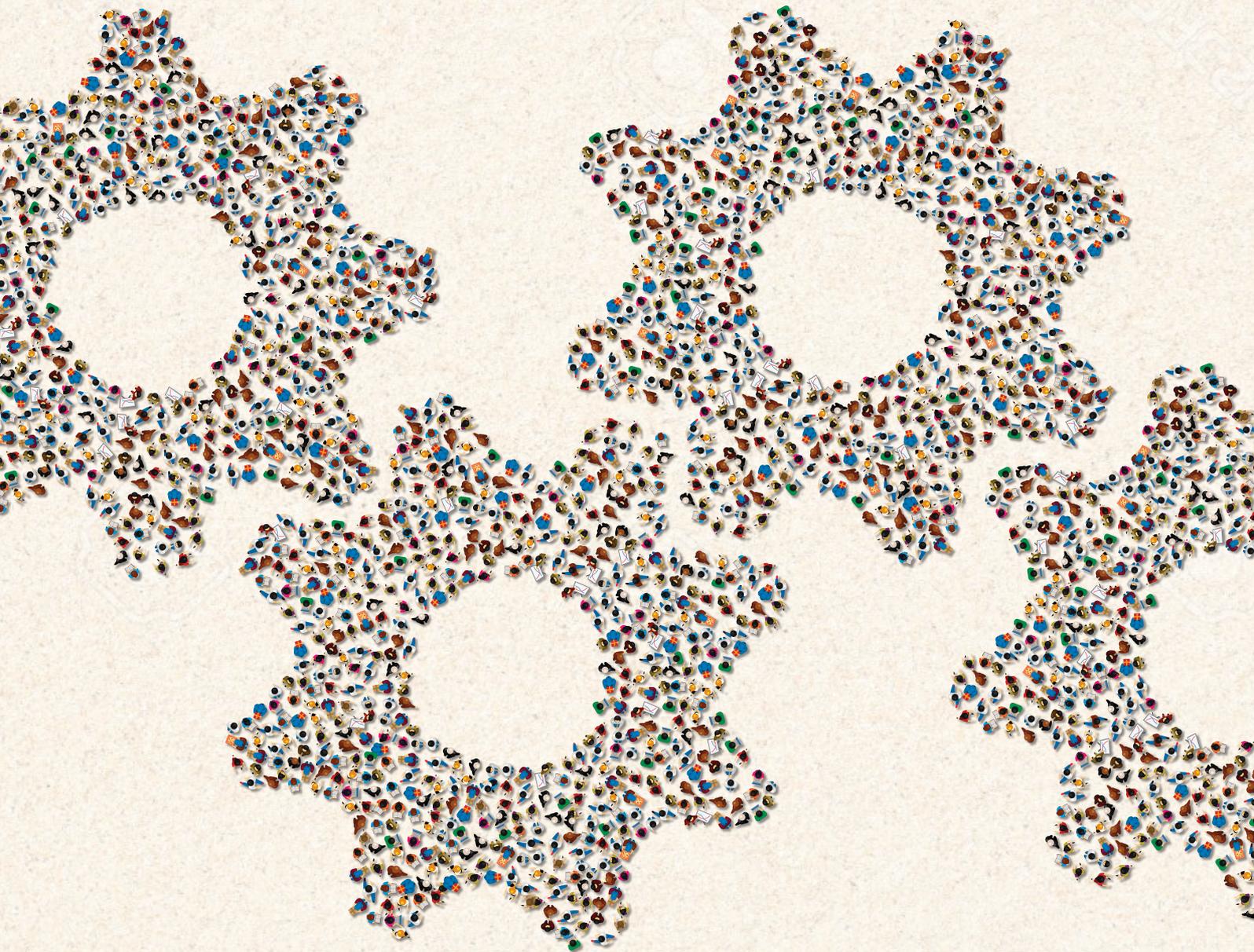


POLICY PAPER

GET IN GEAR: UNLEASHING THE POTENTIAL OF LEBANESE COOPERATIVES

FEB 2020

EMMA SCOLDING
ALI NOUR



TRIANGLE
POLICY | RESEARCH | MEDIA

**FRIEDRICH
EBERT
STIFTUNG**



EXECUTIVE SUMMARY

With most Lebanese citizens cut off from their own bank accounts, economic rights in Lebanon are at an all-time low. Lebanon's short-sighted economy has chased profits for the few at the expense of the general public, resulting in almost three quarters of wealth being owned by 10 percent of the population.¹ Now, the general public stands to lose out on their pre-2019 savings to fund colossal sovereign debt created by the state's economic mismanagement.

Funding from the International Monetary Fund (IMF) will now be vital to bolster Lebanon's depleted current account and absorb some of the shock of devaluation. With it, Lebanon will be required to commit to a policy pathway designed to steer the country out of the crisis and restore trust in the country's financial management. Faced with this bleak picture, it has never been more pressing to consider innovative working models to facilitate public participation in the economy and ensure equitable wealth creation and distribution for all. The fact that some of Lebanon's existing cooperatives have managed to stay afloat against the odds represents a flagship model for facilitating economic access for the disempowered. However, today's cooperative sector is stifled by poor legal frameworks, significant funding gaps, and cynical politicisation.

Existing cooperatives have achieved major gains for gender inclusion, for ensuring mutual profitability in an economy otherwise marked by extreme inequality, and for presenting a viable organizational structure to receive aid in dollars: a key stream of inflow during the crisis. While Lebanon's cooperative law needs urgent reform, a vein of cooperative activity could still adapt to the needs of an increasingly industrialised and fi-

nancialised global economy. This new cooperative model must focus on adding value through agro-processing, branding, and marketing, to tap into global markets and establish sustainable business. Lebanese exports could not come at a more opportune time, as producers are in dire need of fresh foreign currency.

But without a dedicated policy approach, sustainable and non-partisan credit programmes, and mechanisms to ensure centralised regulatory oversight, Lebanon's existing cooperatives risk being drowned out by the corporate monopolies and oligopolies which dominate many markets. Changing this will require an effort of collective imagination to reverse historical trends. Cooperatives were first intended to counterbalance the industrialisation of agriculture in the 1960s, and later as a foil to the financialization of the real estate market: both policy attempts which did little to promote the genuine growth of an autonomous and organised bottom-up network. In the future, the state must invest more in the collective bargaining power of the cooperative model, which will promote an entry point into local, national, and even global markets for actors who would otherwise struggle to build sustainable businesses.

