THE ABSENT LEVIATHAN
THE FATE OF POWER SHARING IN LEBANON

by
MAY ROBERT BAAKLINI

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THE ABSENT LEVIATHAN: 
THE FATE OF POWER SHARING IN LEBANON

by

MAY ROBERT BAALKINI

Approved by:

Dr. Ohannes Geukjian
Associate Professor PSPA

Dr. Hilal Khasan
Professor PSPA

Dr. Tariq Tell
Associate Professor PSPA

Date of thesis defense: September 5, 2023
AMERICAN UNIVERSITY OF BEIRUT

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To Dr. Ohannes Geukjian, for being a patient, understanding, and wonderful mentor;

&

To my namesake, who is the light of my life. Thank you for staying with me.
ABSTRACT
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This thesis critically examines the underlying reasons behind the failure of Lebanon's political system in regulating internal conflicts and assesses if the current political framework is salvageable. Furthermore, it examines the possibility of a new power-sharing agreement to effectively address internal conflicts, requiring the alignment of both internal and external interests. This study finds that Lebanon grapples with a costly sectarian governance system that breeds persistent internal conflict and deadlocks, necessitating external intervention for stability and the preservation of power sharing. The system has also facilitated elite capture of state institutions and widespread corruption. This, combined with the presence of an armed non-state actor within the political system, has significantly weakened the state. Furthermore, the elites' lack of political will to implement reforms and their persistence in maintaining the dysfunctional status quo have pushed the existing political structure to an irreparable state.
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CHAPTER 1

INTRODUCTION

Lebanon's political system, initially designed to mitigate sectarian divisions, has consistently resulted in political instability, fragmented governance, and a reliance on external actors for conflict resolution. This inherent fragility in the system's design has been exacerbated by the expanding and conflicting sectarian interests over time. The sectarian elite have effectively seized and utilized state institutions for their own benefit, and the presence of Hezbollah, a powerful armed faction, further compounds these challenges by exploiting the system's inherent weaknesses.

Internally, the sectarian competing interests and endemic corruption within the system weaken the state's ability to effectively monopolize power, handle internal conflicts, enforce law and order, and deliver public goods. The presence of Hezbollah exacerbates elite infighting and complicates the state's arbitration mechanisms, diverting essential resources and attention from critical policy areas such as governance improvement, public service enhancement, fiscal and labor-market reforms, and strengthening of state institutions.

Externally, Hezbollah's efforts to orient Lebanon toward the East clash with Western and Arab Gulf states' objectives, leading to a delicate geopolitical balance that places Lebanon at the intersection of divergent foreign interests. It is essential to recognize that while Hezbollah certainly contributes to Lebanon's challenges, the fundamental weaknesses of Lebanon's political system have created an environment in which Hezbollah can thrive, making it a complex and multifaceted issue. Hezbollah's negative role in maintaining elite accommodation is mainly because its political agenda is regional rather than domestic. Its involvement in regional conflicts and alignment
with Iran's regional strategies have diverted its focus away from addressing domestic issues, fostering elite accommodation, and participating in meaningful governance reforms within Lebanon.

This thesis aims to address the following two research questions: Why has the Lebanese political system failed at regulating internal conflict? Can it be salvaged, or will there be a new power-sharing agreement to manage internal conflict?

I contend that the inherent vulnerabilities within Lebanon's political system, coupled with Hezbollah's regional-focused politics after the Doha agreement in 2008, have given rise to a challenging environment where achieving elite accommodation and alignment between internal and external interests proves elusive. This, in turn, obstructs the prospects for effective governance, conflict resolution in Lebanon, and even the remote possibility of forging an alternative social contract.

1.1 Literature Review on Consociationalism

Scholars have frequently cited consociationalism as the prevailing model underpinning Lebanon's political system since 1943. In this section, I will delve into Arend Lijphart's consociational theory, as it forms the theoretical framework for assessing the success or failure of consociation, specifically, elite accommodation, in addressing the research questions throughout this thesis.

To begin with, Lijphart defines consociationalism as a power-sharing model of democracy designed to address deep divisions within a society (1977). In his broad definition, a consociational system involves a set of institutional arrangements that facilitate cooperation and decision-making among diverse and often antagonistic groups” (Lijphart, 1977). It must have an inclusive grand coalition that features all
segments of a plural society, a high degree of autonomy for each segment, the practice of proportionality in power-sharing settlements, and the use of mutual vetoes. For this power-sharing agreement to work, the grand coalition must not exclude any significant communal group (Lijphart, 1977).

The fundamental principle that underlies segmental autonomy is the concept of self-rule by the minority within the realm of its exclusive interests (Lijphart, 1977). Proportionality principles assure each segment of society that their voting strength translates into political representation as faithfully as possible, as well as proportional allocations of resources, public spending, and allotment of civil servants (Lijphart, 1977). Mutual veto serves as a tool for political leaders to challenge decisions that seem determinantal to the communities they represent. The central element in Lijphart's theory is elite accommodation institutionalized in power-sharing mechanisms that produce political stability. Also, he emphasizes that high political participation is also indispensable to elite accommodation.

