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ANATOMY OF A FAILED STATE: LEBANON

A HISTORICAL AND POLITICAL ANALYSIS

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ADDING to the dramatic dynamics of the world today is the tale of the collapse of the “Switzerland of the East.” Lebanon now presents a polarizing image with its majority, left to fend for themselves, queuing up in long lines and paying exorbitant prices for essential goods and an elitist minority living their lives as if there is no tomorrow. The Middle East has a history of frequent conflicts. But in a deviation from the normal, Lebanon presents an interesting case in that its failure is born and sustained by elements within the country itself. This article presents a historical analysis of the social, political, economic, and internal security factors within Lebanon that have contributed to its present state.

Lebanon Country Profile

Social Structure

Lebanon is a heterogeneous society. Even though Phoenician, Greek, Armenian, Kurdish, and Arab elements are discernible among the Lebanese population, the ethnic identity of the people in Lebanon is determined by religion. So are their priorities and sympathies. The last time a census was held in Lebanon was in 1932, way before the country got independence from the French. Dubbed the world’s most dangerous census, the absence of population count in the last nine decades is underlined by sectarian reasons. The power-sharing ethnic groups fear downward changes in their share of demographic composition. There is also a lack of faith in public institutions. Yet, several private organizations collect population counts indirectly¹ and one of those is the basis of the figures presented in this article.

According to the CIA World Factbook, as of 2021, Muslims constitute the majority community (Sunni Muslims – 30.6% and Shia Muslims – 30.5%) followed by Levantine Christians (33.7%). Other ethnic groups in Lebanon include the Druze, the Alawites, the Armenian Christians, Kurds, and others. There are also very small numbers of Jews, Baha’is, Buddhists, and Hindus.² The cause

¹ Barshad, Amos. 2019. *The World’s Most Dangerous Census*. October 17. Accessed January 15, 2022. <https://www.thenation.com/article/archive/lebanon-census/>.

² CIA. n.d. *Lebanon*. Accessed January 15, 2022. <https://www.cia.gov/the-world-factbook/countries/lebanon/#people-and-society>.

for worry among the sectarian groups becomes clear when one compares the above figures with that of the 1932 Census which formed the basis of the power-sharing arrangement mandated by the French and agreed upon since Lebanon's independence from France in 1943. The Levantine Christians, which prospered economically and politically under the French rule, constituted around 52% of the population in the 1932 Census which academicians believe was manipulated by the French to overcount the emigrant Maronite Christians (29%). Maronites were the largest Christian denomination who even during the French rule had huge control in the state apparatus of Lebanon. Sunni Muslims (21%) and Shia Muslims (18.5%) and small compositions of other ethnic groups (together – 13.5%) were largely poor back then.³

The drastic changes in the ethnic composition of Lebanon since 1932 can be largely accounted for by the processes of emigration and immigration. While the total population of Lebanon was 6.8 million people in 2020⁴, the number of emigrants is estimated to be around 3 to 4 million Lebanese people in various states.⁵ At the same time, Lebanon is the host of the world's largest number of refugees per capita. As of November 2021, the government estimates around 1.5 million Syrian refugees⁶, around 0.3 million Palestinian refugees⁷, and some 14,825 refugees of other nationalities like Iraq, Sudan, etc.⁸ Among them, those who are registered refugees are much smaller. Lebanon is not a signatory to the 1951 United Nations Convention on Refugees. In 2015, Lebanon barred

³ 2016. "Lebanon Ethnic Composition." *Maps on the Web*. January 12. Accessed January 15, 2022. <https://mapsontheweb.zoom-maps.com/post/137154473446/lebanon-ethnic-composition-via-reddit>.

⁴ worldometer. 2019. *Lebanon Population (LIVE)*. Accessed January 16, 2022. <https://www.worldometers.info/world-population/lebanon-population/>.

⁵ Verdeil, Éric, and Bruno Dewailly. n.d. "International Migration and the Lebanese Diaspora." *L'Institut français du Proche-Orient* 42-43. <https://books.openedition.org/ifpo/13224?lang=en#:~:text=International%20Migration%20and%20the%20Lebanese%20Diaspora,-%C3%89ric%20Verdeil%20et&text=Estimates%20vary%20widely%20but%20a,Lebanese%20abroad%20is%20oft en%20cited>.

⁶ Agency, The UN Refugee. 2021. *Lebanon*. Fact Sheet, UNHCR.

⁷ Anera. n.d. *How To Help Lebanon*. Accessed January 16, 2022. <https://www.anera.org/where-we-work/lebanon/>.

⁸ Agency, The UN Refugee. 2021. *Lebanon*. Fact Sheet, UNHCR.

the UNHCR from registering the refugee population. Officially, the country treats them as migrants than as refugees.⁹ Their policy is to host them until the war is over.¹⁰

Arabic is the official language of Syria and it is the language spoken by a majority of the Lebanese people. Smaller proportions of the population speak Armenian, Kurdish, Syriac, French, and English. A common language has not contributed to easing the frictions within the country.

