td>April 1996</td>
<td>As a reaction to the government silence and inaction, the GCWL decided to use the upcoming visit of the French President Jacques Chirac as a pressure tool against the government</td>
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<td>Following the April War, the government approved a scheme for wage increase and other benefits for workers in the private sector</td>
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<td>April - May 1996</td>
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<td>February 2002</td>
<td>GCWL called for a mass demonstration on February 28 to repeat the demand for a wage adjustment and the increase of the minimum wage by 30% to 40%. However, following the negotiations with Prime Minister Rafiq Hariri, the demonstration was canceled</td>
<td>GCWL agreed with Hariri to accept the increase of transportation benefits from LBP 2,000 ($1.3 USD) to LBP 6,000 ($4 USD) and to increase school fees benefits from LBP 1 million ($660 USD) to LBP 1.5 million; ($1,000 USD) however, without any wage increase</td>
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<td>The cabinet only passed the transport increase and postponed the enactment of school fees assistance</td>
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<td>February 14, 2005</td>
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<td>Assassination of Rafiq Hariri</td>
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<td>March 8, 2005</td>
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<td>Protests marked the creation of March 8 coalition</td>
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<td>March 14, 2005</td>
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<td></td>
<td></td>
<td>Protests marked the creation of March 14 coalition</td>
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<td>February 2008</td>
<td>GCWL declared the launch of a series of actions to demand a wage adjustment, taking into account the 63% increase in living costs since 1996, including a strike and protests on May 7</td>
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<td></td>
<td>The strike of May 7 overlapped with the outbreak of fighting between March 8 and March 14 forces: the government decided on May 6 to shut down Hezbollah’s telecommunication network and remove Beirut Airport’s security chief over alleged ties to Hezbollah</td>
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<td>May 7, 2008</td>
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The Doha Agreement took place and the rival Lebanese leaders agreed on steps to end the political deadlock – the on-going governmental crisis and six months of presidential vacuum – which had led to the violent political crisis. A cabinet was formed with 16 seats for the ruling majority, who also got to choose the Prime Minister, and 11 seats for the opposition along with veto power. Moreover, the newly elected President would nominate three cabinet seats.

The GCWL continued to campaign for the minimum wage to be raised to LBP 960,000 (approximately $645 USD) considering that from 2006 to 2007 the cost of living had increased by 15%.

Ten ministers of the March 8 coalition resigned from Saad Hariri’s government leading to its collapse. Hariri had refused to convene ministers to discuss the naming of suspects by the UN tribunal in the killing of his father.

Government approved the increase of the monthly minimum wage from LBP 300,000 ($200 USD) to LBP 500,000 ($333 USD).

