

LEBANESE CRISIS: A MULTIFACETED DESCENT INTO STATE FAILURE THE 2019 CRISIS AND ITS AFTERMATH

ARTICLE

Assem Dandashly*

Since 17 October 2019, Lebanon has witnessed a massive protest movement, known as the October Protests. It reflected widespread discontent with the ruling political elites and parties that have governed the country since the end of the civil war in the late 1980s early 1990s. These protests, though did not last long, marked by anti-government sentiments and opposition to traditional parties. These protests were triggered by unprecedented economic meltdown that started in 2009 and peaked in 2019, described as a once-in-a-century catastrophe (Malsin & Osseiran, 2021). The 2019 economic crisis has been deemed by the World Bank as one of the most severe crises to the extent that it is labelled as an “unprecedented economic catastrophe” (The World Bank, 2021). This crisis has exerted great pressure on state institutions, posing a significant threat to the foundations of the Lebanese state. Despite these challenges, the regime in Lebanon managed to survive, and the political elites remained largely intact. Understanding how Lebanon fell into such a crisis and how the elites survived it provides valuable insights into the resilience and adaptability of political systems in the face of unprecedented challenges.

Lebanon's political leaders (intentionally) did not address the economic crisis or implement necessary reforms, as recommended by the International Monetary Fund (IMF) and the international community. This “wait and see” strategy rests on the belief that by not solving the crisis and diverting attention to other issues (such as the day-to-day cost of living; the sectarian skirmishes among various groups, etc.), political elites (despite their differences) will survive. What unites the political elites is not a common ideology or plan, but the importance of surviving since the fall of any politicians will lead to a domino effect. This delay in undertaking structural adjustments, combating corruption and addressing failing public services has hindered the disbursement of funds promised at the CEDRE Conference, totalling around 11 billion Euros. This structural dysfunction is rooted in Lebanon's consociational political system, characterised by challenging cooperation among heterogeneous sectarian groups, leading to continuous internal conflicts and political deadlocks (Adwan, 2005). The absence of a president between 2014 and 2016, delays in cabinet formation, and a postponed parliamentary election in 2018 further exacerbated the crisis, rendering the government impotent to implement the necessary reforms (Bisat et al., 2021).

As a result of the delayed reforms, the economic situation has further deteriorated since October 2019, with the Lebanese lira witnessing a 90% devaluation and an annual inflation rate reaching 84.9% in 2020. Prices of consumer goods and basic necessities have nearly quadrupled,

exacerbating the hardships faced by the population. The COVID-19 pandemic, along with lockdowns, and the Beirut port explosion on 4 August 2020, have deepened the economic woes, pushing over half the population below the poverty line (Gharizi & Yacoubian, 2021). Furthermore, many sectors, that used to be the backbone of the economy, have been suffering. The banking system is largely insolvent, tourism is in decline, education has suffered due to the emigration of teachers and professors seeking better opportunities abroad, and healthcare has deteriorated with the migration of medical professionals. Skilled and educated labour has been leaving the country, driven by the compounding effects of the lack of promising future perspectives, economic crisis, COVID-19 pandemic, declining salaries and the Beirut port explosion (Hubbard & Denton, 2021). So people feel helpless and do not see a bright future ahead of them in Lebanon.

This essay delves into the profound implications of Lebanon's economic meltdown, examining it as a case study of how a nation's economic and financial systems can collapse and how this can lead to state paralysis. The absence of a clear turning point, coupled with disastrous deliberate policy inaction, has exacerbated the crisis, with the catastrophic explosion in the port of Beirut and the ongoing conflict in Gaza further plunging Lebanon into a state of misery.

Policy inaction, politicised judiciary, and the absence of turning points

One of the worrying aspects of Lebanon's crisis is the absence of a clear turning point on the horizon. Political elites' deliberate policy inaction has contributed significantly to the prolonged economic downturn, leaving citizens in a state of uncertainty and despair. The failure of the consecutive governments to implement effective reforms and address underlying issues has further deepened the crisis. This fragile concociational system has resulted in a delicate share of power among the various sectarian groups. All this contributed to the weakness of the state.

Lebanon's weak statehood has always been an issue leading to the absence of a fully functional government, allowing other domestic groups to fill in the gaps. The consecutive governments' division and inability to act and provide for the people their basic needs and services resulted in the emergence of other forms of informal governance in which sectarian parties and elites provide for the people their basic needs from healthcare to jobs to the social welfare (see Polese & Santini, 2018). All this has increased the informal clientelist-sectarian groups outside the state apparatus providing essential services and security. This dynamic has strengthened the control of the traditional elites on the various segments of the political-economic-social system, sustaining the status quo that empowers them. In addition, the Syrian refugee crisis, the presence of the Palestinian refugee camps, and the security threats due to Daesh on bordering areas have further strained the state's capacity. All these issues created a window of opportunity for international and regional actors to push their own interests in Lebanon's internal affairs (Mouawad & Bauman, 2017).

Other prevalent issues such as high levels of corruption, lack of reforms, clientelism and sectarianism have collectively contributed to the weakening of the state's capacity. The ruling elites have systematically drained state resources, leaving citizens to face shortages of all basic needs including social welfare, healthcare, electricity, access to water, proper infrastructure, waste management, and so on. This has pushed people to become more resilient and adopt various survival strategies.