In his earlier studies, Lijphart highlights four factors for elite cooperation: recognizing risks in fragmented systems, dedication to system preservation, transcending subculture divisions, and creating suitable subgroup solutions (Lijphart, 1968) In addition to the four prerequisites, Lijphart identifies eight prominent factors for elite cooperation and consociational sustainability: segmental isolation, multiple balance of power, internal solidarity, national loyalty, history of elite cooperation, socioeconomic equity, small population fostering collaboration, and a multi-party system with segmental representation (Lijphart, 1968).

In his critique of Lijphart's favorable conditions for consociation, O'Leary (2004) argues that these conditions rely on voluntary consociation and cooperation, making
them not inherently "necessary" nor "sufficient" for stabilizing segmented societies. O'Leary suggests that these conditions can falter under increasing pressures. McGarry (1995) sums it up well: the challenge with traditional consociational research is its “tendency to treat political systems as closed entities” and focus on endogenous factors only.

In deeply divided societies that have gone through civil war, groups strive to achieve a consensus on political structures, aided and guided by external actors. The responsibility then falls upon the political leaders who represent different segments of society to engage in constitutional debates, conduct elections, and design political institutions that promote long-term stability and democracy. In this vein, Rothchild and Roeder (2005) argue that external actors play a crucial role, especially in the negotiation and initial stages of implementing power-sharing agreements. Indeed, finding an impartial external guarantor that all conflicting parties trust can be challenging. After reaching a negotiated agreement and putting it into practice, certain politicians may perceive the involvement of the external actor as “partisan” (Geukjian, 2017).

However, although McGarry (1995) accounts for the influence of both exogenous and endogenous pressures on state institutions, he does not fully consider coercive external forces in engineering and managing consociation. According to Michael Kerr (2005), the role of external actors in coercing elite compliance with consociational arrangements is deficient in consociational literature. Specifically, there is a gap in understanding the use of "carrots" or political incentives and rewards for domestic cooperation, as well as the implementation of "sticks" or pressures and sanctions for elite accommodation failure. O'Leary and John McGarry (1995) emphasize three key conditions for a successful consociational arrangement: elite motivation for power-
sharing, the freedom to negotiate against initial preferences, and adept management of power balance among societal subcultures (McGarry & O'Leary, 1995).

Kerr (2005) introduces a fourth criterion that emphasizes the significance of positive external regulation from both state and non-state actors. This regulation often manifests in the form of coercive pressures that compel elites to undertake actions they would otherwise not consider. As a result, consociation "allows powerful states to maintain a dominant role within regions where they have an interest, as any new consociation is almost entirely reliant on those who brought it into being” (Kerr, 2005). Apparently, if the motives of an external power imposing consociation on society are selfish, it can lead society back into renewed ethnic conflict or an authoritarian form.

Additionally, Rothchild and Roeder (2005) highlight seven key challenges in consociational democracies in deeply divided societies: potential erosion of democratic principles, veto abuse leading to deadlock, divisive issues triggering conflicts, shifting majority-minority dynamics, policy gridlock, inflexibility of power-sharing institutions, and opportunistic behavior of political elites. In this vein, Donald Horowitz (1985) adds another critique of consociationalism in that it operates on constraints rather than incentives for elite accommodation. His argument on consociationalism assumes that the state is strong to mediate between groups and regulate conflicts. A strong state is responsible, responsive, and able to protect all segments of society. Conversely, a weak state hampers effective policy implementation and erodes the legitimacy of the agreement (Rothchild & Roeder, 2005). In such predicaments, it would be crucial for the state that has a monopoly on power to “deter and assure,” but when society's segments are stronger than the state, decision-making is reliant on the whims and interests of the elite (Zahar, 2005). Thus, consociationalism serves to "maintain,
legitimize, and strengthen segmental claims against the state, reinforcing ethnicity in the political system" (Sisk, 1996).

Geukjian (2017) coincides with Kerr’s argument that the relationship between the internal and external actors determine the prospects for successful regulation. He concurs that the success or failure of power sharing agreements depend on the maintenance of consistent exogenous pressures. Geukjian also contributed to the theories of Lijphart and O'Leary by emphasizing the role of external actors, both positive and negative, in power-sharing arrangements. Positive external influence occurs when external actors have no intention of undermining the consociation, while negative influence arises when external actors possess both the intention and interest to destabilize the consociation. Apparently, Lijphart and O'Leary's theories do not adequately consider the external pressures required to impose, implement, and regulate power-sharing arrangements. However, the nature of such pressures means that the interests, whether positive or negative, sacrifice the political elite's sovereignty to foreign actors who typically have strategic and economic interests rather than political or well-meaning interests in maintaining consociation.

Furthermore, Geukjian (2017) asserts that the stability of the external environment is crucial for sustaining power-sharing arrangements, but the success of consociation is not guaranteed. He continues that if the regional status quo remains, then the internal elite can maneuver power sharing. It does not mean that if the balance is slightly tipped to one end, that consociation is immediately threatened, but it can quickly turn into a zero-sum game if there is a major shift in power or interests (Geukjian, 2017). This paradox is exemplified by the domestic elites being reliant on external powers to preserve and maintain the external status quo.
Building on Geukjian's perspective, I argue that assessing the purposeful behavior of Lebanese elites can't be separated from external actors, as these elites sought external support to gain advantage over each other. In such scenarios, external mediation tends to facilitate short-to-medium-term conflict regulation at the cost of long-term state-building and state sovereignty. Lebanon's consensus-based power-sharing model seems static and weak, rendering the state dysfunctional, ungovernable, and ultimately absent.