Political System

The state of Lebanon, as we know it today, was born from its separation from historic Syria in 1920-24. This was steered by the French mandate authorities who wanted to create a separate state for the Levantine Christians. The Constitution of Lebanon was adopted in 1926. After almost 20 years under the League of Nations mandate under the French administration, Lebanon achieved independence in 1943. But the French, before leaving the country, instituted the political system that the country was to follow for the next nine decades through the National Pact of 1943.

The National Pact is an unwritten agreement that founded Lebanon as a multi-confessional state. As per the pact, Lebanon's President, Prime Minister, and Speaker of the Parliament should always be a Christian, a Sunni Muslim, and a Shia Muslim respectively. Other high-level designations were also fixed. Also, the ratio of Christians to Muslims in the Lebanese Parliament should always follow a ratio of 6:5.¹¹¹² Lebanon did not benefit much institutionally from the French rule.

⁹ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

¹⁰ Vohra, Anchal. 2019. *Lebanon Is Sick and Tired of Syrian Refugees*. July 31. Accessed January 17, 2022. <https://foreignpolicy.com/2019/07/31/lebanon-is-sick-and-tired-of-syrian-refugees/>.

¹¹ Collelo, Thomas, ed. 1987. *Lebanon: A Country Study*. Washington: GPO for the Library of Congress. <http://countrystudies.us/lebanon/77.htm>.

¹² Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

Lebanon is a parliamentary election system and power is divided between the legislative, the executive, and the judiciary. As per the Constitution, the citizens elect for four years their Parliamentary representatives who elect their President every six years. The President appoints the Prime Minister after consultation with the majority party. The prime Minister then forms the cabinet.¹³ Even the government jobs and contracts are allocated by sect through a process known as *muhassasa*.¹⁴

Between 1943 and 1975, Lebanon was relatively harmonious. However, the tension that was latent in the fabric of the Lebanese society all these years began to boil over around 1975. The disproportionately high influence of the pro-Western Lebanese government, the increase in the population of the leftist Muslim groups because of the influx of Palestinian refugees since the creation of the state of Israel, Cold War politics, external meddling by Syria and Israel, and the Yom Kippur war of 1973 eventually culminated in a civil war that lasted from 1975 to 1989. The tensions undermined all the efforts and success at state-building in Lebanon and accelerated the already pathetic socio-economic conditions of the country.¹⁵ Lebanon, as a state, went back to ground zero.

The post-civil war period witnessed several efforts aimed at rejuvenating Lebanon. The war was ended in 1989 by the Ta'if Agreement mediated by Saudi Arabia, Kuwait, Syria, and the US, among others. The Agreement reformed the Lebanese political system in proportion to the presumed changes in demographics. The powers of the Maronite President were given to the Sunni Prime Minister. Also, the parliamentary representation was reformed to 50-50 Maronite-Muslim representation.¹⁶ The primary objectives of the agreement were the eradication of sectarianism, the

¹³ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

¹⁴ Bazzi, Mohamad. 2020. *The Corrupt Political Class That Broke Lebanon*. August 14. Accessed January 17, 2022. <https://www.foreignaffairs.com/articles/lebanon/2020-08-14/corrupt-political-class-broke-lebanon>.

¹⁵ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

¹⁶ Karam, Karam. n.d. "The Taif Agreement: New order, old framework." *Accord*, 36-39. https://rc-services-assets.s3.eu-west-1.amazonaws.com/s3fs-public/Accord24_TheTaifAgreement.pdf.

disarmament of all groups, and the dissolution of all militias. An examination of Lebanese society since then will undoubtedly show that the Agreement failed in these objectives. The sectarian groups used this as an opportunity to achieve their political interests. Also, the Syrian “Arab peacekeeping forces” and Israeli forces deployed in Lebanon during the civil war remained in the country even after the war forming alliances with the local groups and meddling in the internal affairs of the State. This further weakened the political institutions of the country.¹⁷

The first election since 1972 was held in 1992. Rafik Hariri, a wealthy businessman, became the prime minister.¹⁸ The new government that was formed and all the governments that followed up till this day were plagued with corruption, influence peddling, lack of accountability and blame-game, exchange of personal favours or benefits, personal or sectarian conflict, nepotism, and interference of religion in political appointments. Political deadlocks were frequent as a result. To make matters worse, the true allegiance of the citizens was to their confessional leaders as opposed to the State where it should be. To ensure consensus-based decision-making, the government often enters into informal power-sharing between different sectarian and religious leaders to form what is called “collective dictatorship.” This takes the form of coalitions, parliamentary blocs, and national unity government (the government formed after the 2009 elections). The consequence is near-perpetual political deadlocks. No decision can be made without a consensus of all the allies. Therefore, there are no effective policy decisions. Strategically important decisions are made behind closed doors with international mediation. The effective working of the judiciary and the police are also marred by political interference, clientelism, corruption, bribery, delays, influence peddling, the rise of judicial leadership which seeks to represent different political groups, and violation of the law by the law enforcers themselves.¹⁹

¹⁷ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

¹⁸ BBC. 2018. *Lebanon profile - Timeline*. April 25. Accessed January 18, 2022. <https://www.bbc.com/news/world-middle-east-14649284>.

