

PART III  
REBUILDING SUSTAINABLE COMMUNITIES  
AFTER WARS



## CHAPTER SIXTEEN

# THE LEBANESE IN POST-CONFLICT LIBERIA\*

### **Introduction**

Since former Liberian President Charles Taylor left office in August 2003, effectively ending his country's war, the Lebanese have played both a constructive and destructive role in the rebuilding of Liberia. To understand this role best, we must examine the relationship between the current government and the Lebanese community, as this has important implications for reconstruction. If the government implements draconian policies that result in substantial wealth re-distribution, or expels the Lebanese, foreigners would be deterred from investing in Liberia. If the government coddles the Lebanese or shows the community favoritism, Liberian business owners could be hurt.

To fully understand the relationship between the current government and the Lebanese, we need to understand the relationship between previous governments and the Lebanese. I have divided this paper into three sections. In the first section I will present a framework for understanding Liberian government policies toward the powerful Lebanese community in the country from 1980 to 2005. In the second section I will describe and explain the relationship between current President Ellen Johnson Sirleaf's administration and the Lebanese community. I will make the case that the government is managing a constructive relationship with the Lebanese, while at the same time gradually developing and implementing policies to promote Liberian entrepreneurship, some of which might hurt Lebanese businesses. In the third section I will discuss the role the Lebanese have played in rebuilding Liberia since the war ended. I will describe the complicated impact of their businesses and investments and argue that they are both promoting

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reconstruction and further investment, while simultaneously hurting Liberian businesses and decelerating development.

### **Explaining Government Policies toward the Lebanese in Liberia**

*Introduction.* Ethnic minority trading groups, defined for this paper as ethnic minority groups that utilize intra-group mutual trust and mutual aid from tight kinship ties to reduce the transaction costs of trade,<sup>1</sup> can be found around the world. The East Indians in East Africa, the Chinese in Southeast Asia, and the Japanese in the US are all examples of ethnic minority trading groups. These groups are frequently scapegoated for the economic malaise of a country. They are accused of plundering natural resources and illicitly conspiring with government officials to repress the ethnic majority population. They are charged with showing favoritism toward members of their own ethnic group and raping the host country of huge sums of money, sending profits to overseas bank accounts. What little money remains in the country, according to such allegations, is handed over to corrupt government ministers to secure monopolies and trade preferences that further the minority group's economic dominance.

A number of political factors have been shown to increase the likelihood of repression of an ethnic minority group. Because many of these factors are present in Liberia, violent or non-violent repression of the Lebanese would not be unexpected. Yet government policies affecting the Lebanese community living in Liberia have been remarkably restrained. Successive governments over the past three decades have actively resisted calls for the Lebanese to be expelled from Liberia. In fact, some governments have taken actions explicitly to protect the community. What factors determine how a government will treat an ethnic minority trading group? Why have government policies that have affected the Lebanese community in Liberia been relatively moderate?

Although poor institutional quality may exacerbate ethnic tensions in some cases, I will disprove theories proposed by William Easterly (2001) by showing that in Liberia, weak institutions accompanied remarkably moderate policies toward the Lebanese. Some theories arguing for the importance of informal institutional quality in affecting inter-ethnic relations seem equipped to partially explain Liberian government policies toward the Lebanese. I will show that the Lebanese efficiently, intelligently and effectively regulate the behavior of members of their community, supporting Fearon and Laitin's (1996) contention that strong in-group policing can mitigate the potential for ethnic conflict. I will show

that sustained and substantive inter-ethnic associational forms of engagement between Lebanese and Liberians are rare, suggesting that the Lebanese have not used broad inter-ethnic interactions as a way of reducing information failures. Although this does not disprove Varshney's (2001) theories, it does not support them either. Finally, I will show that the Lebanese have used their economic dominance, trade networks, and contacts to influence decisions taken by Liberian policymakers that affect the Lebanese community.

Despite the many limitations of my research, my conclusions may have some implications for broader discussions about ethnic conflict and repression. Though the relationship between Lebanese and Liberians is by no means ideal, the lack of violence between these two groups is certainly something that countries like the Philippines, the Sudan and Thailand could learn from. The case of the Lebanese seems to show that by minimizing cleavages within a minority group so that effective in-group policing is possible, the group can more easily improve its standard of living. By fostering good will (or at least reducing animosity) among the ethnic majority population, less popular pressure will be put on the government to enact vindictive economic policies toward the minority group. In-group policing also allows a group to reduce more effectively the potential for conflict or targeted violence.

*Background: The Lebanese in Liberia.* Although there is debate about the exact year that Lebanese first arrived in West Africa, it is generally believed that they immigrated to the region during the 1860s and 1870s (Boumedouha, 1993; Leighton, 1993). During these years large numbers of Lebanese attempted to travel to the US or South America, yet many ultimately immigrated to West Africa.

While there have been no comprehensive studies of migration to West Africa, a study specifically on Sierra Leone indicates that most Lebanese there came directly from Lebanon (Van der Laan, 1993). All of the Lebanese I interviewed who were not born in Liberia had come directly from Lebanon. Of the Lebanese I interviewed who were born in Liberia, all indicated that their parents or grandparents had come directly from Lebanon.