An astonishing 300 cooperatives were liquidated in 2020 due to inactivity, and those who are still operating currently depend on international emergency funding to keep operating. This shocking sign of stagnation is a product of systemic issues including outdated legal frameworks, under-resourced central management, politicisation, and a lack of financing for producers. Given these shortcomings, Lebanon's cooperatives currently rest on a crutch of donor funding – a support which may disappear as quickly as it arrived.



FRAMEWORK FOR FAILURE

The current legal framework for cooperatives dates from 1964 and does little to support existing cooperatives to operate in competitive markets. While today's cooperatives enjoy certain benefits including exemptions on income tax, land tax, various forms of stamp tax, the legal framework falls short of promoting a flourishing cooperative sector (See Box I: Better Together). Legal failings can be attributed in large part to the shaky foundations upon which cooperatives were founded, in addition to the roll back of social reforms during the civil war period (1975-1990) and in the post-war period. Due to this neglect, legal frameworks remain outdated and ill-equipped to support modern cooperatives.

Lebanon's law on cooperatives was first ushered in during the Chehab era (1958-1970), a period which saw a short-lived political appetite for nationalizing the economy and for social reform. Cooperatives, then placed under the care of the Cooperation Department at the Agriculture Ministry, were just one of several reformist tools deployed by the Chehab government to try and reshape Lebanon's economy in favour of empowering economic participation at the local level. The 1964 Law on Cooperative Associations served to stimulate the burgeoning cooperative sector by establishing the National Federation for Cooperatives as the sector's official union and the National Union for Cooperative Credit as its specialised lending body.² During this period, cooperatives were established with remits as diverse as "promoting poetic and philosophical education" to more traditional cooperative activity such as housing, beekeeping, olive and fruit farming and agro-processing and consumer and credit cooperatives.

BOX I: Better Together

Cooperatives are entitled to a list of exemptions and waivers, including exemptions on income tax, land tax, various forms of stamp tax.³ Cooperatives have the right to receive grants and bequests, and the General Directorate of Cooperatives is supposed to appoint an auditor to conduct an annual review of the cooperative's accounts and management.⁴ Specifications provide for the redistribution of any surplus,⁵ prohibiting the charging of interest beyond that needed to maintain the share's value, and to prevent one member holding over a fifth of the shares in any given cooperative. However, cooperatives are also bound by strict rules which limit their growth; for example, only one cooperative for any given purpose is permitted to operate in a village, unless there are over 20,000 residents. A minimum of 10 members should be registered at the time of the cooperative's creation, while elections should be held every two to three years to the cooperative's boards to ensure members have a say in who represents them.

Chehab's reforms did not only serve the interests of farmers. His policies also put the state back into the driving seat, extending central government's reach into social movements that had threatened its cohesion in 1958 and reasserting its primacy. While the National Union for Cooperative Credit was instated as its specialised lending body, and the National Federation for Cooperatives was established as the sector's official union, Chehab was working hard at the same time to expand the reach of the intelligence services into the unions and to concentrate power in central government.

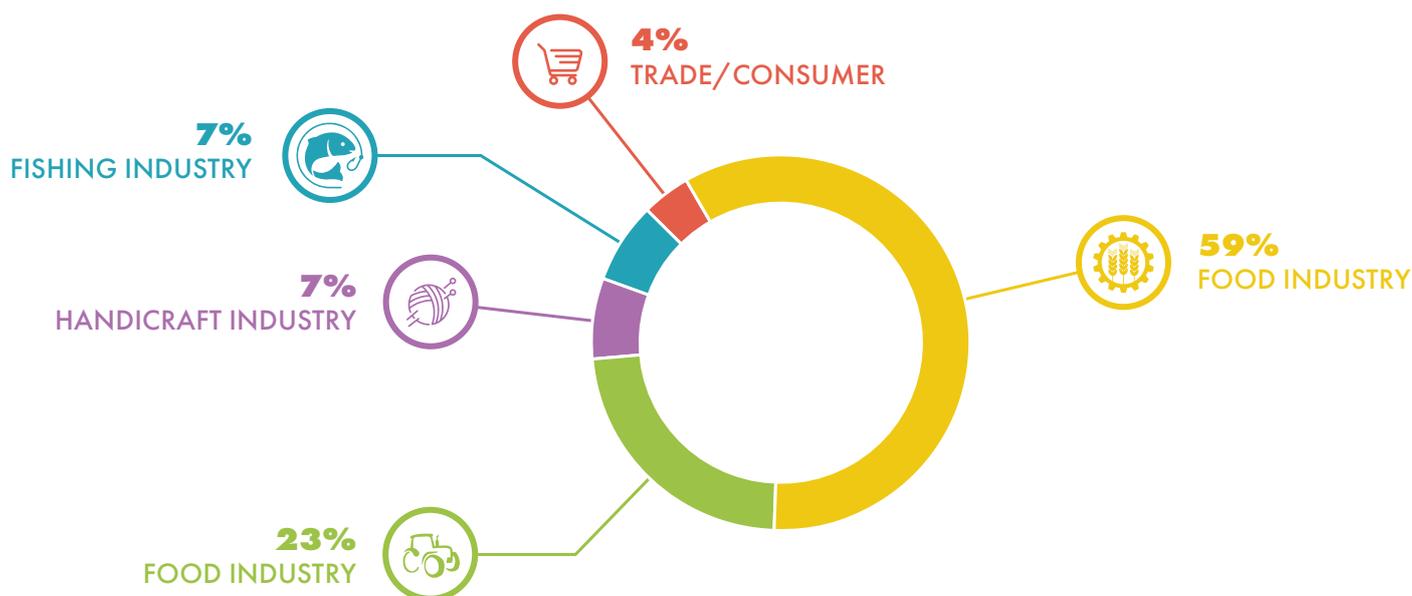


Figure 1: Lebanese cooperatives, sector by sector

Source: ILO, *The Cooperative Sector in Lebanon: What Role, What Future?*

To this end, he doubled the number of employees in the state administration.^{6,7} This double edged policy contrasts dramatically with early cooperatives and contemporary models in Europe which would prove strong platforms for collective bargaining. In Italy, for example, pressure from the cooperatives' umbrella federation would push the state to pass legal reforms to support cooperatives' capitalization in the period spanning 1977-1992, which led the size of the average cooperative to double.⁸

