

Title	Revitalization of after-conflict areas
Sub Title	
Author	Fayad, Matthieu(Kishi, Hiroyuki) 岸, 博幸
Publisher	慶應義塾大学大学院メディアデザイン研究科
Publication year	2019
Jtitle	
JaLC DOI	
Abstract	
Notes	修士学位論文. 2019年度メディアデザイン学 第728号
Genre	Thesis or Dissertation
URL	<a href="https://koara.lib.keio.ac.jp/xoonips/modules/xoonips/detail.php?koara_id=KO40001001-00002019-0728">https://koara.lib.keio.ac.jp/xoonips/modules/xoonips/detail.php?koara_id=KO40001001-00002019-0728</a>

慶應義塾大学学術情報リポジトリ(KOARA)に掲載されているコンテンツの著作権は、それぞれの著作者、学会または出版社/発行者に帰属し、その権利は著作権法によって保護されています。引用にあたっては、著作権法を遵守してご利用ください。

The copyrights of content available on the KeiO Associated Repository of Academic resources (KOARA) belong to the respective authors, academic societies, or publishers/issuers, and these rights are protected by the Japanese Copyright Act. When quoting the content, please follow the Japanese copyright act.

Master's Thesis  
Academic Year 2019

Revitalization of after-conflict areas



Keio University  
Graduate School of Media Design

Matthieu Fayad

A Master's Thesis  
submitted to Keio University Graduate School of Media Design  
in partial fulfillment of the requirements for the degree of  
Master of Media Design

Matthieu Fayad

Master's Thesis Committee:

Professor Hiroyuki Kishi(Main Research Supervisor)

Project senior assistant professor Chihiro Sato(Sub Research Supervisor)

Professor Hideki Sunahara(Co-Reviewer)

Abstract of Master's Thesis of Academic Year 2019

## Revitalization of after-conflict areas

Category: Social Science

### Summary

After the storm, the rainbow shall come. The conflicts in the world seem to never stop. The end of a conflict is often followed by poverty and despair by the casualties involved. I wrote this master thesis as a possible solution to help those after-conflict areas revitalize their economy with a focus on their rural and agricultural populations. Inspired from my knowledge of the French system, my studies of the Japan evolution after World War II, and my Lebanese education, the model I developed in this thesis has been proposed to different Lebanese major agricultural actors in order to find a way to satisfy everyone. It has also been shared with other possible concerned cultural actors to make it malleable for any after-conflict areas. The goal of this paper is to create an autonomic working system despite all the issues a country can have after a conflict, while requiring minimum international help to make it work.

### Keywords:

Social Science , Economy, History, Conflict, Revitalization, Agriculture, Lebanon, Japan

Keio University Graduate School of Media Design

Matthieu Fayad

# Contents

<b>Acknowledgements</b>	<b>v</b>
<b>1 Introduction</b>	<b>1</b>
1.1. Context . . . . .	1
1.2. Problematic . . . . .	1
1.3. Development . . . . .	2
<b>2 Situation of an after-conflict area</b>	<b>4</b>
2.1. What is a conflict and what is an after-conflict area? . . . . .	4
2.2. Issues in post-conflict areas . . . . .	8
2.3. International assistance . . . . .	10
2.4. First Lessons . . . . .	11
Notes . . . . .	12
<b>3 Background and literature review</b>	<b>13</b>
3.1. A social development . . . . .	13
3.2. Political issues . . . . .	15
3.3. Business development . . . . .	16
<b>4 Japan - a successful revitalization</b>	<b>18</b>
4.1. Japan's situation in 1945 . . . . .	18
4.2. Japan's Cooperative Development . . . . .	21
4.3. Japan nowadays . . . . .	26
Notes . . . . .	28
<b>5 Can such a system work elsewhere? A case study of Lebanon</b>	<b>29</b>
5.1. A brief history of Lebanon . . . . .	29
5.2. Overview of Lebanon . . . . .	31
5.3. Revitalization of the olive oil market in Lebanon . . . . .	34
5.4. Lebanese responses . . . . .	43
Notes . . . . .	51

<b>6 Conclusion</b>	<b>52</b>
6.1. Conclusion . . . . .	52
6.2. Further discussion . . . . .	55
Notes . . . . .	55
<b>References</b>	<b>56</b>

# List of Figures

2.1	Giovanni Battista Tiepolo: The Capture of Carthage (I) . . . . .	5
2.2	Jacques-Louis David: Oath of the Horatii (II) . . . . .	6
2.3	Antoine-Jean Duclos: Execution de Louis XVI (III) . . . . .	8
4.1	Japanese attack on Pearl Harbor (I) . . . . .	19
4.2	Picture of Nagasaki after the atomic bomb in 1945 (II) . . . . .	19
4.3	Japanese Agricultural Cooperatives logo (III) . . . . .	22
4.4	Japanese Agricultural Cooperatives Organization (IV) . . . . .	23
4.5	Structure of the JA Group . . . . .	25
5.1	Flag of Lebanon . . . . .	30
5.2	Phoenician colonies (I) . . . . .	30
5.3	Olive Tree . . . . .	33
5.4	Traditional container of Olive Oil . . . . .	34
5.5	Olive oil bottles . . . . .	35
5.6	Olive oil Conception . . . . .	45
5.7	Olive oil Conception . . . . .	46
6.1	Olive oil Press from 1933 . . . . .	53
6.2	Olive oil Press from 1933 . . . . .	53
6.3	Soap of Aleppo (I) . . . . .	54

# Acknowledgements

Thanks to all the people who helped me in order to write this thesis, mostly my professors Hiro Kishi, Chihiro Sato, Roshan Peiris and Yamen Saraiji. The members of my family that have been of a major help: Najib Fayad, Denise Fayad and Michel Fayad. All the people in Lebanon that provided me assistance: Doctor Fouad Abou Nader, General Augustin Tehgo and his wife Denise Tehgo from Olea, Tony Maroun, Chairman of Zeit Boulos (major actor in the Olive Oil market in Lebanon), Mariam Eid of the Ministry of Agriculture, and Ghazi Zeaiter previous Minister of Agriculture in Lebanon. Final thanks goes to Zeydra publishing for the rough edit of this paper.



# Chapter 1

## Introduction

### 1.1. Context

In 2019, over 50 conflicts are happening at any given time around the world. Since World War I, conflicts between countries are not only battles between armies, but also involve the entire population. This is the beginning of the concept of "total war"<sup>1</sup>. A total war is defined as an armed conflict that mobilizes all the resources available from the protagonist. It involves an entire population, the economy, and entrenches the political and justice systems of said population. Total war is not limited to world wars. The Vietnamese war against the United States of America resulted in 1,620,000 casualties within the armies and approximately 2 million Vietnamese citizens deaths<sup>2</sup>. Furthermore, civil wars and internal conflicts can also be included in this notion of total war, or in some cases, it could just mean total involvement. These are conflicts such as the Armenian genocide, the Lebanese civil war, or the current South Sudan civil war<sup>3</sup> that started in 2013 and caused more than 1 million victims between the dead and refugees.

### 1.2. Problematic

After these different conflicts, countries have to revive their economy. There are many possibilities, depending on the country and its situation, but most often the country receives some international help that focuses on services development, banking, and infrastructure. This assistance can be also slowed by the political situation, which is sometimes in opposition to the leading powers of the United Nations. A good example of this would be the Serbian situation<sup>4</sup> where after the

---

1 <http://www.linternaute.fr/expression/langue-francaise/17124/guerre-totale/>

2 [https://www.herodote.net/1963\\_1975-synthese-1750.php](https://www.herodote.net/1963_1975-synthese-1750.php)

3 <https://www.la-croix.com/Monde/Soudan-Sud-pays-ravage-guerre-civile-2018-07-25-1300957675>

4 [https://www.persee.fr/doc/receo\\_0338-0599\\_2004\\_num\\_35\\_1\\_1645](https://www.persee.fr/doc/receo_0338-0599_2004_num_35_1_1645)

Balkan conflict there began the United Nations Security Council Resolution 820 on April 17th, 1993, with the latest being the tax war from Pristina ("Kosovo") and Belgrade (Serbia)<sup>5</sup>. Other possible situations for economic revival are either through self-development (like Japan succeeded to do after WWII with the unification of its producers), dependency to another country (like Sri Lanka's reliance on China after its civil war), or an internal fight between many factions, such as Lebanon after its civil war in which its political/religious groups are trying to secure key power positions, along with external influence from Iran, Saudi Arabia, the United States, and France.

Is it possible for countries to self-develop without being dependent on others? How would the unification of a nation's producers in after-conflict areas help with the country's revitalization?

### 1.3. Development

In order to answer these questions, I will first provide a definition of conflict and an after-conflict area. Then I will target the common issues of the after-conflict areas, followed by the conditions of the different kinds of international help to those areas.

Then I will do a deep analysis of previous research on the topic which seems important in order to advance towards a possible solution.

This will lead me to an examination of the Japanese revitalization that came after World War II. Then the model used for their agricultural revitalization will be explained before we look at the effects it has had on Japan over the last 70 years.

We will examine how this system could possibly work in other countries through a case study made in Lebanon that focused on the olive oil market. I will plan how the model could be applied in order to make it become a reality. Then I will take the reactions from Japanese locals and adapt it to the Lebanese societal structure.

Finally, I will introduce the possible futures for the after-conflict areas, and

---

<sup>5</sup> <https://tinyurl.com/yykudd2q>

analyze the choices they can make to relaunch their economy in a positive way.

## Chapter 2

# Situation of an after-conflict area

In order to discuss the subject and come up to our solution, a deep analysis of the economy and the history is needed. In fact history has seen thousands of conflicts. Sometimes the defeated clan would be completely destroyed, good example of extinction of losing belligerents would be the massacre of the Qara Khitai by Genghis Khan in the 13th century. Other times, the civilization would rebuild itself and shine once more after a heavy defeat, not necessarily military wise such as today's Germany. This brings me to the part where I will try to define, what is conflict and what is an after conflict area. It will be followed by an analysis of, in 2019, the issues that can face an after-conflict area. An overview of the current help from different countries to those places will then be studied. Taking into consideration all the before analyzed facts, a first conclusion will be made on the solution for the revitalization of after-conflict areas.

