

# Lebanon 2015: Paralysis in the Face of Regional Chaos

**Amaia Goenaga\***

Resercher in Arab Studies

The year 2015 was a complicated one in the Middle East, and Lebanon, although out of the spotlight, was no exception. The country is completely conditioned by the repercussions of the ailing Arab Spring, especially the war in Syria.

To understand the present situation in Lebanon, it must be borne in mind that Syria sent troops into Lebanese territory in 1976 and, although they were subsequently withdrawn in 2005, the neighbouring country has had an enormous influence in Lebanon ever since. Additionally, local Lebanese elites have historically relied heavily on regional powers such as Saudi Arabia or Iran, which greatly determines national political life. As a result, for more than a decade, the Lebanese political spectrum has been structured around the regional sympathies and phobias of the country's main leaders. On the one hand, there is the Hezbollah-led pro-Assad/Tehran bloc, known as the 8 March coalition,<sup>1</sup> which includes, amongst others, the Shiite party Amal and the Christian leader Michel Aoun. On the other, there is the anti-Assad/pro-Riyadh bloc, known as the 14 March coalition,<sup>2</sup> led by the heirs of Rafiq Hariri<sup>3</sup> and including most of the country's other Christian leaders.

The connection of some of these players with other regional players is so great that, as is well known, Hezbollah is actively involved in the Syrian conflict. Some of the 14 March leaders have also been involved, especially in the early years of the conflict,

although on a much smaller scale. As a direct consequence, violence and insecurity in Lebanon have risen sharply since 2011, especially in border regions. Furthermore, there has been an alarming increase in terrorist attacks, with some thirty perpetrated in the last four years. In 2015 alone, the country witnessed six such attacks and several targeted assassinations. The most widely reported attack in the media was the one carried out by the Al-Nusra Front in a Shiite suburb of Beirut on 12 November, one day after the Paris attacks, which left 43 people dead and hundreds more injured.

At the political level, regional tension has brought the decision-taking process to a standstill. Since 2011, legislative activity has been minimal, and the main public institutions and agencies have been all but paralysed. This period has witnessed two purely figurehead governments interspersed with long periods of executive vacuum. Additionally, the legislative elections scheduled for 2013 were cancelled; consequently, today, in 2016, the Parliament elected in 2009 remains in office after extending its own term multiple times, lending it more than questionable legitimacy. Furthermore, since Michel Suleiman's term of office ended in May 2014, the Presidency of the Republic has remained unfilled.

The issue of the Presidency has been the one to grab the most headlines in the last two years. From the outset, both political blocs staked out intransigent positions, rendering any type of agreement impossible. The 8 March coalition would only accept the candidacy of Michel Aoun, whilst the 14 March coalition backed the candidacy of Samir Geagea,

\* This article was completed in April 2016 (Editor's note).

<sup>1</sup> In reference to 8 March 2005, on which the pro-Syrian parties held a massive demonstration in support of Syria.

<sup>2</sup> In reference to the day on which this faction held a counter-demonstration in response to the 8 March demonstration, calling for an end to the Syrian occupation.

<sup>3</sup> Former (Sunni) Prime Minister, from 1993 to 1998 and 2000 to 2004, assassinated in February 2005.

the historic leader of the Christian right.<sup>4</sup> The situation took a surprising turn in the final quarter of 2015, when Saad Hariri, leader of the 14 March coalition, proposed a new candidate, Suleiman Franjeh, leader of the Marada party, a member of the 8 March coalition, and very well connected with Hezbollah and the Syrian regime. Initially, it seemed like Hariri's move would unblock the situation; however, although things certainly have begun to move since the announcement was made, they have not gone in the expected direction. The Sunni leader's initiative triggered one of the most unexpected movements in Lebanese politics in recent decades. The candidacy of Franjeh, a second-tier Christian leader,<sup>5</sup> put the country's two main Christian leaders, Aoun and Geagea, on guard, giving rise to a historic rapprochement between them. Thus, on 18 January 2016, they signed a joint agreement whereby Geagea would back Aoun's candidacy for the Presidency. This was an extraordinary happening, first because it represented a historic reconciliation of great significance to the Christian communities. The two leaders became bitter enemies in the late 1980s, when, at the tail end of the country's civil war (1975-1990), they both vied for the Christian leadership, setting off one of the war's most destructive episodes. Since then, they and their supporters have had a tense relationship. Second, this agreement shattered the prevailing logic that had determined how political alliances worked since 2005. As Geagea and Aoun were the main Christian leaders of their respective blocs, the agreement has made it necessary to revisit the strategies of the 8 March coalition and, especially, those of the 14 March coalition, the party the agreement hurt most. However, none of this seems likely to facilitate things when it comes to the Presidency, as that matter is completely conditioned by regional logics, and the situation of uncertainty in the area is, without a doubt, the main obstacle to choosing a president.