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<td>May 21, 2008</td>
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<td>The Doha Agreement took place and the rival Lebanese leaders agreed on steps to end the political</td>
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<td>deadlock – the on-going governmental crisis and six months of presidential vacuum – which had led to</td>
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<td>the newly elected President would nominate three cabinet seats.</td>
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<td>September 2008</td>
<td>The GCWL continued to campaign for the minimum wage to be raised to LBP 960,000</td>
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<td>(approximately $645 USD) considering that from 2006 to 2007 the cost of living had increased by 15%</td>
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<td>minimum wage from LBP 300,000 ($200 USD) to LBP 500,000 ($333 USD)</td>
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<td>January 11, 2011</td>
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<td>Ten ministers of the March 8 coalition resigned from Saad Hariri’s government leading to its collapse</td>
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<td></td>
<td>Hariri had refused to convene ministers to discuss the naming of suspects by the UN tribunal in the killing of his father</td>
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<td>January 25, 2011</td>
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<td>Najib Miqati is appointed Prime Minister</td>
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<td>January 2011</td>
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<td>Ghassan Ghusn is re-elected for his 4th term at the head of the GCWL</td>
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<td>March 2011</td>
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<td>Outbreak of the Syrian crisis and the onset of the refugees’ flow to Lebanon</td>
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<td>June 13, 2011</td>
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<td></td>
<td>The Miqati government formed after a 6-month delay</td>
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<tr>
<td>June 2011</td>
<td>GCWL demands a minimum wage increase to $800 USD</td>
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<td>GCWL demands a minimum wage increase to $800 USD</td>
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<tr>
<td>September 7, 2011</td>
<td>GCWL announced a labor strike for October 12, 2011 in case the government does not approve the wage increase</td>
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<td>September 23, 2011</td>
<td>Minister of Labor Charbel Nahas belonging to the FPM bloc, arch-enemy of the Future Movement Sunni bloc headed by PM Miqati - revived the Price Index Committee (PIC) as per Law 36/67 and Decree No. 4206 of August 8 1981, which stipulates the creation of a PIC</td>
<td>Agreement of PIC participants on the review of wage increase, in parallel with taxation policies, public investments, social benefits, mainly universal healthcare; Minister of Labor Nahas proposed to reintegrate transportation allowances into the main salary. He put together a reform package that aimed at ensuring the periodic adjustment of wages in accordance with Law 36/67, increasing taxes on real estate transactions, and reviving the role of trade unions. The reform package included a strategy for the creation of a universal health care scheme in Lebanon</td>
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<td>September 30, 2011</td>
<td>First meeting of the PIC. The wage increase issue was framed “as a problem resulting from the economic system in place which has led to continuous migration, dwindling of competition capacities, focus on foreign labor” (Press release, MOL, September 2011)</td>
<td></td>
<td>Beginning of the parliamentary discussion of the budget proposal. GCWL, business associations, and FPM declared their opposition to the budget proposal</td>
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<td>September 2011</td>
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<tr>
<td>October 3-6, 2011</td>
<td>Meetings of three side PIC committees in preparation of second committee</td>
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<tr>
<td>October 7, 2011</td>
<td>Second meeting of PIC; Boycott of GCWL for reasons related to the budget proposal</td>
<td>During the second PIC meeting, business associations focused on a strict minimum wage increase since 2008 Nahas focused on the concept of “social wage” and all relevant social welfare including transport and education; need for provision regulating foreign workers and support of first-time job seekers</td>
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<td>October 8, 2011</td>
<td>Second PIC meeting report: Proposition of GCWL; Proposition of employers; Proposition of CPI Committee</td>
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<tr>
<td>October 10, 2011</td>
<td>Miqati invites business associations, GCWL for a dialogue in parallel to PIC</td>
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<td>meetings; Miqati revives an inter-ministerial/MOSA committee for deliberations</td>
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<td></td>
<td>regarding budget proposal and wages</td>
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<td>October 10, 2011</td>
<td>Nahas forwards the Second PIC meeting report to the CoM with CPI chronology,</td>
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<td></td>
<td>comparisons and explanations</td>
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<td>October 12, 2011</td>
<td>Proposal 1 - CoM Decision No. 44 provided an increase of the minimum wage from</td>
<td>Proposal 1 - CoM Decision No. 44 provided an increase of the minimum wage from</td>
<td>Nahas is not given the opportunity to present his proposal and the majority of</td>
<td>Nahas is not given the opportunity to present his proposal and the majority of</td>
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<td></td>
<td>$333 to $460 USD and a fixed living cost increase instead of a percentage-</td>
<td>$333 to $460 USD and a fixed living cost increase instead of a percentage-</td>
<td>ministers voted in favor of a wage increase formula put forward by Miqati</td>
<td>ministers voted in favor of a wage increase formula put forward by Miqati</td>
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<td>based increase</td>
<td>based increase</td>
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<td>October 20, 2011</td>
<td>Minister of Labor refers the CoM decision to the Shura Council for review</td>
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<td>November 11 &amp; 25,</td>
<td>Third and fourth Meeting of PIC</td>
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<td>2011</td>
<td>Nahas transfers a new proposal to COM</td>
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<td>November 28, 2011</td>
<td></td>
<td>Proposal 2 - CoM adopted a minimum wage increase of $400 USD and a flat living</td>
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<td>cost increase ranging between $100 and $185 USD Decision No. 61</td>
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<tr>
<td>December 7, 2011</td>
<td></td>
<td>Shura Council found the decision of October 12 illegal COM decides to</td>
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<td>establish a ministerial committee composed of the ministers of labor, finance,</td>
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<td></td>
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<td>and economy to discuss repercussions of the opinion of the Shura Council</td>
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<tr>
<td>December 15, 2011</td>
<td>Shura Council awards conditional approval to decision No. 61</td>
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<td>December 21, 2011</td>
<td>Nahas presented another Proposal to the CoM s During the same Council of</td>
<td>Proposal 3 - Nahas's proposal won the cabinet vote (Add vote distribution)</td>
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<td>Ministers meeting, Miqati presented an agreement and declaration signed by</td>
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<td>business associations and GCWL on another wage increase proposal</td>
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<td>December 29, 2011</td>
<td>Proposal 4 - Nahas transfers an amended proposal taking into account the</td>
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<td>account the previous comments of the Shura Council in order to guarantee its</td>
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<td>approval</td>
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<td>January 3, 2012</td>
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<td>Shura Council, Shura Council Opinion 95/2012. Nahas’s proposal provided for an increase of the minimum wage from LBP 500,000 ($333 USD) to LBP 868,000 ($580 USD) or about 74%. The Council requested the removal of the transportation allowance, originally included in Nahas’s plan within the minimum wage, on the basis that the executive had no legal jurisdiction to either issue transportation allowance regulations or to right that wrong by integrating transportation allowances in the minimum wage.</td>
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<td>January 5, 2012</td>
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<td>Nahas refers another proposal to the Shura Council for review</td>
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<td>January 11, 2012</td>
<td></td>
<td>Shura Council awards conditional approval of Nahas’s proposal</td>
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<td>January 11-12, 2012</td>
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<td>Fifth and last PIC meeting</td>
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<td>January 18, 2012</td>
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<td>Proposal 5 - 29 out of 30 ministers voted against Nahas’s proposal. The cabinet approved two separate decrees: the first decree specified a modest increase of the minimum wage and the second provided for the transportation allowance. Decree No. 7426 was adopted increasing the monthly minimum wage for private sector employees from $333 to $450 USD and providing for a living cost increase up to $200 USD. Decision No.16</td>
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<td>January 2012</td>
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<td>Shura Council had found that the transportation allowance decrees adopted by the consecutive Lebanese cabinets were illegal and that the executive had no jurisdiction to issue such decrees.</td>
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Nahas refused to sign the second decree related to transportation allowance, contending that it was illegal and violated workers' rights. Miqati suspended cabinet meetings until Nahas signed the decree.

