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Challenges Facing the New Government in Lebanon,
and Implications for Israel

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Following nine months of difficult and tiresome negotiations, a new government has been formed in Lebanon that includes 30 ministers: 18 from Hezbollah's relatively united camp, and 12 from Prime Minister Saad Hariri's divided camp. Hariri was forced to accept almost all of Hezbollah's demands, first and foremost control over portfolios that will provide the organization with access to national budgets (the Ministry of Health, with its large budget; and the Ministry of Parliamentary Affairs), and the appointment of a Sunni minister from among Hariri's opponents, which will enable Hezbollah to gain support from the greater Sunni camp. The new government faces difficult challenges, and it is doubtful whether it will be able to overcome them: an economic crisis; a shortage of electricity and water; a lack of infrastructure; and corruption. However, at the very least the formation of the government will launch, albeit subject to reforms, the transfer of the loans pledged to Lebanon in a conference in Paris in 2018. From Israel's perspective, Hezbollah's continued takeover of the political system in Lebanon, along with its ongoing military buildup, is a negative development. At the same time, this trend deepens Hezbollah's responsibility for the Lebanese state and strengthens Israel's claims regarding Lebanon's responsibility for the organization's actions, including Iran's influence over Lebanon.

On January 31, 2019, nearly nine months after the May 2018 elections in Lebanon, Saad Hariri announced that the formation of the national unity government under his leadership was complete. The formation of the new government, which includes 30 ministers, is another stage in the ongoing process of Hezbollah's consolidation of its power within the Lebanese political system. In the elections, the Hezbollah camp (the March 8 Alliance) received a 72 member majority out of the parliament's 128 members (even though Hezbollah itself did not increase its strength), while Hariri's Future Movement lost a third of its strength.

The Composition of the New Government

The results of the elections forced Hariri to consent to almost all of the demands made by Hezbollah during the prolonged, tiresome negotiations over the government. The organization's demand to expand the number of its ministers from two to three was

ostensibly only partially granted, but in a way that serves its interests. It was agreed that its Minister of Youth and Sports would continue; a senior Hezbollah figure would be appointed Minister of State for Parliamentary Affairs (an important position due to the influence over budgetary decisions of parliamentary committees); and Jamil Jabak, who is affiliated with the organization even though he is not a member, would be appointed Minister of Health (Jabak served as Nasrallah's personal doctor). This occurred despite United States opposition to his appointment and Lebanese concerns about limitations on the humanitarian aid to the Ministry, in light of the sanctions that the administration has imposed on Hezbollah.

Hezbollah's insistence on the health portfolio is not coincidental, as the ministry has a large budget (fourth largest – some \$340 million, the majority of which is not designated to specific ends), that will enable the organization to strengthen its standing among the Shiite population, including by providing treatment to those injured in the war in Syria, and increase support among the greater Lebanese population, among whom Hezbollah is trying to expand its influence and control. Another important achievement for Hezbollah is the agreement forcing Hariri to appoint a Sunni minister from among his opponents - Hassan Murad, the Minister of State for Foreign Trade. This Hezbollah demand serves Nasrallah's efforts to divide and weaken the Sunni camp.

In the new government, the Hezbollah camp has 18 ministers, who dominate almost all of the important ministries (including defense, foreign affairs, health, law, economy, energy, and agriculture), with only 12 ministers from Hariri's camp. In addition to the greater number of ministries and their importance, the March 8 camp is a unified camp that includes the Christians from President Aoun's party, with whom Hezbollah has partnered, and is in marked contrast to the divided March 14 camp, led by Hariri. There is a positive development for women in the Arab world in that the government includes four women, despite having only six women in parliament. The highest ranking female minister is the Interior Minister from Hariri's party, Raya al-Hassan (the first woman in the Arab world to hold this position, which includes responsibility for security forces).