¹⁹ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

Some of the established, sect-based groups include Hezbollah, a Shia Islamist resistance group born out of tensions with Israel in 1973, the Future Movement, a Sunni party led by Saad Hariri, and the Free Patriotic Movement, a largely Maronite party.²⁰ The following is a chronological narration of the politically significant events that took place in the country since the civil war.

Israeli and Syrian occupation continued in Lebanon. Israeli forces withdrew from Lebanon in 2000 following the rapid advance of Hezbollah and the collapse of the South Lebanon Army which was affiliated with Israel. Consequently, pressure on Syria to withdraw increased.²¹ After the election of 2005, an anti-Syrian alliance led by Saad Hariri formed the government. Hariri ally Fouad Siniora became the Prime Minister. Syria eventually departed from Lebanon in 2005.²² However, since the departure of Syria, different political actors could not reach any consensus on any policy action. At times, decisions are made by fighting them out in the streets. At other times, decision-making on strategic issues is made with international mediation from Syria, Saudi Arabia, Qatar, the US and France. In 2008, army chief Michael Suleiman was elected by the Parliament to become the President. In 2009, the parliamentary elections were won by the pro-Western March 14 alliance and Saad Hariri formed the unity government.²³

The Syrian civil war began in 2011 and for the next decade, Lebanon would reel under a massive refugee influx and tensions arising from its spillover into Lebanon. This, along with domestic political, ethnic, and social tensions, would affect Lebanon's political stability and internal security since then. In January 2011, the government collapsed when Hezbollah and allied ministers resigned en masse following controversies regarding the UN Hariri Tribunal. In 2011, a Hezbollah-dominated cabinet formed the government with Najib Mikati as the Prime Minister. However,

²⁰ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

²¹ BBC. 2018. *Lebanon profile - Timeline*. April 25. Accessed January 18, 2022. <https://www.bbc.com/news/world-middle-east-14649284>.

²² Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

²³ BBC. 2018. *Lebanon profile - Timeline*. April 25. Accessed January 18, 2022. <https://www.bbc.com/news/world-middle-east-14649284>.

after two years in March 2013, this government resigned due to tensions over the upcoming elections. After a month, Tammam Salam was tasked with forming the government. The Parliament voted to hold the elections off until 2014 due to security concerns. Little did they know then that they were to postpone the elections to 2018. Tammam Salam could form a power-sharing cabinet only in February 2014 following 10 months of talks. A new power vacuum developed when Michael Suleiman left the office of the President after the end of his term. Several attempts by the Parliament to fill the office were fruitless. In 2014 November, the Parliament extended its term to 2017 because of concerns of instability due to Syria-related violence. By 2014, Lebanon began to actively discourage and restrict the influx of Syrian refugees. The government even sought international help to deal with the problem.²⁴

The existing parliamentary representatives were in office beyond their original term of office of four years. Reports suggest that they did not reflect people's choices and demands.²⁵ The Lebanese army and police have a dysfunctional structure, and the judiciary did not hold the government accountable for their excesses. There was a lack of separation between the different branches of power. The dissatisfaction of the people was expressed through the civic protests of 2015 and the local government elections where a large percentage of the population voted against the current regime. Many new, yet less influential independent movements sprung up. On top of that, the police responded to the protestors by force. The dire situation often prompted private citizens to take matters into their own hands. Several privately owned, and sometimes politically aligned, security companies came up. Civil society and the media took the initiative to uncover several official commissions and omissions. Appropriate actions are yet to be taken against them.²⁶

²⁴ BBC. 2018. *Lebanon profile - Timeline*. April 25. Accessed January 18, 2022. <https://www.bbc.com/news/world-middle-east-14649284>.

²⁵ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

²⁶ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

The Lebanon parliamentary system was majoritarian and had the winner-takes-all feature. This impaired the complete representation of all the groups, especially the minority groups. The existing electoral laws also promoted the phenomenon of slating of candidates, that is, the selection of candidates for elections based on their popularity instead of their policies.²⁷ To remedy this, a new electoral law was passed by the government in 2017 that follows the proportional system.²⁸ New elections to the Parliament were held in 2018 for the first time since 2009. Saad Hariri became the Prime Minister.

