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Lebanon's Total Collapse: Challenges, Implications, and Recommendations for U.S. Foreign Policy

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Conflicts in Lebanon have a proclivity for aggravation and metamorphosis, creating a complexity of overlapping issues which are difficult to address. Over the last two decades, the country's core problems have been sectarianism intersecting with corrupt clientelism and political institutions that have lost their autonomy a long time ago, first to Syrian regime hegemony and, more recently, to the domination of Hezbollah. Some of these problems have deep roots that took shape in the formative years of the Lebanese modern state in the 1920s. Lebanon was established then according to, first, sectarian confessionalism among the country's various religious sects and, second, the subsequent distribution of power according to a disproportional sect-based apportionment of official political offices and positions. This political arrangement, known as consociational democracy in political science, has been marred by nepotism, discrimination based on religious and geographical identity, and the further marginalization of underprivileged groups. The discriminatory and inegalitarian sectarian political system has been aggravated further by age-old political clientelist practices. In this lopsided relationship, the traditional confessional/sectarian leaders, turned into modern parliamentary politicians, accede to official power, and hold on to it, by distributing and unofficially channeling governmental resources and spoils to their constituents in return for their votes and political loyalty. Parliamentary elections are simply a façade through which these traditional patrons consolidate their power.

Lebanon's Political System and Its Ailments

The resulting lack of citizenship values and provision of governmental services only through channels of sectarian patron-client networks has given rise to a culture of political and economic corruption. The rule of law, equality among citizens, transparency in governance, and accountability are abstract constitutional values that, in reality, are not present in Lebanon's political culture. There is a mutually-reinforcing connection between this sectarian-based clientelism, which was built on a fragile mercantile economy that failed to modernize fully, and the endemic corruption plaguing Lebanon today. The country's sects are pitted against each other in this confessional political system, fostering a national atmosphere of mutual suspicion and hostility. Meanwhile, sectarian politics and the vying of rival traditional leaders over scarce state resource has greatly undermined the realization of citizenship values such as constitutional protections, equality before the law, and access to non-discriminatory, adequate, and

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egalitarian state services. Meanwhile sectarian leaders today take advantage of this hybrid political arrangement, which combines corruption-rooted clientelism with divisive sectarianism, by fueling imaginary fears of the “other” sects and by keeping their co-religionist followers entrapped in clientelist dependency. Thereby, they restrict access to services and resources exclusively to their own loyal followers, who vote for them in elections and who are easily mobilized to go onto the streets in a show of power against other confessional groups. As sectarian divisions intensify, sectarian discourse permeates every aspect of political and public life.

The rise and over-empowerment of Hezbollah is a core national problem arising from Lebanon’s corrupt, sectarian, clientelist political system. The organization, with the formidable military and financial support that it has received from Iran, and specifically the Islamic Revolution Guard Corps (IRGC), has been able to accumulate, over the last two decades, a concentrated excess of social and political power, which it has invested in different political and public spheres. This excessive power and organizational outreach allowed Hezbollah to further consolidate its supremacist position in Lebanon. On the institutional level, Hezbollah spread its control over Lebanese institutions by having a majority of members in the parliament as well as members in the cabinet who hold key ministerial portfolios, such as the Ministries of Finance, Public Works and Transportation, Agriculture, and Health. In addition to this representation in parliament and the cabinet, Hezbollah has also made inroads into Lebanese security institutions, namely the Internal Security Forces, the General Security, and, to some extent, the Lebanese Armed Forces (LAF). This has given Hezbollah’s leadership control of national security and borders. This includes control of key vital institutions including the Beirut airport, sea ports, and the land crossing with Syria, which facilitates trafficking in arms and, lately, also narcotics. This political power is in addition to the upper hand that the Shi’ite Islamist party already holds thanks to its military wing and its significant arsenal of weapons as well as a myriad of internally-run social and financial institutions.

On the communal Shi’ite level, Hezbollah has established itself as the sole and exclusive political force among the Shi’a. The sociohistorical process of the triumphant rise of Hezbollah among the Lebanese Shi’a has been gradual and multi-layered. It mostly finds its roots in the double sense of marginalization that the Shi’a of Lebanon have been historically subject to: first, under the institutional social neglect of the Lebanese state and, second, under the Israeli military occupation of southern Lebanon between 1978 and 2000.