1.2 Methodology and Thesis Structure

This section elucidates the research methodology used to investigate the intricate dynamics of political reform, governance, and its implementation within the context of Lebanon's political system. The research strategy is qualitative and prioritizes secondary sources, emphasizing discourse and content analysis to provide a nuanced understanding of the complexities surrounding consociation in Lebanon’s political system governance, and the failures therein. I also utilize primary sources to corroborate politicians' statements and actions regarding their public declarations of reforms. I subsequently outline the structure of the thesis, which offers a framework detailing how I support my claims outlined in the introduction and literature review, and how I arrive at the answers to my research questions.

1.2.1. Primary Sources

*Agreement Texts:* The primary source analysis involves briefly analyzing the content of the Taif Agreement text from 1989 and the Doha Agreement text from 2008, enabling a nuanced understanding of the historical context as well as the tenets and
implications of the political agreements on elite behavior in Lebanon. Mainly, I emphasize how Hezbollah's involvement has had a detrimental impact on the dysfunctional aspects and inherent weaknesses of power-sharing agreements, hindering constructive state arbitration.

Ministerial Statements: I also examine ministerial statements, sourced from the prime minister's office website, which allow me to scrutinize the cabinet’s official policies and positions in relation to their behavior and actions in reality. I also demonstrate how Hezbollah maintained its “Army, People, Resistance” formula in the cabinet statements to continue its activities without institutional oversight.

Press Release: Press releases from the French government regarding CEDRE\(^1\), French President Emmanuel Macron, and French Envoy to Lebanon Yves Le Drian's visits, as well as those from the US Department of State and US Treasury are scrutinized to understand international policies’ impact on the Lebanese political landscape. These statements are examined in the context of France's role in spearheading external intervention after the Beirut port explosion on August 4, 2020, and the US’s maximum pressure campaign against Iran through Hezbollah in Lebanon.

Official Documents: I briefly analyze the content of the national anti-corruption strategy published on Office of the Ministry of State for Administrative Reform's website to determine elite’s track record of implementing reforms pertaining to governance and corruption before and after the 2019 crisis. Additionally, the brief examination of the Capital Investment Plan available on the prime minister's website,

\(^1\) The acronym "CEDRE" stands for "Conférence économique pour le développement, par les réformes et avec les entreprises" in French, which translates to "Economic Conference for Development, through Reforms, and with Businesses" in English.
clarifies the alignment of foreign aid utilization with governance and conflict management strategies.

### 1.2.2. Secondary Sources

**Local and International Newspapers:** Following the analysis of primary sources, an exhaustive exploration of local and international newspapers spanning the period of 2020-2023 is conducted. Sources such as L'Orient Today, Naharnet, Al Nahhar, Asharq al Awsat, Al Akhbar, Nidaa Al Watan, Reuters, AP News, The New York Times, Foreign Policy, Politico, the Guardian, and the Washington Post provide real-time insights into political events, public perceptions, and international perspectives. Here, discourse analysis aids in identifying elite and external actors’ rhetoric and behavior as well as foreign policy trends and narratives relevant to the research questions.

**Academic Books:** An extensive review of academic and scholarly books authored by experts and seasoned journalists with specialized knowledge of politics and economics in Lebanon and the Middle East are also extensively utilized in this thesis. Concerning the armed non-state actor Hezbollah, I have attempted to include different perspectives to address the group’s motivations and role within the political system.

**Research Papers and Reports:** I used a compilation of research articles that consist of theoretical and quantitative data for this study. Notably, reports from local think tanks such as the Lebanese Center for Policy Studies and the Policy Initiative, as well as international entities like the World Bank, IMF, and UN, contribute authoritative quantitative analyses and evaluations of reforms, governance, and conflict management, highlighting the role of international organizations in pressuring the political elite for economic reform implementation.
**Expert Commentaries:** Commentaries and research publications from relevant think tanks such as the Carnegie Middle East Center, the Middle East Institute, Chatham House, the Doha Institute, the Arab Center for Research and Policy Studies, and the International Crisis Group, the Washington Institute for Near Eastern Policy, help to make sense of the interplay between Lebanese political groups’ and external powers’ behaviors, specifically from the France, US, Iran, and the Arab Gulf States that either contribute or break down elite accommodation in Lebanon.

**1.2.3. Thesis Structure**

In Chapter One of my thesis, I introduced my research topic and demonstrated the relevance of my two research questions. I reviewed the literature on theories of consociationalism that have been used to study the Lebanese political system and emphasized that Lebanon’s model is inherently prone to internal conflict, and that consensus cannot be maintained without consistent positive exogenous pressures.

In Chapter Two, I answer my first research question of why Lebanon’s system failed at regulating internal conflict by providing a historical context of Lebanon’s power sharing agreements, highlighting the impact of Lebanon's Taif Agreement in 1989, Doha Agreement in 2008, the rise of Hezbollah within the political system, and resulting short-term elite settlements on the Lebanese state and its ability to regulate domestic conflict.