The imposition of taxes on WhatsApp calls sparked a fresh wave of protests in October 2019. The protesters focused their anger on all the leaders through slogans like “All of them means all of them.”²⁹ This incident brought down the government as the Prime Minister resigned that month. He continued to serve as the Prime Minister of the caretaker government until the President entrusted Hassan Diab to form the next government in January 2020.

In August 2020, the central port in Beirut was blasted killing around 200 people and injuring around 6000 people. The blast took away the livelihood and houses of several people. Initially, thought to be an act of war or terrorism, an investigation into the incident revealed that the main culprits were the politicians and other officials as a result of their corruption and negligence. Around 3000 tons of ammonium nitrate was left unsafely in a warehouse near the port for nearly 6 years until a fire detonated it.³⁰ Even then, the politicians engaged in a blame game that went to the extent of blaming foreign interference. None of them visited the blast site too except one person – the leader of the country that was partly responsible for the dysfunctional sectarian political

²⁷ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

²⁸ Bazzi, Mohamad. 2020. *The Corrupt Political Class That Broke Lebanon*. August 14. Accessed January 17, 2022. <https://www.foreignaffairs.com/articles/lebanon/2020-08-14/corrupt-political-class-broke-lebanon>.

²⁹ Bazzi, Mohamad. 2020. *The Corrupt Political Class That Broke Lebanon*. August 14. Accessed January 17, 2022. <https://www.foreignaffairs.com/articles/lebanon/2020-08-14/corrupt-political-class-broke-lebanon>.

³⁰ Ward, Alex. 2020. *Lebanon's entire government has resigned after a weekend of violent protests*. August 10. Accessed January 18, 2022. <https://www.vox.com/2020/8/10/21361816/lebanonese-government-resign-beirut-explosion-protest>.

system of Lebanon which manifested itself greatly through the blast – the French President, Emmanuel Macron. The desperation of the Lebanese citizens was so great that after his visit, some 50,000 people signed a petition asking for French mandate rule in Lebanon for the next 10 years. The people took to the streets to hang cardboard effigies of the President, the Prime Minister, and the Speaker of the Parliament.³¹

Subsequently, the government resigned within a week. One way to look at it is that the protests and backlash following the blast toppled the government.³² Another way is to say that the government washed their hands off the crisis with Prime Minister Diab saying “May God help Lebanon,” without forgetting to blame the opponents.³³ However, President Aoun asked the prime minister and his cabinet to remain in a caretaker position until a new cabinet is formed – a process that took a little over a year.³⁴ In the months that followed, Lebanon plunged neck-deep into a political and economic crisis that the country is still reeling from. Finally, Najib Mikati, a billionaire politician viewed by many as corrupt, became Prime Minister in September 2021. He succeeded in forming a 24-member strong technocratic cabinet.³⁵

However, before the new government could make necessary reforms in the system, a set of crises overpowered the country’s political system. Hezbollah protested against the summoning of one of its members for questioning by the August 4 blasts investigation committee and subsequently clashes erupted between the Christian Lebanese Force Party and Hezbollah in October. The issue

³¹ Bazzi, Mohamad. 2020. *The Corrupt Political Class That Broke Lebanon*. August 14. Accessed January 17, 2022. <https://www.foreignaffairs.com/articles/lebanon/2020-08-14/corrupt-political-class-broke-lebanon>.

³² Bazzi, Mohamad. 2020. *The Corrupt Political Class That Broke Lebanon*. August 14. Accessed January 17, 2022. <https://www.foreignaffairs.com/articles/lebanon/2020-08-14/corrupt-political-class-broke-lebanon>.

³³ Nasrallah, Wissam. 2020. *May God Protect Lebanon! Strengthening the Witness of the Church!* August 11. Accessed January 18, 2022. <https://www.lsesd.org/may-god-protect-lebanon-strengthening-the-witness-of-the-church/>.

³⁴ BBC. 2020. *Beirut explosion: Lebanon's government resigns as public anger mounts*. August 10. Accessed January 18, 2022. <https://www.bbc.com/news/world-middle-east-53722909>.

³⁵ Siddiqui, Fazzur Rahman. 2021. "Lebanon: The Story of a Failing State." *Indian Council of World Affairs*. December 08. Accessed January 18, 2022. https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=6658&lid=4567.

soon became a larger Shiite – Christian conflict. Another issue was the Information Minister’s statements damning Saudi Arabia for the Yemeni plight and calling the Houthi’s resistance a defective move. In retaliation, Saudi Arabia, the UAE, Kuwait, and Bahrain called back their Ambassadors from Lebanon. Saudi Arabia banned all imports from Lebanon and Kuwait suspended all categories of visas for Lebanese citizens. The GCC countries have indicated that they will deport Lebanese expatriates.³⁶

Today, protestors are on the streets demanding the redressal of their basic needs.³⁷

State of Economy

Lebanon is an import-dependent middle-income country. It generates money primarily from the services sector. Major industries operating in the services sector include real estate, banking, commerce, financial services, healthcare, and education. Whereas essential products like medicines, food, and fuel are imported. Remittances from the Lebanese diaspora are another major source of income.³⁸ In fact, the major financial actors in Lebanon look abroad for opportunities and profits. The Lebanese currency (Lira) was pegged to the dollar since 1997.³⁹ The central bank of Lebanon built the entire country’s financial system on money transfers from abroad. Banks offer very high interest rates to attract deposits in dollars which are then lent to the government. Dependence on foreign money transfers was not a good way to run a country as it works only so

³⁶ Siddiqui, Fazzur Rahman. 2021. "Lebanon: The Story of a Failing State." *Indian Council of World Affairs*. December 08. Accessed January 18, 2022. https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=6658&lid=4567.