The rise and expansion of Hezbollah between the 1980s and 1990s has given the Shi’a, especially those in southern Lebanon, a sense of empowerment. This was important for a religious group that, for most of its history, has felt emasculated, marginalized, and deprived from access to much-needed development programs and state resources, and which bore the brunt of the Israeli military occupation. Furthermore, in the mainstream Lebanese nationalist historiography, the Shi’a’s collective communal and historical identity was portrayed as insignificant and marginal to the core values of modern Lebanon. They were construed as a peripheral community, one which had contributed nothing to the rise of the modern state, but, instead, represented an economic liability. Simultaneously, the Lebanese central government left Shi’ite regions deliberately underdeveloped. This socio-economic and historical situation facilitated greatly the rise of Hezbollah among Lebanese Shi’a as a non-state entity that both provided them with many needed services and served as a military force fighting against the Israeli occupation and its Lebanese clients. While it may, on the surface seem that Hezbollah’s rise benefited the country’s Shi’a, the reality is the opposite.

On the Lebanese institutional level, Hezbollah has penetrated state institutions by forging alliances and sponsoring, patronizing, and appointing officials therein. It covers up for its allies’ corruption and embezzlement so long as these officials serve and promote the party’s interests. In effect, it controls state institutions by proxy through its cooption of key officials. These alliances all come at the expense of good governance and the rule of law. Hezbollah also secures the portfolios it wants in the cabinet, thus ensuring that it will be able to protect and promote its interests.

For example, Hezbollah insists on holding veto power over government actions and on controlling several key ministries. One of them is the Ministry of Finance, which has been occupied by its loyal ally, Ali Hasan Khalil, a member of the Amal Party, which stands in close alliance with Hezbollah. Khalil has been designated by the U.S. Department of the Treasury as a corrupt politician who provides material help to Hezbollah. Hezbollah also uses its political leverage to appoint officials to high offices in other ministries who, in return, channel funds from these ministries to fund the social operations of Hezbollah amongst its constituents. Thus, it uses state institutions to provide services for its mass social base while taking credit for such expenditures. To secure financial resources, especially following the decline in Iranian financial patronage due to that country's own economic decline, Hezbollah, over at least the last decade, has engaged in international criminal activities ranging from narcotics and arms trafficking to money laundering. These activities have grown large enough that they have started destabilizing the security of the countries in which they are perpetrated.

When its politics of cooptation does not work and it faces resistance, Hezbollah resorts to naked violence to silence or eradicate its opponents. An example is the assassination of former Prime Minister Rafik Hariri, for which the UN Special Tribunal for Lebanon found a Hezbollah operative to be guilty. Soon a string of assassinations of anti-Syrian political and journalistic figures close to Hariri followed between 2005 and 2009. Then there was the armed assault by Hezbollah against civilians and press and media institutions in Beirut on May 7, 2008, a response to the government's attempt to dismantle the private telecommunication network that Hezbollah had built inside Lebanon. Later came the assassination of General Wissam al-Hasan, the head of the Intelligence Unit in the Internal Security Forces, who was opposed to continued Syrian hegemony over Lebanon and who had a contentious relationship with Hezbollah. His assassination came at a time when he was conducting an investigation leading to the prosecution of important pro-Syrian and Hezbollah-allied politicians. Another significant assassination linked to Hezbollah is that of former cabinet member Muhammad Chatah, an advisor to Hariri who had been a vocal defender of Lebanese sovereignty and highly critical of the party.

Hezbollah has undoubtedly established tremendous level of military, political, and financial power in Lebanon and among the Shi'a. The organization's propaganda rests on the premise that it has overturned the disempowerment of the Lebanese Shi'a by giving them a much stronger national political presence and by contributing to the economic betterment of the Shi'a through the deployment of Iranian funds invested in Hezbollah-run social organizations. The reality, however, is quite different.

Hezbollah, taking advantage of the grievances of the Lebanese Shi'a, has put them in the service of the party's transnational political and military agenda. As for social benefits, it is only the direct constituents of Hezbollah who benefit from the organization's largesse. The rest of the country's Shi'a, who do not participate directly in Hezbollah's activities, do not attend their religious events, and do not send their children to Hezbollah's private schools, do not benefit at all from the party's services and institutions. Meanwhile, Hezbollah and their ally Amal, through the municipalities they control, confiscate much of the international aid given for projects in southern Lebanon, making sure that it benefits only their direct constituents while excluding independent Lebanese residents in the country's south. Meanwhile, Hezbollah monopolizes the provision of all vital services, such as telecommunication and internet services, power-generating engines, and water distribution, in the areas it controls through its affiliated companies, making significant profits from these services. Hezbollah's leadership appoints loyalist members of the Shi'ite community to various state institutions, including ministries, the ports and airport administrations, national security institutions such as the Internal Security Forces, and, to some extent, the LAF, in return for these appointees' serving the party's interests. Meanwhile, recruitment into the military wing is very active and the organization deploys its fighters over the border into Syria, Iraq, and even Yemen.

