

Lebanon 2016: Reshuffling of Political Alliances and Vulnerable Political Compromises

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The year 2016 was a turning point for the consecutive and dramatic events that had engulfed Lebanon following the eruption of the civil war in Syria in 2011. Although the country is usually subject to heavy foreign intervention in the engineering of power sharing agreements between domestic parties, this time it was able to orchestrate a compromise which led to the election of a President after two years of vacancy with limited external involvement. Lebanese parties, as is well known, are closely connected with external players. Hezbollah, the main Shiite party in the country, has woven a robust alliance with Syria and Iran and is now fighting with the Syrian regime against the armed Syrian opposition. The Future Movement, the main Sunni party, for its part, is known for its close alliance with Saudi Arabia and the Arab Gulf states. Another positive development in 2016 was the ability of the Lebanese government to successfully organize municipal elections in over 1,000 municipalities.

During the last year, the country has not witnessed major terrorist attacks as a spillover effect of the Syrian conflict as compared with the previous year. Hezbollah's intervention in Syria led to the expulsion

of terrorists from the borders, making the Lebanese border Syria's most secure, as compared to those it has with its other neighbours (Jordan, Iraq and Turkey).² Also, the Lebanese security forces' efforts led to capturing and dismantling several terrorist networks and cells.³

Lebanon's Political Challenges in 2016

Nevertheless, the challenges the country is facing are critical to political and security stability. The Syrian conflict and its repercussions represent the country's most critical challenge since the Syrian withdrawal in 2005 and the assassination of the former Prime Minister Rafik Hariri on 14 February 2005.⁴ The Lebanese parties' reliance on its outcomes and the Syrian refugee crisis caused severe implications on political, economic and social levels. The Syrian regime built strong alliances with domestic parties, in particular Hezbollah. If the Assad regime is toppled, its domestic allies will be severely weakened. So, Hezbollah's domestic opponents were counting on it being overthrown to weaken its significant influence over domestic politics. Nevertheless, Lebanon was able to elect a President and form a government after a two-year presidential vacancy and absence of an effective cabinet.⁵ The former Prime Minister Saad Hariri was

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² "Why Lebanon could be spared from recent terrorism bloodshed," *Al-Monitor*, 16 January 2017, www.al-monitor.com/pulse/originals/2017/01/lebanon-terrorist-threat-syria-neighboring-countries.html#ixzz4d6W90Qf8.

³ "Report: Security Forces Thwart IS Terror Schemes in Beirut," *Naharnet*, 31 May 2016, www.naharnet.com/stories/en/210522.

⁴ The assassination of Hariri was followed by deep sectarian division and conflict between Sunnis' and Shiites' political representatives, punctuated by episodes of sectarian violence, and encouraged heavy foreign intervention from states like Saudi Arabia, Syria, the US and France.

⁵ The presidential term of Michel Sleiman (2008-14) ended in May 2014. Until October 2016, this position was vacant and the government was almost paralyzed due to the objections of the Christian parties to powers entitled to it during the vacancy period in the presidency position.

able to return to government after reaching an implicit deal with the current President, the head of the Free Patriotic Movement Michel Aoun. Hariri's government was forced into resignation in 2011 after the resignation of the March 8 Coalition ministers who represent a third of all cabinet ministers.⁶ This dramatic deal caused a reshuffling of existing political alliances. The major division that Lebanon has witnessed since 2005 between the March 8 and March 14 coalitions has coincided with new alliances. The Free Patriotic Movement, previously a staunch opponent to the Future Movement, paradoxically altered its position and approached the latter to secure victory for its leader Michel Aoun in the presidential elections. In return, the Future Movement secured the Free Patriotic Movement's approval to nominate its leader Saad Hariri for the position of Prime Minister.

Lebanon's Economic Challenges in 2016

At the economic level, the paralysis in state institutions and the absence of political stability led to a decline in economic growth for 2016 to about 2%, while for the years 2007-2010, the economy recorded an average 9% growth in GDP per annum.⁷ In addition, the country was unable to provide revenue streams to cover its public deficit, which is one of the highest in the world as a percentage of GDP. It rose from 138% in 2015 to 144% in 2016.⁸ The decline in economic growth can be traced back to several factors, such as, for instance, the absence of a state budget since 2005. Although the current government has approved the first budget in 12 years, MPs will most likely fail to debate and approve it due to the proximity of the parliamentary elections. The lack of state budget led to undisciplined spending and, in turn, an increase in the public deficit.⁹ Leba-

non also suffers from an aging infrastructure. The country suffers from electricity supply interruptions, an absence of a sewage network, a rubbish crisis, water supply problems and pollution.

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One of the most controversial economic problems that plagued the country in the last few years was the rubbish crisis, which went unresolved, despite Lebanon's election of a new President and formation of a new cabinet.¹⁰ The crisis started when the country's main landfill site (Nahmeh) was closed due to pollution concerns, leading to the suspension of garbage collection and piles of rubbish clogging the streets of Beirut. However, the government failed to find a permanent solution through the construction of recycling plants. Instead, it suggested temporary solutions by distributing the garbage into small landfills until such time as a permanent and environmentally-friendly plan can be put into action.¹¹ This has led to massive protests which have threatened the stability of the current political class. The most controversial economic reform in the past few years was the salary scale bill, which has not yet been endorsed by the Parliament, even though several years have passed since it was submitted to cabinet for discussion and approval. The cost of the bill is set at around \$800 million, capital for the State to use to secure further revenue streams and,

⁶ The two coalitions were formed after the assassination of Hariri in February 2005. The March 8 coalition was headed by Hezbollah and involved several parties (like the Free Patriotic Movement and Amal Movement) and the March 14 coalition was headed by the Future Movement and involved parties like the Lebanese Forces and Kataeb.