In Chapter Three, I explore how the prolonged practice of elite capture and fragmented governance within the political system became unsustainable, resulting in financial manipulation, a kleptocratic system, and a socioeconomic crisis that ignited the October 17 protests in 2019. This crisis will highlight how systemic corruption
diminishes the state's ability to manage internal conflicts effectively. I will then provide a detailed chronicle of events spanning from the October 17 protests in 2019, negotiations with the IMF, to the catastrophic Beirut port explosion on August 4, 2020. This narrative will shed light on the state’s responsiveness amid Lebanon’s calamities. It will also examine the political elite’s conflicting interests, Hezbollah’s motivations towards preserving the status quo, and lack of political will to reach a consensus on government formation, as well as the IMF and reform process to rescue the country of collapse. This backdrop sets the stage for external intervention to forge elite accommodation and restore stability.

In Chapter Four, I will explore how France’s intervention and the divergent external interests in Lebanon and attitudes towards Hezbollah, including those of France, the US, Iran, and the Arab Gulf States, could potentially exacerbate divisions within the political elite. This divergence may provide an opportunity for certain factions to strategically manipulate the reform process, prolonging actions while securing substantial concessions and financial aid to strengthen their hold on power and the state's institutions. Then, I will also examine whether the tenures of prime ministers Hassan Diab, Saad Hariri, and Najib Mikati gave way for the French initiative and the IMF reform process to fail or succeed. In conjunction with the examination of elite behavior and the state's viability in chapter three, chapter four will provide clarity on whether the existing system can be salvaged. Finally, to address the second part of my second research question about the system's salvageability and the potential for a new power-sharing agreement, I will analyze the regional context to assess whether evolving dynamics could lead to a fresh power-sharing agreement or another temporary elite settlement, possibly influenced by external financial incentives.
In the conclusion, I summarize the evidence I utilized throughout the thesis to answer my two research questions, present my concluding statement, and demonstrate the implications of my research.
CHAPTER 2

BRIEF HISTORY OF POWER SHARING IN LEBANON

Lebanon's historical reliance on power-sharing and sectarian governance, exemplified by agreements like the 1989 Taif Agreement and the 2008 Doha Agreement, has failed to effectively address conflicts or establish a robust central authority. Instead, these agreements have led to the consolidation of a kleptocratic elite and an armed non-state actor, Hezbollah, thereby intensifying conflicts and further entrenching sectarian governance. This chapter explores why Lebanon's political system has faltered, considering regional pressures, sectarian interests, and the negative role of Hezbollah after the Doha Agreement in 2008. The consequences of these dynamics on governance and the state's ability to serve the public interest are examined, highlighting the unsustainable nature of this conflict regulation model.

2.1 Taif Agreement of 1989

The Taif agreement, which brought an end to the 15 year-long civil war in 1989, was based on the mutual recognition by the Lebanese adversaries that neither side could achieve a decisive victory. The only viable option to break the cycle of sectarian violence was an externally imposed political solution that established a centralized and multiethnic political system. This was made possible by a convergence of internal conditions and favorable regional and international dynamics at the time. Saudi Arabia, the Arab League, and the United States had vested interests in preventing further destabilization in the region, while Israel adjusted its objectives in Lebanon, particularly following the significant weakening of the PLO within the country.
Also, the end of the Cold War meant that America's influence strengthened in the region with few obstacles in its way. When the Gulf crisis in 1990 reared its ugly head, the United States needed the Syrians in their fight against Iraq. Both the United States and Israel needed the Syrian regime to regulate Hezbollah and deter Iranian ambitions in the area. The regime would officially join the anti-Iraq coalition shortly after. Indeed, the Taif agreement was facilitated by the alignment of interests among external actors, particularly Saudi Arabia, Syria, and the United States.

The participation of Syrian troops in the war effort contributed to solidifying Assad's position in the region and furthering the regime’s influence in Lebanon. Furthermore, Syria's active engagement in the peace process with Israel, resulting from the Madrid Conference of 1991, led to international acceptance of the former’s influence over Lebanon. This recognition provided Syria with leverage in negotiations regarding the return of the Golan Heights, which had been under Israeli occupation since 1967.

Here, it is worth noting the consequential outcome of the Taif agreement was the regime's complex relationship with Hezbollah, Iran, and Israel. Despite the unification of the Lebanese army and the disbandment of militias, Hezbollah remained armed and active, benefiting from unique considerations due to the Israeli occupation in southern Lebanon. Over time, Hezbollah received “special treatment” from Bashar Al Assad, and with the backing of the Islamic Republic of Iran, it grew into a significant political and military force in Lebanon (El Khazen, 2003, p. 117). Consequently, Lebanon's destiny became intertwined with broader regional power dynamics involving Iran and Saudi Arabia. Additionally, Syria oversaw and protected the profitable reconstruction process in Lebanon, led by Lebanese-Saudi billionaire Prime Minister Rafik Hariri. This
enabled the Syrian regime to generate substantial financial gains for its clients, while engaging regional powers like Saudi Arabia and other Sunni-majority Arab states in stabilizing Lebanon.

Internally, the Taif agreement silenced guns and reinitiated a political process that helped rescue constitutional institutions by enabling parliament to meet and formally endorse the text of the Agreement. The Taif agreement was based on three core principles. Firstly, it involved restructuring power-sharing to create a balanced system that aligns with Lebanon's political and social framework. This entailed transferring executive authority from the Presidency to the Council of Ministers, transforming it into a collective body. Secondly, it aimed to ensure parity and a fair representation of Muslims and Christians in government and civil service positions. Thirdly, regarding the powers of the cabinet, a two-thirds quorum of cabinet members is required for decision-making. Ideally, decisions are reached through consensus, but if consensus cannot be achieved, a two-thirds majority of cabinet approval is necessary.