Hezbollah's policy of putting Lebanese Shi'a into the service of a foreign state – Iran – stands in stark contrast to the legacy of the founders of the Supreme Islamic Shi'a Council (SISC), the official religious institution representing the Shi'ite sect vis-à-vis the Lebanese state. The SISC administers the legal and religious affairs of the Shi'a while also advocating for their communal interests at the state level. Every major sect in Lebanon has such a religious institution that represents it before the Lebanese government. The founder of the SISC, Sayyid Musa al-Sadr (who disappeared while in Libya in 1978) and his co-founder and successor Shaykh Muhammad Mahdi Shams al-Din (d. 2001) played a very important role in advocating for the integration of the Shi'a into the Lebanese state and reversing their systemic marginalization in the government's administration and institutions. Al-Sadr and Shams al-Din called on the Shi'a to be loyal to the state and considered Lebanon to be the legitimate institutional framework under which all Lebanese must come together as equal citizens. They simultaneously called for structural reforms of Lebanon's sectarian political system to give a more egalitarian representation for Muslims and especially the Shi'a.

The SISC, under the leadership of Sham al-Din during the 1990s, distanced itself explicitly from Hezbollah and refused to align with the foreign policy of Iran. Shams al-Din, in his final book, explicitly urged the Shi'a of Lebanon in particular as well as the Shi'a of Kuwait and Saudi Arabia to reserve their political loyalty exclusively for their respective countries. Referring to "co-religionist [other Shi'ite] regional powers," he called on them to refuse to play into the hands of Iran because it seeks to recruit them in the service of its transnational Middle Eastern agenda.

Resisting Hezbollah: Lebanon's Independent Shi'a

Lebanon's Shi'a have historically been a dynamic intellectual community, despite their systemic marginalization by the Lebanese state. Despite Hezbollah's relentless efforts to bring all Lebanese Shi'a under its complete hegemony, Shi'ite resistance today continues and is becoming more vocal, building on earlier critical Shi'ite voices from the early 2000s. In the past decade in particular, a considerable number of Lebanese Shi'ite intellectuals, journalists, and activists have joined ranks to voice their criticisms of Hezbollah's policies and practices. For example, in the 2018 parliamentary elections, for the first time, three Shi'ite southern candidates bravely ran a ticket openly against Hezbollah in South Lebanon, criticizing its use of violence against fellow Lebanese, its fighting in Syria alongside Bashar al-Assad, and its undermining of Lebanese national sovereignty. The head of this electoral ticket, Ali al-Amin, the publisher of the online magazine *Al-Janoubia*, was physically assaulted and his house vandalized by Hezbollah. In another recent case, the activism and cultural work of writer and NGO-founder Lokman Slim clearly demonstrated the impact that Shi'ite activists have had on the revitalization of cultural, intellectual, and pan-national projects in Lebanon across sectarian lines. His assassination in February 2021 garnered extensive international coverage, with U.S. congressmen linking his murder to Hezbollah's human rights violations in Lebanon. Meanwhile, there are an increasing number of Shi'ite activists and journalists who have been vocally critical of the politics of Hezbollah in regard to three main issues: first, the unprecedented corruption of the ministerial portfolios that Hezbollah and its allies control; second, Hezbollah's stance against protestors in the 2019 anti-government mass demonstrations; and, third, the judicial obstacles that Hezbollah and its allies continue to create to impede the judicial investigation into the Beirut Port Blast of August 2020.

Lebanon's Economic Collapse, the 2019 Mass Protests, and the Beirut Port Blast

A massive economic collapse has shaken Lebanon since 2019, one of the three most severe economic crises the country has suffered since the mid-nineteenth century, pushing over half the population below the poverty line. In the 1990s, part of Lebanon's economic success was related to its pegging of the Lebanese pound against the U.S. dollar to attract foreign investments in the latter currency. With large amounts of international foreign aid and generous financial support from Arab Gulf countries, it was possible for the government to maintain this policy. But this also

required that Lebanese banks keep attracting investments in U.S. dollars, which led the Central Bank to offer a 15-20% annual interest rate in exchange for investors depositing U.S. dollars. To do this, it was necessary to enter a vicious circle of borrowing more money from new creditors to pay former creditors. Some economists have compared this financial policy to a national Ponzi scheme where more money is borrowed to pay standing creditors. Such irresponsible borrowing was coupled with endemic mismanagement, deep-seated corruption, bribery, nepotism, and large-scale embezzlement, all of which finally led to the ultimate collapse of the national economy in 2019. Since the economic collapse, the local currency has lost 90% of its value, with inflation reaching 84.9%, and banks refuse to allow their clients to withdraw their savings. Lebanon defaulted on its international debt obligations and the national debt reached 150% of the national output. To intensify an already terrible situation, the Arab Gulf countries cut off their financial support to Lebanon after long funding the Central Bank reserves in protest of Hezbollah's increasing control of Lebanese state institutions.