⁷ See BANK AUDI, *Lebanon Economic Report*, www.bankaudi.org/groupwebsite/openAudiFile.aspx?id=3301.

⁸ UNDP *About Lebanon*, www.lb.undp.org/content/lebanon/en/home/countryinfo.html.

⁹ "Lebanese government reveals its first budget in 12 years," *CNBC*, 30 March 2017, www.cnbc.com/2017/03/30/the-associated-press-lebanese-government-reveals-its-first-budget-in-12-years.html.

¹⁰ "Lebanon calls in hunters amid Beirut airport gull infestation: Rubbish at nearby dump a symbol of wider political malaise," *Financial Times*, 13 February 2017, www.ft.com/content/5c3b0dfa-e88a-11e6-893c-082c54a7f539.

¹¹ "Lebanon struggling with rubbish collection again," *Aljazeera*, 23 September 2016, www.aljazeera.com/news/2016/09/lebanon-struggling-rubbish-collection-160923162318470.html.

in turn, cover the aforementioned costs.¹² This factor has been the main obstacle to the bill's parliamentary approval so far. Lebanon has been witness to several protests calling for economic reforms and denouncing corruption in the state bureaucracy to provide funding for the bill and which is a considerable drain on the state treasury.

The Syrian refugee crisis represents another challenge to the Lebanese economy and society. It is estimated that the number of Syrian refugees in Lebanon at the end of 2016 was about 1,011,366,¹³ equal to almost 25% of the Lebanese population. Although the number of refugees is decreasing, they have had a dramatic influence on the economy. The conflict cost Lebanon about 5 billion dollars in lost economic activity over the period 2012-14,¹⁴ and also affected the poverty level. The unemployment rate rose from 9% in 2012 to 12% in 2014 due to the influx of Syrian workers.¹⁵ At the societal level, tensions between hosting villages and cities and Syrian refugees are mounting to worrying levels, prompting questions about the long-term effects of their presence on social stability.¹⁶

There has been one positive economic policy worth noting during the past year, which was the cabinet's enactment of oil and gas decrees that had been stalled since 2013.¹⁷ This is considered to be an essential step for oil and gas exploration in the sea around Lebanon,¹⁸ which the government hopes will generate revenues to help cover its public deficit and resolve its power shortage.

Conclusion

In short, although during the last year Lebanon has been witness to dramatic developments at the po-

litical level, there are several challenges that should be addressed. The main challenge that is facing the Lebanese political class is the formulation of a new electoral law that provides a better representation of the Lebanese people. The selective formulation of consecutive electoral laws in the wake of the civil war in 1990, was aimed at securing the victory of the political class which dominated the political scene at the time. The parliamentary elections were postponed twice in 2013 and 2014 sparking public fury towards the Lebanese political class and triggering several protests calling for a new electoral law and the running of elections as scheduled. The debate between political parties now revolves around the need to formulate a new electoral law to replace the one adopted for the 2009 parliamentary elections (known as the 1960 electoral law).¹⁹ The Christian parties believe the 1960 law misrepresents their community in the Parliament since most of their MPs were elected by Muslim voters, which brought them under the influence of the Muslim parties.

Another challenge is the Syrian refugee crisis, which should be addressed as soon as possible. The different Lebanese governments have failed to provide proper refugee camps, leading to the uncontrolled settlement of refugees in different villages and cities of the country, thereby causing a host of problems for both refugees and Lebanese. At the economic level, the Parliament needs to approve the budget which is essential for regulating the implementation of the State's financial policy. Oil and gas exploration should begin as soon as is possible to provide revenue streams to cover the public deficit and salary scale bill, as well as make the necessary improvements to the aging infrastructure.

¹² 'Berri: Electoral law first, salary scale second,' *The Daily Star*, 23 March 2017, www.dailystar.com.lb/News/Lebanon-News/2017/Mar-23/398746-berri-electoral-law-first-salary-scale-second.ashx.

¹³ See United Nations High Commissioner for Refugees (UNHCR) page: <http://data.unhcr.org/syrianrefugees/country.php?id=122>.

¹⁴ UNDP *About Lebanon*, www.lb.undp.org/content/lebanon/en/home/countryinfo.html.

¹⁵ *Ibid.*

¹⁶ 'The Repercussions of the Syrian Refugee Crisis on Lebanon: The Challenges of Providing Services and Creating Jobs,' *Roundtable report series*. Lebanese Center for Policy Studies, January 2016, www.lcps-lebanon.org/publications/1453288522-syrian_refugee_crisis_web.pdf.

¹⁷ 'New Lebanese government OKs oil decrees to start stalled tender process,' Reuters, 4 January 2017, www.reuters.com/article/us-lebanon-economy-oil-idUSKBN14P03E.

¹⁸ *Ibid.*

¹⁹ The elections were postponed because the Lebanese parties were not able to agree on a new electoral law. For further details see: Assi, Abbas & WORRALL, James, 'Stable Instability: The Syrian Conflict and the Postponement of the 2013 Lebanese Parliamentary Elections,' *Third World Quarterly*, Vol. 36, No. 10, pp. 1944-67, 2015.