



# The Challenges of Digital Transformation in Public Administration

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Digital transformation has become a reality in many democratic states. It has been synonymous with a future built on production, knowledge, technology, and the service of man. It is defined by some as the use of technology to provide solutions and services.

In 2003, Lebanon established the first plan to use technology, and in 2005, successive governments started introducing the terms “information technology” and “e-government” to the public administration. In 2018, a digital transformation strategy was developed to facilitate administrative transactions, reinforce transparency and accountability, and achieve a good model in various State administrations. However, said strategies have not been implemented, which led to a significant decline in administrative performance and effectiveness, according to the latest surveys conducted by the United Nations titled “E-Government Development” and “E-Participation.”

First and foremost, digital transformation is a form of radical change that improves reality. When it comes to the public sector, digital transformation aims at offering the best, fastest, and cheapest service. In fact, Lebanon needs digital transformation for the following reasons:

- 1 – Eradicate the widespread corruption and bureaucracy
- 2 – The need for a good administration doing everything in its power to reinforce productivity, quality, and transparency. Indeed, Lebanon is in dire need of such administration within the framework of reforms required to overcome the current economic crisis.

## First: existing administrative reality

The public sector is facing numerous challenges in fulfilling its role, aggravated by the pervasive economic crisis that started in October 2019. The current reality can be summarized as follows:

1. Widespread corruption and bureaucracy: corruption is indeed the fundamental malady of the public sector, amid the mitigation of the judicial system's role as well as the role of the supervisory authorities represented by the Central Inspection, the Civil Service Council, and the Court of Accounts in fighting corruption. Since Lebanon's independence, the ministerial statements of all successive governments were never written without mentioning the priority to achieve reforms and purge the administration. However, no radical measures that would address the situation have ever been taken.

2. Absence of a comprehensive and clear vision to implement the digital transformation strategy: random and fragmented policies have characterized the general performance of successive governments since 2003, and have not offered the required comprehensive administrative reforms, which has been reflected in the failure of suggested initiatives. Today, Lebanon is suffering from the absence of a comprehensive, clear, and implementable vision for digital transformation.

3. The downgrade of the level of services provided: the absence of administrative reform, bureaucracy, and the aggravation of the economic crisis contributed to the downgrade of the level of services provided. The overcrowding and long wait to carry out an administrative transaction, as well as unfulfilled requests, have become an existing phenomenon in most public administrations. These administrations also suffered from electricity cuts, lack of fuel, and the absence of staff and employees from duty, which negatively impacted the provided services.

Also, a large number still adopt traditional and manual techniques, and other administrations make modest use of technology.

4. Human resources inefficiencies and vacancies: The public sector suffers from employee inefficiency because politicians interfere in the recruitment process, and highly qualified staff lack interest in working in the public sector and are rather tempted to work in the private sector for the material incentives and motives it presents. The economic crisis aggravated the situation, and administrations and institutions also suffer from a significant number of vacancies surpassing a percentage of 50%.

5. Lack of technological means: mechanized transactions in the public sector were introduced with the issuance of identification cards, which are one of the first biometric cards in the world. However, this process was not completed as it should be. Although Law No. 81 relating to Electronic Transactions was passed in 2018, manual transactions have been prevailing in the public sector. The use of technology remained minimal, although the Ministry of State for Administrative Reform exerted huge efforts to supply the public administrations and institutions with technological means and to train and re-educate

employees. Said administrations and institutions have not used technology tools and means stipulated by the Law (Electronic payment cards, electronic signature, etc.)

6. Political interference in the administration: the interference disabled numerous plans and strategies, and political infighting negatively affected the administrative performance. The most prominent example in this frame is the power sector that consumed about 45% of the public debt estimated at \$100 billion, without having this vital energy available for production and development. The latest strategy for this sector was established in 2010. The same goes for other sectors such as garbage, telecommunications, and public works. Political interference was witnessed in the public sector through random recruitment, especially in 2017, whereas around 5000 employees were recruited according to a power-sharing agreement between various political forces, later known as the "electoral recruitment," although the decision of not recruiting employees for the public sector had been already made.

## Second: Challenges of digital transformation in Lebanon

Digital transformation presents two challenges: required legislation and means of personal data protection.