As of 2006, the 4,000-strong Lebanese community comprised 0.13 percent of the population in Liberia (CIA, 2006; Paye-Layleh, 2005). Although this list is not comprehensive, the Lebanese in Liberia are involved in real estate, hotels, grocery and electronics stores, and importing cars, rice and petroleum. There have been allegations, supported by several interviews I conducted, that the Lebanese are also involved in the diamond and timber trade: UN sanctions currently prohibit the export

of diamonds and timber from Liberia. While statistics on Lebanese average wealth compared to Liberians are not available, my impression is that there is great variation in the socio-economic status within the Lebanese community. That being said, every Lebanese whom I interviewed was markedly better off than the average Liberian.

### **Variation in Government Policies that Affect Ethnic Minority Trading Groups**

*Theories explaining ethnic conflict: Formal institutional quality.* Easterly (2001) emphasizes the important role of institutional quality on violent ethnic conflict and economic growth. Interactions between institutional quality and ethnic diversity lead him to believe that “[e]thnic diversity has a more adverse effect on economic policy and growth when institutions are poor” (2001: 703). He also argues that “[g]ood institutions...lower the risk of wars and genocides that might otherwise result from ethnic fractionalization” (Ibid.) and that it is probably “institutions rather than democracy that contain ethnic conflict” (Ibid.: 691). The intervening variable in both of these statements is the power of institutions. Good institutions offer minorities legal protections like freedom from expropriation and contract protection; they can manage the distribution of public services in a way that lessens potential tension. These legal provisions and institutional attributes delimit the destructive effects one ethnic group can have on another.

*Informal institutional quality.* James D. Fearon and David D. Laitin support the significance of social variables (1996). Other theories explaining ethnic violence such as the rational-coalition theory and the psychological theory, however, can be complementary to their logic (1996: 717).

Lake and Rothchild (1996) also argue for the importance of both social variables and institutional quality. While their points are closely related to those of Fearon, Laitin, and Easterly, and the authors’ points are certainly not mutually exclusive, Lake and Rothchild emphasize different variables, deeming that collective fears for the future are most often the cause of ethnic conflict and the reason that negotiations can fail. These fears stem from “information failures, problems of credible commitment, and the security dilemma” (1996: 41).

Varshney argues for the importance of a certain type of civic network—what he calls inter-ethnic associational forms of engagement—in explaining the presence or absence of ethnic violence (2001, 362–363).

Associational forms of engagement are more formal forms of engagement, including trade unions and business associations. Varshney argues that

[v]igorous associational life, if interethnic, acts as a serious constraint on politicians, even when ethnic polarization is in their political interest. (2001: 363)

and even asserts that

[t]he preexisting local networks of civic engagement between two communities stand out as the single most important proximate explanation for the difference between peace and violence. (2001: 374)

Additionally, Varshney believes that the usefulness of in-group policing mechanisms, as proposed by Fearon and Laitin, may perform a function similar to inter-ethnic associational civic networks (2001: 395).

In “The Lebanese Communities of Cote d’Ivoire” Chris Bierwirth provides a detailed description of Lebanese demographics in the country, cleavages among the Lebanese-Ivoirians, and the economic, political, and social situation of the Lebanese-Ivoirians in 1999 (1999). Bierwirth provides useful insights that account for, albeit sometimes only partially, the situation of the Lebanese in Cote d’Ivoire. I will test some of these explanations in the case of the Lebanese in Liberia.

Bierwirth describes a significant cleavage within the Lebanese-Ivoirians. He defines the *familles durables* as those Lebanese families that have been in Cote d’Ivoire for two or three generations, and the *nouveaux* as those Lebanese who arrived in the country after 1975, the year generally accepted as the start of the Lebanese civil war (1999: 79, 88). Before explaining government policies toward the Lebanese-Liberians in my research, I will describe any divisions permeating the minority and what (if any) visible effects these cleavages may have.

Bierwirth’s description of intra-ethnic cleavages is closely related to Fearon and Laitin’s discussion of the importance of intra-ethnic access to information. As previously discussed, Fearon and Laitin made the case that in-group policing mechanisms within an ethnic group can mitigate inter-ethnic violence: after Bierwirth’s description of cleavages within the Lebanese-Ivoirian community, it follows that these mechanisms are probably more likely to be present and effective in ethnic groups without significant cleavages. Intra-ethnic cleavages would also complicate Varshney’s contentions.

*Synthesizing theories.* While many of the scholars previously noted make extensive efforts to show how their proposed theories of ethnic

violence are distinct from the others, several theories are quite similar. Many of the variables can be grouped together. As shown by the above categories, I have grouped them into the following categories: 1) formal institutional quality (including institutions such as the judiciary along with constitutional provisions guaranteeing minorities certain rights); and 2) informal institutional quality (including in-group policing mechanisms and associational forms of engagement). I will also examine the importance of two other variables. First, I will look at the economic importance of each ethnic minority trading group for the country of residence. Second, I will try to determine if the degree to which a minority group supports government officials affects government policies toward the minority group.