The U.S. government, France, and the World Bank have urgently called for economic reforms in Lebanon. Such reforms are impossible under the current government of President Michel Aoun and the incumbent cabinet because of the integral role they play in state corruption and the erosion of government functionality as well as their alignment with Hezbollah and unwillingness to defy the Shi'ite Islamist party's wishes. Indeed, Hezbollah has veto power in the cabinet, which allows it to halt any policy or legislation that goes counter to its interests.

Reacting to the endemic corruption of Lebanese politicians, massive demonstrations took to the streets in October 2019, decrying rampant corruption, high unemployment, lack of economic opportunities, and Iran's meddling in national affairs. What was remarkable about these protests was that they cut across religious lines, geographical regions, socio-economic levels, and also across the gender divide.

Hezbollah's secretary-general, Hasan Nasrallah, responded to these protests by accusing protestors of working as agents to foreign powers, spreading chaos, and he warned them that his party will not permit any changes in the government or the presidency. Meanwhile, thuggish militiamen took to the streets, beating protestors while chanting pro-Hezbollah slogans. Some factions in the Internal Security Forces were complicit and shot at the civilian protestors.

To worsen a catastrophic situation, a tremendous blast at the Port of Beirut on August 4, 2020 – reportedly one of the largest non-nuclear explosions in history – was caused by 2,750 tons of ammonium nitrate, which was being stored there. Interestingly, ammonium nitrate is an explosive material that Hezbollah has stored in several global locations. Moreover, Hezbollah has always maintained a vested interest in the port, which represents an important source of revenue for the organization as well as a vital channel for its trafficking in illicit goods, arms and explosive material, and avoidance of customs duties. The judge in charge of the judicial investigation of the port blast, Tarek Bitar, while not revealing the evidence he gathered, filed charges against former cabinet members and top security officials.

Hezbollah-aligned politicians have exerted tremendous effort to stop the investigation by filing several lawsuits against Bitar, demanding his resignation. For instance, the former Minister of Transport and Public Works, Yusuf Finyanus, one of the pro-Hezbollah ministers and a member of the National Front coalition headed by President Aoun who was also targeted by U.S. sanctions for his rampant corruption, has filed a suit against Bitar. So far, three Lebanese judges have resigned in protest of the blunt intervention of politicians in the judicial proceedings around the port blast investigation. Meanwhile, Hezbollah has been leading a campaign against Judge Bitar, with Nasrallah explicitly calling for his dismissal. The reason for this may be that Bitar could have found evidence of Hezbollah's involvement in the shipment of ammonium nitrate to Lebanon through the port. Hezbollah's storage and use of ammonium nitrate has been documented in several European countries. The organization has also trafficked it into Syria by land after a period of storage in the hangars of the port, all while avoiding state inspection and oversight. It has managed to avoid

state inspection by having allies appointed to the cabinet as well as to the General Security Directorate and the Ministries of Interior and Transport and Public Works, which made sure no probe was initiated.

The Lebanese Armed Forces (LAF): Still a Pan-National Institution

In light of this catastrophic situation in Lebanon, there is one national institution that has seemingly weathered the storm and withstood the collapse of the state, at least thus far: the LAF. The LAF is a cross-sectarian and pan-national state institution that still holds the trust of the Lebanese people overall and is believed locally and internationally to be still withstanding, to some extent, both the intervention of corrupt politicians and the control of Hezbollah. Because of this, the LAF has received scores of millions of dollars from the U.S. over the last decade. U.S. support of the LAF stems from the latter's perceived role as a non-sectarian and pan-Lebanese institution. The role of the LAF in standing between protestors and the militiamen who attacked them is seen as laudable by the U.S. Congress, which has also claimed that the goal of U.S. financial support is to help the LAF stay strong in the face of Hezbollah's growing power. This is a sensible policy as long as the LAF remains a non-aligned national institution and actor.