In terms of executive functions: The cabinet, functioning collectively, holds authority over legislative processes, administration, the military, and the appointment of key civil servants. The Prime Minister leads cabinet formation, policy agenda setting, legislation proposals, decree implementation, both domestic and international representation, and presides over the council of ministers. While the President's powers would be reduced under proposed changes, they remain influential. The President approves the Prime Minister's designation, with cabinet formation requiring both leaders' consent, providing the President some sway in appointing ministers.

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2 An English language version of the Taif Agreement can be found on the UN Peacemaker website: https://peacemaker.un.org/lebanon-taifaccords89
The extended four-year term of the Parliament Speaker in Lebanon bolsters their role in cabinet formation and legislative oversight. However, this elongation weakens parliamentary democracy, as the Speaker no longer needs to consider diverse party opinions. Nabih Berri, leveraging his bloc's strength, has amassed significant power, including presiding over sessions, representing the parliament, signing laws, and scheduling sessions. The Speaker can call extraordinary sessions, establish committees, refer draft laws for review, and under certain circumstances, nominate a Prime Minister, especially in times of vacancy or failed consensus.

The Taif Agreement of 1989, aimed at ending Lebanon's civil war and reforming its political system, faced challenges in implementation. Many of its 31 constitutional amendments, including decentralization, judiciary independence, and electoral law reforms, were not effectively executed, weakening the Agreement's comprehensiveness. Additionally, flaws in the arbitration process, like electing a President within a tight timeframe, absent timelines for consultations and government formation, and no mechanism to resolve Prime Minister-President deadlocks, led to disputes, delays, and prolonged negotiations within Lebanon's consociational system, hampering conflict regulation and a strong central authority's establishment.

Adding to the complexity, the post-war political order would be further complicated by the integration of militia leaders and influential figures into the political establishment, effectively perpetuating the legacy of conflict (El Husseini, 2012). This pattern of sectarian competition, inherited from the civil conflict, continued to shape policymaking, shifting the focal point of governance from public policy formulation to the accommodation of competing elite interests (Kerr, 2005). Under the influence of Syria, a contentious sectarian governance structure emerged, leading to the informal
dominance of the Troika—comprising the President, Prime Minister, and Speaker. This triumvirate not only served as representatives of their respective communities but also held significant constitutional positions, all without any form of oversight. Encouraged by Syrian manipulation and personal agendas, the Troika prioritized the allocation of state resources to bolster their own authority and ostensibly protect the interests of their communities, fueling public and elite sectarian “jealousies” (Salam, 2022, p. 130).

Apparently, former MP Albert Mansour claimed the post-war political system represented a “coup against Taif,” adding that all “important and fundamental decisions were made outside the council of ministers and later presented to its ratification. As a matter of fact, decisions were not only made outside the council of ministers, but in place of it” (El Khazen, 2003, p. 111).

In essence, the post-war political system, rooted in the inherent dysfunctions of the Taif agreement of 1989, compelled the political elite to resort to external arbitration for resolving internal conflicts, particularly from Syria. This, in turn, created an opening for the regime to manipulate and capitalize on the internal discord among the Lebanese elite to further its own strategic goals.

2.2 Doha Agreement in 2008 and the Beginning of Short-Term Settlements

Following the turn of the Millennium, Bashar Al Assad took over as President from his father, coinciding with significant shifts in regional dynamics. The September 11 attacks in 2001 would dramatically alter the international community's consensus on Syria's role as protector of Lebanon. Shortly after, the United States launched an ambitious and aggressive new security initiative called the "New Middle East," with Lebanon as one of the countries on the receiving end (Geukjian, 2017). Fearing that
their regimes would be next, Iran and the Syrian regime joined hands in an effort to undermine the US's mobilization in Iraq and any sponsored group that rallied under the proclaimed "new Middle East" (Blanford, 2016) Syria grew increasingly concerned about its role amid the rapidly changing power dynamics in the region, especially after the US and France pushed for the adoption of UN Security Council Resolution 1559 in September 2004, which called for Syria to withdraw its troops from Lebanon and for Hezbollah to disarm. These events demonstrate that negative external pressures can influence the functioning of power sharing agreements in Lebanon and the maintenance of stability.

At this point, Syrian anger was directed towards Prime Minister Rafik Hariri, a close confidant of President Jacques Chirac, who was perceived to have supported French endeavors in drafting the resolution. Tragically, on February 14, 2005, Hariri was killed in a massive car bomb explosion in central Beirut, claiming the lives of twenty-one others, including Minister of Economy Bassel Fleihan. Hariri's assassination signaled the termination of Syria's delicate equilibrium between Sunni and Shia factions in Lebanon, coinciding with heightened regional inter-sectarian tensions, and essentially marking the decline of the regime's dominion over the nation. In the words of Joseph Bahout, "Hariri's assassination marked the clinical demise of Taif" (2016, p. 9), undeniably constituting a pivotal juncture in Lebanon's modern history. Swiftly and overtly, the United States and France implicated the Syrian regime in Hariri's murder. Concurrently, local factions pointed towards Hezbollah's involvement, prompting its leader, Hassan Nasrallah, to rally supporters for a public demonstration on March 8, 2005, where tens of thousands assembled to affirm their backing for the Syrian regime.
In response, on March 14, 2005, almost a million people gathered in Martyr's Square, the heart of Beirut, in what became known as the Cedar Revolution and demanded the complete withdrawal of Syrian troops. They also advocated for the dismantling of the Lebanese-Syrian intelligence apparatus or mukhabarat, the establishment of a dedicated tribunal to probe Hariri's assassination, and the full implementation of UNSC Resolution 1559 (Blanford, 2016). Evidently, this revolution garnered recognition from the Bush administration, which perceived the upheaval as a tangible manifestation of the democratic transformation they had aspired to achieve in the Middle East following their 2003 invasion of Iraq (Blanford, 2016).