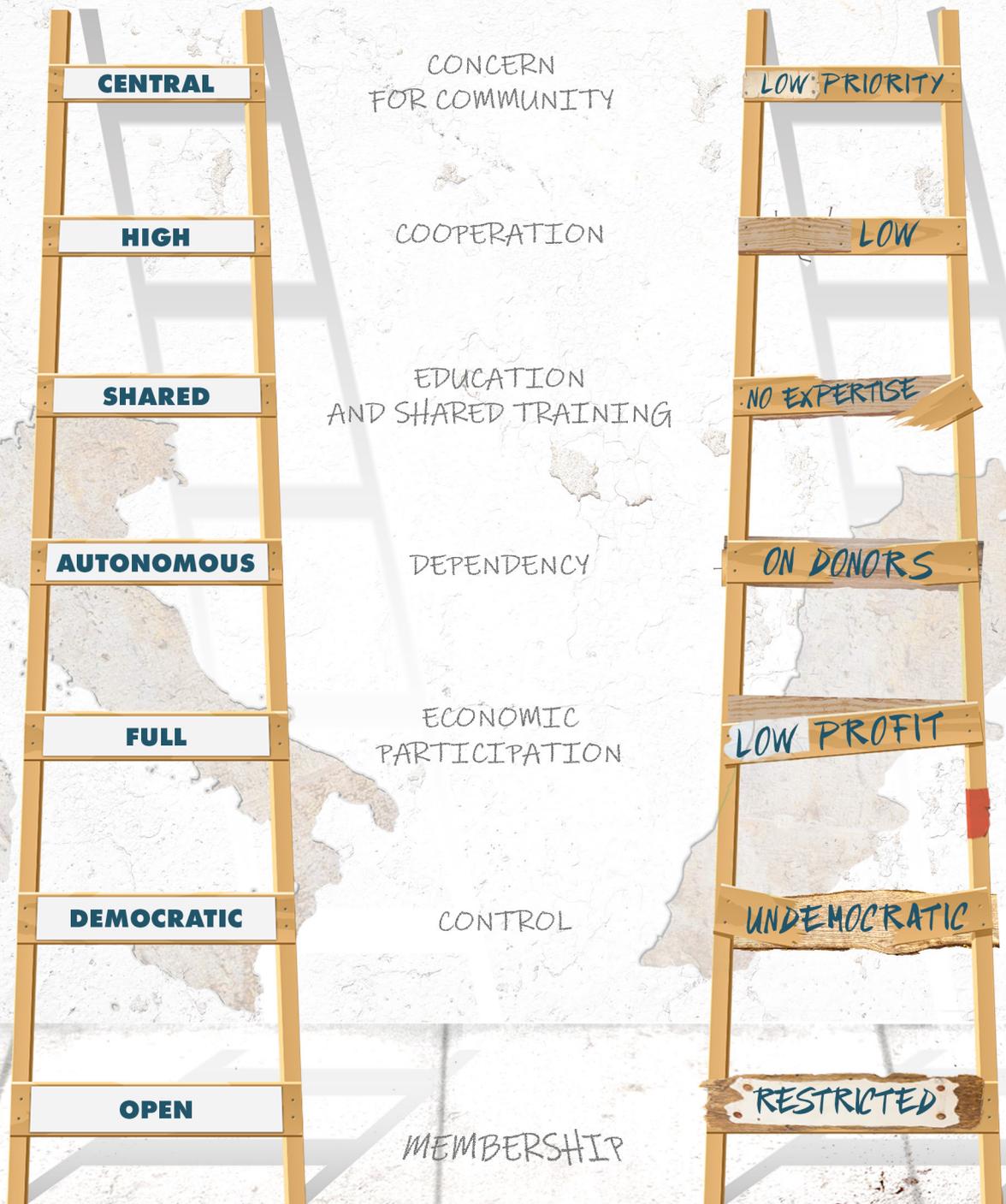
Chehab's successor, Charles Helou, did not share his reformist appetite, and the nationalization of the economy was rolled back.⁹ Cooperatives were once again brought into the policy limelight during the 1970s, as a "misery belt" of low-income housing began to spring up around Beirut and an agricultural crisis prompted migration to the urban centre.¹⁰ Under Prime Minister Saeb Sallam, the government again sought to repurpose cooperatives from the top-down to stimulate construction and development and meet the dire need for social housing: about 400,000 units at the time.¹¹ An

executive decree in 1972 created the Ministry of Housing and Cooperatives and placed the General Directorate of Cooperatives (GDC) beneath it, tasking the GDC with the oversight and supervision of cooperatives and mutual funds.

However, these grand plans amounted to little more than ink on paper. Work on social housing paled in the face of high-end real estate development money coming in from the Gulf. Cooperative legislation continued to languish due to limited funding and administrative indecision and was largely abandoned during the civil war from 1975-1990. The GDC was detached from the Housing Ministry and tossed back to the Agriculture Ministry in 2000, where five-year programmes ever since have staked out cooperative-boosting targets that have not been met.¹² This process of decentralisation and disruption contributed to today's outdated and incomplete legal framework. Now, cooperatives represent a negligible proportion of Lebanon's economy; 50 per cent of cooperatives reported an annual turnover lower or equal to \$10,000 in 2018 while only 57.2

Figure II:
The ladder to cooperative success
in Italy (left) and Lebanon (right)

Source: OECD LEED, The co-operative model
in Trentino - Italy, A case study; Chaddad,
Fabio & Cook, Michael, Understanding New
Cooperative Models; Various.





“The Lebanese National Union for Cooperative Credit was designed to provide cooperatives with credit to start their business; however, the union was never as effective as others in the region.”

percent of cooperatives expanded their membership base during the same period.¹³

The state’s half-hearted attempts to boost Lebanese cooperatives are proof enough that promoting autonomous cooperative culture was never a genuine target in itself. Accordingly, the state bodies responsible for supervising the sector suffer from patent neglect. At present, only 20 percent of staff positions in the GDC are currently filled, partly due to a 2017 freeze on hiring in government bodies and agencies across Lebanon.