### 2.1. What is a conflict and what is an after-conflict area?

From the battle of Salamis in September 480 BC to the Neptune operation in June 1944, including the bloody fight of Azincourt in October 1415, or the Verdun's fight in 1916, the "art of war" constantly evolved, including more and more people, armies and civilians. "The supreme art of war is to subdue the enemy without fighting", said Sun Tzu in the "Art of War". Unfortunately, this quote has been neglected by belligerents involved in conflict all through history. The reality has been the opposite and vengeance usually fills the eyes of the fighters. An example was the destruction of Athens by the Persian Empire after the Ionian cities revolted, and later the destruction of Carthage by the Romans as result of the Punic Wars and the Battle of Cannae. (Figure 2.1) The definition of a conflict and the way it takes place has changed throughout history. Each war brought about an evolution. In the second Punic War, Quintus Fabius Maximus Verrucosus,

2. Situation of an after-conflict area 2.1. What is a conflict and what is an after-conflict area?



Figure 2.1 Giovanni Battista Tiepolo: The Capture of Carthage (I)



Figure 2.2 Jacques-Louis David: Oath of the Horatii (II)

also known as Cunctator, made use for the first time the tactic of attrition, and sacrificed most of Rome's countryside at that time in order to win on the longer term. This kind of conflict involved everyone within Rome's territory. Another kind of war, faster and less bloody, would be the fight between the Horatii and the Curiace, where a duel solved the fight (Figure 2.2). The chivalry code arrived later in history, mostly in Europe, where it was better to capture your enemy in order to exchange him for a ransom instead of killing. The end of this code came up during the Battle of Azincourt where Henri V ordered the execution of the prisoners, fearing a revolt from them. It is said that most noble French families lost at least one member. This led to the Hundred Years' War. Fire weapons then made their appearance, increasing the number of casualties to its climax in the 20th century with the world wars. All these conflicts have the same goal, as summarized by a Prussian officer and theorist, Carl von Clausewitz, in his military treaty, "Vom Kriege", published in 1832 where he declares: "War is an act of violence intended to compel one's opponent to fulfill one's will".

A conflict isn't necessarily a sequence of military battles. It can also be from an

economical source or internal to a country, from civil claims to power control. For the economical source, a good example would be the embargo on Iraq from 1991 to 2003, which resulted in a strong increase in infant mortality and was a disaster for the local economy. As for the civilian methods leading to a national conflict, an eye can be set on the Irish claims for independence, from 1916 to 1922. First the people tried a putsch, which then developed into a guerrilla civil war. This conflict was not only a political battle between Republicans and Loyalists, but also a religious one between Catholics and Protestants. The end of it resulted in the split of Ireland and a social division. For the power control point, the USSR when Stalin<sup>1</sup> ruled might be the best example. Indeed, after his takeover of the country after warding off his opponents, he put in place a personal absolute dictatorship, ruining his country in terms of living soul and economy. Stalin is responsible for the deaths, directly or indirectly, of a minimum two million people. Stalin's actions led to an impoverishment of the Russian federation and the dismantling of the USSR in 1991.

In all these scenarios, similarities are found to help define a conflict and an after-conflict area. As I concluded earlier with Carl von Clausewitz, there is a goal of imposing one's will on an opponent, war or not. This has been seen through Stalin's example where he justified mass murder to overwhelm any opposition. Doing so creates a clash of interests that can cause an actual war. Other examples would be Greeks defending their positions against the Persians, or the English trying to impose a stranglehold on Ireland. For the after-conflict area notion, the belligerent is now considered to be at peace, but tensions and sometimes violence still exists. In fact, tensions and fights in northern Ireland were ongoing for a year. The economy can struggle sometimes for years or decades, like in the case of Iraq. Post-conflict might mean an end of battles and signing of a peace treaty, but it is often the start of internal socioeconomic strife.

---

1 <https://www.sciencespo.fr/mass-violence-war-massacre-resistance/fr/document/les-crimes-de-masse-sous-staline-1930-1953>



Figure 2.3 Antoine-Jean Duclos: Execution de Louis XVI (III)

## 2.2. Issues in post-conflict areas

The area is now at peace but new fights are starting. The previous conflict has severely damaged the economy, social fractures tend to appear, the lack of solid infrastructure is felt, and a risk of anarchy or totalitarianism appears. Those scenarios give us lessons we should take in consideration. On January 21, 1793, the French revolutionaries executed Louis XVI, the King of France (Figure 2.3). Following that event, a period of anarchy and wars against a coalition which included many European monarchies came up. Maximilien de Robespierre took power and established the Reign of Terror<sup>2</sup>, ushering in one of the darkest moments in France's history. The economy was at its worse and revolts occurred everywhere in the country. Robespierre led France with an iron fist. He increased prices of necessity products, causing the black market to grow in response. An unprecedented repression was put in place and the number of people executed grew every week by thousands. Around 300,000 people suspected to be against the

<sup>2</sup> <https://www.britannica.com/event/Reign-of-Terror>



revolution, or who were just political opponents, got arrested. This dark period finally stopped after one year with the only positive note being the military's victory against the coalition due to conscription. Conscription meant that all male youths between the ages of 18 and 25 were forced to join the army - a phenomenon that happened again during the world wars, and introduced a new characteristic of modern total war. An interesting quote from that time by 20-year-old Henri de La Rochejaquelein, one of the leaders of the Vendean army against the French revolution, was: "Friends, if I advance, follow me! If I retreat, kill me! If I die, avenge me!", relating the total involvement in the conflict and the point of no return.

These characteristics are also present in more contemporary conflicts. Let's take the example of Iraq after the 2003 war. After being designated as one of the main countries of the "axis of evil" by George W. Bush, the United States of America along with some allies, began operation "Freedom for Iraq" on the 20th of March, 2003. After 20 days, Saddam Hussein was taken down from power<sup>3</sup>. The forces in presence definitively left the country at the end of 2011. Following that war, Iraq sank into all kind of issues. There were social problems involving the Kurds, and religious conflicts between Muslim Sunnis and Muslim Shias, in addition to the Christian exodus. A more recent problem of that kind would be the emergence of Daesh/ISIS (Islamic State of Iraq and Sham), which emerged in Iraq in 2006 and used the political instability to start conflicts in Syria to take control of lands for their own. Their object was to create a new caliphate, using the city of Mosul (located in north Iraq) as the capital. In parallel to all these events, the economic situation only started to gradually improve since the end of 2017. According to a World Bank report<sup>4</sup>, just for the post-ISIS reconstruction, Iraq needs 88 billion dollars. The main economy income for Iraq is from the oil but it is very dependent on the market and suffers a lot from high corruption (Iraq being one of the countries with the highest corruption rate). The poverty rate currently exceeds 20%. In addition to all of this, real assistance for the country

---

3 <https://www.youtube.com/watch?v=SELkziQzjcI>

4 <http://www.worldbank.org/en/country/iraq/overview>

is deeply lacking<sup>5</sup>.

## 2.3. International assistance

When in trouble, a state can get different kinds of assistance from other countries. We can point out three main methods. Either assistance from an international organization, from another country directly, or from an organization (such as NGO's, private or public possible systems like the Japanese one). The most famous international organization is probably UNICEF with all the different UN actors. From money or investments to infrastructure construction, these different organizations try their best to be on every front. A good example of the money assistance would be the CEDRE conference which happened in Paris in April 2018<sup>6</sup>. In order to keep restoring the Lebanese economy from years of conflicts, pledges have been agreed on where \$10.2 billion in loans and \$860 million in grants are included. This Parisian conference convened 50 countries and organizations to provide the best possible investments. A recent comment by Deputy Prime Minister Ghassan Hasban in February 2019 also added that the country needs internal reforms and should stay away from regional problems: "CEDRE's money alone is not enough to save the economy"<sup>7</sup>. Another example regarding infrastructure or health assistance would be the UNICEF programs around the world. Referring to the Iraq issue from earlier and according to the "Iraq Humanitarian Situation Report December 2018", UNICEF has "rehabilitated 786 schools, installed 640 new prefab classrooms in 222 schools, and delivered educational supplies for 339,312 IDP children" (IDP: Internally Displaced Persons). It also says that the organization has provided more than 1.2 million vaccinations to children against polio through emergency campaigns<sup>8</sup>.

Let's now talk about the assistance from another country with a very precise

---

5 <https://data.worldbank.org/country/iraq>

6 <https://www.reuters.com/article/us-lebanon-economy-france/lebanon-wins-pledges-exceeding-11-billion-in-paris-idUSKCN1HDOUU>

7 <https://tinyurl.com/y43oylz2>

8 <https://www.unicef.org/iraq/reports/iraq-humanitarian-situation-report-december-2018>

case that will explain the pros and cons. Through a constructive discussion I had with Roshan Peiris, senior project assistant professor at Keio University Graduate School Of Media Design, I got to learn about the Sri Lanka situation after the civil war that concluded in 2009 with their inclusion in China's Silk Road project. A few words about the civil war: it lasted 26 years and was mostly a segregation conflict between the communities of Sinhalese and Tamils. At the end of the war, many characteristics evoked earlier appeared again, including corrupted administration and elections, a power hungry president and a need for rebuilding the country. Nearby countries like India couldn't provide much help during the conflict due to the fear of revolts of Tamils nationalists inside the country. Tensions are still present in Sri Lanka but the possibility of a new war emerging seems very low. Due to its very good commercial location, Sri Lanka has been of interest to China for the new Silk Road project. Officially announced in 2013 by Xi Jinping<sup>9</sup>, ruler of China, but in reality having started earlier, the project consists of opening all channels, sea, land and sky from China to the rest of the continental world. In fact, in 2016 China even bought the port of Piraeus, the biggest dock of Greece, taking advantage of the financial problems of the country. The country now has eyes on Italy with the ports of Genoa and Trieste<sup>10</sup>. As for Sri Lanka, China helped finance the port of Hambantota to revive the economy with an ambitious project but as expected, the project failed, and Sri Lanka's new government struggled to pay back the debt. After harsh negotiations with the Chinese, it was decided that the port and 15,000 acres of land around it would become China's property for 99 years. It is a key position in front of the economical rival, India, for the development of the new silk road<sup>11</sup>, providing control over the Indian Ocean.

## 2.4. First Lessons

All these historical and present events must be kept in mind to develop a proper solution to the main issue. What lessons do they give? First of all, the definition

---

<sup>9</sup> [https://www.youtube.com/watch?v=xsEzLw6\\_gJU](https://www.youtube.com/watch?v=xsEzLw6_gJU)

<sup>10</sup> <https://tinyurl.com/y4f394kz>

<sup>11</sup> <https://www.weforum.org/agenda/2017/06/china-new-silk-road-explainer/>

of what a conflict is has evolved and changed. How to revitalize an after-conflict area should, as well, evolve according to conflict definition evolution. All conflicts are different, the same as cultures, and the model I will develop must be malleable to these circumstances. Another point that should be considered is political volatility in post-conflict regions. Examples include the dictatorship and terror in France after the revolution of 1789/1793, or the anarchy following the emergence of self-proclaimed terrorist states, such as the creation of the Islamic State (DAESH) after the 2003 war in Iraq. These fights for power, opportunism, and terror only pushed away business investments and the economical revitalization. Poverty grows and people try to leave their countries to find a better and safer life elsewhere. After the conflict, the international communities try to help these areas as much as they can, but it's not enough, especially because corruption is a major problem and sometimes a big part of the money for the assistance simply disappears in the hands of some corrupt people. Unfortunately, this international assistance is not really given for free. The Chinese example is best proof of it. All assistance is actually an investment to make the area indebted to China and cause them to be dependent. Sri Lanka relates this story through the Hambantota event, Greece with Piraeus and maybe Italy will also with Genoa and Trieste<sup>12</sup>.