I hypothesize that poor formal institutional quality or poor informal institutional quality is necessary but not sufficient to bring about violent ethnic conflict. I also believe that strong informal institutions are more likely to be present and effective when intra-ethnic cleavages are minimized. I hypothesize that when an ethnic minority trading group directly or indirectly provides financial aid to government officials, that minority group is more likely to be affected favorably by government policies.<sup>2</sup>

### **Government Policies that Affect the Lebanese in Liberia**

Data from secondary sources on government policies—both older and more recent—that have affected the Lebanese in Liberia is limited. What follows is an overview of policies I have been able to identify through my literature review and interviews with Lebanese and Liberians. With a few exceptions, these policies are moderate, and fiery rhetoric noticeably absent. In fact, governments in the past two decades seem to have courted, cooperated and collaborated with the Lebanese. In 2004 the vice chairman of the National Transitional Government of Liberia told the Lebanese community that he was “grateful to the continuous interest and presence of the Lebanese Community [sic] in the country” (“We Appreciate....”, 2004).

*Constitutional citizenship provision.* The policy that has had the most significant impact on the Lebanese community in Liberia is the country’s citizenship requirements. Liberia’s constitution states:

In order to preserve, foster and maintain the positive Liberian culture, values and character, only persons who are Negroes or of Negro descent

shall qualify by birth or by naturalization to be citizens of Liberia. (Constitution of the Republic of Liberia, 4.27.b).<sup>3</sup>

The implications of this provision go beyond the obvious effect of disenfranchising Lebanese. Article 22 of the constitution says:

Every person shall have the right to own property alone as well as in association with others; provided that only Liberian citizens shall have the right to own real property within the Republic. (Ibid., 3.22.a).

Therefore, many foreigners, including Lebanese, cannot own property. Only one Lebanese businessman I interviewed said that the property issue had affected his investment. He said if he could own the property that his restaurant was located on, he would invest a little more in its aesthetics. Several Lebanese referred to a practice where Lebanese register property in the names of their Liberian wives or Liberian friends.<sup>4</sup>

*De facto expulsion.* On February 11, 1928 the government of Charles King issued a decree forbidding “many foreigners, including the Lebanese, from trading in the interior” of the country (Van der Laan, 1993: 536). Van der Laan argues that this decree “amounted to an expulsion order, as the concentration of foreigners in the coastal town was already high” (Ibid.). Following the decree, many Lebanese left for other West African countries. There have been no collective evictions since 1928, although individual expulsions have been common (Ibid.).

*“Open door policy”.* In the late 1950s Tubman’s government began to publicize the “Open Door Policy.” This policy was an effort to encourage foreign investment, yet its provisions were largely ineffective because of the constitutional provision forbidding foreigners from owning land (RAFREDOM Wants...., 2006).

*Liberianization policy.* In January 1983 the Liberian government, under Samuel K. Doe expanded the Liberianization Policy to forbid foreigners from becoming involved in any of thirty-three businesses.<sup>5</sup> Under the policy, only Liberians can become involved in businesses such as

petrol stations, cement and rice distributions, woodwork shops, beauty salons, gold, black and silver smith shops, bakeries, hprinting press [sic], video cassettes, butcheries, accounting firms, commercial vehicles, [and] poultry farms.... (Restrictions Imposed...., 1983).

Foreigners are also prohibited from driving taxis and selling ice, ice cream and water in plastic bags, according to several Lebanese and Liberians I spoke with. Although this may seem like a drastic measure, several factors

watered down its impact. First, the policy has been poorly enforced; second, the government rhetoric surrounding the policy at the time was notably moderate. For example, an assistant commerce minister was keen to point out that

our restrictions of these business areas to Liberians doey [sic] not mean that we are discouraging foreigners from doing business in Liberia...Foreign businessmen should engage in industrial ventures that will create more employment and develop the nation's economy. (Ibid.)

More than two decades later, Liberian President Ellen Johnson Sirleaf has used similar restrained rhetoric. In the run-up to the October 2005 presidential elections, she said that

to [her], Liberianization means “[giving] equal opportunity and where necessary and appropriate preference to Liberian business entities to enable them [to] compete more effectively with domestic or foreign entities.” (“Liberianization has Prospects”, 2005)<sup>6</sup>

*Individual expulsions.* At least for the past fourteen years successive Liberian governments have zealously expelled individual Lebanese who visibly violate laws or are widely accused of violating laws. To give one example, in June of 1987 two Lebanese businessmen were accused of falsifying import documents for shoes and other goods, apparently in an effort to avoid paying certain taxes. The men were deported and all airport customs staff fired for allegedly collaborating with the Lebanese. A few days later this policy was somewhat institutionalized, as the government announced that all defrauders would be dealt with similarly (“Liberia to Deport...”, 1987).