Internal Challenges within Lebanon

In presenting the platform of the new government on February 6, 2019, Prime Minister Hariri announced that his government would take action to improve Lebanon's economic and social situation, and advance quick and efficient - albeit painful and difficult - reforms. In addition to the political instability, Lebanon has suffered from chronic dysfunction for years, which in recent months has led to protests throughout the state. It is doubtful whether the new government will succeed in coping with the challenges it faces, among them:

- a. The deep economic and financial crisis: Lebanon has a large foreign debt. According to Moody's credit rating, it is the country with the third-highest debt – 150 percent of GDP. The International Monetary Fund even expects that the debt will reach 180 percent of GDP within five years. Against this background, French President Emmanuel Macron convened an international economic conference in Paris in April 2018 with the purpose of supporting Lebanon. At the conference \$11 billion in loans were pledged, but so far monies have not been transferred due to the paralysis of the transition government.
- b. The poor state of infrastructure: The main issues are a severe shortage of electricity and water, the lack of other vital infrastructure, and the powerlessness of Lebanese authorities to provide residents with vital services - as with the sanitation crisis that peaked in 2015.
- c. The refugees from Syria: Lebanon hosts some 1.5 million refugees – it is the country that has taken in the highest number of Syrian refugees relative to its population (approximately 25 percent of its population). Despite external aid, the refugees add another burden to the state and affect the labor market in a way that contributes to increased unemployment among the general population. These refugees are expected to return to Syria very slowly, if at all: according to a forecast by the UN Refugee Agency, in 2019 only around 250,000 refugees from the region will return to Syria.
- d. Corruption: All of Lebanon's systems – political, legal, public administration, and even the police – are mired in corruption (in the 2018 corruption index, Lebanon received a grade of 28 percent). The weakness of the governing systems is also exploited by Hezbollah, which uses bribes to buy influence.

Implications for Israel

The strengthening of Hezbollah, Iran's proxy in Lebanon, within the country's political system, along with the organization's ongoing military buildup, are negative developments for Israel, as Hezbollah's deepening its foothold within the political system strengthens its self-confidence and creates opportunities to expand its influence. However, the more Hezbollah's power within the Lebanese system grows, the more responsibility it has for Lebanon and for maintaining its political achievements and interests. In addition, the organization has recently coped with a series of difficulties following its involvement in the war in Syria and the expectation that Iran will be forced to reduce its support due to its own economic difficulties. These constraints seem to have helped curb the organization's response to Israel's achievement in uncovering the tunnels penetrating into Israel from Lebanon, but there is no guarantee that this restraint will be maintained in the future regarding additional Israeli operations seen as provocations.

This latest stage in Hezbollah's takeover of the Lebanese political system strengthens the claims by Prime Minister Benjamin Netanyahu regarding Iran's extensive influence over events in Lebanon, which Nasrallah, who emphasizes the organization's independence, quickly denied. Israel's claims are also strengthened by Iran's efforts to situate itself as Lebanon's patron, as part of the struggle with Saudi Arabia over influence in Lebanon: immediately following the formation of the government, the Iranian foreign minister travelled to Lebanon with a large delegation, in order to cultivate further political and economic relations.

Moreover, Hezbollah's political achievements strengthen Israel's stance regarding the responsibility of the Lebanese state for the organization's actions, and will help Israel in its efforts to justify the legitimacy of extensive military actions against Lebanese state targets, and not just Hezbollah targets, if this becomes necessary in the next war. Thus, there is a need for Israel and the United States together to examine policy toward Lebanon in light of the gaps between them on this issue. In the US response to Lebanon's new government, it was clear that the administration continues to distinguish between Hezbollah and the Lebanese state, and does not intend to stop the continued aid to Lebanon following the appointment of a Minister of Health identified with Hezbollah.

As for the demarcation of the maritime border between Israel and Lebanon for the purposes of gas exploration, it seems that the formation of the new government does not improve the chances of settling the matter. This is in light of Hezbollah's increasing influence in the government and the appointment of Nada Boustani, from the party of President Aoun, as the March 8 camp's Minister of Energy.