³⁷ Siddiqui, Fazzur Rahman. 2021. "Lebanon: The Story of a Failing State." *Indian Council of World Affairs*. December 08. Accessed January 18, 2022. https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=6658&lid=4567.

³⁸ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre’s Commission on State Fragility, Growth and Development, International Growth Centre.

³⁹ Bazzi, Mohamad. 2020. *The Corrupt Political Class That Broke Lebanon*. August 14. Accessed January 17, 2022. <https://www.foreignaffairs.com/articles/lebanon/2020-08-14/corrupt-political-class-broke-lebanon>.

long as the money inflow is consistent.⁴⁰ At the same time, other actors, particularly those of the private sector capitalize on the foreign connections of the Lebanese diaspora. Lebanon heavily relies on tourism, including medical tourism. However, since the onset of the Syrian civil war in 2011, the inflow of tourists fell drastically.⁴¹

The banking sector was the main driver of the post-civil war reconstruction of Lebanon by financing government rebuilding projects. Commercial banks and other local financial institutions held around 80% of the public debt. But this came at the expense of the development of the private sector. Besides, these enormously wealthy financial institutions do not pay their fair share of taxes.⁴²

Even though the period after the civil war saw economic growth in Lebanon, 90 per cent of Lebanon's private firms are on small scale. They have not been able to create jobs or reduce unemployment significantly. Red tape, bureaucracy, corruption, limited access to credit, poor infrastructure, an undersized stock market, and lack of government support are the main roadblocks. The private sector and sectarian politics are inseparable. They contribute to reinforcing inequalities within the nation.⁴³

According to the United Nations Conference on Trade and Development, Lebanon is among the top 10 countries for FDI attraction in 2011.⁴⁴ However, it has been on a downward trajectory since then due to the Syrian conflict and the economic slowdown in the Gulf Cooperation Council (GCC) countries.

⁴⁰ Cook, Steven A. 2020. *Lebanon as We Know It Is Dying*. July 30. Accessed January 18, 2022.

<https://foreignpolicy.com/2020/07/30/lebanon-as-we-know-it-is-dying/>.

⁴¹ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

⁴² World Bank. 2016. "Lebanon: Promoting Poverty Reduction and Shared Prosperity."

⁴³ World Bank. 2016. "Lebanon: Promoting Poverty Reduction and Shared Prosperity."

⁴⁴ IDAL. 2016. *Invest in Lebanon*. IDAL, Republic of Lebanon.

<https://investinlebanon.gov.lb/Content/uploads/SideBlock/161121032328021~IDAL%20-%20COMPANY%20PROFILE.pdf>.

Since the civil war, there had been increasing polarization of the general population between the rich and the poor. An elite category of the private sector with influential political and sectarian contacts managed to exploit the loopholes in the country's laws and get richer. The poor were thrust into the vicious cycle of poverty with them not being able to afford the quality education offered in the private sector but only the poor-quality public-sector education.⁴⁵

Symptoms of impending economic collapse first showed when the central bank of Lebanon – Banque du Lebanon – mandated that foreign money transfers to Lebanon through non-banking institutions must be denominated in lira even if the transaction was to be done in dollars. Subsequently, demand for dollars increased. In order to not indicate any instability, the central bank maintained the currency peg of 1,507 lira to the dollar. A black market for dollars came up resulting in further deterioration of the value of the lira. Fitch Rating determined from the existing conditions that Lebanon was at the risk of default and downgraded Lebanon's credit. The liquidation of Jammal Trust Bank, even though it happened due to the sanctions of the US over its relationship with Hezbollah, further eroded trust in Lebanon's financial services sector. The tipping point was PM Saad Hariri's decision to remove subsidies on daily commodities, impose 20 cents daily tax on WhatsApp calls as part of the government's desperate attempt to raise revenues, and hike petrol prices.⁴⁶ The protests that ensued in October 2019 subsequently brought down the government. Since then, the big picture of Lebanon's economic problems became clear. Soon, the foreign money in-flow fell. Consequently, the government revenue fell, it could not close its loans from the banks, and eventually, the system collapsed. In March 2020, Lebanon, Fitch's prediction came true – Lebanon defaulted on its debt.⁴⁷

The timing could not be worse. COVID-19 had just been declared a pandemic and Lebanon, like every other country, entered a phase of lockdown to break the chain of transmission. Small-scale

⁴⁵ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

⁴⁶ Siddiqui, Fazzur Rahman. 2021. "Lebanon: The Story of a Failing State." *Indian Council of World Affairs*. December 08. Accessed January 18, 2022. https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=6658&lid=4567.

