

## Lebanon's Imminent Collapse: How Can It Be Prevented?



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**A**lthough this year Lebanon celebrates its 100<sup>th</sup> birthday as a distinct geographic and political entity, it is lamentable that the country appears to be steadily approaching a socioeconomic collapse precipitated by the misguided and self-serving policies of its oligarchy. The popular protest movement hoping to expel this oligarchy from power has failed to organize itself politically despite over five months of public demonstrations against an unworkable political system that is kept alive with unending but debilitating compromises. To be sure, Lebanon verges on collapse as the regional environment continues to impact its state institutions, depriving them of the ability to defend the country.

In this atmosphere, Lebanon's traditional politicians, the alternative opposition, the larger Arab world, and the international community must be ready to make difficult decisions to stem this collapse. Specifically, those who have benefited from and defended the confessional system must come to terms with the conclusion that the old ruling formula has run its course and should be discontinued. Those demonstrating in the streets and decrying corruption and the old way of politics would do well to coalesce around a coherent political formation that represents their demands and helps lead a transitional period. Finally, the Arab world, Iran, and the international community should understand that Lebanon's breakdown could lead to unmitigated troubles—not only for the Lebanese but also for the entire region—and thus must do their best to help the country avoid disaster.

## The Dreaded Collapse Is Approaching

It has become established fact that the Lebanese protests that broke out last October 17 were not merely a response to the government's [decision that same day](#) to levy fees on WhatsApp services but a culmination of years of frustration with rampant corruption, malfeasance, and the failure of the confessional system. One [pivotal demand](#) animating the throngs of protesters has been a call for radical change from sectarian politics. Protesters have indeed been united in affirming a common national identity devoid of confessional belonging and separateness. Accompanying the cry for change is a call to sweep away all politicians from power in favor of a new secular political order that affirms equal protection under the law and works against corruption and graft.

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Politically, the Lebanese oligarchy continues to ignore the street and has insisted on giving itself another chance at governing amid a widespread loss of popular confidence and support. Ignoring popular demands, however, will eventually result in yet another failure. The current government of Sunni Prime Minister Hassan Diab was formed on January 21 with difficulty, despite the support Diab received from status quo forces that control a majority in the 128-member Chamber of Deputies, or parliament. The government was formed in spite of determined [street opposition](#) to the choice of Diab for the post since he lacks the requisite skills to lead at a time of crisis. On February 11, [only 63 of 84](#) deputies in attendance (the quorum is secured with the attendance of 64 members) gave his government a vote of confidence after protesters blocked roads around the parliament's building.

On January 27, and with a majority of 49 members out of 70—also because of blocked access—parliament [had approved](#) the 2020 budget that was proposed by departing caretaker Prime Minister Saad Hariri. This parliamentary maneuver by Speaker Nabih Berri—leader of the Amal Movement and ally of Hezbollah—was constitutionally dubious since the budget was proposed by a departed government while the new one had not yet received parliament's confidence vote. The move also confirmed the salience of the protesters' complaints about the haphazard nature of Lebanese institutional life. Needless to say, to those who proposed his name as the country's successor to Hariri (who had declined to form a new government), Diab was an alternative candidate who would sustain the political system and prevent the final disintegration of the consociational governing formula.

Diab's government was the product of an agreement between three of the country's most powerful political factions—President Michel Aoun's Free Patriotic Movement, led by his son-in-law and former Foreign Minister Gebran Bassil, the Amal Movement, and Hezbollah—and their allies. His tenure thus suffers from certain weaknesses that make his position untenable while he tries to address the serious problems facing the country. First, he lacks the support of his Sunni community to be on equal footing in the system's confessional formula vis-à-vis Maronite President Aoun and Shia Speaker of the Parliament Berri (along with Hezbollah). Second, he has no support from the street opposition, which considers him a tool in the hands of the oligarchy. Third, he [cannot rely](#) on the Lebanese Sunnis' regional depth in the Gulf because he was chosen by Hezbollah and its allies to lead the new government. This compromised institutional, sectarian, and regional standing is likely to cause Diab's—and his government's—eventual undoing.

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But the worst aspect of the collapse awaiting the government is the precarious situation of Lebanon's economy. With [public debt rising](#) to 150 percent of gross domestic product and the Lebanese currency, the pound, losing 60 percent of its value on the black market, Lebanon is facing the dual prospects of default and socioeconomic calamity. Thus far, no one knows how the government is going to pay for \$1.2 billion of Eurobonds, which mature on March 9, and this further dents its financial reputation. Indeed, there is [increased talk](#) about restructuring the country's debt, which will likely necessitate an official devaluation of the pound and cause immense social pain. A team of experts from the International Monetary Fund (IMF) visited Beirut in late February to offer advice on the way forward. It looks increasingly likely that whatever the IMF proposes—which usually centers around austerity plans that affect the middle and lower classes—will make the government's tenure even more tenuous. At any rate, Hezbollah has already [warned against](#) the IMF's plans, calling them unacceptable “imperialist tools.”