**February 21, 2012**

Nahas resigned on February 21 and the decree was signed by acting Minister of Labor Nicolas Fattoush. Nahas was succeeded at the Labor ministry by Salim Jraysati.
ABOUT THE PROGRAM

Civil Society and Policy-making

The increased role of civil society actors is a major recent phenomenon attributed to the advancement in communication as well as to the social, political and economic transformations. This program looks at a wide spectrum of civil society actors and their role in policy-making. We study how civil society actors organize themselves into advocacy coalitions and how policy networks are formed to influence policy processes and outcomes. We also look at policy research institutes and their contribution to the translation of knowledge to policies. The media’s expanding role, which some claim to be a major player in catalyzing protests and revolutions in the Arab world, will also be explored.

ABOUT THE ISSAM FARES INSTITUTE FOR PUBLIC POLICY AND INTERNATIONAL AFFAIRS

The Issam Fares Institute for Public Policy and International Affairs (AUB Policy Institute) is an independent, research-based, policy-oriented institute. Inaugurated in 2006, the Institute aims to harness, develop, and initiate policy-relevant research in the Arab region.

We are committed to expanding and deepening policy-relevant knowledge production in and about the Arab region; and to creating a space for the interdisciplinary exchange of ideas among researchers, civil society and policy-makers.

Main goals
▸ Enhancing and broadening public policy-related debate and knowledge production in the Arab world and beyond
▸ Better understanding the Arab world within shifting international and global contexts
▸ Providing a space to enrich the quality of interaction among scholars, officials and civil society actors in and about the Arab world
▸ Disseminating knowledge that is accessible to policy-makers, media, research communities and the general public

ABOUT THE OPEN SOCIETY FOUNDATIONS

The Open Society Foundations - Arab Regional Office supports a diverse group of civil society organizations, research centers, universities, and media organizations across the Arab region. Based in Amman, Jordan, and with a satellite office in Tunisia, it works to strengthen civil society in its efforts to build vibrant and tolerant societies where governments are accountable to their citizens. It currently supports the work of civil society in Egypt, Jordan, Lebanon, Morocoothe Occupied Palestinian Territories, Syria, and Tunisia.