Other events in history give clues on how to develop a model for after-conflict area revitalization. Indeed, after World War II, Japan had to revive its economy; the way they did that will be explained later and should be taken as an example of success for revitalization without being indebted to a great power seeking commercial control. Before talking about the Japanese model, I will explain the background of the model that will be developed in this paper.

## Notes

Interview with Project Senior Assistant professor Roshan Peiris

(I) <https://tinyurl.com/y26xba84>

(II) <https://tinyurl.com/y37g9ke4>

(III) <https://commons.wikimedia.org/wiki/File:LouisXVIExecutionBig.jpg>

---

<sup>12</sup> <https://www.nytimes.com/2018/06/25/world/asia/china-sri-lanka-port.html>

## Chapter 3

# Background and literature review

The revitalization of an after-conflict area involves three important domains. The first aspect is social development, which is important to avoid the resurgence of a new conflict and possible future economic crisis. The second aspect is quelling the political difficulties. Lastly there is the economical aspect, and businesses need to continue to develop and foster partnerships.

### 3.1. A social development

A report, called "Reconstruction, development and sustainable peace: a unified program for post-conflict countries"<sup>1</sup> published in 2005 by MR (Milivoje Panic) for the department of Economic and Social Affairs of the United Nations, explains the social development that is needed for after-conflict for revitalization. First of all, a cycle of "hate" is created after conflicts. It is a cycle where development is not fairly shared, so inequalities are present, which creates pessimism for the concerned one, and such behavior will lead to hate towards the "rich ones". This cycle creates the risk of civil war, which can grow if there is a sharp decline in economic output with no sign or trend towards change on the horizon. This situation is what happened in Yugoslavia after the reforms in 1989 when their economy dropped and unrest grew, leading to a civil war.

Another publication from the Netherlands government<sup>2</sup> insists on a different but related aspect. Their outlined first step is to unite the population and to avoid social divisions by letting the concerned people take care of their reconstruction with the help of external funds. The second step they insist on is about the poverty leading to social inequalities. They suggest national governments to advise local

---

1 <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/CDP-bp-2005-8.pdf>

2 <https://www.government.nl/topics/international-peace-and-security/post-conflict-reconstruction>

government on how to develop national norms and rules but to not do it for them. The last social aspect they give suggestion on is the security part. Insecurity leads to violence and instability. After-conflict areas lack financial resources to make improvements on the security sector. They get caught in a vicious circle of poverty and weak security. Political effort shall be done first toward the army and police so they don't work for themselves but rather for the interest of the people. The law must be applied and respected.

Another interesting point of view focuses on the youth. A publication published on the World Economic Forum in June 2015 by Asantewaa Io-Liyong<sup>3</sup>, a Youth Fellow of the United Nations Population Fund, gives 11 ways to help young people in conflict zones. Youth is the future of the country and are often the major population of after-conflict areas. Some of those ways are to be used as I am developing this paper. One way is a consultative process between UN agencies, donors, NGO's, and governments that shall be created to respond to the challenge of the youth and conflict. They will aim to provide the youth with necessary skills to successfully transition to adulthood. Because of the conflict, young people often had a break in education and are sometimes too old at the end of it to return to the educational system. Those people must not let be down, and everyone has a part to play in the country's revitalization. Following this point, the access to basic services such as education and healthcare must be secured.

In addition to this youth point of view, the paper written by Alpaslan Ozdem in October 2016 for the Oxford Research Group titled: "The Role of Youth in Peace-building:Challenges and Opportunities"<sup>4</sup> reminds us that youth can play a role aiding peace-building. It denounces the fact that youth are often referred to as a problem in the peace-building process and instead that they could be the main actors of peace with an appropriate environment. Successful examples of this happened in South Sudan and Nepal. Today's youth is the next generation of the active population. Having them be peace-builders will secure peace for a few generations. Education given to next generations shall be focused on peace keeping, and this should be built into the political foundation.

---

3 <https://www.weforum.org/agenda/2015/06/11-ways-to-help-young-people-in-conflict-zones/>

4 <https://tinyurl.com/y6shm471>

## 3.2. Political issues

The most common political issue occurring after a conflict is corruption. Belligerents' greed for money to obtain power comes up. To fight that, the U4, the Anti-Corruption Resource Centre, released a paper authored by Victoria Jennett entitled "Tackling Corruption in Post-Conflict Situations"<sup>5</sup>. A key point is mentioned. The civilian and the military shouldn't be engaging in activities that undermine each other so that popular opinion doesn't turn against military operations. An important quote from this paper brings up an interesting point that needs to be mentioned: "Post-conflict "national reconciliation" often results in politically driven distribution of state assets, sometimes with a tacit agreement on corruption built into peace accords. Power-sharing arrangements can undermine institution building and reduce accountability as each faction asserts "sovereignty" over its territorial or institutional turf." This quote is very similar to the Lebanese governmental situation with the power-sharing system between religious and political groups. The first step to fight corruption is to secure key people and institutions. The second step is to see convictions or at least removals of key spoilers of anti-corruption reform in politics and in public administration. This fight against corruption also builds trust with the population and prevents a backslide into factionalised fighting. The dissemination and access of government information, budgets, public expenditure and revenue should be increased and transparency should be the new key word of the government. It can be summarized in three key parts. First, ensuring public support. Second, providing an appropriate economic and regulatory context. Third, securing a legal framework for transparency and accountability.

A report published in 2007 by the United Nations Department of Economic and Social Affairs and the United Nations Development Program entitled "The Challenges of Restoring Governance in Crisis and Post-Conflict Countries"<sup>6</sup> relates the governance weaknesses in post-conflict countries. Restoring governance and rebuilding trust in government requires different approaches depending on the

---

5 <https://www.u4.no/publications/tackling-corruption-in-post-conflict-situations.pdf>

6 <https://tinyurl.com/y3voa4ub>

situation, the culture... ”The most difficult challenges of restoring governance arise from the absence of a constitutionally-established governing authority and from serious weaknesses in government capacity and resources”. In fact, governments of these areas are just not effective enough to perform their functions. The World Bank’s governance indicators<sup>7</sup> for government confirms these criteria. Political stability and an absence of violence shall be the first goal, followed by the control of corruption as stated in the U4 paper previously mentioned. The restoration of the governance and the strengthening of the government will come from five major points: the establishment of safety and security, the establishment of a constitutional government, implementing recovery and reconstruction programs, growth of the economy equity, and finally the strengthening of the justice and the reconciliation of organizations.

### 3.3. Business development

The final domain is on the business development part. First, it is necessary to define business development. ”It is the creation of long-term value for an organization from customers, markets, and relationships. Business development can be taken to mean any activity by either a small or large organization, non-profit or for-profit enterprise which serves the purpose of ’developing’ the business in some way”. The organization here would be the country state, looking to develop its economy through commerce and different trades in order to increase the gross domestic product (GDP)<sup>8</sup>.

Referring again to Milivoje Panic’s paper for the United Nations, an important point must be emphasized. Government has to become involved in business, either directly or by providing subsidies to encourage private investment. Private international investment will flow into a region or country devastated by internal conflict if it has resources that promise a high return on the capital invested. Methods used will have to be flexible and pragmatic to achieve success. Six impor-

---

7 [http://siteresources.worldbank.org/INTLICUS/Resources/388758-1094226297907/Building\\_institutions\\_after\\_conflict.pdf](http://siteresources.worldbank.org/INTLICUS/Resources/388758-1094226297907/Building_institutions_after_conflict.pdf)

8 [https://en.wikipedia.org/wiki/Business\\_development](https://en.wikipedia.org/wiki/Business_development)



tant facts are then given. First, external assistance is most likely to succeed when the recipient's needs and donors' interests coincide. Second, whoever provides the assistance must resist the temptation to impose on the recipient their preferred solutions and course of action. This problem is seen with China in Sri Lanka. Third, a single donor, preferably an international organization coordinating the activities of various donors, is needed to avoid waste and the risk of failure caused by inconsistencies between the objectives and policies, duplication of effort and uncoordinated completion of projects. This is the way of action toward Lebanon at the moment through the CEDRE conference I talked about previously in this paper. Fourth, donors must not insist on the reciprocity in policies such as trade liberalization that may impose serious long-term costs on the recipient, preventing it from achieving its reconstruction and development aims. Fifth, it is imperative that foreign donors do not impose on the receiving countries the nature, timing and sequencing of economic policies. Each of these can result in unacceptable social costs and the risk of conflicts. Sixth, external donors have the responsibility to ensure through careful monitoring that the essential post-conflict strategy originally agreed upon is implemented, and to discontinue development assistance when the recipient is failing to implement it because of widespread corruption. A pragmatic approach to macroeconomic policy is required for the domestic economic policy aspect. This is required if it is to play effectively the role for which it was developed: to help post-conflict countries secure sustainable peace through economic prosperity.

This approach was adopted in the two most successful post-war recoveries on record, those in Western Europe and Japan after World War II. All the countries involved pursued very similar welfare-enhancing economic goals. But the success that they achieved was the result of different priorities and policies, determined by each country's needs and public preferences.

## Chapter 4

# Japan - a successful revitalization

Japan has been a successful example of revitalization after its conflict and hardships post-WWII. Using my time spent in Japan with the help of Keio University, Graduate School of Media Design, and its professors, I see clearly how Japan has developed from 1945 to today as one of the world's leading economic powers.

### 4.1. Japan's situation in 1945

Before talking about the revitalization of Japan after the war, it is necessary to know what was the situation of the country was at that time. The 27th of September, 1940, Japan signed the Pact of Steel with Germany and Italy, joining the Tripartite Pact and the Axis Powers in the war. Japan has been at war since 1937, involved in the second Sino-Japanese war that came up six years after the invasion of Manchuria. The Empire of Japan followed its political expansion into China. In December of 1941, Japan attacked the American's base of Pearl Harbor in answer to the economic sanctions imposed by the United States of America in July of 1940<sup>1</sup>.

This event pushes the Americans into the war against the Axis Powers. Slowly losing grounds and battles, the Japanese expansion ceases as the war draws closer to its end. To end the war, the American president, Harry Truman decides to use the newly created atomic bomb on the city of Hiroshima on the 6th of August, 1945, and a second time on Nagasaki 3 days later. On the 10th of August the emperor of Japan, Hirohito, announced his surrender. On the 2nd of September, 1945, Japan officially capitulates. According to a study from Nagoya university<sup>2</sup>, during the war, Japan accounted the death of 2.8 millions people, the loss of 25 percent of the national wealth, 90 percent of its industrial production, and was struck by hyper-inflation with commodity shortages.