Following years of mismanagement, corruption, and dire economic prospects, Lebanon's population is already bearing a heavy financial burden. In 2018, the World Bank [estimated the poverty rate](#) in the country at 32 percent while unemployment hovered around 38 percent. Recently, former Minister of Social Affairs Richard Kuyumjian [estimated that two million Lebanese](#), practically 50 percent of the population, will live in poverty in 2020. [Economic challenges](#) over the last few months have already affected employment and revenues in different sectors of the economy, especially tourism. Banks are [limiting their clients' withdrawals](#) and causing serious financial hardship on everyday life. [Companies are unable](#) to keep their employees while even foreign workers [go without pay](#). Fighting the coronavirus—[seven cases](#) in Lebanon as of February 29—has also added another layer of hardship for the government and it has announced the closure of schools and universities until March 8 to help stem the spread of the disease.

Amid this socioeconomic crisis, the government is looking to one bright spot as potentially helping to halt the economic slide. Drilling for oil and gas [has just begun](#) offshore in the Mediterranean Sea. Estimates vary, but a [2018 report](#) by the respected Bank Audi in Beirut predicted that the Lebanese government could net \$200 billion from selling its oil and gas deposits. Such a windfall will definitely be the shot in the arm the country needs to cover its public debt and improve the economy. The fear, however, remains as to whether the current or future governments will put forth credible and transparent reform packages that could account for revenues and spending, as protesters and local and international financial institutions are demanding.

### **Help May Not Be on the Way Anytime Soon**

Lebanon was always able to count on the support of regional and international friends and allies. This time around, however, assistance does not appear to be readily available for at least two specific reasons. First, as a [representative of the old oligarchy](#) and its sectarian politics, Diab's cabinet does not engender confidence in outside actors that it is committed to reforming the ills that have driven Lebanon to its present calamity. Second, since the new government came into being with the determined effort of Lebanon's Hezbollah, it is seen as [only representing](#) the Party of God's approach to domestic, regional, and international affairs.

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Continuing a trend of slowly distancing itself politically and financially from Lebanon, Saudi Arabia has not rushed to assist the new government in addressing the difficult economic situation. Saudi Finance Minister Mohammed Al-Jadaan recently was noncommittal when [he](#)

[said](#) that before it acts, the kingdom would wait to see how Lebanon addresses the need for reform. It appears that Qatar is also [ready to assist](#), but no firm offers are on the horizon. The [same holds](#) for the United Arab Emirates. While Qatar may not have trepidation about the Hezbollah and Iran influence on this government, Saudi Arabia and the UAE are certainly worried that the Islamic Republic may have finally won the battle for Lebanon. They have not yet received Prime Minister Diab, as is customary with new Lebanese premiers, but the Speaker of Iran's Consultative Assembly Ali Larijani [visited Lebanon](#) on February 17 and met with President Aoun and Prime Minister Diab to offer Tehran's help.

In addition, Lebanon cannot expect swift help from the United States, considering Washington's position vis-à-vis Hezbollah, although US Secretary of State Mike Pompeo [emphasized the need](#) for the new government to implement required changes. On the other hand, the US Treasury Department has [imposed sanctions](#) on Hezbollah-connected persons and institutions, a policy whose impact on the wider environment has become too hard to obscure. And as always—considering its special relationship with Lebanon as a former colonial power—France [has pledged](#) to offer assistance. For quite some time now, Paris has shepherded plans designed to help the country financially; but mismanagement and official corruption in Lebanon have stymied its efforts, so it is no wonder that France is not rushing to fill the gap in Lebanon's finances. As for assistance from the IMF, should it come to pass, Lebanon's new weak government would have to be ready to shoulder more political and societal burdens, which the fund would surely recommend.

### Steps on the Way Forward

For Lebanon to escape the vagaries of the current state of anxiety and uncertainty, serious and painful decisions will need to be made by its politicians, the street opposition, and regional and international actors. First, it is high time for the preservers of the old sectarian formula of government to finally let it rest in the mausoleum of defunct political arrangements. In its place is room for new political thinking that would allow unfettered participation for a new and emerging culture that emphasizes a unifying national and secular identity.

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It is also high time for the street opposition that has challenged the old ruling formula to coalesce in a coherent political formation or front. This could thwart the oligarchy's complaint that it has no identifiable adversary to negotiate with about the demands of the masses. Such a coalition could develop a set of principles enunciating its vision of a modern state with institutions that protect democracy, the rule of law, and a progressive social agenda. The potential negotiations could address the reformed state's institutional changes such as a revised electoral law followed by new parliamentary elections, amendments to the constitution touching on such issues as personal status laws and civil-military relations, and changes to citizenship laws. There would need to be a transitional period during which a peaceful implementation of the reform agenda could take place. The longer the opposition delays forming a unified political platform, the harder it will be to effect the departure of the oligarchy, which is clearly using the opposition's fragmentation as an excuse for extending its own rule.

All parties to the Lebanese crisis—the government and its supporters as well as the opposition—must pledge to eschew any reliance on outside actors in their competition for the new Lebanon. These include Iran, Saudi Arabia, France, the United States, and others. In addition, Lebanon's political parties and personalities have had a propensity to seek assistance from co-religionists outside the border; but the record so far has been dismal at best. Indeed, no outside party offers to help a local political force without regard to its own interests, which arguably always come at the expense of the particular country's national interests. If the

Lebanese hope to build a transformed country they can call home one day, they must be ready to believe that cooperating with their political opponents in the country is the best way to realize it.

**Image Credit**

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