The political and institutional paralysis has had disastrous consequences, as it has exacerbated the popu-

lation's traditional problems, including those related to the management of basic services. In this regard, the most serious problem the Lebanese, and especially Beirutis, have had to face in the last year has probably been that of the rubbish.<sup>6</sup> In July 2015, the government closed the Naameh landfill, which had been used to hold the rubbish from the capital and the adjacent regions, without first putting into place an alternative plan for waste management in the area. Some proposals were made, but the prevailing institutional gridlock precluded decision taking, and the rubbish began to accumulate in the city's streets. Within a few weeks, the situation in the capital had become unbearable, and on 22 and 23 August, several thousand Lebanese citizens took to the streets to demand solutions from the government. The executive responded with force, which not only failed to deter the protesters but actually strengthened the protests. In the following weeks, the demonstrations gave way to a movement organized around various platforms, including "You Stink."<sup>7</sup> This movement called for not only a long-term and environmentally responsible solution for the rubbish issue, but also for political measures to increase the democratic quality of the system. However, with the arrival of winter, the mobilization lost steam in the face of the authorities' unwillingness to budge.

### The political and institutional paralysis has exacerbated the population's traditional problems, including those related to the management of basic services

Recently, there have been new mobilizations, although they have yet to achieve any of their goals.<sup>8</sup> Over the last few months, the government has presented several failed initiatives. Finally, following the most recent mass demonstration – held on 12 March 2016 – and

<sup>4</sup> It should be recalled that the Presidency of the Republic is reserved for a member of the Maronite community.

<sup>5</sup> The Franjehs are the most important Christian family in the north of the country, but have limited influence at the national level today.

<sup>6</sup> Recent years have also seen very serious problems related to water and electricity management.

<sup>7</sup> See: [www.youstink.org/](http://www.youstink.org/)

<sup>8</sup> "Activists to cut off Beirut entrances over trash crisis" *Daily Star*, 13/03/2016.

with the country facing serious health and environmental threats, the executive announced a series of concrete measures. Naameh and two additional landfills will be reopened so that the eight thousand tonnes of accumulated rubbish can be brought there for incineration. This plan poses a series of truly worrisome environmental and public health risks and has been met with outright rejection by activists and many other sectors, which are very concerned about the long-term consequences of such a decision. Nevertheless, at the time of writing, the government does not appear willing to back down.<sup>9</sup>

The other major challenge the country has faced in recent years is that of refugees. With a population of 4.5 million, Lebanon has taken in more than one million Syrian refugees.<sup>10</sup> This poses a huge challenge for management and coexistence in a country without an effective government that has neither managed nor wished to address the refugee issue seriously. No proper refugee camps have been set up, leading to the uncontrolled settlement of Syrians in different parts of the country. This has caused a myriad of problems at all levels, for both the refugees and the Lebanese. The refugees scrape by where they can, in harsh and very costly conditions. Meanwhile, a 2013 report estimated that the flood of refugees had pushed more than 170,000 Lebanese into poverty.<sup>11</sup> Refugees monopolize the few available services in the areas where they are concentrated, push wages down (the supply of labour in Lebanon increased by 50% between 2011 and 2015),<sup>12</sup> etc. As a result, problems of coexistence in the areas in which refugees are concentrated have been growing since 2013. In these circumstances, in 2015, the government adopted a series of truly controversial measures. Since 1 January 2015, the government has refused to register new refugees and, for the first time in the history of the two countries, has required Syrians to have a visa to enter. Additionally, Syrians are banned from practising up

to 70 professions. As a result of this situation, the flow of refugees towards Lebanon declined considerably over 2015, and more and more Syrians are leaving the country. By late November 2015, the number of refugees had fallen by 6.7% compared to the previous year.<sup>13</sup> However, there is no doubt that refugee management will be one of the main challenges Lebanon will face in the coming years.