---

1 <https://history.state.gov/milestones/1945-1952/japan-reconstruction>

2 <https://tinyurl.com/y6pyz87g>



Figure 4.1 Japanese attack on Pearl Harbor (I)



Figure 4.2 Picture of Nagasaki after the atomic bomb in 1945 (II)

In an essay written by John Dower called "The Useful war", we get to know more about Japanese economy during the second Sino-Japanese war. During that time, the economy of Japan received rapid development. In fact, production indices showed an increase of 24 percent for manufacturing, 46 percent for steel production, 70 percent for nonferrous metals, and 252 percent in machinery. The purpose of this development was mostly for war effort. It is the militarized economical development, seen already previously in history, through the economic boom of Prussia in Europe during the unification of Germany in the XIXth century. An other interesting indicator is on the automobile industry. Out of the 11 major auto manufacturers in Japan after 1945, only one, Honda, has been created after the war (1948). The ten others came out during the war years.

Nevertheless, the post-war period in Japan is called the Japanese economic miracle<sup>3</sup>. It goes from 1945 to the end of the cold war in 1991. It is divided in four stages. The first one being the recovery stage from 1946 to 1954, the high increase from 1955 to 1972, the steady increase from 1972 to 1992, and lastly the low increase from 1992 to nowadays. An important reform is set by the government through the Ministry of International Trade and Industry. The major economic reform was to adopt the "Inclined Production Mode". "It refers to the inclined production that primarily focus on the production of raw materials including steel, coal, and cotton. Textile production occupied more than 23.9 percent of the total industrial production."

Just after the war, Japan is also put under American occupation. In order to democratize the economy, five major economic reforms are applied. The first one is the Zaibatsu dissolution. The Zaibatsu were big conglomerates of major companies and banks, often controlled by a share-holding company. This would prevent the economic power concentration. The second reform is the American-style fair market rules. The most important laws were the Anti-trust Law and the Securities Exchange Law to secure market competition and transparency. The third reform is the Agricultural one. The government purchased land from absentee landlords and all the tenant land in excess of one hectare, and sold them to tenant farmers at nominal prices. The percentage of tenant land dropped from 46 percent to 10

---

<sup>3</sup> [https://en.wikipedia.org/wiki/Japanese\\_economic\\_miracle](https://en.wikipedia.org/wiki/Japanese_economic_miracle)

percent while the number of independent farmers increased. The fourth reform is the Labor Market Reform that establish the creation of labor unions and legalize the labor movement. The final reform is dedicated to education. The compulsory education was extended from 6 to 9 years. These reforms finally lead to Nokyo's creation and development which I am going to detail in the next part. It will be the existing model of the proposed solution for after-conflict areas revitalization.

## 4.2. Japan's Cooperative Development

The origin of cooperatives in Japan can be dated from 1843 when Sontoku Ninomiya, a Japanese economist, tried to raise the standards of living through the spirit of mutual aid. In 1868, the isolationism policy period of Japan comes to an end, and a period of active trade with other countries arrive. The country starts modernization and industrialization based on capitalism, making life hard for small-scale producers. The first modern cooperatives, from the late 1870s and the late 1890s, were the sales unions established by operators of similar businesses in the local communities. Silk and tea producers were the first ones to unite under that system. At the same time, the government felt as well the need to establish cooperatives for the development of industries and fostering small-scale producers. A big law got enacted in 1900, the Sangyo Kumiai-ho (Industrial Cooperatives Law). It made possible the establishment of many industrial cooperative associations throughout Japan. The law stipulated four types of Sangyo Kumiai (industrial cooperatives): credit, marketing, purchasing, and production. In order to solve the strong financial banking need of these cooperatives, the government amended the law to allow credit cooperatives to undertake other business activities. The model of Japan's present day agricultural cooperatives developed at this point. In 1910, prefectural-level federations were formed, and the Central Union of Industrial Cooperatives (Sangyo Kumiai Chuokai) was formed in order to actively promote the industrial cooperative movement on a national scale. After World War I, the Japanese economy, same as many other countries, entered the in the great depression crisis. Farmers got hit by a drastic fall in prices of agricultural products. In 1923, the National Purchasing Federation of Cooperatives and the Central Bank for Industrial Cooperatives were established. From



Figure 4.3 Japanese Agricultural Cooperatives logo (III)

1925, cooperative leaders reviewed the landlord-oriented movement and initiated an industrial cooperative promotion and reform campaign, calling on all farm households to become members. To overcome the crisis, the industrial cooperatives worked with the government's rural economic revitalization campaign and promoted a five-year expansion plan, aiming at establishing an industrial cooperative in every town and village of Japan. It made possible a quick recovery and rapid progress. In 1933, the National Federation of Industrial Cooperative Youth Associations was founded, centering on young staff and members of the industrial cooperatives. After World War II, different reforms I talked about previously were enacted. The Agricultural Cooperatives Act of 1947 established agricultural cooperatives (Nokyo) as economic organizations. In 1961, the Basic Law on agriculture was enacted, aiming to bring farm incomes more in line with those of other industries, making selective expansion of production, and fostering self-reliant farming practices.

A cooperative is an autonomous association of people voluntarily united to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. It is based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. Japanese cooperatives are also bonded through seven principles: Voluntary and Open Mem-

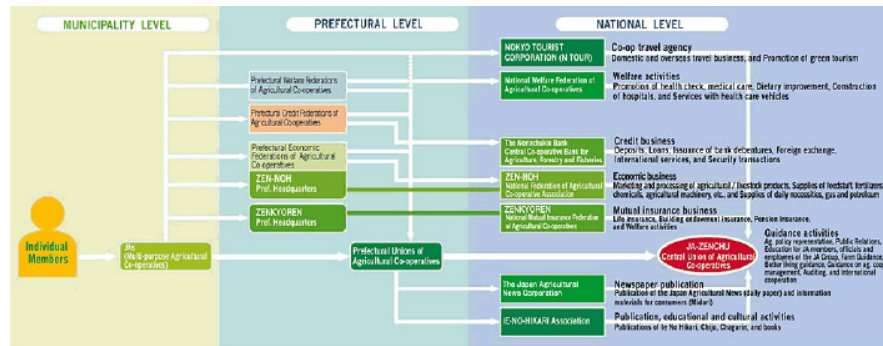


Figure 4.4 Japanese Agricultural Cooperatives Organization (IV)

bership, Democratic Member Control, Member Economic Participation, Autonomy and Independence, Education Training and Information, Cooperation among Cooperatives and finally Concern for Community. They currently have three priority measures. The first one is to contribute to sustainable agricultural management by shifting from a product-output to a market-input business model, reduce the total cost of productions through sales and adapt to the diversification of farmer needs to agricultural production. The second one is the development of international businesses. The third one is the support for invigorating local communities.

Let's now talk about the JA's main activities. The first one is the Farm and Better Living Guidance. It provides educational programs for improving agricultural technology and operations, enhancing living standards, and promoting cultural activities. This guidance is given by JA Farm Advisors. Next is the Marketing Business. It focuses on the augmentation of members' profits by selling their products through joint marketing and distribution. It follows four key characteristics. 1) The unconditional consignment where farmers consign the marketing of their products to JA without any price, time, and destination conditions. 2) The charges where JA collects commissions that cover personnel, communication, and travel expenditures, and pays the entire amount left over to farmer households. 3) The pooled accounts where farmers pool products of the same quality shipped in the same period and collect a fair and stable income based on price averaging. 4) The full utilization where a planned mass marketing is achieved through farm households' full utilization of the JA. Following that is the Purchasing Business.

JA's purchasing activities are intended to provide member farmers with stable supplies of production inputs such as fertilizers, agricultural machinery, and feed-stuff, as well as high quality daily necessities, at the lowest possible prices. The Credit Business comes next. It consists of receiving savings from members and using these as capital to extend loans to the members. It provides various types of financial services through the "JA Bank". Finally there is the Mutual Insurance Business. It corresponds to the insurance business in the private sector. It targets a large number of specific customers such as JA members and is operated as a nonprofit undertaking under the business philosophy of mutual aid. It provides insurance services in life and non-life insurance. There are two types of major insurance. Long-term mutual insurance, which lasts five or more years, includes whole life insurance, endowment life insurance, term life insurance, pension insurance, children's insurance and building endowment insurance. The second type is short-term insurance that lasts less than five years and includes group term life insurance, fixed-amount life insurance, compulsory automobile liability insurance, fire insurance, personal accident insurance, liability insurance and volunteer activities insurance. Welfare Activities are also a major activity for the JA's. It operates three businesses: the Medical Care Service that treats diseases at hospitals and clinics, the Nursing Care Service for the Elderly that conducts welfare services for the elderly who require nursing care, and finally the Healthcare Service that conducts health examination for the prevention and early detection of diseases, and health consultations and nutrition guidance.

This model has been a main actor in Japan's revitalization after World War II. In 2015, Japan confirmed its status of cooperatives world leader with having ZEN-NOH as the top cooperative in the world by trading volume (JPY 4.86 trillion).





### 4.3. Japan nowadays

To keep its success, Nokyo has to evolve with time. In 2016, a series of reforms<sup>4</sup> has been passed to keep the trend<sup>5</sup>. Nokyo will strengthen individual response to meet the needs of the leading management body that demonstrates the strengths of their comprehensive capabilities. Given that 80 percent of the market share is occupied by 20 percent of the regular union members and the core players, it is necessary for the JA Group to strengthen its response to those who support regional agriculture. JA will maintain and improve the system to come to the office by arranging and expanding the dedicated staff to support the business development of the management body of the carrier, and to improve the satisfaction of union members and the expansion of business use. The Federation / Central Association will establish a "prefecture carrier support center", and will strengthen individual support and business proposals in collaboration with JA, targeting large-scale carrier management bodies.

They will promote conversion to a production-sales business system based on market-in. The production and the sales business based on market-in will respond to changes in consumer consumption patterns, and diversification of sales channels for agricultural products including rice, and changes in distribution and sales environments, such as an increased demand for vegetables for business and processing. In accordance with an increased sales of bearers by expanding sales by various contract methods such as production and purchase sales and advance contracts according to the needs of real consumers such as home-cooked meals, restaurants, and retailers, and reorganizing and strengthening production divisions according to sales channels.

A plan to increase added value and develop new demand is an active challenge for the system. Amid a decline in domestic food consumption due to a decline in population, there's a need to further increase the incomes of farmers for incentives to maintain their production, and develop exportation channels for their products.