On April 7, 2005, the UN Security Council unanimously adopted Resolution 1595, establishing the Independent International Investigation Commission. This commission was tasked with assisting Lebanese authorities in their inquiry into the assassination of Rafik Hariri. The resolution also emphasized the importance of Lebanon's sovereignty, territorial integrity, unity, and political independence, all under the exclusive authority of the government (Blanford, 2016). Subsequently, on April 26, 2005, the Syrian regime completed the withdrawal of its troops from Lebanon.

However, peaceful coexistence would eventually prove difficult to maintain. As Geukjian (2017) argues, not long after Syria's withdrawal, the domestic peace was shattered, and Lebanon required external intervention to form a stable government amid a contentious power vacuum. Indeed, on March 14, politicians claimed that Hezbollah was colluding with Iran and Syria to implement their agendas, whereas on March 8 - specifically Hassan Nasrallah - accused March 14 of colluding with the United States and Israel to weaken and disarm Hezbollah as part of their new vision for the Middle East.
Certainly, it seemed that political cooperation would be impossible without some kind of internal compromise amid calls for dismantling Hezbollah's arms and strengthening the role of the Lebanese Armed Forces (LAF), conditions that were inconceivable to the March 8 camp. It was the first time that the country would find itself without a regulator directly involved in its affairs amid contentious sectarian escalation. Given the nature of its post-war political system and lack of balancing and arbitration mechanisms, it was highly unlikely that the domestic elite would be able to overcome their differences alone (Geukjian, 2017). The US-sponsored "New Middle East" would unleash a regional storm that would prove too powerful for Lebanon to weather on its own.

Given the interventions by Saudi Arabia, Iran, Syria, and the United States, post-Syria Lebanon was bound to face conflicting visions on the desired structure of power sharing. The asymmetrical support for each vision cannot be taken for granted since it forever transformed the balance of power in the country (Geukjian, 2014). More precisely, Hezbollah relied on Iran for comprehensive backing, encompassing financial, military, political, and theological support. The militia’s vision aimed to strengthen its security and military cooperation with Syria, Iran, and Hamas, while also opposing US policies in the Middle East. Meanwhile, the anti-Syrian March 14 coalition received support from Saudi Arabia and the US, but the Iran-Syria-Hezbollah nexus proved to be too strong to be infiltrated (Geukjian, 2014). Besides, domestically, Hezbollah had considerable control over the political direction of March 8, while Saad Hariri – Rafik Hariri’s son and now leader of the Future Movement party - lacked the same level of influence over his allies within the March 14 coalition.
In 2006, General Michel Aoun, who had been exiled after the War of Elimination, returned to Lebanon and joined the anti-Syrian March 14 alliance. However, he rejected a secondary share of Christian leadership with Samir Geagea, the Lebanese Forces (LF) leader who had been imprisoned for over a decade by the Syrian regime, and soon Aoun joined forces with Hezbollah in the form of a "mutual understanding." This alliance incited political divisions within the Christian community that drastically marred Lebanon's political culture and would prove difficult to mend. Aoun unequivocally aligned himself with the March 8 camp, believing that establishing common ground with Hezbollah on specific national matters, such as resistance against Israel and the Presidency, would protect the interests of Christians within the country. Khashan (2016) argued that this was a "deeply unequal arrangement that brought Hezbollah further into Lebanese politics while limiting Maronite options."

Between 2005 and May 2008, Lebanon faced a significant political crisis marked by contentious issues that prompted extreme demands: The government's nature and program, the international tribunal to probe Hariri’s assassination, Hezbollah’s arms, the role of the LAF, the election of a new president, and the electoral law. Moreover, in July 2006, Hezbollah fought a war with Israel, resulting in the deaths of thousands and billions of dollars’ worth of infrastructural damage.

On May 5, 2008, after 17 months of intense political tension and a single 12-hour deliberation, Siniora's government passed two decrees, the first of which was to investigate Hezbollah's private communication network and the other to replace Beirut airport head of security Wafik Choucair, a Hezbollah loyalist, for alleged security breaches. Hassan Nasrallah declared it an act of war against the party, and minutes later, fighting broke out in mixed Sunni-Shia neighborhoods of Beirut and soon spread to
other parts of the country. Once again, Lebanon's institutions were paralyzed from extreme demands, fearing a split across sectarian lines. Within hours, Sunni neighborhoods in Beirut fell to Hezbollah fighters, who then surrounded the prime minister's palace, where Prime Minister Fouad Siniora and March 14 ministers had sequestered themselves.