1. Electronic Transactions Law: awaiting the required laws, especially the ones relating to the protection of personal data, Law No. 81 relating to Electronic Transactions passed in 2018 can be treated as a legal basis and essential legal infrastructure to legalize electronic transactions in Lebanon. Law No. 81 introduced basic legal principles to Lebanon's legal system, most importantly the legal recognition of electronic documents and signatures.

The contribution of this law lies in the legal recognition of electronic documents and signatures, and in equating them with paper documents and manual signatures, according to legal conditions requiring that the person signing the document is recognizable and that the document is regulated and preserved in a way that would ensure its safety.

Digital transformation has also become one of the core functions of the private sector, whereas Law No. 81 gave the authority to a public body, which is the Lebanese Accreditation Council established by virtue of Law 572/2004, to accredit service providers electronic authentication certificates and authentication certificates for electronic signatures.

Said Law also gave the authority to another public body, which is Banque du Liban, to issue electronic authentication certificates solely for banking and financial transactions. The Law also gave the State Council the authority, as a public body, to supervise the decisions taken by the Lebanese Accreditation Council, by providing the possibility to appeal the latter's decisions to the State Council.

Electronic Transactions Law includes the regulation of electronic commerce issues. It set out detailed provisions to protect consumers in said field, which poses challenges for public administrations in terms of digital transformation and dealing with such kind of commerce. It also poses a challenge for the customs administration and Ministry of Finance having to pay duties and taxes on purchased goods from foreign electronic websites.

Said Law also includes a detailed regulation of electronic payment operations and means, such as banking cards, electronic transfer, electronic money, and electronic checks. It allowed public administrations and institutions to adopt electronic payment means for the payment of taxes imposed on official transactions requested by citizens.

The Electronic Transaction Law also stipulates the establishment of the "Lebanese Domain Name Registry" comprised of representatives from the concerned public administrations and the public sector. It manages and registers the names of electronic websites featuring the Lebanese domains, making the public administration the driving force behind the management and registration of electronic websites. It also provides a legal basis to register the electronic websites' names of various administrations.

The Electronic Transactions Law regulates the processing of personal data in the private sector and imposes restrictions, whereas processing officers commit to declaring to a public administration, which is the Ministry of Economy and Trade, for any concerned person to exercise their right vis-à-vis their personal data (such as their right to view their data, ask to correct them, and object processing). Said restrictions also ensure that licenses from public administrations are obtained in exclusive and specific cases (for instance, processing related to State Security requires a license from the Minister of Defense and the Minister of Interior, processing related to health cases and genetic identity requires a license from the Minister of Health, etc.). However, processing personal data in public administrations, which is necessary when requesting an official transaction such as the registration of a car or a construction license, is subject to legal texts that were in force before the promulgation of the Electronic Transactions Law, and that regulate the procedure and requirements of official transactions. According to Article 104 of the Law, any usage of personal data for a purpose besides the ones they were initially requested for requires a license issued by a decree from the Council of Ministers and suggested by the relevant Minister.

2. Protection of Personal Data: protection of personal data is linked to two factors, which are the Right to Access Information preserved in many international laws and regulations and maintaining the secrecy of some information related to emotional, professional, and family life. Personal privacy is a classic right among the fundamental rights preserved in the Charter of Human rights and international and local regulations. The success and effectiveness of privacy protection are linked to the performance of State administrations entrusted with that role.

a. Value of Data: personal data have an economic value, and they also represent an essential value to the state and its bodies, as personal data assists the State in managing citizens' affairs to offer the required services.

The personal data collected are not limited to pictures or items related to one's personal life. They also include orientations, opinions, and social media activity. Such pieces of information are not collected by concerned stakeholders only, but by the public administration as well. As for the value, the economic value of personal data is of great importance as mentioned above. For instance, an email belonging to one person could be sold at \$80. An American study indicates that the personal data value of one person could reach \$35. However, in Lebanon, personal data are provided to companies without any compensation.

b. Data Protection: data owned by the public sector should be protected. In the absence of the required protection, data could be leaked and stolen by hackers and criminals wishing to invest in personal data.

The concept of data protection was launched in the 1970s, by emphasizing the need to protect individuals from the authorities' abuse of power and their attempts to violate the right to personal freedom through discrimination and oppression based on racism or sectarianism.

c. Role of Commission on Information Technology and Liberties: Law No. 81 issued in 2018 relating to Electronic Transactions clearly suffers from many imperfections and loopholes, in the absence of a National Commission on Information Technology and Liberties, without which a legal and administrative frame could not be established for the protection of personal data.