*Protection.* In June 2004 the national security minister of the National Transitional Government of Liberia “assured the Lebanese community in the country of full security protection,” saying that “it was the responsibility of his Ministry to protect both Liberians and foreign nationals alike” (“Security Minister...”, 2004). Also, in 1972 a Liberian Minister of Information was dismissed from his post immediately after he suggested expelling the Lebanese from the country (Clapham, 1976).

*Absence of draconian policies.* Equally notable as the above policies that have affected the Lebanese is the lack of truly draconian policies, such as mass expulsions or large-scale nationalization of businesses. Less than a month after Doe acquired power through a military coup he addressed the Lebanese business community and told them he did not aim to nationalize businesses. The new government, Doe said, would attempt to

build a new society where the business community would have greater opportunity to expand and improve their enterprises. (“Liberian Leader’s Meeting...”, 1980)

### **Testing Ethnic Conflict Theories on the Lebanese in Liberia**

*Formal institutional quality.* As discussed previously, several scholars argue that the strength of formal institutional quality can help mitigate inter-ethnic violence. Given the very limited violence between the Liberians and Lebanese in Liberia, for this theory to explain adequately inter-ethnic relations one would expect formal institutional quality to be strong. Data collected during interviews with elite and non-elite Lebanese and non-elite Liberians, along with data from secondary sources suggest that formal institutions are in fact quite weak. Because of space constraints, and because the data I collected for this section is widely accepted, I will not spend time justifying this conclusion. Suffice it to say that overwhelmingly, Lebanese and Liberians expressed virtually no confidence in the strength of Liberian courts, law enforcement personnel, and the judicial system generally. A 2005 World Bank report supports my findings about trust in state-oriented institutions. Theories arguing that strong institutions help mitigate ethnic violence may be helpful in explaining the presence or absence of ethnic violence, but the case of the Lebanese in Liberia seems to show that weak institutions do not necessarily lead to ethnic violence.

*Informal institutional quality.* Fearon and Laitin, among others, argued that variables such as access to information, the costs of conflict, and in-group policing mechanisms significantly affect the degree to which inter-ethnic conflict is present. I have put these variables under the umbrella phrase “informal institutional quality.” Certain components of informal institutional quality—specifically efficient in-group policing mechanisms—seem to play a large role in mitigating conflict between the Lebanese and Liberians.

*In-group policing mechanisms.* I chose to measure the value of in-group policing mechanisms by looking at Lebanese community associations.<sup>7</sup> The Cultural Union is easily the most influential Lebanese association in Liberia and a highly effective in-group policing mechanism.

The World Lebanese Cultural Union is an international non-governmental organization. Officially, the Cultural Union

strives to unite descendants of Lebanese origin and friends of Lebanon into one worldwide organization or union with the aim to promote and

preserve Lebanese culture and heritage. (World Lebanese Cultural Union, 2005)

According to Lebanese Ambassador to Liberia, Mansour Abdallah, the Cultural Union in Liberia serves two purposes. First, it regulates the Lebanese community and helps to solve internal problems, speaks out about administrative problems in the country that affect the Lebanese, and coordinates intra-community communications. Second, it coordinates charitable activities for Liberians.

In 2005 the events following a fight between two Lebanese men highlighted the strength of the Cultural Union and the importance of in-group policing mechanisms in mitigating inter-ethnic conflict involving Lebanese in Liberia. Naji,<sup>8</sup> a young Lebanese businessman who was born in Liberia, was working at a restaurant he managed. He was preparing to close the restaurant for the night, when Edward, a Lebanese man who had recently moved to Liberia from Sierra Leone, entered the restaurant. Naji repeatedly told Edward that he would have to leave for the night because the restaurant was closing; Edward, who was possibly under the influence of drugs, refused to leave. Naji ultimately put a hand on Edward's shirt, motioning to the door. Edward in turn punched Naji in the face. Naji proceeded to beat up Edward severely, almost killing him. The police came and took both men to the police station. Because the police were friends with Naji, and trusted him, they released Naji but detained Edward. Naji—who was not a member of the Cultural Union—went to Tony Hage and explained what had happened. By this time, the incident had attracted considerable publicity. Hage called a special meeting and the Cultural Union decided to deport Edward from Liberia. "It looked really bad," Naji said, referring to the fact that there was a rift between two Lebanese.

Because of time constraints I was unable to verify this story, which I heard from Naji. Even if the details of the fight are skewed, however, the story still speaks volumes about the importance of the Lebanese's public image and the powerful role the Cultural Union plays. The Lebanese—or at least the wealthier Lebanese who comprise the Cultural Union—were so concerned with projecting an image of a peaceful and/or unified community and ensuring that the Lebanese remained a cohesive unit decided it was in their best interest to deport Edward. Although it is likely that Edward was deported through actions taken by the Lebanese embassy, the fact that the Cultural Union initiated dealing with this issue illustrates its influence. Ambassador Abdallah, notably, is a member of the Cultural Union and friends with Tony Hage.