They will work to reduce production material prices and establish and dissemi-

---

4 [http://www.maff.go.jp/j/keiei/sosiki/kyosoka/k\\_kenkyu/pdf/1\\_nokyohou\\_kaisei.pdf](http://www.maff.go.jp/j/keiei/sosiki/kyosoka/k_kenkyu/pdf/1_nokyohou_kaisei.pdf)

5 <https://agri.ja-group.jp/challenge/purpose>

nate low-cost production technologies. They then will work on flexible pricing according to the transaction conditions in response to the needs of the bearer. They aim to grasp the price and quality of competing home center products through regular surveys, and if the handling price of JA is high with comparable products, they plan to flexibly review the price and fee settings. They will also work on the spread of labor-saving techniques such as fertilizer application without waste, based on soil diagnosis and iron-coated direct-seeded rice cultivation.

The support of the development of new bearers and the upgrading of bearers will be key. Securing the future bearers such as new farmers and agricultural successors, and work on support for business development, in order to aim at base maintenance and production expansion of regional agriculture will be pushed forward. JA will work to expand agricultural production by supporting the farmer's agricultural management through labor support and agricultural management support. Furthermore, they want to strengthen farming consultation function so that various leading people can work on agricultural production or sixth industrialization positively. In addition, in areas where there are no leaders, JA works on agricultural production and plays a complementary role in promoting regional agriculture.

Finally, they plan on shifting management resources to farming and economic business. First point is the cooperation of each department with expertise, in order to respond to the needs of highly specialized actors. JA will strengthen the farming and economic sectors by linking the specialized departments. Second, the human resource development in the farming and economic sector will review personnel rotation of farming instructors and introduce a multi-track type personnel system. Third, they will reinforce planning and management functions. They will place priority human resources in the farming and economic business divisions to strengthen planning and management functions in the farming and economic divisions. And lastly is the office work rationalization and efficiency improvement of credit and mutual aid. The Federation will reduce the administrative burden of JA by rationalizing and streamlining the administrative operations of credit and mutual aid business, and support JA to strengthen the system of farming and economic business.

## Notes

(I) <https://www.historyonthenet.com/pearl-harbor-ultimate-guide-dec-7-1941-attacks>

(II) <https://tinyurl.com/yyysnqh9>

(III) <https://tinyurl.com/yxgmstqo>

(IV) <https://www.zennoh.or.jp/english/cooperatives/jagroup.html>

## Chapter 5

# Can such a system work elsewhere? A case study of Lebanon

Now that the model has its roots, its application must be thought about. Lebanon is a country with a rich history, from the Phoenicia era to today's republic, multiple conflicts pushed the territory from one hand to an other. The country, rebuilt from the previous civil war, is now trying to restore its glorious economy from the golden era of 1960-1970.

### 5.1. A brief history of Lebanon

Lebanon is a country of 10 452 Km located in the middle east on the Mediterranean coast. It's population is around 5 million in addition to 2.5 millions refugees. The official language is the Lebanese Arabic, but French and English are also popular. The country has 18 different religious communities, the major ones being the Maronite Christians (21 percent), the Sunni Muslims (27 percent) and the Shia Muslims (27 percent).

Lebanon is one of the fifteen present-day countries that comprise what is considered to be the Cradle of Humanity. It is the historic home of the Phoenicians - Semitic traders whose maritime culture flourished there for more than 2 000 years. They founded many colonies around the Mediterranean Sea, the most famous being the prosperous city of Carthage. The territory then got invaded many times by the Egyptians, Hittites, Assyrians, Babylonians, Persians. The Greeks and Romans have put their mark there one after the other. The Roman/Byzantine rule ended in 646 AD with the Arab invasions. The Arabic language started to spread at this period. The Medieval period was also the beginning of the Crusades that it split the Phoenician territory into two: the county of Tripoli and the Kingdom of Jerusalem. They lasted for 200 years and made the French language popular, especially among Christians communities. Mamluks from Cairo and Ottomans

5. Can such a system work elsewhere? A case study of Lebanon 5.1. A brief history of Lebanon



Figure 5.1 Flag of Lebanon



Figure 5.2 Phoenician colonies (I)

invasion will then follow till the French mandate starts after World War 1. Independence has been official on the 22nd of November 1943. A series of conflicts burnt the country from 1975, civil war, Palestinian conflict, Israeli wars, Syrian occupation, and the most recent being the threat on the borders with ISIS and the Syrian Civil War spillover in Lebanon. These conflicts brought problems on land owners on the eastern side of the country. They are now selling and leaving their lands because they can't trade anymore.

## 5.2. Overview of Lebanon

The country is now at peace even though it is not the most stable one. The government is shared between the religions to keep a balance of power and avoid a new conflict.

Let's have an overview of Lebanese intern economy with a focus on the olive oil industry. Why the olive oil? Because olive oil is a traditional product in Lebanon produced by all communities and can be a potential test market for Nokyo's model in Lebanon. It is also an essential ingredient in the country's rich culinary tradition and the luscious soaps made from it are one of the country's lesser-known treasures.

A first thing to know is that 63,3 percent of the land use is for agriculture and 13,4 percent are forest. In fact, agriculture is the third most important sector in the country and it employs around 9.2 percent of the population. For the olive oil, 563 Km also representing 5.4 percent of the territory; 170 000 people are olive farmers and growers. 30 percent of their total production consists of extra virgin olive oil which is the most refined type of olive oil<sup>1</sup>.

An assumption made by a report from the Lebanese Army<sup>2</sup> done in April 2015 says that local producers are forgotten by the government in the process of revitalization of the country. Saying "Agriculture in Lebanon needs serious measures for a development of the market in order for it to become a perfect alternative for producers [...] Adoption of a law for a regulation of the market [...] The gov-

---

1 <https://tinyurl.com/yyofz8hu>

2 <https://tinyurl.com/y8cwnxau>

ernment must give subsidies and declare Lebanon bio country instead of letting agriculture die [...] There is a lack of agricultural policy and planning, as well as government quality control and marketing regulations. No agricultural policy, in the sense of a coherent public action and oriented in such a way to sustainability develop the agricultural sector, has even been elaborated. Another study revealed by the UNEP (United Nations Environment Program) in February 2006 named Lebanon: Integrated Assessment of the Association Agreement with the EU with a focus on the olive oil sector ends in four key points with recommendations to the EU, the Lebanese Government, the private sector, and NGO's. They suggest to the EU to keep helping financially and to help with regulations. For the Lebanese Government, an enhancement of regional consumption and branding is advised in addition to laws created for quality checks. Farmers should be able to produce and get consistent income every year regardless the weather that can impact their production. They need to be aware of the new ways of productions with updated tools. in addition to this, Adel Oewis, an olive oil farmer and head of a co-op said: The government is totally absent when it comes to the agriculture sector and namely olive oil Lebanon is flooded with olive oil imported at a cheaper price from other countries. What we want from the government is to protect our production and also to secure export markets for the oil we produce.<sup>3</sup> Another olive oil farmer, Youssef Fares, added "There are hardly any cooperatives in Lebanon and there is a serious problem of segmentation in the industry<sup>4</sup>. Finally, a report from the Blominvest Bank<sup>5</sup> confirms that "Lebanon does not impose any traceability or labeling requirements with regards to origin, making it easier to blend oil imported from abroad that may be lower in quality." The main question of the farmers today is Why should I keep farming ? They are also wondering if its worth to convert to Bio production. Many farmers are currently switching, but more enhancement shall be done.

---

3 <https://www.oliveoiltimes.com/olive-oil-business/africa-middle-east/mystery-behind-high-lebanese-olive-oil-prices-solved/57581>

4 <https://tinyurl.com/y29pe9dy>

5 <http://blog.blominvestbank.com/wp-content/uploads/2015/11/Olive-Oil-The-Bittersweet-Taste-of-Lebanon.pdf>





Figure 5.3 Olive Tree

The green-coloured olive oil is produced from olives that have not fully ripened and has a strong taste. Gold-coloured olive oil is produced from fully ripened olives and has a more subtle, delicate flavour. Colour does not necessarily reflect the quality of the oil. The Extra Virgin oil has an oleic acidity content of less than 0.8 percent. It is the olive oil in its purest form, with no additives. The Refined Virgin oil is cold pressed, with an oleic acidity content of between 0.8 and 2 percent. The pure olive oil is a mixture of refined and Extra Virgin oil. The oleic acidity content is less than 1.5 percent. Finally, the Lampante oil has an oleic acidity content of 3.3 percent or above. When it is chemically treated to reduce acidity, it loses its aroma. It is sometimes sold on the market as Light Olive Oil. In Lebanon it is used for soap making. Because Lebanon is small, its olive oil production is relatively low compared to other countries. Lebanon cannot hope to compete with mass producers such as Italy, Spain, Tunisia, or Greece. Instead, Lebanon should focus on producing high-value products like extra-virgin olive oil or premium extra-virgin olive oil. Recent trends are showing domestic prices of olive oil decreasing steadily, reaching 40.2 per cent of their 1996 levels in 2004. This drop was partly attributed to fierce Syrian competition with Syrian extra-virgin olive being sold at USD1.92 per litre on the domestic market or 37 per cent lower than Lebanese prices. Syrian virgin olive oil was also sold at USD1.20 per litre, or 52 per cent lower than domestic prices. Furthermore, the increase in



Figure 5.4 Traditional container of Olive Oil

domestic supply was another contributing factor to the general decrease in price.

### 5.3. Revitalization of the olive oil market in Lebanon

In order to understand how the Lebanese olive oil market can be revitalized, one needs to take a closer look on the background. First of all it is important to understand why the olive oil market is so important in Lebanon.

As said earlier, farmers currently have no protection from the government and are wondering why they should keep farming. They should also be able to produce and get a consistent income every year regardless the weather than can impact their production and be aware of the new ways of production with updated tools. As said before, olive oil is a traditional product in Lebanon produced by all communities and can be a potential test market for Nokyo's model in Lebanon. It is even believed that the idea of how to process olives originates from Lebanon, having the first trees in the Mediterranean are of today's Lebanon and Palestine. They then spread to other countries such as for example Greece, Italy and even North Africa. Due to this traditional background the manufacturing of olives and olive oil has been a tradition ever since in the Lebanon, which is why olive oil is one of the most important factors of the Lebanese economy. It is also an essential ingredient in the country's rich culinary tradition and the luscious soaps made



Figure 5.5 Olive oil bottles

from it are one of the country's lesser-known treasures. In 2014, the dedicated land for olives was 59 000 hectares that produces 114 000 tons of olives with a value of 118 Million USD. Over the last 45 years, olive has replaced wheat as the top crop by harvest area. They should be prioritized for productivity enhancement with a focus on improving harvesting techniques. There is a proliferation of absentee/part-time farming driven by migration of land-owners to cities and popularity of olive harvesting as a low-cost "side business". There is also a reliance on outdated harvesting techniques such as beating and shaking trees which reduce labor costs but can cause significant tree damage. There is a big opportunity into developing specialized and professionalized private / contract farm operators, targeting non-resident farm owners too. A place where a national cooperative could find a business target easily. Despite their low value, olives play an important role in transformative value-add industries and in livestock feed.

