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Lebanon, One Year Later after the “Revolution”: Grim Reality and Bleak Prospects

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On October 17, 2020, Lebanon marked the anniversary of the outbreak of the “October Revolution” with demonstrations that were smaller than those at the outset of the protest, which included hundreds of thousands of people from all communities. One year later – a year marked by a fourfold crisis in Lebanon: economic, political, healthcare, and the port explosion – it appears that at least thus far, the revolution has failed. The calls for reform and change in the political system remain unanswered, and the situation in the country has only worsened, to the point that Lebanon has turned into a failed state. The despairing public is beset by intensifying problems, while the corrupt political leadership has retained its power and remained in place – including Prime Minister Hariri, who resigned at the start of the revolution, but was recently reappointed to form a new government; his promise to advance a reform along the lines of the “French initiative” has yet to be fulfilled. Thus, change in Lebanon remains a long way off. For its part, Israel would do well to contribute, even if only indirectly, to the Western efforts to stabilize its northern neighbor by reducing Hezbollah’s influence and neutralizing the risks it poses to Israel, Lebanon, and the entire region.

The “revolution” in Lebanon broke out spontaneously in October 2019 as a “WhatsApp protest,” following the imposition of new taxes by the government on the messaging app. It spread throughout Lebanon, with the demand to change the sectarian political arrangement defined in the Taif Agreement (1989) and replace the entire corrupt leadership in the hope of improving living conditions. It continued in waves throughout the year, but evolved from demonstrations with many participants at the outset, reminiscent of a national carnival-like celebration, to smaller – due in part to the coronavirus – but far more violent demonstrations. The protests have failed to bring about change, and they reflect increasing popular despair.

The Economic Crisis

The Covid-19 pandemic, which reached Lebanon in March and has since caused a new wave of infection and hospital overcrowding, has exacerbated the country’s economic plight. The economic crisis that gripped Lebanon in recent years, aggravated by the

country’s political paralysis, corruption, and the situation in Syria (including the refugee problem), has worsened even further. Earlier, Lebanon failed to repay a \$30 billion loan to the European Union. The Lebanese pound is traded at levels of 7,000–8,000 pounds to the US dollar (while the official exchange rate is 1,500 pounds to the dollar), and unemployment estimates range from 30 to 60 percent. The decline in money transfers from Lebanese expatriates to their home country and the decline in income from tourism have lowered foreign currency income. The banking industry, which is a main element in the Lebanese economy, was also adversely affected in 2019, and is expected to show marked losses in 2020 as well. As a result of the pandemic and the lockdowns, there has been a further slowdown in economic activity. Hundreds of businesses have collapsed, and unemployment and poverty increased. Indeed, the hunger and despair among Lebanese residents have outweighed concern over infection, and street demonstrations have continued, even during the current second and more serious wave of the pandemic.

Lebanon’s economic problems are compounded by damage caused by the devastating explosion in Beirut in August 2020, which in addition to about 200 dead and thousands of wounded, left about 300,000 people homeless and widespread destruction. According to the Governor of Beirut, an initial assessment puts the cost of repairing the direct damage caused by the explosion at \$3–5 billion; the indirect and long-term costs could reach \$10–15 billion. According to a forecast by the *Economist’s* Intelligence Unit (October 2020), Lebanon’s GDP is expected to fall by about 20 percent in 2020, and 2021 is also expected to be a very difficult year for the economy. While the port disaster spurred Western readiness to aid in reconstruction, that assistance will continue to hinge on deep reforms in the spirit of the protestors’ demands. The negotiations between Lebanon and Israel over the demarcation of the maritime border are a solitary bright spot given the economic potential of the maritime gas fields. However, even these negotiations are progressing slowly, if at all, and in any case, the profits from the natural gas are expected only in the more distant future.

The economic crisis also affects Hezbollah, which itself is suffering from budgetary constraints. The reduction in financial assistance from Iran has increased the organization’s motivation to maintain its grip on government ministries with economic significance (such as the Health Ministry and its large budget, and the Finance Ministry), in order to increase its power, control national resources, and divert resources to its supporters. At the same time, Hezbollah’s control of key positions, and concern that this will determine allocation of assistance packages – for example, which civilian projects are financed and which contractors are chosen for the projects – may deter Western companies from activity in Lebanon out of concern of a negative American reaction.