Coordinating charitable activities, the Cultural Union's second function, attracts more attention from Liberian media. Every month the

Cultural Union spends between US\$3,000 and \$6,000 to implement a charitable project. In the past, the Cultural Union has sponsored the construction of hospital rooms at clinics and the headquarters of the International Committee of the Red Cross, refurbished schools, provided food for a convent and funded scholarships for students. These projects seem aimed at generating goodwill among Liberians for the Lebanese. Cultural Union constituents and staff expertly generate publicity for these projects. For example, a Liberian man responsible for the Cultural Union's public relations simultaneously serves as a reporter for a news radio station.

*Inter-ethnic associational forms of engagement; cleavages within the Lebanese community in Liberia.* Inter-ethnic associational forms of engagement are another way of measuring informal institutional quality. I measured inter-ethnic associational forms of engagement by looking for business associations, trade associations, or religious institutions that comprised a substantial number of both Liberians and Lebanese.

*Cleavages within the Lebanese community in Liberia.* Although in general the Lebanese community is in fact a relatively cohesive group, there may be some divisions. Overwhelmingly, no matter how I phrased the question, Lebanese respondents told me that divisions within the community are minimal, if present at all. "[Our] differences are kept overseas," a Lebanese businessman in his forties said, referring to recent conflicts in Lebanon. Another Lebanese businessman told me that even during the worst times in Lebanon, divisions among the Lebanese in Liberia never escalated above business competition.

I am reluctant to make any generalizations about divisions among the Lebanese because of the contradictory opinions I heard about this issue. Several Lebanese respondents said that the most notable divisions are related to competition among businesses. There are "no major splits within the Lebanese community in general," a businessman said. "With business there is always competition, but they try to solve most problems through the Cultural Union, if that fails then they go to a court." Additionally, one Lebanese respondent told me there are sometimes minor divisions between those that are very wealthy and the less well-off. "But when there are problems," he added, "[the Lebanese] all unite, like a village."

There are probably not substantial cleavages within the Lebanese community in Liberia along religious lines. If there are tensions among Muslims, Christians or Druze, they have not caused any notable conflict or affected the ability of the Lebanese to portray themselves as a unified group. One Lebanese man in his twenties told me that the older generation is divided along religious lines, but the younger generation is less divided.

Another Lebanese man, however, explicitly said that the Lebanese do not divide themselves, “especially not by religion.” I am more inclined to support the latter view for two reasons: first, I personally saw many interactions between Muslim Lebanese and Christian Lebanese, and second, a young Lebanese businessman told me that when there are ceremonies at a church or mosque both Muslims and Christians will attend.

There are several reasons why the Lebanese in Liberia are a relatively unified group and have taken so many steps to remain unified, especially in comparison to Lebanese communities in other West African countries. First, the size of the Lebanese community in Liberia—currently numbering around 4,000—is significantly smaller than the size of the Lebanese community in countries like Nigeria, Senegal and Cote d’Ivoire. Second, as one Lebanese put it, “if one [Lebanese] breaks a law, we all pay for it...it only takes one rotten apple.” It is in the interest of all Lebanese to minimize opportunistic acts that would reflect badly on the community as a whole. Third, the recent deadly and prolonged conflict in Liberia has necessitated intra-group reliance. For example, during the conflict in 2003 the vast majority of Lebanese fled the country. Most, if not all of those who stayed hoped to protect their shops from being looted. For days at a time all of the Lebanese who owned shops on a busy Monrovia street slept in one house on the street. They would alternate sleeping so that one person was always alert for the sound of breaking glass, the telltale sound that a shop was about to be looted. After identifying the source of the sound they would use their cellular phones to utilize all of the connections they had with government officials and beg for someone to come down the street and fire shots in the air to scare off the looters. This is one example of a way that the conflict effectively consolidated the Lebanese community.

Because cleavages within the Lebanese community are minimal, it is possible that the presence of inter-ethnic associational forms of engagement may help prevent ethnic conflict. I will now discuss the presence, and in some cases notable absence, of inter-ethnic associational forms of engagement between Lebanese and Liberians. Based on interviews with Liberians and Lebanese, inter-ethnic associational forms of engagement do not appear to be frequent or substantive. Although there are some places where inter-ethnic interactions occur regularly, such as religious institutions, because participation by Lebanese is limited I doubt that these interactions could sufficiently explain the surprising lack of violence between Lebanese and Liberians.

No individual that I interviewed—Liberian or Lebanese—was a member of a trade or business association that comprised Lebanese and Liberians. A Lebanese businessman said that the “Cultural Union and the Lebanese Embassy are the cultural/business organizations” for the Lebanese community. A Liberian man in his thirties alluded to a club that comprised Lebanese and Liberians, but the club collapsed during the war.

Churches appear to be the most significant arena for systematic inter-ethnic associational forms of engagement. If the responses I heard from the Lebanese I interviewed are representative of the Lebanese community, however, most Lebanese are not very religious, and few attend a church or mosque more than a couple of times a year.