Olive production in Lebanon rose from 30,000 metric tons in 1998 to a high of 190,000 metric tons in 2000. In 2002, total olive oil production amounted to 25,816 metric tons but the following year, this figure had dropped to about 7,000 due to a poor harvest. In 2004, olive oil production rebounded and reached about 26,000 metric tons. Of that total, extra virgin olive oil accounted for about

2,750 metric tons; it generally accounts for 10-15 percent of all olive oil produced in Lebanon. Due to its popularity, most Lebanese olive oil is consumed locally. Yearly consumption was calculated in 2005 at about five litres per head. National consumption is about 15,000 tons.

Seeing these varying numbers, one can see already one of the biggest problem the olive oil industry in Lebanon faces. Due to the traditional harvesting and farming methods the trees are not held on the same level for a harvest year after year. But instead it depends on the annual climate and environmental condition whether there is a rather successful or low harvest. Later in this chapter there will be ideas outlined, which should improve these factors and the help the economy to revitalize based on the Nokyo system. As the background for why olive oil has such a high importance in the Lebanese economy is explained, one now has to understand what the local farmers struggle with and what the biggest problems are based on.

As for every production also the value chain till the final product plays a major role for the value of, in this case, the olive oil. Which is why, the importance of the olive oil press and the whole process shall be outlined once for the readers better understanding.

The local olive press has always been part of rural community life. On my time spent with the cooperative Olea I could experience the life of farmers. While waiting their turn, farmers chat and swap ideas, shouting to make themselves heard above the racket of the press. Lebanon has roughly 453 traditional olive presses and 67 modern ones. Most oil presses in Lebanon still manage without machinery, and often the only concession to modernity has been to replace the donkey that previously powered the press with a motor. Modern presses are more costly to build and to operate, but they can process three times as many olives as traditional mills. They meet international standards of production and guarantee a superior quality of oil, making them more suited to farmers aiming at the export market. That said, the top oils of the world (and the most expensive due to their increased processing time) are still pressed the traditional way. At the press, the olives are washed and any remaining leaves or twigs are removed. Then they are crushed, meat and stone, into a paste between two heavy stone wheels and a stone base plate. This is the way it has been done for centuries. The past is spread

on flat woven mats, which are layered together, placed under a screw press and squeezed until a liquid substance, a combination of olive oil and water, trickles out. This liquid is put in a centrifuge to separate the water from the oil. At this stage, the oil is decanted into barrels and the strong distinctive fragrance of the oil, which is different from region to region, fills the air. This is known as the first pressed oil.

The remaining paste is then milled for a second time. In the past, presses were less efficient than those used today and after the first pressing, hot water was added to the paste to continue the process of extraction. This is why only the first pressing was known as cold pressed. Today's technology has dispensed with first and second pressing, cold pressing and hot-water pressing, because all the oil is extracted in one go. For the modern way, the first step of the process is still carried out the same way as it has been for centuries: the olives are separated from any leaves or other debris. They are then washed and prepared for the second stage of the process: the crushing. This is where the similarities end. In modern mills, the olives are crushed using a hammer and disk crusher that turns them into a paste. Water is added to the paste, which is churned for 45 minutes. This paste is passed into a decanter where the oil is separated from the water and solid content. The leftover is known as husk. This is used to make lamp oil and soap. Once the last drops of oil have been extracted, the dry, crumbly mixture that is left is sold as fuel. Another extraction method, invented in the 1970s, is known as the Sinolea process. This technique depends on fine, spinning blades. The olives are run through an electric crusher at room temperature and a metal comb is passed through the paste. The oil is collected on the spikes of the comb. The whole process takes only 20 minutes.

Whatever method of extraction they may choose, all oil producers know that the cold is their enemy. Ideally, olive oil should not be exposed to temperatures below zero, otherwise it may crystallize. If this occurs during processing, the oil will have to be re-filtered. The first dribble of oil that flows off the press into the deep marble collecting basins is awaited with great anticipation. Every farmer hopes for a first-rate oil, but it is only now, with this first taste, that they will know if it is or not. On average, an olive tree gives 20 kilos of olives and on average, 5 kilos of olives produces 1 kilo of oil. Once it has been pressed, the

oil can be stored in anything. Containers made of plastic, tin, glass and even clay are brought to carry the oil away. Some growers send their oil directly to large corporation, which then bottle it their own way for sale. Domestically, many Lebanese still buy their oil directly by the gallon from a relative or friend who owns a grove.

Some farmers are changing their ways in order to produce a higher quality of oil and some have even obtained organic certification. They realize that they need to comply with international set standards if they are to enter the export market. With the support of initiatives, backed by local NGOs, that have introduced modern oil presses and imposed quality controls, both the quality and quantity of Lebanese oil is on the increase. Sheikh Sleiman El-Dagher, president of SILO (Syndicate of Interprofessional Lebanese Olive Oil Producers) believes that the way forward for Lebanon is to concentrate on improving the standard of the mills and to focus on producing Extra Virgin olive oil as it fetches the best price when exported. He also envisages a role for the government in funding the planting of olive trees in deprived rural regions.

As mentioned before, Lebanon's olive oil industry currently does not enjoy government protection, so cheaper, inferior quality imports are free to flood into the country, often passed off as a locally produced oil. This hurts Lebanon's olive farmers and also tarnished the country's growing reputation as an international producer of quality olive oil. Many farmers are concerned about what the government can do to protect the local market, so that they can continue to harvest their trees and make an honest living from their groves. There are numerous social and economic implications related to olive oil production in the country. Increased output would provide much-needed work to the rural community, which in turn would help slow down rural migration from remote villages. Olive trees are inherently low maintenance, requiring little day-to-day management compared to other cultivation. This in itself affords farmers the opportunity to engage in other agricultural activities, with the potential to maximize both profits and local employment.

Having outlined the above mentioned problems of the olive oil production, one can clearly see that there is not only the need for a change but also the need for support from the government. A good start would be a role model which in

the following should be displayed by the Nokyo model. Taken from the Japanese market and previously explained in this paper. As for the scale, it should be considered to start a pilot project in one of the major olive oil production areas in order to develop a solid plan for the whole country and industry.

Starting with the loss of production volume there are have been developed two major solutions. First, the there are numerous social and economic implications related to olive oil production in the country. Increased output would provide much-needed work to the rural community, which in turn would help slow down rural migration from remote villages. Olive trees are inherently low maintenance, requiring little day-to-day management compared to other cultivation. Meaning if the output/production of the country grows this would give farmers the opportunity to engage in other agricultural activities, with the potential to maximize both profits and local employment. Overall the economy would gain significance as well as innovative power.

Regaining their strength, the government shall be involved by initiating a National Cooperative which will then support the national industry as follows. After receiving their annual harvest, the farmers shall give it to a National Cooperative which includes all the local cooperatives forming a country wise network. In return, the cooperative will grant them a constant salary. The cooperative will be in charge of the pressing of the olive oils and then label the production after a quality control inspection to protect the product. This method is inspired from the French AOP model (Appellation d'origine protegee / PDO Protected designation of origin). Olive leftovers are then used as logs for the fire of chimneys. The creation of an official sign of quality (PDO/AOC) allows the structuring of the channels and their professionalization in addition to the segmentation of the market. A label can justify the price difference being 10 to 30 percent more than a standard product (UN ECOSOC). With a label, a traditional product can obtain a national diffusion, access mass markets, specialty stores and e-market. It is followed by an important growth on the quality criteria. It also helps for the stabilization of the prices and brings credibility to both the product and the cooperative system. From this point, the customers can either buy from the cooperative at a higher price, or buy from the supermarket after the branding phase.

The cooperative will then sell the production to the privates industries destined



for the supermarkets. The industries will then brand the oil they chose from the cooperative and will take care of the storage of the olive oil. It will be possible to keep some oil of the cooperative for the storage in order to buy it for later use, if the cooperative can't store it. It will assure production for every year, even the bad ones.

Finally, the brands will sell to supermarkets who will sell to the customers a bottle of olive oil that's been labeled and quality controlled. At this point, the government will need help on advertising the products made in Lebanon by enhancing the "Eat Lebanese with Lebanese products".

As said, the cooperative's mission is to be the insurance of an income to Lebanese producers in order to save their businesses. Its long term strategic objective is to become a self-sufficient cooperative. An other objective would be to work for the benefit of all shareholders and stakeholders at large, whereby all farmers in the community of that cooperative will be able to sell their products at fair market prices.

According to an EY<sup>6</sup> study, there is the necessity to educate the customer. Olive oil has to be marketed and segmented by its usage and by the methods its made. There is important communication work to do in order to educate citizens to local products, varieties, and flavors. A product followed by a PDO is seen as a product with a better quality on the taste and also more reliable. A product crafted from biological agriculture is received as a better product for health. In 2008, products with a PDO were nearly the 3rd buying criteria for customers after the hygiene, price, and the "made in".

The cooperative system should take example on the Nokyo model. It should provide educational programs to improve agricultural technology and operations, enhance living standards, and promote cultural activity. Next they should secure the sales of fertilizer, agricultural chemicals, agricultural machinery necessary for agricultural production, and provide active management of supermarkets. Key points would be marketing, storage, transport of agricultural products, procurement of production materials, and consumer goods. There also should be credit for loaning funds for agricultural production and living expenses. The mutual aid,

---

6 <https://www.franceagrimer.fr/content/download/10119/66980/file/4Etude-faisabilite-up-premium.pdf>



an insurance for farmers and their family, can even be used as a normal insurance for daily life. And lastly the securing of a welfare plan for hospitals and the establishment of facilities and programs for senior citizens.

It will be organized on a three-tier basis. First of all, at the village or town, the multi-purpose cooperatives function as the primary unit. The multi-purpose cooperative needs to answer the urge to fulfill all local needs through local effort and establish a mutuality of interest within the community. The basic objective is to serve the community members in different ways. It provides to its members all the services needed by them and their families such as all inputs for production, guidance at all levels for increasing productivity, assistance for planning socio-economic activities for enriching the living conditions of farm families and for improving their environment. At the regional level, these cooperatives are federated into specialized federations according to the type of business carried out by them. At the national level also, the business federations are organized for a single type of activity such as credit, purchasing and marketing, mutual insurance, etc. Hence, while the multi-purpose cooperatives adopt a single-window approach for all kinds of services to members, the business federations deal with their affiliated cooperatives for a single type of activity.

The cooperative will provide farm advisors. They will be consulted by and give guidance to member farmers on agricultural techniques, farm business management and agricultural marketing. Farm advisors are engaged in wide spheres of activities ranging from introduction of new crops and the most advanced technologies, to marketing, including survey of developments taking place at markets, and to guidance on farm business management. They play important roles as the pipe linking the cooperative and its members. This guidance doesn't limit itself to giving technical and management advice to members individually, but also plays a central role for the development of local agriculture by engaging in the drawing up of local agriculture development plans, coordination of use of agricultural lands. It will also have an increased important in the fostering and securing of core farmers and farming entities, the promoting of eco-friendly agriculture, provision of guidance on producing safe and reliable agricultural products. The cooperative focus is to increase members' profits by selling their products through joint marketing and distribution.

