

# Lebanon: A Country of Three Crises

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Since it was founded in the early 1920s, Lebanon has brought 18 ethno-religious communities under a single political roof. Unfortunately, at a time when identity politics are dividing the world, this message of conviviality that the Land of Cedars might deliver is struggling to survive. At the economic and social level, Lebanon is plagued by exclusionary dynamics, due to widespread poverty and mass unemployment, and the risk of financial collapse is real. Politically, the way the country is organized hinders the emergence of public policies that could actually improve this state of affairs. First, geopolitical conditions would have to stop complicating the country's proper political and economic functioning. Poverty, political immobilism and geopolitical interference are thus all linked in Lebanon.

## A Financial and Socio-Economic Crisis

Lebanon is reputed to have one of the highest debts in the world. In February 2018, the IMF published an alarmist report on the country's economy and finances, forecasting a debt of 180% of GDP by 2023, versus slightly over 150% at present, if major reforms were not undertaken. The institution was also concerned by the weak growth in diaspora deposits, which, to date, have allowed the Lebanese pound to remain pegged to the dollar and not collapse. Beyond this financial risk, the entire economic and social context is troubling, especially the poverty and unemployment. In 2015, 35% of Lebanese households were considered poor and unemploy-

ment was estimated at 25% of the population. President Aoun even referred to 46% unemployment in 2018. The self-immolation of George Zreik on 7 February 2019 outside his children's school, the tuition for which he could no longer afford, caused an uproar in a country whose population is overwhelmed by the high cost of living.

This situation is certainly not new. Lebanon has been subjected to many political vicissitudes, which partly explain its high indebtedness and the economic slump. The real economic boom it experienced after its independence in 1943, for which it came to be known as "the Switzerland of the Middle East," was followed by 15 years of civil war that destroyed the country and dismantled its economy, to the sole benefit of the political militias, true criminal enterprises. The end of the civil war, in 1990, was marked by continued Syrian occupation, which had a heavy impact on the Lebanese economy (predation, deterrence of investment). The same thing happened in South Lebanon, occupied by Israel until 2000. Following the departure of the Syrian troops in April 2005, Israel, which had left the south in 2000, returned by air in the summer of 2006 to massively destroy the country's transport infrastructure. Since that "33-day war," the civil war in Syria, which broke out in 2011, has displaced some 1.5 million Syrian refugees to Lebanon, with the ensuing deleterious effects for the economy and public finances.

However, whilst that string of hardships has had a strong impact on Lebanon, the choice of growth model and the level of corruption of part of the country's political and economic elite likewise have their share of the blame for this state of crisis. The free-market model, adopted at independence, which minimizes taxes to encourage service companies (banks, business, insurance, etc.), has undermined the pro-

ductive, agricultural and industrial sectors, which are penalized by the weak budget support and tariff protections. Furthermore, the practice of high interest rates, designed to provide incentives for the diaspora to invest their savings in the country's banks, deter investment in these sectors, which are often less profitable than others. Similarly related to the free-market model, the insufficient tax revenue has prevented the construction of a real public sector (schools, universities, hospitals, etc.), and these services are largely still left in the hands of the private sector.

All of this results in blatant inequalities. First, at the territorial level, the country is sharply divided: the more prosperous commercial services sector is found primarily in Beirut and Mount Lebanon, whilst the highly marginalized productive sectors affect the more peripheral regions (Bekaa, Akkar, South Lebanon). This hardly has the best effect in terms of national integration, as some communities are concentrated there. However, given the imbalance at the territorial level, it is no surprise that social development is also uneven. According to the World Inequality Lab, in 2017, the wealthiest 1% of the Lebanese population accounted for 23% of national income and owned 40% of the country's wealth, making it one of the most unequal countries in the world. In these conditions, it is hardly surprising that a large part of society has difficulty accessing basic needs (housing, energy and food). Nor is poverty the only barrier to accessing these goods; corruption also plays an important role, especially in the production of electricity, which is considered amongst the most expensive in the world.

### Political Immobilism

All of this calls for major reforms, but Lebanon is stymied by political immobilism. Whilst politics, understood as political rivalries, is omnipresent, public policy often remains weak in critical areas, such as health, education, the environment and agriculture. This political paradox stems, in particular, from the current political regime. The choice of consociationalism, that is, of a political confessionalism established to prevent

any hegemonic drift of one community over the others, has largely impeded decision-making processes since independence. First, the governing troikas (the President of the Maronite Republic, the Sunni Prime Minister, and the Shiite Speaker of the National Assembly) do not always share the same programme, with all the risks of gridlock that entails. Additionally, the Council of Ministers itself functions more as a venue for clashes between political poles than a place for consultation and decision-making. According to the political scientist Nawaf Salam, "Ministers, engaged in fierce competition for services and benefits, rarely feel bound by the constitutional principle of collective responsibility. In fact, in the Taif period, ministers on multiple occasions publicly criticized the composition of the cabinet to which they belonged, condemned the positions taken by their colleagues, disapproved of the Prime Minister's actions, denounced the cabinet's overall orientation and even boycotted its meetings for a period of time without feeling any need or obligation to resign – or being forced to do so."<sup>1</sup> Nothing has changed since Salam made this observation in 2003, and the immobilism persists, especially given that, since 2008, a blocking minority (one third plus one of the votes) has been able to veto decisions.