The Arab League hurriedly convened with the Qatari delegation to halt additional operations by Hezbollah, fearing the eruption of a new civil war. The talks were followed by a conference of leaders in Doha, Qatar to find a political solution in Lebanon. On May 21, 2008, the Doha Agreement was reached after extensive negotiations with the Qatari government and the Arab League. A national unity government was formed, comprising 30 ministers distributed among the majority (16 ministers), the opposition (11 ministers), and the president (3 ministers). Notably, the opposition, represented by March 8, retained a minority veto in the cabinet, enabling them to block decisions made by the majority (March 14) that they deemed unfavorable.

The Doha Agreement of 2008 had significant consequences in Lebanon. It formalized a consensus-based governance model called "Muhasasa," reinforcing sectarian spoils sharing. It led to a series of dysfunctional foreign-sponsored "national unity" governments that failed to address underlying sectarian divides. The agreement introduced the concept of a grand governing coalition, granting the political minority a veto and power over state resources, making power-sharing fragile. It legitimized Hezbollah as a participant in Lebanon's political system, deepening its involvement in regional conflicts. Additionally, it weakened parliament through various practices, undermining democracy and accountability. Ultimately, the Doha Agreement further

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3 An English version of this text is available on the UN Peacemaker website at https://peacemaker.un.org/sites/peacemaker.un.org/files/Lebanon_DohaAgreement2008_Engl.pdf
entrenched Lebanon's political system, making it susceptible to deadlocks and requiring external intervention to govern effectively (Geukjian, 2014, 2017; Salamey, 2013; Fakhoury, 2009).

Having gained political power following the Doha Agreement of 2008, Hezbollah began using its strategic alliance with Amal and FPM to block decisions in government that could impact its domestic and regional interests. After 2009, amid growing Iran-Saudi Arabia and US-Iran competition, Lebanon would once again see itself embroiled in regional conflicts. Hezbollah’s "Army, People, Resistance" formula in the 2009 cabinet’s ministerial statement solidified its armed status within the political system and allowed to pursue its regional interests without institutional oversight. This formula was subsequently invoked in later cabinet statements to legitimize its use of weapons, not only to intervene in neighboring conflicts but also to intimidate domestic adversaries, solidify control over institutions to bolster its operations, and monopolize power while keeping the Lebanese Armed Forces weak (Khatib, 2021).

In 2011, the civil war in Syria began, and Lebanon experienced the spillover effects shortly after. Lebanese Sunnis expressed support for the Syrian rebels in their fight against the Bashar al-Assad regime, with some even joining jihadist groups in Syria. For Lebanese Sunnis, the uprising presented an opportunity to challenge the influence of the Syrian government and Hezbollah in Lebanon. However, Hezbollah viewed the uprising as a threat to its political survival. The potential fall of Assad's regime would have significant ramifications for the strategic objectives of the rejectionist axis, especially concerning Iran's supply of weapons and resources to Hezbollah and other

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4 The text of this statement is available at https://www.lebanese-forces.com/2008/08/04/15782. All other statements can be found at http://pcm.gov.lb
regional proxies through the Lebanese-Syrian border (Bahout, 2016). Mounting domestic pressures would lead to March 8 and 14 to adopt the Baabda Declaration of 2012, which emphasized Lebanon's policy of dissociation and neutrality from the events of the Syrian civil war. It aimed to prevent Lebanon from taking sides in the conflict and avoid being used as a battleground for the different factions embroiled in the conflict. The Declaration would be short-lived.

Following Hezbollah's open declaration of involvement in the Syrian civil war, escalating tensions between Lebanon's Shiite group and Sunni communities led to incidents of violence in various regions such as Bab al Tabbaneh in Northern Tripoli and Abra in Sidon (Bahout, 2016). In July 2013, a car bomb exploded in the southern suburbs of Beirut, a predominantly Shiite area, and a stronghold of Hezbollah. Moreover, the influx of millions of Syrian refugees into Lebanon not only exacerbated existing strains among Muslim and non-Muslim communities, but also exerted immense pressure on the country's infrastructure and institutions.

Furthermore, Hezbollah's involvement in the Yemen civil conflict alongside Iran-sponsored Shiite Houthi rebels added to domestic and regional tensions towards the group. Gulf Cooperation Council (GCC) countries issued travel warnings to Beirut and reduced economic support to Lebanon, leading to a significant decline in tourism and remittances. Following Assad's victory in Syria's decade-long civil conflict, Hezbollah's position domestically and regionally was further solidified. Despite Saudi Arabia's attempts to influence Saad Hariri and disrupt the power-sharing equilibrium that legitimizes the armed faction, these efforts failed. The highly contentious events surrounding Saad Hariri's alleged kidnapping and coerced resignation from Riyadh in 2017 exemplified this failure. Through Hezbollah, Tehran consolidated its influence in...
the Levant, posing significant challenges for the group and the region in attempting to reverse this trend. Iran’s dominance in the region through Hezbollah would lead to the US-Iran and Saudi Arabia-Iran rivalries to dominate foreign powers’ policies in Lebanon and public discourse on the domestic political scene for years to come.

The presence of negative exogenous pressures, stemming from the competition for influence in Lebanon, would make it challenging to sustain stability within the country.