⁴⁷ Cook, Steven A. 2020. *Lebanon as We Know It Is Dying*. July 30. Accessed January 18, 2022. <https://foreignpolicy.com/2020/07/30/lebanon-as-we-know-it-is-dying/>.

entrepreneurs were the most affected as businesses were shut down. By then, the lira lost 85% of its value – something that would bring hardship for people under any circumstance. The dysfunctional political system did not do any good to the country’s social safety net. Since the protests of October 2019, downward mobility accelerated with an increasing number of people becoming unemployed. They now must deal with crushing inflation too. By July 2020, almost half of the population of Lebanon was in poverty.⁴⁸

What tipped Lebanon off from its balance was the August 2020 Beirut port blast. Thousands lost their houses and livelihood. Estimations suggest that reconstruction of the port could cost up to \$15 billion. Since October, the Lebanese pound lost 80 per cent of its value in the black market due to the lack of dollars.⁴⁹

The lack of revenue motivated the government to roll back subsidies given to imported items. As a result, prices of food, medicines, and fuel shot upward. The performance of public services such as the provision of electricity and water and garbage collection has always been dismal. But now, the situation is dire. Such basic services have become a luxury for the ordinary. People face long hours of power-cut and the streets are littered with garbage. While there is a shortage of necessities, the reason for that is not the lack of goods within the country, but the hoarding of supplies by politicians, government officials, businesspeople, and even ordinary people. Lebanon now has a thriving black market where half of the population sells goods and the other half buys for exorbitant prices.⁵⁰

While the politicians and the other wealthy people who squeezed the country of its money, and deposited them in foreign banks fled the country or are plotting plans to escape. Those on the other end of the economic spectrum, which encompasses more than half of the total population, are left behind suffering all the damage. According to the United Nations, an estimated 77% of the

⁴⁸ Cook, Steven A. 2020. *Lebanon as We Know It Is Dying*. July 30. Accessed January 18, 2022. <https://foreignpolicy.com/2020/07/30/lebanon-as-we-know-it-is-dying/>.

⁴⁹ Bazzi, Mohamad. 2020. *The Corrupt Political Class That Broke Lebanon*. August 14. Accessed January 17, 2022. <https://www.foreignaffairs.com/articles/lebanon/2020-08-14/corrupt-political-class-broke-lebanon>.

⁵⁰ Ibrahim, Arwa. 2021. *Lebanon: What life is like in a 'failed state'*. September 26. Accessed January 19, 2022. <https://www.aljazeera.com/features/2021/9/26/lebanon-what-life-is-like-in-a-failed-state>.

Lebanese household cannot afford to buy food and around 71% cannot access clean water in mid-2021.⁵¹ The World Bank ranked Lebanon's present situation as among the top 3 worst crises since 1850.⁵² The GDP is estimated to shrink by 9.5% in 2021 from 6.3% in 2019 and 20.3% in 2020. According to a UNICEF report, poverty tripled in 2021 and three out of ten children go to bed hungry. The lira has lost 90% of its value by now. The exchange rate of lira to dollars is 39,000 liras to US\$ 1. The minimum wage rate has fallen to US\$ 35. Food prices increased by 628% in the last two years.⁵³ Public debts now stand at 175% of Lebanon's GDP. Lebanon has already announced that it will default on the payment of US \$1.2 billion.

People are resorting to bartering goods and those who can, emigrating to Canada or Europe. There has also been an increase in the number of suicides.

Internal Security

Since the civil war, Lebanon has experienced various types of conflict. Despite the terms of use of weapons and arms in the Ta'if Agreement, the state could not monopolise its use. Citizens, political parties, and other actors have weapons in their possession. This poses a real threat to the maintenance of law and order. Hezbollah, born out of the civil war, has become a state within a state. It has its own military wing, social service wing, and political wing. And Hezbollah is not the only one. Many political leaders surround themselves with armed security. Even some Palestinian and Syrian refugee camps are armed. There are even trans-national armed groups like

⁵¹ Beydoun, Khaled. 2021. *Lebanon: The anatomy of a failed state*. August 16. Accessed January 19, 2022.

<https://www.trtworld.com/opinion/lebanon-the-anatomy-of-a-failed-state-49221>.

⁵² Siddiqui, Fazzur Rahman. 2021. "Lebanon: The Story of a Failing State." *Indian Council of World Affairs*. December 08. Accessed January 18, 2022.

https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=6658&lid=4567.