In addition to these weights on governance, there are recurring political vacuums. Between May 2014 and November 2016, Lebanon did not have a President of the Republic; likewise, from 2007 to 2008. Similarly, it took almost 10 months after the legislative elections of May 2018 for Lebanon to form a very fragile government.

Every time, the appointment processes give rise to tough negotiations between the various Lebanese leaders, especially as their political agendas are partially influenced by regional actors, in particular, Saudi Arabia and Iran, which are the current "godfathers" of the Lebanese political arena.

### Geopolitical Weight

Since independence, the political arena has been exposed to external winds, often ill and destabilizing ones. As early as 1949, the Lebanese journalist George Naccache expressed his pessimism at what he con-

<sup>1</sup> SALAM, Nawaf. *L'accord de Taëf, un réexamen critique*. Beirut: Editions Dar An-Nahar, 2003, pp. 32-33.

sidered an identity divide within the country, with the ensuing consequences in terms of submission to external interference. At the time, that schism separated those who wanted an independent Lebanon backed by the West from those who championed a Lebanon that looked to Syria and the Arab world. “Two negotiations will never make a nation,” he wrote.

This assertion has regularly played out in many tragic episodes. The brief war of 1958 was the first, with US support for the staunchly pro-Western President Chamoun, who sought to keep his country far from the winds of Arabism blowing, especially, from Egypt. Nasser was then at the peak of his power and numerous Lebanese Muslim leaders wanted the Land of Cedars to join the United Arab Republic (UAR) with Egypt and Syria. Another example: when, in the early 1970s, the Palestinians, after having been chased from Jordan (the Black September episode), asserted themselves in the Lebanese political arena, this internal polarity was quickly rekindled until it ultimately erupted, in 1975, in a civil war between pro-Palestinian Lebanese and Lebanese committed to the country’s sovereignty.

We know how much this war benefitted neighbouring Syria, which has never really accepted that the French separated it from Lebanon in the early 1920s. In 1976, Syria saw an opportunity, in the invitation of certain Lebanese leaders, to take control of a large part of Lebanon, including the ports of Beirut and Tripoli. Throughout the 15-year civil war, Damascus thus pursued a flip-flopping policy, backing some militias against others, without any long-term loyalty to anyone. It was not so much concerned with its clients’ loyalty as with the possibility of dividing so as better to rule.

Far from distancing Damascus from Lebanon, the end of the civil war strengthened its presence with US consent. Washington thus rewarded the Assad regime for having participated in the international coalition against Iraq, which tried to annex Kuwait in August 1990. Until 2005, Syria took advantage of this opportunity to unburden itself of its excess labour, further using its Lebanese go-betweens to develop a criminal economy. Syria orchestrated all this with the help of a very dense security and military apparatus, helmed by the head of the intelligence services, a true authoritarian governor based in Anjar in

Bekaa. Beyond political gridlock and the economic plundering suffered by Lebanon, it also fuelled inter-community discord, as the Shiite parties massively supported it, whilst the Christians were mostly inclined against it.

Since its forced departure in 2005, following the UN resolution of 3 September 2004 and the assassination of Prime Minister Hariri, of which it was accused, the two sides – pro-Syrian and anti-Syrian – have continued to face off, the latter having grown to include the vast majority of Sunnis. Although the massive Israeli attacks in July and August 2006 brought the Lebanese communities back together, it was short-lived. In May 2008, clashes between anti-Syrian Sunnis from Saad Hariri’s Future Movement and pro-Syrians, mainly Shiites from Hezbollah and Amal, gave the lie to this temporary internal peace. The civil war in Syria likewise interfered in the Lebanese political arena, especially since, from June 2013, the Shiite Hezbollah would intervene directly alongside Bashar al-Assad against various Sunni rebel groups. Beyond the link from Lebanon to Syria, the links to Saudi Arabia and Iran have also, and especially, been at play for many years, with Riyadh supporting the anti-Assad Lebanese faction and Tehran supporting the pro-Damascus one. Thus, Saudi Arabia has made the Hariri clan its proxy in Lebanon, first, through Rafik and, then, following his assassination on 14 February 2005, through his son Saad, who has intermittently served as Prime Minister. However, believing that he had lowered his guard against Iran since becoming Prime Minister in 2016, the Saudi powers did not hesitate to detain him in the Saudi capital in November 2017, before releasing him in the face of international and Lebanese pressure. In the slow birth of the government, between May 2018 and February 2019, Riyadh had no choice but to let him become Prime Minister again, despite his softening towards Iran, the pro-Syrian clan in Lebanon, and even Syrian power, which emerged reinforced from the civil war. This evolution highlights Iran’s supremacy in the Land of Cedars and, especially, that of its proxy, Hezbollah. This linkage of Lebanese political life with external dynamics, whilst not new, is probably not the best omen in terms of political sovereignty and, especially, public policy, which has been left to languish in the country for too long.