Political Paralysis

The widespread demonstrations led to the resignation of Saad Hariri’s government on October 29, 2019. However, one year later, Hariri is returning to exactly the same position on the political stage. The elite was unwilling to accede to the protestors’ demands to replace the ruling echelon with professional technocrats untainted by corruption, and to the International Monetary Fund (IMF) demands for profound reforms before economic assistance would be given. The ensuing dispute over portfolios in effect paralyzed the government. In practice, every proposal that could have eroded the financial and political assets of the elite was rejected. Hezbollah, which seeks to maintain the status quo to ensure its privileged status and its influence on decision making, managed, with its political supporters, to promote the formation in late December 2019 of a puppet government led by Hassan Diab, ostensibly comprising technocrats. This government failed in its negotiations with the IMF and in advancing changes, and hopes that it would dispel the widespread anger were dashed. The protests continued, and in January 2020 grew more violent. The government resigned on August 10, following the public fury over the disaster at the Beirut port six days earlier, and against the background of the worsening economic-political-health crisis. In his resignation, Diab blamed the corrupt politicians who prevented him from being able to advance any changes and said, “We have discovered that corruption is greater than the state.”

The next attempt to form a new government, led by Lebanese Ambassador to Germany Mustafa Adib was also defeated by the “Shiite pair” – Hezbollah and the Amal party – which insisted on receiving the finance portfolio and influencing the make-up of the rest of the government. In a speech on October 21, President Aoun’s despair was noticeable, blaming the corrupt politicians. Lacking another appropriate candidate, the only agreement that could be reached (October 22) was to mandate Sa’ad al-Hariri again to form a new government, in complete contravention of the popular demands. The protestors have demanded that the entire leadership be replaced; instead, it remains intact.

The agreement to begin negotiations with Israel on the maritime border (October 14) likewise reflects the depth of distress of all political entities in Lebanon, including Hezbollah, which in contrast with its longstanding rejection of negotiations agreed to the talks. However, despite its distress, under pressure from within and without, the organization continues to be a key behind-the-scenes element in the negotiations, as it holds the ability to influence any move that does not suit its interests. Hezbollah is expected to make sure that the negotiations do not deviate from their specific purpose and become a platform for political contacts with Israel. In parallel, it is careful to maintain the security tension with Israel, maintaining its promise to exact revenge for the death of a Hezbollah operative in an Israeli attack in Syria in July. This is part of its policy to establish an expanded equation of deterrence vis-à-vis Israel, whereby it will attack

Israeli soldiers in retaliation for attacks on its operatives both in Syria and in Lebanon. At this stage, it seems that the organization is waiting for an appropriate time from its standpoint to realize its threat, a step that may expand the confrontation. A military move might also be an effort to divert attention from its failure to help solve the crisis in Lebanon.

Future Scenarios

Though it is difficult to envision future developments, there are four principal scenarios for Lebanon:

- a. What is what will be: a continuation of the existing situation with no significant change, which after an extended period might lead to one of the other scenarios.
- b. Gradual change for the better: a positive scenario, which sees a gradual improvement in the Lebanese reality. This includes the formation of a functioning technocratic government led by Hariri and the gradual advancement of reforms and the transfer of Western assistance.
- c. A forceful takeover by Hezbollah, if it concludes that in order to maintain its status and assets, it must take over the state. The extent of opposition on the part of other forces will dictate the extent of any ensuing internal military confrontation.
- d. Civil war and chaos: the outbreak of another civil war following Hezbollah's power play or due to the expansion of violent events initiated by others, without any of the powers succeeding in taking control of the country.

Recommendations for Israel

- a. *Vis-à-vis Lebanon*: Israel's point of departure must be that it has an interest in Lebanon as a stable country with a functioning system, without the influence of Hezbollah. Therefore, Israel should support the provision of Western assistance to Lebanon, with an effort to put limits in place that will prevent any takeover or integration of Hezbollah in the Lebanese system.
- b. *Vis-à-vis Hezbollah*: Israel must persist in its cognitive-military-political struggle to weaken the organization as the dominant force in Lebanon that maintains an independent military militia, with the emphasis on preventing the continued empowerment of the organization. In particular, Hezbollah's efforts to build an arsenal of precision-guided missiles and the entrenchment of Hezbollah infrastructure in the Golan Heights must be prevented. In the international arena, Israel should work toward the continued political isolation of Hezbollah and its definition as an international terrorist organization, assist in exposing and thwarting its intentions to carry out terrorist attacks abroad, and highlight the

dangers to Lebanon, Israel, and the region from the organization’s military activities along the border with Israel.