The marketing activities will be closely linked with farm guidance, credit services, purchase of production materials, joint utilization of facilities and processing activities. It will have four characteristics: An unconditional consignment where farmers consign the marketing of their products to the cooperative without any price, time, and destination condition; the cooperative collects commissions that cover personnel, communication, and travel expenditures and pays the entire amount left over to farm households; farmers pool products of the same quality shipped in the same period and collect a fair and stable income based on price averaging; Planned mass marketing achieved through farm households' full utilization of the cooperative. In order to add value to members' farm products as well as to increase their revenues, the cooperative will implement food processing business. The cooperative purchasing activities are intended to provide member farmers with stable supplies of production inputs such as fertilizers, agricultural machinery, and feed-stuff, as well as high quality daily necessities, at the lowest possible prices. The cooperative's credit business consists of receiving savings from members, etc and using these as capital to extend loans to the members. Additionally, the cooperative conducts operations in an integrated manner and provides various types of financial services. The cooperative will have an insurance business operated as a nonprofit undertaking the business philosophy of mutual aid.

The government of Lebanon shall provide every year, with a possible international assistance, through budget appropriations, certain amounts for assistance and subsidies in implementing various schemes for improvement of agriculture. Most of these amounts are for helping the rural communities directly or through their institutions.

The cooperative mission is to be the insurance of an income to Lebanese producers in order to save their commerce. The long term strategic objective is to become a self-sufficient organization by achieving a return on investment of at least 10 percent. With all previous points applied and the government already given approval of this idea, as a beginning, an expected turnover of USD 2M is feasible with a commercial margin of USD 470k. Expected commercial cost would be at USD 80k, communication and marketing cost at USD 50k, commercialisation cost at USD 100k, overhead and financing at USD 50k, packaging costs at USD

100k. Result would be at USD 90k (5 percent of the turnover and the target short term is 7 percent net) and finally a capital structure of USD 200k.

Due to previous research it is known that local cooperatives already exist. New ones need to be created and all regrouped into a national one with government and international assistance to make all this a success over the years.

## 5.4. Lebanese responses

The previously mentioned idea of using the Japanese Nokyo model for a role model plan to introduce to the Lebanon led to further investigation. Like any plan or project, also this one needed to be discussed with the people that will eventually execute and use the proposed plan. In order to develop a functioning idea, I therefore got in contact with the farmers and Lebanese people in November 2018. I proposed my first draft in order to further develop and improve my theoretical plan with the active knowledge of people working in all related fields of the subject of this paper. After the first responses the initial plan has been revised and showed again to the same parties, which then led to a very positive feedback overall.

In order to understand how the model has been developed through discussion with the involved parties, one needs to consider the method of questionnaire. As the topic is quite broad and the model flexible to adapt to any kind of new information and ideas, it appears logic that the questions I asked were to determine the use of the first draft of the model were prepared openly. Generally it was important to know whether the understandings of the problems the farmers and industry are facing are correct. Therefore the previously analyzed problems such as for example corruption, missing agricultural tools and the right education for farming were listed and showed to the farmers. They were asked for the following aspects:

- Do the listed difficulties match with the problems you are facing?
- Do you agree with the mentioned problems?
- Are there any other important aspects that have been left out?
- Would you like to cross something off the list?

Responses showed that generally everything was covered as further shown with

the detailed answers below. Nevertheless, it became clear that the missing national protection from foreign products had not been included. After taking it onto the list, again it was asked how the priorities would be sorted, showing the following ranks of importance for every mentioned topic the farmers face:

1. Protection of domestic, national products from foreign products
2. Corruption
3. Support from the government
4. Lacking of modern tools and education related to olive oil production
5. Financial aids

Following these discussions the questionnaire was then continued by explaining the model developed to farmers, companies and government alike. Afterwards they were asked for their opinions about whether it might be applicable and where the main focus must lie in order to start dissolving problems. The responses were diverse in suggestions where to start, but everyone appreciated the proposed ideas as can be seen in the following collection of responses.

First is an interview with the company Atyab/Boulos and its CEO, Tony Maroun. Boulos Olive Oil is the famous business name of ATYAB s.a.r.l, a foodstuff company founded half a century ago. ATYAB is well-known as one of the most prominent Lebanese companies in olive oil and foodstuff industry. From the beginning it devoted itself to the manufacturing, marketing, and exportation of mainly excellent quality olive oil from the best picked olives of Lebanon, as well as other food products like olives, vinegars, pickles of all sorts, molasses, orange-flower and rose waters, and many other items.

The interview helped to summarize all the in chapter 5.3 mentioned key points of the initial plan but moreover, supported my idea and built the foundation of this model, adapted to Lebanese model, where everything rests on the private initiative. It was being stated that the biggest enemy of all in Lebanon is high corruption, so a foreign control would be necessary to be sure no one is making profit on the behalf of the farmers. Supporting the initial idea of a needed governmental support therefor got a higher meaning. This result was then taken up and complemented the initial idea by establishing a national cooperative. The cooperative would then ensure that corruption is no longer possible, as well as that the farmers receive fair and honest revenue from their harvests. He explained me all



Figure 5.6 Olive oil Conception

that's needed to know to understand the Lebanese olive oil market and expressed his interest at being a major actor of this project.

The second reaction is from the cooperative, Olea, and its creators, the general Augustin Tehgo and his wife, Denise Tehgo. Born in the heart of Lebbaa, South Lebanon, Olea COOP started as a family business in olive oil production and became the leading producer of extra virgin olive oil and local products in the southern area of Lebanon and the Jezzine area. They are in the need of a hangar for the storage of their products, tools and tractor. They also require a machine to break the olives that does not break the olives core. They brought me to their pressing center and showed me how the olive oil is made. As I just said, the lack of tools is felt, they also feel that they have been abandoned by everyone. They are angry toward the government for the lack of control of the imported products and the non appliance of the law. The ministry of agriculture can't help enough. Because of the lack of control and the nonexistence of a label, they can't export internationally. They push deeper Adel Owis' previously mentioned declaration about the lack of governmental support. "We don't trust people from the government because of all the corruption issues. How can we believe in them? Anything they would do would be for their personal interest and not for the people. We can only trust ourselves and pray for some assistance. The EU sometimes assist us but it's clearly not enough to ensure our business into a long term viable



Figure 5.7 Olive oil Conception

one.” told me the general Tehgo.

After outlining my initial plan to them, it became clear that the idea for a national and governmental control is not only definitely needed, but they also highly supported the my idea of introducing a national label. This would ensure their products to regain value and their business could run smoothly. Moreover, the reaction was highly supportive when it came to the suggested funds and support from the government previously suggested in the initial plan. The outlined model was taken up very positively as the moral of farms is very low right now and needs encouragement in order to regain their strength and economical power. Mr. Tehgo and his wife strongly supported the initial plan as they believe that this model can work in Lebanon if the government supports it or with foreign assistance and control.

A third major opinion on this is from Al Nawraj, a Christian NGO at the service of Lebanon. The NGO is led by Fouad Abou Nader, nephew of Bachir Gemayel, founder of the assembly of the Oriental Christians and of Nawraj in collaboration with the Lebanese army and the Maronite patriarchate. The goals of the NGO are to reduce the exodus of the Christians from their land and keep peace between the religious communities. They try to put in place actions to reverse the migration within the Christians. For the long term, their goal is to put in place policies of economic and social development for those communities. They re-

quest assistance for expertise in agriculture, control quality assistance, more tools for farmers, and more access in foreign markets for Lebanese products. These ideas strongly interrelated to my suggested initial plan as the government support for agricultural tools, fund and education was implemented in the model applicable to the Lebanon.

Nevertheless, the meeting with Doctor Fouad Abou Nader opened up another perspective. Where some agricultural products are mostly produced by one community, like the vineyard by the Christians or potatoes by the Sunnis, the olive is the only global production. It can be used as a source of reunification within the communities and be used as a peacemaker. This project can be a vehicle of peace. So additionally of the initial plan of governmental support, the opportunity to unify the country and strive for the goal of creating a community was added to the model. This supports not only in the moment, but also the long-term well-being of the economy and country.

The last major feedback on this project comes from the Ministry of Agriculture of Lebanon, taking the governmental perspective into consideration as well. There was a meeting with the previous minister of Agriculture in Lebanon, sir Ghazi Zeaiter, and Mariam Eid, from the Agro Industries department of the Ministry of Agriculture, which led to the following reaction:

”Dear Mr. Matthieu

Thank you for your letter which I reviewed more than one time.

Firstly I wish you a good luck and hope your efforts gives Lebanon the best ideas to go forward. As for your proposal, we can inform you that your concept about a national body or bodies for olive oil will help to resolve the problem of the olive sector and to make the sector more organized. But we prefer to work more on it and develop ideas about how to do it, and who can do it. There may be a proposal applicable in Lebanon taking into account the Japanese experience. I would like to inform you that the olive sector in Lebanon has an exceptional importance and the ministry put it at a high level of priority. We agree with you that the sector faced many challenges and one of the solutions is to try to organize farmers in cooperatives and next in union of cooperatives in order for the government to support them as required. Some similar work was started 3-4 years ago but we didnt continue. The project deserves to be discussed in details in

order to formulate it following the national need and we are ready to go forward with you.

Waiting to hear from you

Mariam Eid”

The reaction clearly states the interest that the government takes in this projects, and that the model will be supported also from governmental perspectives. As for the original idea, it was added that first of all the different roles of responsibilities must be sorted. As stated in the governments response, this whole project has full priority but must undergo some further consideration and a detailed enlistment of possibilities. The initial idea has therefore been supplemented by considering the role of responsibilities as well as starting in a test area, to then fourthly develop into union which would be object to governmental support as needed.

Also, a previous project has been taken into consideration for improving the initial idea and showing the future success of the proposed plan.

A similar system has been tested in the village of Tayrfelsay, in southern Lebanon. Titled the *Socio-economic Assistance for the Olive Oil Producers of South Lebanon*, the project has been developed by the "Institut de la cooperation universitaire" (ICU) in partnership with the regional union of the cooperatives of south Lebanon. A center has been established with new equipment that's more adapted to conserve the production of olive oil in qualified tanks, and to organize formation for more than 1,000 farmers of the 42 cooperatives joining this project. The project has been financed by the European Union. This centre made possible the most efficient exploitation of this sector and to answer to the international norms in order to obtain certified olive oil. It also allows preservation of the oil for a longer period and to sell the production when the prices are the most advantageous within the market. The project began in April 2015 and is on a good trend according to Angelina Eichhorst, ambassador of the European Union. This project's main points are very closely related to the proposed model and shows its success.