The majority of Lebanese I interviewed do not appear to have integrated into Liberian society. Marriages between Lebanese men and Liberian women seem to be rare, although not unheard of; marriages between Lebanese women and Liberian men seem to be non-existent. Despite this indicator of integration, however, of the nine Lebanese that I interviewed, two of them have assimilated substantially into Liberian society. One of them, a Lebanese restaurant owner who was born in Liberia, speaks Liberian English and has mostly Liberian friends—something of a rarity. “My contacts are with Liberians, not Lebanese,” he said. This restaurant owner, however, may have been exaggerating the degree of his assimilation. The other Lebanese man who has assimilated considerably into Liberian society worked at a Lebanese-owned hotel. “I am not too friendly with Lebanese,” he said, “I am more friendly with Liberians.” Although many Lebanese I interviewed tried to convince me that they were the exception to the norm of non-integration, my impression is that Lebanese interactions with Liberians are generally limited to employer-employee relationships.

*Political economic elements.* There are at least two specific ways that the economic role of the Lebanese could affect government policies. First, if Lebanese capital and skills are vital—or perceived as being vital—to Liberia’s economy I would hypothesize that the government would be more inclined to treat the community better. Second, if the Lebanese have been financially or otherwise supporting government officials I would suspect that government policies toward them would be more positive.

*Economic importance.* To determine if the Lebanese are considered economically vital I asked Liberians what effect an expulsion or mass voluntary exodus of the Lebanese from Liberia would have on Liberians. Responses to this question varied considerably. A Liberian security guard said that if the Lebanese left the country Liberians would not suffer. “We can take care of our own economy,” he added. A Liberian farmer,

however, said that it would be a disaster if the Lebanese were expelled. He judged that because the Lebanese have been in the country for so long they have acquired management skills appropriate for Liberian industries. He argued that a flight of this skilled labor would detrimentally affect Liberians. Because of the few Liberian respondents in this study and because there was not an identifiable trend in responses to this question, I am unable to evaluate adequately the importance of this variable.

*Financing government officials.* Before discussing the degree to which the Lebanese supported Liberian government officials—one of my independent variables—it is worth acknowledging that Lebanese contributions could potentially be the result of a government policy—my dependent variable. Put differently, it is possible that bribes demanded of the Lebanese are higher than bribes demanded from Liberians or other foreigners.

Also, even though I will show that Lebanese support for Liberian government officials was multi-faceted and highly valued, this variable cannot completely explain the puzzle of surprisingly moderate government policies that have affected the Lebanese. That is to say, if the Lebanese channeled so much of their wealth through bribes, why were they not expelled from the country so that government officials could confiscate all of their wealth at once? I will show that the Lebanese supported government officials in ways that went beyond simply providing them with financial resources. The Lebanese's international contacts and their knowledge of regional trade networks were intangible benefits that many successive governments took advantage of. These contacts would be lost rather than “captured” if the Lebanese were expelled.

Stories gathered from news articles and literature on the Samuel Doe, Charles Taylor, and Gyude Bryant governments suggest that Lebanese support of government officials has been varied, sustained and valuable. For example, there are allegations that Lebanese businessman George Haddad held a monopoly on the import of rice under Taylor because of

an arrangement between Mr. Haddad and Taylor [that] was reached as a result of Mr. Haddad's financial support to Mr. Taylor's National Patriotic Force of Liberia in the 1990s. (“Liberia Press the New Broom”, 2003)

Moreover, before the National Transitional Government of Liberia took over in August 2003, the Taylor government had fixed retail prices for rice and petroleum (two goods that the Lebanese had a monopoly on importing) at a level that greatly surpassed the costs of importing the goods (Tahari & Fisher, 2004). It is unlikely that Taylor would risk the

political ramifications of an unnecessarily elevated price of a commodity as essential to the survival of Liberians as rice unless he was receiving something in return from those who benefited from the elevated price.

Charles Taylor efficiently utilized the Lebanese to consolidate his power (Reno, 1997, 1995). Taylor's brother owned a bank through which Taylor was able to direct funds raised through the Forestry Development Authority (FDA). The bank

collect[ed] cash for timber license and to tax rough log exports. This trade attracts French firms and Lebanese-owned enterprises in neighboring Cote d'Ivoire. (Reno, 1995: 114)

Taylor regularly traded timber for weapons, helping to fuel his insurgency (Ibid.). Additionally, Cote d'Ivoire allowed an arms trade to continue with Liberia. Ivoirian government officials may have profited from this trade because Taylor had "ties to Lebanese families with business between Buchanan [a port south of Monrovia] and Cote d'Ivoire" (Ibid.: 115). The purchase of arms was funded partly by looting local resources. Taylor found a more sustainable source of income, however, by partnering with regional trade networks, including the Lebanese (Reno, 1997). Additionally, for economic purposes the Lebanese often made deals and cultivated alliances with local strongmen. For Taylor, allying himself with the Lebanese sometimes meant that rival groups were denied resources because of exclusive deals that the Lebanese had struck (Ibid.). Finally, a Lebanese trade network is believed to have directly facilitated the arms trade between Taylor's forces and Cote d'Ivoire (Ibid.).