Though government agencies managed to navigate their way around the freeze, allegedly exchanging jobs in the civil apparatus for political capital in the 2018 elections, the GDC did not benefit from the back door hires.¹⁴ The lack of staff greatly reduces the ability of the GDC to oversee and regulate the sector, particularly given the shortfall in accurate information on the number of existing cooperatives and the number of those existing which are still active.

With the government’s eyes averted, no director was appointed to the GDC between 2009 and 2012. Then-Agriculture Minister Hussein Hajj Hassan took on the tasks of the GDC director, and to this day, poorly defined and established practices mean that some state employees still approach the Agriculture Minister instead of the GDC.¹⁵

BOX II: Keeping it Vague:

Current legislation is not tailored to cooperatives acting within a specific sector. As a result, the ambiguity which initially prompted wild variety in the types of cooperative set up in the last century appears now to be acting as a deterrent to groups seeking to carve out a space for member-based participatory economic activity. Despite an apparent increase in appetite for alternatives to traditional banks that has reportedly driven new customers to Hezbollah’s non-profit credit association, al-Qard al-Hassan, and could have represented a promising chance for the birth of new credit cooperatives, no such activity is apparent. Instead, new initiatives such as Shreek, a member-based participatory financial organization, have chosen to avoid cooperative status given the lack of provision for specialist regulatory oversight in the existing law.^{16,17} There is also overlap in legislative remit. While credit cooperatives can technically exist, partaking in credit operations requires a license from the Bank of Lebanon under the Law of Money and Credit, and there is no clear route for the GDC to petition on hopeful credit cooperatives’ behalf or to facilitate their route to obtaining a license.

MIND THE FUNDING GAP

Lebanon’s wealth is unevenly distributed, with land and resources dominated by monopolies and oligopolies. This poses unreasonably high thresholds for smaller competitors wishing to enter their market. In such a landscape, productive cooperatives require a substantial amount of start-up funding if they are to acquire the necessary inputs, to rent land, conduct operations, store, package, transport, market, export and sell their goods.



The Lebanese National Union for Cooperative Credit (NUCC) was designed to provide cooperatives with credit to start their business; however, the union was never as effective as others in the region (See Box III: Egypt: A Cooperative Success?). The NUCC provided funding to only eight percent of Lebanon's existing cooperatives in 2018, despite the fact that it reportedly has a substantial reserve of liquidity.¹⁸ Stakeholders have attributed this to the NUCC stipulating more rigorous conditions for prospective borrowers than current donor funding, while others suggested its grants were made on the basis of political affiliation.

Box III: Egypt: A Cooperative Success?

In economies where cooperatives have enjoyed more success, centralised financing programmes almost always ensure a ready supply of credit to active cooperatives. In the early days of Egypt's cooperative movement, for example, specialised credit programmes for cooperatives were supported by the creation of the government-backed Agricultural Bank of Egypt in 1931, an institution which continues to provide in kind loans to cooperatives in the form of seed and fertiliser shipments.¹⁹ Later in Egypt, cooperative marketing programmes in the sixties ensured agricultural cooperatives would find a buyer, with government procurement programmes to fix prices. Though neither of these policies were perfect – the ABE's now acts in ways that put it in competition with cooperatives and the government has frequently failed in the last years to deliver on prices promised to farmers – the programmes represented at least a commitment at the policy level to granting cooperatives substantial space within Egypt's economy.

In the absence of directed state financing and support, the onus has fallen on other organizations to plug the gap. Principal among these are social programmes set up by political parties to promote reconstruction. Hezbollah's Developmental Association for the Construction Effort, for example, performs many of the roles that a credit cooperative should fill.²⁰ The association lends or leases agricultural equipment such as harvesters, mowers, and tractors to small farms and farmers and provides seedlings, cuttings, and fertilisers on credit. Jihad al-Bina' has been accused of bankrolling construction projects for cultural and educational institutions tied to Hezbollah, as well as private houses and commercial premises for people of all denominations. It seems likely there is at least provisional interaction between Jihad al-Bina' and agricultural cooperatives, however, the percentage of agricultural activity taking place via cooperatives in the Beqaa is relatively low, and medium to large agribusinesses hold more sway in these regions.²¹

Although Hezbollah's initiatives are among the few efforts to make use of the cooperative framework, the reach of the programme appears ultimately to have been confined to its own rhetoric, much as in earlier examples of government-led scheme. Though the movement has claimed to support marginalised farmers, its presence in government since 2005 has seen the dynamics of monopoly increase rather than diminish, despite the fact that the party held the Agriculture Ministry from 2009-2014. Multiple groups have accused the party of acting in the interests of landowners.²²

Donor funding has also served as a crutch to prop up the shaky national basis for cooperative activity. Major programmes from the International Labour Organization sought to foster cooperative growth after the



THE SHIFTING LANDSCAPE OF LEBANON'S COOPERATIVE SECTOR

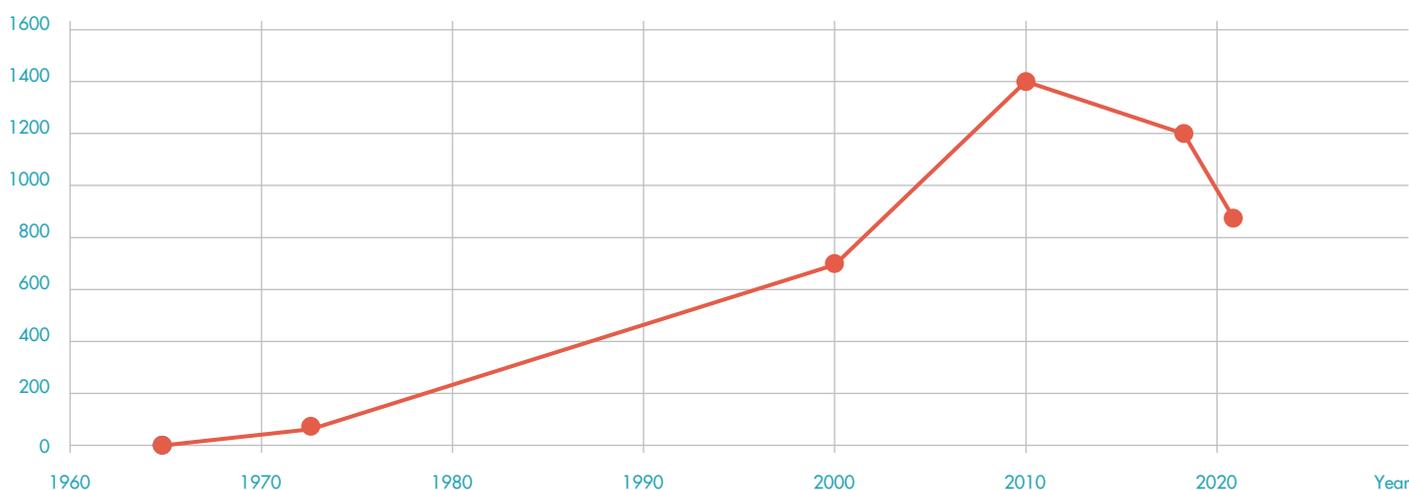


Figure III.