⁵³ Siddiqui, Fazzur Rahman. 2021. "Lebanon: The Story of a Failing State." *Indian Council of World Affairs*. December 08. Accessed January 18, 2022.

https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=6658&lid=4567.

the Palestinian Liberation Organisation and extremist armed groups. In many cases, the citizens' true legitimacy lies with their direct political representatives and not with the state.⁵⁴

There were recurrent Israeli and Syrian attacks on targets within Lebanon. In 2005, Rafik Hariri was killed by a car bomb in Beirut. The attacks led to widespread rallies and protests which intensified the calls for Syria to withdraw. Israel's withdrawal from Syria did not desist it from authorizing attacks on Lebanon soil against Hezbollah. Subsequently, in 2006, Hezbollah started a war with Israel by itself without consulting the government. The attacks lasted only for over a month, but they brought great damage to Lebanon.⁵⁵

The Syrian civil war that began in 2011 spilt over to Lebanon also contributed to Lebanon's insecurity. It resulted in deadly clashes between Sunni Muslims and Alawites and between the supporters and opponents of the Syrian President. These clashes continued well into 2013 and with an increasing number of casualties. Simultaneously, a new wave of refugee influx entered Lebanon as an aftermath of the Syrian conflict and brought with them, their share of civil unrest in the Lebanese society. In 2013, Border tensions began to flare up when the Syrian forces attacked northern Lebanon for allowing militants to cross the borders into Syria. There was also friction between Hezbollah and Syrian rebels within Lebanon. In August 2013, Lebanon witnessed its deadliest attacks since the civil war when scores of people died in bomb attacks at two mosques in Tripoli. These attacks were linked to tensions from the civil war. In November 2013, 22 people were killed in a double suicide bombing outside the Iranian embassy in Beirut. Clashes between the army and Islamist gunmen erupted in Tripoli in a spillover of violence from the Syrian conflict in October 2014. At times, Lebanon became a ground for the expression of animosity between foreign countries. In January 2015, Israel launched airstrikes against Syria on the Israeli-Lebanese

⁵⁴ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

⁵⁵ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

border. The Lebanese army had been actively busting terrorist cells like that of Daesh that spilt over from the civil war.⁵⁶

Between 2005 and 2013, there were 25 assassinations or assassination attempts. Civil war rivalries were not completely resolved as between 2011 and 2015, clashes occurred between the Sunni town Bab El Tebbaneh and the Christian Alawite town Jabal Mohsen. In the last decade, Lebanon's crime rate escalated with increasing personal quarrels, murders, road rages, ransom kidnapping, and conflicts with the Syrian refugees.⁵⁷

Attempts to investigate violence and bring justice are fruitless and become pending due to the non-cooperation of the subjects. They in turn lead to further protests and violence.⁵⁸ For example, the tribunal was established to investigate the assassination of Rafiq Hariri and investigate the August 4 blasts. Hezbollah members were asked to show up for questioning but instead, they took to the streets.⁵⁹

International Relations and Foreign Aid

Political deadlocks in Lebanon have often invited international mediation for making strategically important decisions. These countries always talk of the necessity of reform, yet they are unwilling to let go of any influence they have in the internal affairs of such a strategically important country. For that, the country's political system should remain as it is. Any international mediation, therefore, has stopped short of reforming its political system.

⁵⁶ BBC. 2018. *Lebanon profile - Timeline*. April 25. Accessed January 18, 2022. <https://www.bbc.com/news/world-middle-east-14649284>.

⁵⁷ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

⁵⁸ Maleeb, Bilal. 2018. *State fragility in Lebanon: Proximate causes and sources of resilience*. An initiative of International Growth Centre's Commission on State Fragility, Growth and Development, International Growth Centre.

⁵⁹ Siddiqui, Fazzur Rahman. 2021. "Lebanon: The Story of a Failing State." *Indian Council of World Affairs*. December 08. Accessed January 18, 2022. https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=6658&lid=4567.

Lebanon was promised loans and aid by global financial institutions following its appeal to help the country deal with the in-flow of Syrian refugees. But the government before the 2018 elections increased the salary of the public sector employees thereby adversely affecting the economy. The government could not implement the conditionalities associated with the loans and aid and was thus denied the aid.⁶⁰

In the past whenever Lebanon was in any crisis, Saudi Arabia was a major helping hand. But now, there is not much international enthusiasm to help Lebanon in its present crisis. The French foreign minister simply emphasized the need for reform. In the US, the present position is not to help the Lebanese government because it was compromised by Hezbollah which they have listed as a terrorist organization.