## Conclusions

In this paper I have shown that Easterly's theories (2001) about the importance of strong institutions in mitigating ethnic violence are inadequate in explaining government policies toward the Lebanese in Liberia. Some theories about informal institutional quality, however, appear to partly explain the case of the Lebanese. By utilizing in-group policing mechanisms to reduce opportunism among members of the Lebanese community and at the same time promote charitable giving toward Liberians, the Lebanese appear to have thwarted more acute ethnic conflict. This evidence provides strong support for some of Fearon and Latin's contentions. Although I have not disproved Varshney's theories, my research does not appear to support his theories either. Inter-ethnic forms of engagement between Lebanese and Liberians are not sustained or

substantive, and yet government policies are still restrained. Finally, I have shown that the Lebanese have provided valuable forms of support to successive Liberian government officials. Because this assistance has often taken non-monetary forms, it is not easily transferable. Liberian government policies may have been less ruthless than expected because government officials may have hoped to maintain the different types of support being provided by the Lebanese.

The importance of understanding factors that affect government policies toward ethnic minority trading groups should not be underestimated. Ellen Johnson Sirleaf, the recently elected president of Liberia, has taken steps indicating that she will be reevaluating the legality of contracts struck between previous governments and various businesses (Special Executive Rice Committee, 2005). For a redistributive policy to reduce Lebanese dominance successfully in the Liberian economy, empower Liberian entrepreneurs and promote further investment in the country it is necessary to understand how a trading group as economically powerful as the Lebanese operates, perceives institutions and engages with other ethnic groups.

There are several opportunities for further research that would lead to a better understanding of factors that affect government policies toward ethnic minority trading groups. Future researchers could test a hypothesis that governments are willing—even eager—to provide generous trade deals and otherwise economically aid groups that are disenfranchised, because these groups are not seen as politically threatening. This seems like a promising explanation to help explain the government policies toward Lebanese that I did not adequately consider in my research.

### **The Relationship between the Current Liberian Government and the Lebanese in Liberia**

Since Sirleaf's inauguration in January 2005, her government has managed a constructive relationship with the Lebanese, while at the same time gradually developing and implementing policies to promote Liberian entrepreneurship, some of which might hurt Lebanese businesses.

Perhaps the best example of this is found when looking at rice imports. Historically Lebanese have monopolized the import of rice to Liberia.<sup>9</sup> At the end of 2006 the government reviewed applications for import permits and denied a permit to Bridgeway Corporation, a major player in this sector, which is owned by Haddad, the Lebanese national mentioned earlier in this paper. In characteristic fashion, then Minister of

Commerce Olubanke King-Akerele said Bridgeway was denied the permit because a competing bid was willing to sell rice to Liberians more cheaply, but that Bridgeway was welcome to import rice in the future when their rates were more competitive (Butting, 2006). Today the Liberian-owned Fouta Corporation imports 45 percent of Liberia's rice imports ("Surge in Basic...", 2008). I suspect this is the largest role a Liberian company has played in the import of rice in decades.

The government's approach of constructive engagement also can be seen by looking at a workshop held in September 2008 aimed partly at "developing a national roadmap for export development" (Cassell, 2008). The workshop brought together a number of companies and business associations, including the Liberian Business Association and the World Lebanese Cultural Union<sup>10</sup> (Ibid.).

While previous administrations have been keen to enter quid-pro-quo relationships with the Lebanese, Sirleaf's government appears to be bucking this trend. An unconfirmed story circulated in 2005 during the run-up to the presidential elections that some Lebanese businessmen had offered Sirleaf's campaign a Land Rover to assist with her campaigning in the interior of the country. Sirleaf did not accept the vehicle.

In similar vein, in September 2008 Supreme Court Chief Justice Johnnie Lewis had three men arrested—one of Lebanese descent—for offering him gifts including whisky, cognac and—according to one news report—Cheese Curls (Seboe, 2008).

A Liberian who wishes to remain anonymous says there is a rift between the president and senior government officials on the citizenship issue. It is broadly accepted in government that the provision in the constitution prohibiting individuals who are not of Negro descent from becoming citizens is discriminatory and discourages investment. There is less agreement about when the government should tackle this issue. Some say the constitution should be amended sooner rather than later, so as to demonstrate the government's commitment to equality and encourage wary investors to come to Liberia. Others say the government should wait until the unemployment rate drops and the security situation is more stable. Antipathy toward the Lebanese remains palpable, and measures that are perceived as helping Lebanese and hurting Liberians would not be good for the government's popularity. A referendum on a number of constitutional amendments has been slated for 2009 but from information I have gathered the citizenship provision will not be included in the referendum.

While this issue is important, as highlighted earlier in this paper, its relevance to the Lebanese is limited. The Lebanese use their

disenfranchisement for economic gain and citizenship is not a priority for their community.