Source: Lebanese Ministry of Agriculture, various documents

withdrawal of Israel from the South in 2000, including a project proposal on “Employment and Income Generation through Rural Cooperatives in South Lebanon,” which later fed into a “Policy and Legal Framework for Cooperatives” project that was funded by the United Nations Development Programme and implemented by the GDC at the Agriculture Ministry in 2002.^{23,24} Dependence on foreign funding undermines the principle of cooperative autonomy. But donations also create other sustainability challenges; for example, the tendency to overlook feasibility studies, malalignment between the agenda of political groups that secure donor money and practical agenda to address endemic issues on the ground, a lack of coordination between donors resulting in duplication of grants, and lack of coordination with implementing partners.²⁵

Though proof of causality is absent, spikes in the number of cooperatives in Lebanon appear at least to coincide with stimulation from Hezbollah’s social reconstruction programmes and similar efforts from inter-

national organizations. A major increase in the number of cooperatives appears to have taken place between the 1972 creation of the Ministry of Housing and Cooperatives and the year 2000, despite the fact that the ministry’s plan for cooperatives to supply a targeted 40,000 social housing units was not met.²⁶ The time frame corresponds with the launch of the Jihad al-Bina’ programme, while 39.5 percent of cooperatives existing in Lebanon were established between 2000 and 2009, following the Liberation of the south in May 2000 when international programmes were being implemented.²⁷ In the absence of such programmes, the number of cooperatives has begun to dwindle again over the past 15 years.

In 1973 there were just 63 cooperatives in Lebanon.²⁸ In the year 2000 there were 695, and by 2010 there were 1,400.²⁹ In 2018 there were thought to be about 1,238 – though at this point at least a third were thought to be inactive.³⁰ 300 were shut down for inactivity in 2020, leaving 875 in 2021.³¹



POLITICISATION

In the absence of centralised support and funding, co-operatives are vulnerable to abuse through sectarian patronage systems or by commercial actors. Many co-operatives are suspected of acting as de facto commercial enterprises, and fail to incorporate members into the decision-making and profit distribution structure while nevertheless enjoying official cooperative status and claiming the tax breaks and benefits available to co-operatives.³²

In the most overt instance on record, GDC Director General Gloria Abu Zeid was suspended from her position in 2017 after she refused to sign off on the transfer of real estate out of the religious endowment of Bishop Essam Darwish and into the ownership of a housing co-operative based in Zahle, the Our Lady of Deliverance Cooperative.³³ Her grounds for doing so were that the housing cooperative was selling or leasing real estate units for profit to non-members of the cooperative for profit: a commercial arrangement that doesn't meet the guidelines for service provision to non-cooperatives laid out in the law. Then-Agriculture Minister Ghazi Zaiter referred the case to the Cabinet after Abu Zeid to reverse an order for the liquidation of the cooperative issued by Abu Zeid, and the cooperative survived as a result. It was two years before Abu Zeid was able to return to work.³⁴ Commentators were quick to assign political and sectarian motives to the dispute.³⁵

BRINGING HOME THE DOLLARS

Lebanese cooperatives are poorly equipped to participate in the modern global economy. Now that capital markets are global, it is increasingly important for small local actors to be tied into broader international value chains. This integration into international markets is especially important if Lebanon hopes to create real value in its productive sector, bringing much-needed foreign currency into its economy.

"New generation cooperatives" in the United States have managed to preserve the participation of co-operative groups in the economy by promoting behaviours appropriate for the economic climate.³⁹ Co-operative networks in the US often connect to form economies of scale, allowing them better to rival corporate agro-industrial players, or focus on high-value added agro-processing activities rather than playing a large role in serving up commodities that industries can normally produce for less money. Branding, marketing, and partnering with industrial players have also proved useful strategies. Restrictions on membership also require a higher barrier to entry to ensure that only those able to supply the necessary equity capital are able to join.

By contrast the vast majority of active Lebanese cooperatives have been found to sell directly to retailers, limiting their incorporation into further flung markets.