Furthermore, a McKinsey study<sup>7</sup> about Lebanese economy published in 2019 set some objective for the agriculture in Lebanon by 2025, which are included

---

7 <https://tinyurl.com/y5cusvxf>



in the proposed model as well. First: Promote and support the application of modern methods and technologies to improve yield and quality of agriculture produce. Leverage (and strengthen) research and extension service capabilities to drive adoption of modern methods. Facilitate financing of technology installations which can improve yield and quality. Second: Improve local (and regional) food markets with a focus on transparency and efficiency. Increase transparency of wholes sale markets and distributors activities through digital solutions and improved regulatory oversight. Strengthen cooperatives ability to market goods to local and regional markets. Third: Support the transformation and transition of agricultural cultivation towards higher-value crops and livestock. Conduct a comprehensive value chain analysis across all agricultural products to determine optimal crop allocation by region. Leverage research and extension services to support farmers through crop transitions. Finally: Unlock export potential by facilitating access to international markets. Increase compliance of Lebanese farms and agriculture facilities with international standards to overcome SPS export constraints. Facilitate expansion and improvement of post-harvest infrastructure. Support farmers in identifying and reaching high-potential frontier markets and adapting cultivation practice to meet market preferences.

Lastly, the opinions of farmers where as well taken into consideration as mentioned in the explanation for the questionnaire. The outcome of asking them for their opinion of solutions to the known problems led to some further development of the first draft of the proposed model. As mentioned before, there are some main problems which influence the economy and market most. Such as for example corruption, the lack of modern agricultural tool, a lack of governmental support on educational as well as financial aspects and finally the threat of foreign products due to the lack of a national wide protection of domestic goods. Asking for more precise background for the lack of governmental support and how it influences the olive oil production led to some quite interesting outcome. It was explained but the lack of interest and support of the government, farmers feel helpless against unfair tactics as well as vulnerable to influence from foreign markets, businesses and products. It leads to a decreasing motivation on the farmers side, promoting even more the absorption of the domestic market by foreign influence. Turns out, that this cycle has developed so far that the economy not only lacks in power, but

also innovative power and the will to fight for its rights. These responses clearly show that the in the model proposed influence and guidance from an un-involved third party is needed to break the cycle and push the national economy back to its old strength. This can only be done by an un-involved party not longing for its own interests but for the good of the economy and country.

Outlining the main idea of the model got high responses on further development of it, but was recommended already in its initial stage. It was suggested that, additionally to the idea of financial aids from the government, there should also be the support of importing and producing high quality and modern agricultural tools from the leading economies similar to the Lebanese. Additionally, the farmers suggested that a unification of the national farms and harvest by a national cooperative would contribute much to the success of the model as suggested. But moreover, the idea of a national label was supported a lot, even been taken further by already suggesting counsels to be in charge. This was added to the initial plan, also supported by other respondents, in the way of forming areal unions first and created a national wide network, a cooperative in the long-term which would be responsible for all sector related topics.

All these points meet the objective that a national cooperate would be reached. It works on a regional area and must be expanded into national level. Currently there are inefficient local markets in which farmers are vulnerable to unfair practices, partly due to a weak cooperative system that needs to be strengthened. Approximately 95 percent of the farmers are not members of one of the 360 agricultural cooperatives which are not all active. These cooperatives also lack Hazard Analysis Critical Control Point (HACCP) certification and are hampered by regulations and limited government support. They lack the capabilities to provide meaningful education and training to their members without the support of third-party players. International assistance is necessary. Cooperatives have been successful already in several niche areas, including beekeeping. A successful cooperative can play an important role in enabling and expanding market access for small farmers. It will provide a supply of inputs, technical support, processing/-marketing, and financing assistance to farmers. One of the 15 certified solution proposed by McKinsey is the creation of a national cooperative close the model I proposed. The report also points to how collaboration with international best-in-

class cooperatives and cooperative governing intuitions should be considered. A successful cooperative can play an important role in enabling and expanding market access for small farmers and is therefore the key object of the proposed model. It will provide a supply of inputs, technical support, processing/marketing, and financing assistance to farmers.

All the above mentioned and the summarized reactions of various involved parties helped to correct the first draft of the proposal in discussion and cooperation with each other. The revised plan and adapted model of the suggestion has then been shown to the involved parties again and having gained in expertise, earned high respect and appreciation. It is suggested that, if the already started project Socio-economic Assistance for the Olive Oil Producers of South Lebanon which as previously been explained, is taken as a starting point and base to operate on, the suggested model promises high results and a solution to the current struggles of the Lebanese olive oil production industry and connected economies.

## Notes

(1) <http://earlyworldhistory.blogspot.com/2012/02/phoenician-colonies.html>

# Chapter 6

## Conclusion

Now that the proposed model has been detailed, it is time to wonder how can it survive despite the risks of a new conflicts starting, and how malleable can it be with other choices countries now face for their revitalization.

### 6.1. Conclusion

As seen previously in this paper, the risk of a new conflict is quite high in an after-conflict area. A good thing seen from the Nokyo model is that it just needs a push from the government, and once created and strong enough, it becomes totally independent and can even work as a lobby to influence the government in favor of the farmers. Another point seen from the Lebanese case is that this model unifies the producers, drastically reducing the risk of civil war.

If a new war happens, farming will become hard or impossible during the conflict. The system should be put into standby mode with all its data must be saved online, using a transparent system. This will allow, once the conflict over, to reactivate the cooperatives in good conditions. The dangers for the cooperative are the same as for every after-conflict area seen through history, namely high corruption and someone trying to make high profit off the woes of others. This is why it's important to have an executive assembly and have assistance of a foreign power which is politically neutral or friendly with every country in the region. This olive oil press in Lebanon (Fig 5.6, 6.1 and 6.2) has been created in 1933 and is still active despite its often attacked location in the southern part of the country. How is it still active you? Because it is using a cooperative system where equity is applied, regardless of whatever the producer community or religion is.

According to Yamen Saraiji, Project Senior Assistant Professor at Keio University, Graduate School of Media Design: "In ideal situations, if there is no crisis back in Syria now, it should work. Now most of the low income people either lost their jobs or fled the country because of the conflict". In fact, this model could work to revitalize the famous Aleppo Soap production, created 3 500 years ago,



Figure 6.1 Olive oil Press from 1933



Figure 6.2 Olive oil Press from 1933



Figure 6.3 Soap of Aleppo (I)

and register it as the world's oldest soap. This can go along with the silk industry, the mosaics from Damascus, the pottery, the ceramics, the pearls etc. It is not limited to agriculture only. It is a model effective for all traditional activities.

Going back to Roshan Peiris interview I talked about when I explained Sri Lanka's situation, according to him, this model could, as well, work for the tea and the textile industries there. Seeing how the situation has turned with China and the lack of help from other countries, this can be a solution for self-efficient revitalization.

As explained, countries now have the choice after conflict to try with foreign assistance to have an efficient self-revitalization that can also reduce the risk of a possible civil war and reduce the country's economic debt to foreign helpers. The country can either revitalize itself and become self-sufficient, or become a pawn of a big power.

Using youth organizations should also have a very important part into the revitalization. They are not future troubles but are the future of a long term

peace. Organizations such as NGO's or the WOSM (World Organization of the Scout Movement) are peace builders. In fact, the Scouts for SDG's (Sustainable Development Goals) program fits very well that purpose<sup>1</sup>. Scouting has made extraordinary contributions to improve the sustainability of the planet, promote peace, tackle inequality, and pledged to become the world's largest coordinated youth contributor to the SDG's by 2030.

## 6.2. Further discussion

This model is one possible solution for a revitalization of an after-conflict area without creating a dependency to another country. It allows the state to develop its own strength from what it can provide. Namely traditional products or agriculture - anything that requires people to unify to make their businesses live is concerned. It showed its success in Japan after World War II and deserve its application elsewhere.

Such a system can avoid situations seen from post conflicts periods in history. It helps build on the social development aspect as a peacemaker, putting forward the youth that are the future of the wanted peace. It can avoid political issues by minimizing the impact of the corruption while helping the reestablishment of the governance of the country weakened by the previous conflict. And finally it is a business development key actor as it creates long-term value for an organization from customers, markets, and relationships.

As seen, a possible application of it in Lebanon could revitalize the country and solve some of its problems. International assistance is required for it, especially the Japanese one as pioneer of this system. Hopefully it will be implemented into the Lebanese society and others in the near future to secure the future of the local producers and ensure the peace.

## Notes

(1) <https://tinyurl.com/y7jo5tgn>

---

<sup>1</sup> <https://sdgs.scout.org/about-sdgs>

# References

- [1] Bankmed. Analysis of lebanons food market, January 2016.
- [2] Boitier, E. Les "oliviers de no", parmi les plus vieux au monde. *lepetitjournal.com*.
- [3] Clausewitz, C. V. *On War/De la Guerre*. Tempus.
- [4] Dower, J. "The Useful War," in Carol Gluck and Stephen Graubard, eds. *Showa: The Japan of Hirohito*. New York London: W.W.Norton, 1992.
- [5] Gaor, B. *Japan's Economic Dilemma: The Institutional Origins of Prosperity and Stagnation*. New York Cambridge: Cambridge University Press, 2001.
- [6] Gordon, A. *A Modern History of Japan: From Tokugawa Times to the Present*. New York Oxford: Oxford University Press, 2003.
- [7] Investment Development Authority Of Lebanon: Presidency of the Council of Ministers. Baseline study for apple and olive, 2014.
- [8] Lebbos, V. Lhuile dolive libanaise, un produit phare mais encore peu competitif. *L'Orient Le Jour*.
- [9] Madane, M. V. *Agricultural Cooperatives In Japan: The Dynamics of their Development*. ICA: International Co-operative Alliance, Regional Office for Asia the Pacific, June 1992.
- [10] Mahfoud, S. *Green Gold: The Story of Lebanese Olive Oil*. Turning Point, 2007.
- [11] Ministry of Agriculture; Lebanon. L'olivier.
- [12] Ministry of Agriculture; Lebanon. Baseline study for apple and olive, June 2007.
- [13] Ministry of Economy; Lebanon. Integrated assessment of the lebanon-eu association agreement: A pilot study on the lebanese olive oil sector, February 2006.



## 6. References

---

- [14] National Federation of Agricultural Cooperative Associations / Zen-Noh. *Zen-Noh Report 2016*. National Federation of Agricultural Cooperative Associations / Zen-Noh, November 2016.
- [15] Pile, K. *The Making of Modern Japan, 2nd ed.* Lexington, MA: D.C. Heath, 1996.
- [16] The Institute for the Development of Agricultural Cooperation in Asia (IDACA). *Agricultural Cooperatives in Japan -Basic Textbook-*. The Institute for the Development of Agricultural Cooperation in Asia (IDACA), July 2011.
- [17] Tzu, S. *The Art of War/L'Art de la Guerre*. Champs Classiques.