Lebanon's diplomatic relations with the GCC countries, especially Saudi Arabia have taken a turn for the worst due to the damning comments of the information minister of Lebanon. Saudi Arabia, the UAE, Kuwait, and Bahrain cut off diplomatic ties with Lebanon and also revoked all categories of visas for Lebanese in these countries. There is speculation that the GCC is likely to deport Lebanese citizens residing in their countries and put restrictions on tourists visiting Lebanon. Saudi Arabia banned imports from Lebanon which had the effect of multiplying their crises.⁶¹

PM Mikati has been negotiating with the IMF and the World Bank for the assistance of USD 10 billion but these institutions are hesitating to commit anything because of the absence of political

⁶⁰ Siddiqui, Fazzur Rahman. 2021. "Lebanon: The Story of a Failing State." *Indian Council of World Affairs*. December 08. Accessed January 18, 2022. https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=6658&lid=4567.

⁶¹ Siddiqui, Fazzur Rahman. 2021. "Lebanon: The Story of a Failing State." *Indian Council of World Affairs*. December 08. Accessed January 18, 2022. https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=6658&lid=4567.

stability.⁶² In the meanwhile, international aid donors and other humanitarian organizations have been working to raise money to help the people, but it is not enough.⁶³

Conclusion – is Lebanon a Failed State?

This article examined Lebanon's social, political, economic, and security conditions to generate the profile of Lebanon as a failed state. Lebanon is a sectarian society with a clientelist democratic political system. Though such a system was constituted to appease all the sections of the society; it was only a half-measure. The latent tensions in the Lebanese society first manifested themselves through the civil war of 1975-90. The civil war was ended by rearranging and redistributing parliamentary seats and political power through the Ta'if Agreement. But it did nothing to effect any change on the root cause of the civil war – the political institutionalization of the sectarian divisions of the country. Such a system got baked into the social and economic order of the country. Even private sector industries that come up have sectarian affiliations. The constitutional setup of the state necessitated coalitions and confessional polity always brought Lebanon political instability leading to a power vacuum, social calamity, and economic disaster.

The civil war also brought foreign actors into Lebanon. Hezbollah was born in 1984 and became an influential actor in Lebanese politics. Syrian and Israeli forces continued their occupation even after the end of the civil war. The result was deadly clashes between opposing actors on the streets leading to the death of hundreds of civilians over the years. With the withdrawal of their forces over the next two decades, one may think peace has finally come to the fragile state. However, peace seems to be evading Lebanon. The fresh wave of refugee in-flow since the commencement

⁶² Siddiqui, Fazzur Rahman. 2021. "Lebanon: The Story of a Failing State." *Indian Council of World Affairs*. December 08. Accessed January 18, 2022. https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=6658&lid=4567.

⁶³ Atrache, Sahar. 2021. *Lebanon's Deepening Crisis: The Case for a Sustainable Aid Response*. <https://www.refugeesinternational.org/reports/2021/11/29/lebanons-deepening-crisis-the-case-for-a-sustainable-aid-response>, Refugees International.

of the Syrian civil war brought with it its share of problems. The frequency of deadly clashes and terrorist attacks within Lebanon increased sharply.

Lebanon witnessed a rather decent economic growth. But its economic system was built on risky bases including dependence on foreign money transfers and international tourism. With the influx of Syrian refugees, the economic growth began to dip unfavourably with reducing remittances and the arrival of international tourists due to internal security problems. Lebanon already had debilitating capacity. Neither did it cater properly to the needs of its citizens, nor could it support the massive and sudden refugee influx. The degradation became steeper with the global financial institutions denying loans or aid to Lebanon and with the August 4 blasts.

Some say Lebanon is en route to becoming a failed state. While others say Lebanon is a failed state. The present political and social friction and ensuing fragility have always been present. All factors that led to the civil war exist even now. But this time around, there is another ingredient – the economic collapse of the country with around 80% of the population living below the poverty line. Their access to basic services like electricity, water, and garbage collection is disrupted. They must rely pay exorbitant prices on the black market to get their needs. Thus, Lebanon as a state has inarguably failed in its primary objective – the protection of its people. Any attempt to bring Lebanon back to its hay day is met with political gridlocks. Sectarian interests still come first over the survival of its people. The government response comes in the form of fighting reform, bickering with Parliament, blame-game and washing hands, resisting IMF, and flirting with China.

Is there a way out for the Lebanese anytime soon? The prospects are dim. This time, people-led protest movements have transcended sectarian boundaries enabling cross-sectarian alliances. Yet, it is largely leaderless and far from building a coherent organizational structure. Therefore, they will be unable to provide a stable alternative to the long-established sectarian actors. Chances of foreign intervention are also less likely as the present Lebanese crisis is largely made in Lebanon itself. Helping Lebanon does not seem to have enough attraction among the major foreign actors. Unlike the previous times, many of the GCC countries cut off their ties with Lebanon. Besides, the political gridlock obstructs the potential loan and aid from the IMF and the World Bank. In the meanwhile, Lebanon is left to reel for itself. The world does not seem enthusiastic or proactive while one of the worst humanitarian crises unfolds.

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