Furthermore, Lebanon's judiciary struggles with compromised impartiality due to extensive politicisation, particularly evident in the appointment process across various judicial levels. While Article 20 of the Lebanese Constitution grants individual independence to judges, it overlooks institutional independence, a major factor contributing to judicial corruption, including political interference, bribery and misuse of public office (Maharat, 2023). Investigations into cases involving political supporters, elites and senior bureaucrats along sectarian lines often lack substance or go unpunished. Numerous issues negatively impacting Lebanese citizens (such as the money exchange offices supporting a black-market currency exchange and serving as a money laundering operation, trafficking of subsidised bread and medicine into Syria, etc.) go unchecked due to sectarianism and excessive politicisation. All this contributes to a declining trust in the judiciary.

Other intervening factors

The port explosion

To add to the Lebanese crisis was the Beirut port explosion on 4 August 2020. This not only resulted in a significant loss of life and infrastructure but also dealt a severe blow to the nation's already suffering economy and infrastructure. The destruction of vital economic assets and disruption of trade further exacerbated the economic crisis, pushing Lebanon to the verge of a humanitarian catastrophe. Furthermore, the politicization of the investigations has resulted in the attempts to change the judge responsible for the investigation, delays in the hearings and sectioning and even to jeopardizing the entire case. After four years, the investigation is still on hold and no one suspected or responsible for the explosion was held accountable. All this further increased the lack of trust in the judiciary.

The ongoing conflict in Gaza

As if grappling with its internal challenges was not enough, Lebanon has been entangled in the regional conflict, particularly the ongoing war in Gaza that started in October 2023. The geopolitical implications of the conflict have direct repercussions on Lebanon, compounding its economic and political woes. The spillover effects of the conflict are felt not only in the form of increased social unrest but also in the strain it puts on Lebanon's already overstretched resources. The fight with Israel on the southern borders of Lebanon has been escalating and putting more pressures on the various sectors in Lebanon (economic, political, security and societal). The fear of the ongoing war in Gaza spreading to Lebanon along with the continuous threats by Israel to Lebanon increase the societal worries and fear of the uncertain future and any hope for reforms or positive change. Furthermore, because of the war and how it will end in terms of the negotiations and involvement of various international and regional players, all possible reforms are on hold. Even the election of a president seems to be secondary at the moment.

Role of external actors

The collapse of the Lebanese state is intricately intertwined with the influence exerted by regional and international powers (United States, the EU, Gulf countries [mainly Saudi Arabia] and Iran) and their connections to various segments of the political spectrum in Lebanon, in addition to the critical regional issues such as the Syrian crisis and the ongoing Palestinian-Israeli conflict. Western powers along with Gulf countries support parties and politicians that are more pro-West and anti-Hezbollah.

Other players such as Iran, Russia and China are more on Hezbollah's side. This results in a sharp division in the country and differences on all regional and internal issues, such as the ongoing conflict in Gaza, the relations with the West, the ruling system, electing a president, form of governance, and so on. All this adds to the state paralysis that Lebanon is suffering from.

Conclusion

Lebanon's prolonged crisis shows how several internal/external factors and events can contribute to state paralysis. The severity of the crisis is marked by an absence of effective policy measures, high levels of corruption, and compounded by external factors, such as the Syrian conflict and refugee crisis and regional conflicts such as the war in Gaza. The intentional lack of measures to solve the crisis by the political elites have been successful in diverting the attention of people to the basic daily needs, but this will backfire at them and will make it harder for the country to stand on its feet again. The political elites use of sectarianism (which used to be considered one of the enriching societal and cultural phenomena in Lebanon, strengthening its pluralism and diversity) has pushed for more polarization in the society and added to the fragility of the existing social contract. All these internal and external factors contributing to the crisis demand an urgent attention to tackle the root causes of the crisis. Otherwise, the country will fall deeper into chaos and failure.

References

ADWAN, C. (2005). Corruption in Reconstruction: The Cost of 'National Consensus' in Post-War Lebanon. In D. Large (Ed.), *Corruption in Post-War Reconstruction: Confronting the Vicious Circle*. Lebanese Transparency Association.

BISAT, A., CASSARD, M., & DIWAN, I. (2021). Lebanon's economic crisis: A tragedy in the making. Middle East Institute. <https://www.mei.edu/publications/lebanons-economic-crisis-tragedy-making>

GHARIZI, O., & YACOUBIAN, M. (2021). *Lebanon on the Brink of Historic Breakdown*. United States Institute of Peace. <https://www.usip.org/publications/2021/06/lebanon-brink-historic-breakdown>

HUBBARD, B., & DENTON, B. (2021, August 4). Collapse: Inside Lebanon's Worst Economic Meltdown in More Than a Century. *The New York Times*. <https://www.nytimes.com/2021/08/04/world/lebanon-crisis.html>

MAHARAT. (2023, June 20). *IOB - Position Paper on the Independence of the Judiciary*. Maharat Foundation. https://maharatfoundation.org/en/IOB_PositionPaper_IndependenceoftheJudiciary

MALSIN, J., & OSSEIRAN, N. (2021, August 8). Beirut Port Explosion Fuels Lebanon's Collapse: 'May God Save the Country'. *The Wall Street Journal*. <https://www.wsj.com/articles/lebanons-economy-still-reeling-from-beirut-port-explosion-falls-off-a-cliff-11628089525>

POLESE, A., & SANTINI, R. H. (2018). Limited Statehood and its Security Implications on the Fragmentation Political Order in the Middle East and North Africa. *Small Wars & Insurgencies*, 29(3), 379–390. <https://doi.org/10.1080/09592318.2018.1456815>

THE WORLD BANK. (2021). *Lebanon Sinking into One of the Most Severe Global Crises Episodes, amidst Deliberate Inaction*. <https://www.worldbank.org/en/news/press-release/2021/05/01/lebanon-sinking-into-one-of-the-most-severe-global-crises-episodes>