### **The Role of the Lebanese in Liberia's Reconstruction and Rebuilding**

Through their businesses and investments, the Lebanese in Liberia are both promoting reconstruction and further investment while simultaneously hurting Liberian businesses and decelerating development. Lebanese-run electronics stores, construction companies, supermarkets and other businesses provide much-needed jobs for Liberians. A common criticism, however, is that the vast majority of these are low-skilled jobs, and on-the-job training is minimal.

The Lebanese have effectively cornered the market for high-end products purchased by wealthy Liberians and expatriate NGO and UN staff. During my time in Liberia working with an NGO, I remember looking over my monthly expense reports to see how many of my purchases that were more than \$20 went to Liberian-owned businesses rather than Lebanese-owned businesses. Usually there were two or three items. The vast majority of my large purchases were made at Lebanese-owned shops. I strongly believe other NGOs would notice a similar trend. It is difficult to find a Liberian-owned business, for example, that sells printers or generators. While I have not conducted any official studies, I strongly suspect that more than 75 percent of expatriates rent their apartments or houses from Lebanese landlords or stay in Lebanese-run hotels. The Lebanese have a reputation for aggressively cutting prices when someone who is not of Lebanese descent enters a market to put them out of business, and then raises prices.

The implications of this on reconstruction are significant. Compared to other African countries, Liberia receives one of the highest levels of aid per capita. Yet the indirect impact of the presence of foreigners does not benefit Liberians as much as it could because the Lebanese profit most from foreigners' discretionary spending.

Of course the Lebanese can impact rebuilding in ways apart from their normal business activity. In December 2007 the government's National Security Agency investigated Jacob Karen, a Lebanese man living in Nimba County, in a case involving an alleged coup attempt by Charles Julu and Andrew Dorbor, former officers in the Armed Forces of Liberia. Karen was suspected of making funds available to facilitate the transport of weapons and ammunition for the coup plotters. Karen denied

knowledge of the plot, although he admitted to providing transportation support to Dorbor (Borteh, 2007).

One of the most crucial questions that needs to be asked when examining the role the Lebanese are playing Liberia's rebuilding is whether the Lebanese invest their profits back in Liberia or send the money back home. My impression is that some Lebanese—especially those who have been in Liberia for longer—invest their money in building large homes and expanding their businesses in Liberia. I know of others, however, who keep their money overseas and invest in projects in Canada, Brazil, other African countries and Lebanon. I am unable to estimate the net impact of these two trends; this is a good area for future research.

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## NOTES

<sup>1</sup> This definition has been adapted from Janet T. Landa's definition of an "ethnically homogenous middleman group" (1981: 350). I use the phrase "ethnic minority trading group" because many Lebanese in Liberia and other similar ethnic trading groups do not exclusively serve the function of a middleman.

<sup>2</sup> Because of space limitations, I will not outline my research design and possible methodological flaws here: I will simply note that this was a small-scale research project. I conducted interviews over a period of one month during the end of 2006 and beginning of 2007, and all of my interviews took place in Monrovia. For a copy of my research design and discussion of methodological issues, please contact me at shelbygrossman@gmail.com.

<sup>3</sup> The Aliens and Nationality Law elaborates on this provision, stating that

[a] person born outside Liberia whose father (i) was born a citizen of Liberia; (ii) was a citizen of Liberia at the time of the birth of such child, and (iii) had resided in Liberia prior to the birth of such child.... (Republic of Liberia, 1973: 3.20.1b)

is a Liberian citizen at birth. Therefore a child with a Liberian father and a Lebanese mother could be a Liberian citizen. My interviews suggest, however, that this is very rare.

<sup>4</sup> One Lebanese man I spoke with had illegally acquired a Liberian diplomatic passport through a friend he had at the Immigration Bureau. He estimated that 100 other Lebanese have similar diplomatic passports, which allow them to own property.

<sup>5</sup> Although secondary sources refer to thirty-three businesses, several Lebanese businessmen that I interviewed, including the head of the Cultural Union, said

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there were only twenty-six businesses that foreigners are prohibited from participating in. I am unable to reconcile these two numbers because I have been unable to acquire the text of the Liberianization policy. Additionally, according to Tony Hage, the law states that if investment in a good is less than US\$250,000 foreigners are prohibited from entering the industry. I have been unable to verify this.

<sup>6</sup> One Lebanese respondent told me that in the 1990s legislation was passed that requires foreigners to pay higher taxes than Liberians. This policy may be related to the Liberianization Policy, but I have been unable to find more information about it.

<sup>7</sup> Originally I also planned on looking at the presence of Liberian-only community associations. I do not feel, however, that I interviewed enough Liberians to make any generalizations about the importance or even presence of Liberian-only community associations.

<sup>8</sup> With the exception of the Lebanese Ambassador to Liberia and the president of the World Lebanese Cultural Union, all names have been changed to secure anonymity.

<sup>9</sup> While there is ample land suitable for growing rice in Liberia, “two thirds of the annual consumption is met through imports” (“Surge in Basic...”, 2008: 4).

<sup>10</sup> As mentioned earlier in this paper, the World Lebanese Cultural Union functions as a Lebanese business association in Liberia.