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The Lebanese economy has also suffered setbacks as a result of regional problems. Between 2011 and 2014, the national economy grew at an average rate of less than 2%, whilst in the previous five-year period, GDP growth had been close to 8% on average. Indeed, in the last estimates from 2015, GDP growth hovered around 0%.<sup>14</sup> Lebanon has an outward-oriented service economy, and the regional instability has hurt some of its key sectors, such as trade or tourism, whilst also affecting foreign investment. Additionally, the decline in the price of oil last year hit another of the pillars of the national economy hard: remittances from the Lebanese diaspora in the Gulf. According to a recent statement by the governor of the Central Bank, remittances fell by 2 billion dollars in 2015.<sup>15</sup> In this context, unemployment is rising worryingly fast, according to the experts, and there is a risk of deflation.

<sup>9</sup> "Will short-term solution help Lebanon solve trash crisis?," *Al Monitor*, 21 March 2016.

<sup>10</sup> See the website of the UNHCR in Lebanon: <http://data.unhcr.org/syrianrefugees/country.php?id=122>.

<sup>11</sup> WORLD BANK and UNITED NATIONS. *Lebanon: Economic and Social Impact Assessment of the Syrian Conflict*. September 2013. Available online at: [www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/09/24/000333037\\_20130924111238/Rendered/PDF/810980LB0box379831B00P14754500PUBLIC0.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/09/24/000333037_20130924111238/Rendered/PDF/810980LB0box379831B00P14754500PUBLIC0.pdf)

<sup>12</sup> "Globalization of resettlement: Syrian refugees in Lebanon are being relocated to third countries," *The Executive Magazine*, 1 February 2016.

<sup>13</sup> *Ibid.*

<sup>14</sup> AUDI BANK. "Lebanon economic report." Available at: [www.bankaudigroup.com/GroupWebsite/openAudiFile.aspx?id=2821](http://www.bankaudigroup.com/GroupWebsite/openAudiFile.aspx?id=2821). See also the website Trading Economics, available at: [www.tradingeconomics.com/lebanon/gdp-growth-annual](http://www.tradingeconomics.com/lebanon/gdp-growth-annual).

<sup>15</sup> "Economy will likely grow 0 to 1 pct in 2016: Salameh," *Daily Star*, 3 February 2016.

The outlook for 2016 is not at all better. Moreover, new threats are looming over the economy and national finances. In fact, the domestic finance industry is on high alert due to the most recent offensive launched against Hezbollah by the US and the Gulf states. On 18 December 2015, Obama presented the Hezbollah International Financing Prevention Act, which imposes sanctions on financial institutions that interact with Hezbollah or its television network Al-Manar. The US has been trying to attack the Shiite organization's financial apparatus for several years. As early as 2012, measures were taken against certain banks in the region, but this law goes well beyond them and may pose serious problems for the banking system in general, as the organization's networks are very likely spread throughout the sector. Additionally, it must be recalled that the Lebanese banking system, the real cornerstone of the national economy, largely depends on banking secrecy, and its future is thus at serious risk due to international pressure in this regard.

Saudi Arabia has also increased the pressure on Hezbollah, causing considerable harm to the country as a whole. It has placed Hezbollah on its list of terrorist organizations and has advised its citizens not to travel to Lebanon.<sup>16</sup> It has also cancelled a 4 billion dollar loan to the Lebanese government for the purchase of weapons, arguing that the weapons could end up in Hezbollah's hands. In addition, it has revoked the residence permits of numerous (non-Sunni) Lebanese residents in its territory and has expelled certain major Levantine companies.<sup>17</sup> It is even rumoured that Saudi capital is being withdrawn from the country. It should be noted that Sau-

di Arabia is not only one of the key political actors in Lebanon, but also one of its major financial backers. Given that Lebanon is one of the most heavily indebted countries in the world, the financial support of the Wahhabi kingdom is essential for the viability of its public bonds and national currency.

### The decline in the price of oil last year hit another of the pillars of the national economy hard: remittances from the Lebanese diaspora in the Gulf

In short, 2015 was clearly a difficult year for the Lebanese, and all indications are that 2016 will not be any better. Lebanon's exposure to the regional reality gives little cause for optimism. This exposure has historically been a millstone for the country. It is something the country has struggled with since it achieved independence, as the fragmentation of power that characterizes the country has led local elites to systematically turn to external partners to strengthen their internal position. This has had a very high cost for the population. The vast majority of major problems the country has experienced, including the civil war, have had a lot to do with that reliance on the outside world. However, the lesson has not been learned, and in the medium term, the fate of the country will remain in the hands of others.

<sup>16</sup> In fact, the Saudi monarchy has pushed the Gulf Cooperation Council to take similar measures, and the citizens of the Gulf are essential for national tourism.

<sup>17</sup> "Can Hezbollah withstand Saudis' wrath?" *Al Monitor*, 23 March 2016.