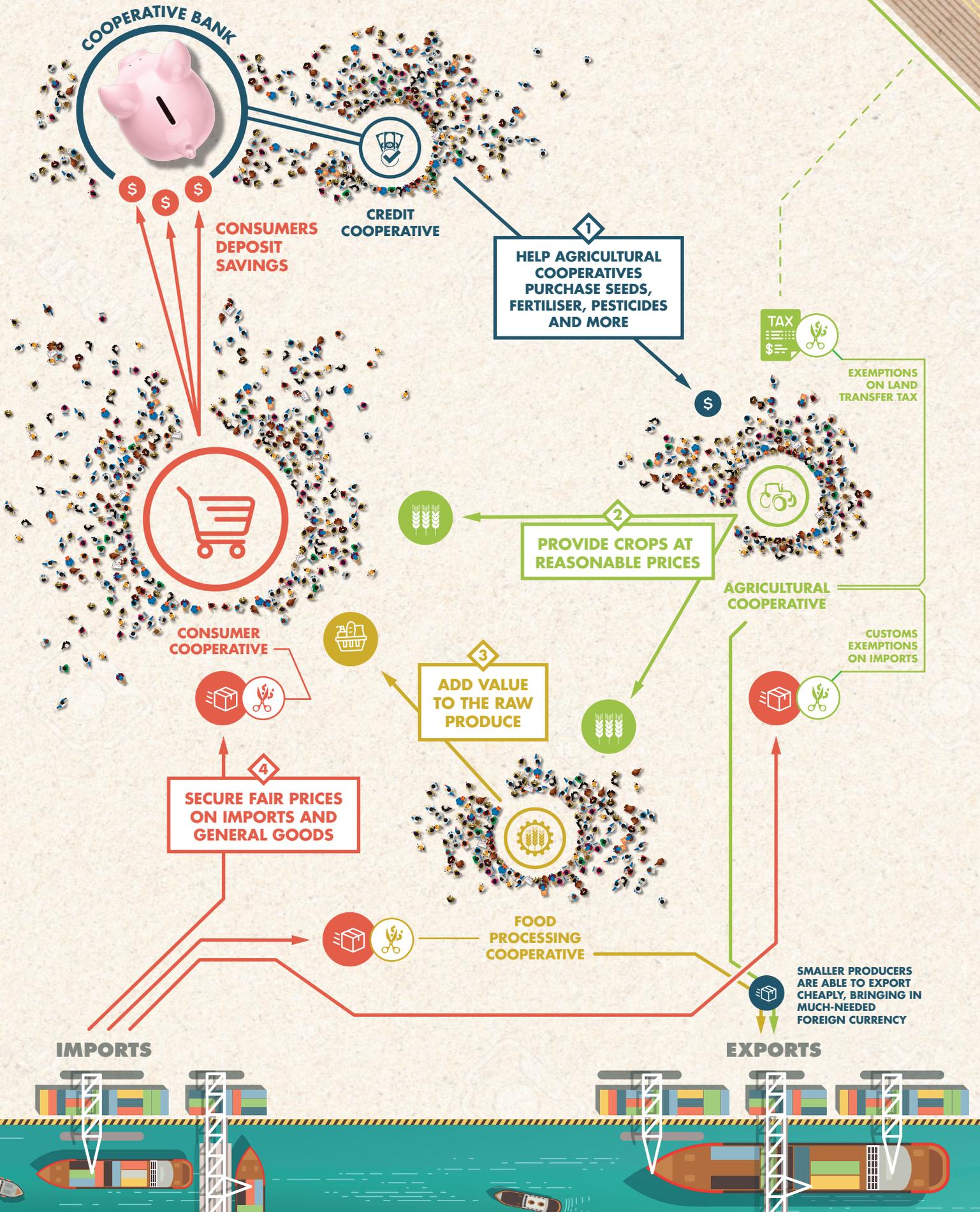
BOX IV: Public Distrust in the Cooperative Model

In the 1990s, a major consumer cooperative network went bust due to embezzlement and fraud on the part of its management. 23,000 shareholders, depositors and creditors in The Cooperative Association for Consumption and Production (COOP) lost billions of Lebanese Pounds.³⁶ To bail out the COOP, its cooperative status was withdrawn, and it was handed over to foreign private management.³⁷ Seven people were later appointed to the board who were described by the Al-Akhbar newspaper as being "referred by political figures."³⁸

THE CLOSED LOOP

HOW AGRICULTURAL COOPERATIVES DISTRIBUTE WEALTH EQUALLY

Sources: OECD LEED, The co-operative model in Trentino - Italy, A case study; United States Department of Agriculture, Cooperative Benefits and Limitations; Various.





In a 2018 survey, Lebanese cooperatives' sales to agro-industrialists represented only 3.7 percent of total national cooperatives sales. In addition, sub-contracting of agro-food cooperatives by large agro-industrialists remains limited and agro-food cooperatives' sales to other industrialists is negligible and accounts for only 2.4 per cent of their total sales.⁴⁰

One rare exception to this rule is the Lebanese cooperative Atyab al-Rif, which ties together a network of 42 rural women's cooperatives across Lebanon. As the first cooperative to gain permission to operate across the country rather than in a single specified locality, Atyab al-Rif works predominantly with agro-processing cooperatives that can add a substantial amount of value to relatively affordable raw materials. It does this by supporting the production and marketing of traditional Lebanese mouneh, or pantry food: high in demand and with a specialist character and authenticity that distinguishes them from commercial producers who are motivated by pushing down prices over producing products of high quality. The rural women's processing cooperatives that work with Atyab al-Rif are able to sell their products under the group's brand, or to employ the group's services to market their own brands, as well as to secure key access to markets in Beirut. However, even this relatively successful model is currently struggling in the wake of the August 4 explosion which decimated their central Beirut shop and further hampered their access to crucial imports, leaving the cooperative network dependent on a loan from the United Nations Development Programme.⁴¹

RECOMMENDATIONS

While cooperatives have the potential to provide a real conduit to broader economic participation, dedicat-

ed measures must be undertaken with a genuine view to empowering and promoting the autonomy of such groups in Lebanon's economy, as well as curbing the market players who crowd out smaller economic actors.

To counteract a long period of stagnation that has led to widespread monopoly, a revamped cooperative law would need to be paired with protection programmes for small, local economic actors and the Lebanese population would need to be incentivised to interact with cooperatives rather than corporates. Such incentives exist in entities such as Hezbollah's "Card al-Amir" system, by which consumers can purchase a card for \$1 and use it to get discounts of up to 50 percent from a range of providers, including cooperatives, and such incentives could well be emulated.

In addition, political or informal groups that already operate in strong cooperative networks should be assessed. If a new cooperative law is to be successful it must offer terms to such organizations that would truly incentivise their participating in a centralised state network rather than independently. Viable existing cooperative structures could usefully be identified and targeted as recipients of donor and aid funding, provided oversight is in place to ensure such funds are distributed equitably and without partisan bias.

The GDC must be empowered to fulfil its remit, with a stronger and fuller staff and space to exercise its role without fear of retaliation from senior government figures, but at the same time the existing union framework for cooperatives should be strengthened along with provisions for cooperatives to form mutually supportive networks in order to ensure cooperatives are able to exert an effective lobby. A comprehensive framework for cooperatives to partner with private actors



could also usefully be instituted, to encourage space in Lebanon's markets to be given over from corporate to the cooperative business.

Provisions in a revised version of the law could also usefully address articles on democratic participation. Currently, the platforms for democratic engagement are board member elections, held once every two or three years. Once selected, the board is able to act as it wishes and to make and enact plans for the cooperative's activity, while the signature of only one member of the board is required to approve contracts the cooperative is making with other parties. More comprehensive opportunities for frequent and sustained member participation should be built into a new legal framework.