For instance, in France, the abovementioned commission is totally independent in its mission, aiming at putting information technology at the service of citizens, and at preventing any violation of human dignity and basic rights, including privacy protection.

The parliament should pass the law establishing the commission in Lebanon, all while ensuring its independence and isolating it from political interference. The commission should comprise elements with the required scientific and professional expertise and capacities.

The commission's main mission is to supervise the implementation of the law and not the employees, and to ensure that data are not used in a way that would harm them since privacy has to be respected. The commission could follow up with the technological developments and have an impact when it comes to rights and liberties, especially in private life.

Indeed, Lebanese law takes privacy into consideration. However, considering it does not indicate that the right to privacy is protected, whereas the law did not mention it and the constitution did not preserve it. Data protection is legally provided through the authority of a "National Commission for Data Protection" which would be responsible for data protection. Relying on data became essential for both public and private sectors, and data is treated as one of the assets adopted in offering goods and services.

Concerning the topic's external aspect, data protection currently represents a basis for existing in the digital economy. To allow the use of personal data, the latest European laws require the state or the company that is receiving personal data to ensure the needed protection. Therefore, the digital economy could not be developed without committing to data protection.

The issue raised is the following: what are the means that would keep the proper use of personal data subject to the law, in a way that would not endanger data holders? What should be done to avoid the use of data outside the frame of the law and public interest, especially that Lebanon has not complied with the norms of individual rights protection, of which personal data are a part?

Therefore, establishing personal data protection laws to ensure good protection requires awareness, education, and legal knowledge, in addition to an understanding of information technology and communication. That way, the required security could be achieved, the State could work with its various administrations to protect personal data, and safe digital transformation based on respecting the rule of law and human rights could be partially achieved.

### Third: Digital transformation outcome and required steps for its adoption

The adoption of digital transformation in several states led to a qualitative leap forward. Based on experience in this field, taking some helpful measures should be sought.

#### 1. Digital transformation outcome

It can be summarized as follows:

- a. Decreasing expenses and costs bared by both the administration and citizens requesting a service. Therefore, the adoption of digital transformation is a vital reform.
- b. Mitigating administrative corruption, as digital transformation limits or cancels communication between the requestor and the public sector employee.
- c. Increasing productivity in compliance with quality standards.

#### 2. Required measures

The need for digital transformation should not ignore the existing challenges, most prominently:

- a. Find a link between digital transformation and the Commission on Information Technology and Liberties. No clear mechanism for personal data protection has been established so far.
- b. Support the draft law relating to the establishment of the Commission on Information Technology and Liberties
- c. Provide said Commission with independence and make needed human and financial resources available for it to carry out its mandated tasks.
- d. Provide financial resources to establish the needed technological infrastructure in the public sector. The administration should be developed into a specialized administration with the promulgation of the digital transformation law, all while providing necessary supervision over the use of personal data. The role of the Commission on Information Technology and Liberties falls in this context, as it should determine whether or not personal data can be externally transferred.
- e. Train employees and staff working in the public sector, through organizing upgrading transformative training for the administrative body, for it to comply with the digital revolution and meet its requirements.
- f. Launch a national awareness campaign to familiarize the public with the concept and requirements of digital transformation and consolidate the protection of the right to privacy.



The Lebanese people have proven to be open and responsive to technological applications adopted by the public sector, especially when dealing with the Corona pandemic and vaccination campaigns.

The focus should be on providing a comprehensive application of digital transformation that would include Lebanese individuals without excluding social categories such as residents of distant regions who might not be able to bear the financial costs during the economic crisis Lebanon is witnessing.

- g. Adopt laws ensuring personal life protection through personal data protection.
- h. Amend the electoral law in terms of restricting the sale and misuse of personal information mentioned in electoral rolls and personal data.
- i. Develop necessary legal frameworks that would meet digital transformation standards required by the United Nations and Europe.
- j. Accelerate the issuance of implementation decrees related to the Right to Access Information and the elimination of administrative obstacles, while taking into account security caveats related to the secrecy of some information.
- k. Provide the required political will to adopt digital transformation, as this necessity is one of the main pillars of good governance.  
Impose digital transformation in the public sector as a reform measure that should be included in the economic recovery plan. The economic crisis could turn into a chance to implement reforms provided officials have the required intention.

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