The LAF's cohesion and legitimacy may be considerably undermined if the sectarian loyalties of its officers supersede their loyalty to the state and its constitution. What could undermine the army's national role is the intervention of politicians who exert pressure to promote their own allies as officers in a move antithetical to maintaining a cross-confessional meritocracy in the command hierarchy. However, considering the cross-sectarian and political diversity of the officer corps, the LAF remains, in general, an independent state body. It needs continued U.S. support in order to remain so, even more so in light of the state's economic collapse.

Furthermore, it has become an informal convention for the commander-in-chief of the LAF, who is customarily Maronite, to accede to the presidency of Lebanon, which is also reserved for a Maronite candidate by convention. Since the end of the Lebanese Civil War in 1990, three Lebanese presidents have been former commanders-in-chief: Emile Lahoud (term: 1998-2007), Michel Suleiman (term: 2008-2014), and Michel Aoun (term: 2016-current). There is also talk in Lebanese news media that the current commander-in-chief, Joseph Aoun, may be a likely presidential candidate. In view of this, ties between the U.S. and the LAF's generals are an important asset for both parties and it is wise for the U.S. to continue its support of the LAF at this particular time because the weaker the LAF is, the stronger Hezbollah will get. A stronger LAF will also be better able to stand between pro-Hezbollah agitators and civilian nonviolent protestors campaigning against government corruption. Continued U.S. support to the LAF will help this Lebanese national institution to continue standing as a largely independent bulwark in the midst of institutional state and economic collapse, especially as its officers and enlisted soldiers have lost 90% of the value of their salaries.

Conclusion

The U.S. has clear geostrategic interests in supporting the continued national sovereignty of Lebanon and helping the state stabilize and reform politically and economically. U.S. sanctions targeting Hezbollah are a positive step toward revealing the extent of the financial corruption of the coalition between the Lebanese ruling class and Hezbollah. Among the diplomatic tools that the U.S. government has at its disposal is the Hizballah International Financing Prevention Amendments Act. Moreover, the U.S. Department of the Treasury, using the Global Magnitsky Human Rights Accountability Act, has actively supported the anti-corruption efforts of the Lebanese people. The Magnitsky authority has allowed the implementation of sanctions targeting corrupt Lebanese politicians and Hezbollah operatives and financiers as well as their allies, all of whom mutually aid each other in order to expand their money laundering operations. Such sanctioning efforts should be augmented and target a wider scope of Lebanese politicians who illegally transferred large amounts of public funds to offshore accounts. Therefore, most importantly, it is vital for the U.S. and its allies in the international community to further impede and ultimately stop the illicit global

activities of Hezbollah, namely the party's arms and narcotics trafficking and money laundering, activities that continue to provide important sources of funding for it. This will weaken Hezbollah's hand in Lebanon, allowing for the emergence and empowerment of a new political class coming from the mass collective of cross-sectarian youth that were the driving force behind the organization of the 2019 protests against government corruption and incompetence.

U.S. sanctions, though a useful tool, are not sufficient on their own to curb the influence Hezbollah wields on state institutions in collaboration with the corrupt Lebanese ruling class. The Lebanese people are not able to withstand on their own the prowess of Hezbollah's military wing with its impressive arsenal of weapons. For the survival of Lebanon as a sovereign state, it is important for the U.S. to support the efforts of the Lebanese people to construct a credible sovereigntist alliance for peaceful change through the next parliamentary and presidential elections scheduled for 2022. Support can be achieved through ensuring the next parliamentary elections are conducted in a transparent manner and under international supervision in order to prevent the corrupt political class from tampering with the results. The U.S. and its allies should also back the structural economic reforms that the World Bank has required Lebanon to implement in order to receive continued financial support and also push for the new Lebanese government to stop enabling the expansion of Hezbollah's political power through alliances with corrupt officials.

Lebanon is a key regional U.S. ally that could become potentially a functional democracy, provided it implement significant economic and political reforms. The alternative scenario is a failed state ruled by a corrupt and lawless sectarian political class allied and protected by a politico-military organization – Hezbollah – which is an extension of the IRGC's Qods Force and a hub for the production and trafficking of narcotics, illicit arms and ammunition, and explosive material on the shores of the Eastern Mediterranean and at a very close proximity to America's European allies. Such a scenario bodes ill not only for Lebanon and its long-suffering people but also for the geostrategic and political interests of the U.S. and its European and Arab allies. It is therefore vital for the U.S. to support the efforts of the majority of Lebanese who, at great personal risk, are initiating change through mass demonstrations and organizing for the 2022 national elections.

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