Sustainable funding options must be made available. The Banque du Liban currently subsidises loans and credit facilities for SMEs, and offers a 75 percent guarantee to local banks, equity investment accelerators, incubators, funds and start-ups who are financing SMEs. Similar, if not more comprehensive funding should be available to cooperatives, since cooperatives place a unique imperative on member participation and profit that can provide a real conduit to economic inclusion. The National Union for Cooperative Credit should also be activated to issue grants more frequently. Such funding options would prevent existing cooperatives being forced to turn to alternative sources of credit. Alternative equity-based barriers to entry such as those employed in New Generation Cooperatives may be less appropriate in Lebanon, where few members of the general public would be able to supply the capital, though multiple forms of membership could be devised to allow variant forms of member participation and encourage local investors to direct their money toward cooperative structures.

Though the current legal framework places no limit on what field cooperatives operate in, the ambiguity and poor integration into Lebanon's broader legislative environment is currently a handicap. Tunisia's law on cooperative associations contains separate provisions for different categories of cooperative: something a new legal framework in Lebanon could usefully emulate. Feasibility studies which are currently meant to be undertaken by the unspecialised GDC, for example, could usefully be contracted out to third party auditors who are capable of supplying cooperatives with specialist insight.

Cooperatives are also currently bound by outdated rules which limit their growth, with a premium in the law on limiting activity to a particular village. Given the nature of global contemporary markets, such restrictions currently limit cooperatives' access to national value chains, though some exceptions have been made to good effect. In the same vein, the list of privileges to which cooperatives are entitled could also be updated to include export facilitations, as well as support for agricultural cooperatives to meet the standards for export required by nearby markets in Europe and the Gulf.

EDITOR'S NOTE

Triangle would like to express its heartfelt gratitude to all the researchers, journalists, and academics who anonymously contributed to this policy paper, and to Charlie Lawrie for his translation work.

This paper was compiled with the support of the Friedrich Ebert Stiftung.





REFERENCES AND ENDNOTES

- 1 UN ESCWA (2020) "Poverty in Lebanon: Solidarity is vital to address the impact of multiple overlapping shocks": 2. https://www.unescwa.org/sites/www.unescwa.org/files/20-00268_pb15_beirut-explosion-rising-poverty-en.pdf
- 2 World Bank, Introduction to Cooperatives in Lebanon, 2020. <http://www.databank.com.lb/docs/Introduction%20to%20Cooperatives%20in%20Lebanon%20FAO.pdf>
- 3 "LEGAL FRAMEWORK ANALYSIS within the ICA – EU Partnership, National Report - Lebanon," International Cooperative Alliance, Asia and Pacific, 2021, 4 <https://coops4dev.coop/sites/default/files/2021-01/National%20Report%20-%20Lebanon.pdf>
- 4 Law 17199, Official Gazette, (08/27/1964), Volume 69, 2437-2445, Article 58. http://www.legallaw.ul.edu.lb/LawView.aspx?opt=view&LawID=244931#Section_265153
- 5 Guidelines on handling surplus revenue fix interest on members' shares at no higher a rate than that required to preserve the real value of the share while accounting for inflation, and a certain portion of the cooperative's surplus revenue is set aside for servicing this interest and topping up the value of members' shares. The remainder of the surplus is distributed to members as profit.
- 6 Fawwaz Traboulsi, "Shihabism and the Autonomy of the State (1958–1970)," *A History of Modern Lebanon*, 2nd Ed. (Pluto Press: London, 2012): 141-141
- 7 Traboulsi, *A History of Modern Lebanon*, 141
- 8 OECD LEED. "The co-operative model in Trentino - Italy, A case study," (2014): 68-69, https://www.oecd.org/cfe/leed/150202%20The%20cooperative%20model%20in%20Trentino_FINAL%20with%20covers.pdf.
- 9 Michael Hudson, *The Precarious Republic: Political Modernisation in Lebanon* (New York: Random House, 1968): 328
- 10 Mona Fawaz and Isabelle Peillen, *The case of Beirut, Lebanon*, (Massachusetts Institute of Technology, January 2002): 5 https://www.ucl.ac.uk/dpu-projects/Global_Report/pdfs/Beirut.pdf
- 11 Joelle Boutros, "The Ministry of Housing and Cooperatives: Another failed attempt to solve the housing crisis," *Legal Agenda*, (November 2019) <https://legal-agenda.com/%D9%88%D8%B2%D8%A7%D8%B1%D8%A9-%D8%A7%D9%84%D8%A5%D8%B3%D9%83%D8%A7%D9%86-%D9%88%D8%A7%D9%84%D8%AA%D8%B9%D8%A7%D9%88%D9%86%D9%8A%D8%A7%D8%AA-%D9%85%D8%AD%D8%A7%D9%88%D9%84%D8%A9-%D9%81%D8%A7%D8%B4/>.
- 12 Agriculture Ministry, "Ministry of Agriculture Strategy 2015 - 2019," 2015, 71: Policy targets aimed to increase the percentage of active agricultural cooperatives from 25% to 35% by 2019, and increase the percentage total farmers participating in cooperatives from 4.5% in 2013 to 7%. The policy targets for the following year show clearly that the target was not met. Other targets such as re-activating the Cooperative Credit Union and the General Federation of Cooperative Associations (36) also appear not to have been met. <http://extwprlegs1.fao.org/docs/pdf/leb149670.pdf>. Agriculture Ministry, "Lebanon National Agriculture Strategy 2020-2025," July 2020, 57: The percentage of the agricultural workforce engaging in cooperatives from 2010 is five percent, while the target for 2025 is 10 percent. Given the triple crisis in Lebanon, the prospects of this target being met seem slim. <http://www.agriculture.gov.lb/getattachment/Ministry/Ministry-Strategy/strategy-2020-2025/NAS-web-Eng-7Sep2020.pdf?lang=ar-LB>.
- 13 Agriculture Ministry, Lebanon, 2021. General Directorate of Cooperatives, <http://www.agriculture.gov.lb/Media/%D9%85%D9%88%D8%A7%D9%82%D8%B9%D9%86%D8%A7/dgcoops>.
- 14 Sunniva Rose, "Lebanese MPs: 15,000 government employees hired illegally," *The National*, February 2019, <https://www.thenationalnews.com/world/mena/lebanese-mps-15-000-government-employees-hired-illegally-1.831701>.
- 15 General Directorate of Cooperatives staff in discussion with the author, January, 2020
- 16 Bassem Mroue, "Amid crisis, Hezbollah 'bank' a lifeline for some Lebanese," *Associated Press*, January 27, 2021. <https://apnews.com/article/world-news-financial-markets-lebanon-9e4faa6cb08b59cc773ee08ed501aca1>
- 17 Ali Nour, "Finally, an alternative financial system to banks in Lebanon," *Al-Modon*, May 2021. <https://www.almodon.com/economy/2021/1/5/%D8%A3%D8%AE%D9%8A%D8%B1%D8%A7-%D9%86%D8%B8%D8%A7%D9%85-%D9%85%D8%A7%D9%84%D9%8A-%D8%A8%D8%AF%D9%8A%D9%84%D8%B9%D9%86-%D8%A7%D9%84%D9%85%D8%B5%D8%A7%D8%B1%D9%81-%D9%81%D9%8A-%D9%84%D8%A8%D9%86%D8%A7%D9%86>
- 18 International Labor Organization Regional Office for the Arab States, "The Cooperative Sector in Lebanon: What Role, What Future?," 2018, https://www.ilo.org/wcmsp5/groups/public/-arabstates/-ro-beirut/documents/publication/wcms_644724.pdf.
- 19 Gehan A.G. Elmenofi, Hamid El Bilal, Sinisa Berjan, *Governance of rural development in Egypt*, *Annals of Agricultural Sciences*, Volume 59, Issue 2, December 2014, Pages 285-296, <https://doi.org/10.1016/j.aogas.2014.11.018>
- 20 Aurelie Daher, *Hezbollah: Mobilization and Power*, (London: Hurst. 2019): 102
- 21 ILO, "The Cooperative Sector in Lebanon: What Role, What Future?," 9
- 22 Joseph Daher, *Hezbollah: The Political Economy of Lebanon's Party of God*, (Pluto Press, 2016): 66-67
- 23 Huseyin Polyat, "Cooperatives in the Arab World: Reaffirming their validity for local and regional development," (International Labour Organization Regional Office for Arab States, 2010), https://www.ilo.org/wcmsp5/groups/public/-arabstates/-ro-beirut/documents/meetingdocument/wcms_210753.pdf.
- 24 Government of Lebanon, Ministry of Agriculture General Directorate of Cooperatives, UNDP/ILO Project Proposal: Policy and Legal Framework for Cooperatives, November 2002.
- 25 Jad Chaaban, Ali Chalak, Tala Ismail and Salma Khedr, "Examining Lebanese Stakeholders' Frames in the Fields of Agriculture, Water and Rural Development with Regards to the Effectiveness and Potential of European Trade and Assistance Policies in Lebanon," *MEDREST Working Papers: 22*, (October 2018), https://www.iai.it/sites/default/files/medreset_wp_22.pdf



- 26 Boutros, Legal Agenda
- 27 International Labor Organization Regional Office for the Arab States, "The Cooperative Sector in Lebanon: What Role, What Future?," 2018, https://www.ilo.org/wcmsp5/groups/public/-arabstates/-ro-beirut/documents/publication/wcms_644724.pdf.
- 28 Agriculture Ministry, Lebanon, 2021. General Directorate of Cooperatives, <http://www.agriculture.gov.lb/Media/%D9%85%D9%88%D8%A7%D9%82%D8%B9%D9%86%D8%A7/dgcoops>.
- 29 International Labor Organization Regional Office for the Arab States, "The Cooperative Sector in Lebanon: What Role, What Future?," 2018, https://www.ilo.org/wcmsp5/groups/public/-arabstates/-ro-beirut/documents/publication/wcms_644724.pdf.
- 30 Council of Ministers Decree 2017/13669, McKinsey, National Economic Plan, 257, <https://www.economy.gov.lb/media/11893/20181022-1228full-report-en.pdf>
- 31 Staff at the General Directorate of Cooperatives, Agriculture Ministry), in discussion with the author, January, 2020
- 32 Mohamed Wahba, "Zaiter accuses Abu Zeid: This is my evidence," Al-Akhbar, March 7 2017. <https://al-akhbar.com/Politics/227317>.
- 33 Saod Ghassan, "Our Lady of Deliverance explodes the Ministry of Agriculture," Al-Akhbar, March 6, 2017. <https://al-akhbar.com/Politics/227275>.
- 34 Cabinet Decree 131.15/02/2017. "Cancellation of Resolution No. 48/2 T issued on 11/2/2017 by the General Director of Cooperatives related to the dissolution and liquidation of the Housing Cooperative Society - Lady of Deliverance Housing LLC." <http://www.legallaw.ul.edu.lb/Original-LawPage.aspx?lawId=273555>
Mohamed Wahba, "Zaiter accuses Abu Zeid: This is my evidence," Al-Akhbar, March 7 2017. <https://al-akhbar.com/Politics/227317>.
- 35 Lin Noueihed, "Co-Op's problems aren't over just yet," Daily Star, February 2001. <https://www.dailystar.com.lb/Business/Lebanon/2001/Feb-23/18340-co-ops-problems-arent-over-just-yet.ashx>
- 36 23/18340-co-ops-problems-arent-over-just-yet.ashx
- 37 "Cooperatives Call for Mikati to Implement Law 109," Assafir, September 2011. <http://assafir.com/Article/251106>
- 38 Hadeel Farfour, "Lebanon's Cooperatives Crisis: Can Those Affected Get Back Their Money After 19 Years?," Al-Akhbar, February 2019. <https://al-akhbar.com/Community/265864>.
- 39 Joan Fulton, Brian Jones, and Lee Schrader. (1998) "New Generation Cooperatives." Purdue Agricultural Economics Report. September 1998. p. 7-10. <http://www.agecon.purdue.edu/ext/paer/1998/paer0898.pdf>
- 40 International Labor Organization Regional Office for the Arab States, (2018) "The Cooperative Sector in Lebanon: What Role, What Future?." p. 22-23. https://www.ilo.org/wcmsp5/groups/public/-arabstates/-ro-beirut/documents/publication/wcms_644724.pdf.
- 41 Atyab al-Rif Staff , in discussion with the author, February, 2020