It is important to highlight that between 2009 and 2019, Hezbollah forged a strong alliance with Amal and FPM, allowing them to capture institutions to their advantage, extend their patronage networks, and granting them significant influence over policymaking and legislation in Lebanon. Additionally, Hezbollah has strategically used the tactic of absenting itself from parliamentary sessions to prevent discussions on matters that were against its interests, causing the sessions to be rendered inquorate. This strategy was notably employed after President Michel Suleiman's second term expired in May 2014 when Hezbollah and its allies blocked both the parliament and cabinet for two years, waiting for a détente between Iran and the US, which eventually led to a nuclear deal among the two countries in 2015. As a result, Michel Aoun was successfully elected as president in 2016, marking Lebanon's second regionally negotiated elite settlement since the Doha Agreement in 2008. Following Aoun’s ascendancy to the presidency, Saudi Arabia and other GCC countries distanced themselves from Lebanon and completely cut off financial ties with the country.

In sum, power sharing in Lebanon has experienced failures at different points in history. It faltered in 1975, following the Syrian regime's withdrawal in 2005, and on multiple occasions after the Doha Agreement in 2008 due to a combination of intense domestic and regional pressures. The agreement had severe repercussions for the fate of
power sharing in Lebanon. Informal power-sharing arrangements among sectarian leaders shape the parliament's dynamics. Coalitions, parliamentary blocs, and "national unity governments" regularly form due to the necessity of preventing political vacuums. However, this practice leads to decision-making based on consensus among these blocs, further intensifying the lack of policy agendas within political parties and reinforcing the influence of sectarianism in governance. Crucial decisions often occur behind closed doors, bypassing state institutions and involving international mediators or sponsors such as Saudi Arabia, Qatar, Syria, France, the United States, and Iran.

Additionally, the system legitimized an armed political faction, linked Lebanon's fate to regional dynamics, and subsequently increased the nation's susceptibility to external interference. All these implications prompted the elite to resort to foreign influence to gain leverage and pursue extreme demands against opponents, putting immense pressure on Lebanon's political system and resulting in costly political stalemates. In Lebanon, given the lack of balancing and arbitration mechanisms, the sanctioning and rewarding of elites is impossible. As it stands, the country’s current political system can only lead to short-term elite settlements, which falls short of addressing the deeper challenges faced by the Lebanese state.

In the end, Hezbollah has emerged as the final arbiter in domestic politics, vetoing policies that conflicted with Iranian efforts to project power in the region, transforming the country into a threat to the Gulf states - the traditional benefactors of cash-strapped Lebanon - much to the chagrin of non-Shiite sects. Such is the nature of Lebanon’s zero-sum political game in an unstable regional environment. In its current state, Lebanon's political system will always need an external regulator with positive exogenous pressures to sustain its dysfunctional political system. As such, a new power
sharing agreement is needed to escape the trap of cyclical sectarian violence and foreign interference. For this to happen, domestic and external interests need to converge, which as the Lebanese experience has demonstrated, is exceedingly challenging.

In sum, Lebanon's history is characterized by recurrent efforts at power-sharing and sectarian governance, exemplified by agreements like the Taif Agreement of 1989 and the Doha Agreement of 2008. However, these attempts have consistently fallen short of effectively managing internal conflicts and establishing a robust, inclusive central authority. The Taif Agreement, a response to the protracted civil war, aimed to balance representation between religious groups, but its implementation faced hurdles due to unaddressed constitutional reforms.

The Doha Agreement momentarily eased tensions by creating a unity government based on sectarian quotas, yet it entrenched sectarian spoils sharing and armed faction influence. This cycle of short-term stability and enduring division has precluded the state’s monopolization of power, leading to fragmented governance and elite capture. Lebanon's political system, meant to foster inclusivity and social cohesion, has instead yielded fragmented governance, limited reforms, and the primacy of sectarian elites' interests. Hezbollah’s dominance, coupled with the elite's appropriation of state institutions and reluctance to enact reforms for personal gain, perpetuates state failure.
CHAPTER 3
2019 – 2020: ELITE ACCOMODATION AND SYSTEM FAILURE

In this chapter, we will delve into how the prolonged practice of elite capture and fragmented governance within the political system has exhausted its ability to maintain stability. Corruption takes center stage in this chapter as it emerges as a prevailing theme in both the discourse of the protestors against the elite and the discussions among the elite themselves, particularly after 2019. By offering a chronicle of events from protests, the impact of the COVID-19 pandemic, to the devastating Beirut port explosion on August 4, 2020, we will shed light on the state's responsiveness and Hezbollah’s stance amid Lebanon's triple crisis. This will also uncover the elite’s sabotage and lack of political will to reach a consensus on pivotal matters such as government formation, the reform process, the IMF program. This contextual backdrop sets the stage for external intervention to pressure the elite to enact reforms, break the deadlock, and restore stability.

3.1 Financial Engineering and Context for the October 17, 2019 Protests

This section explores the pervasive issue of systemic corruption in Lebanon, which has played a significant role in the country's current economic crisis and the October 17 protest movement in 2019. Corruption, as defined by Transparency International, encompasses the abuse of power for personal gain in both public and private sectors, ranging from minor acts to large-scale schemes. This harmful practice undermines democracy, the rule of law, human rights, and economic markets. Despite Lebanon's ratification of the United Nations Convention Against Corruption (UNCAC)
in 2009, corruption remains deeply entrenched in the country. Lebanon's sectarian political system, originally designed for community representation, inadvertently nurtured corruption through a symbiotic relationship between political elites and private sector allies.

These elites maintain mechanisms that restrict public access to state functions, ensuring the continued dependence of their constituents. This control extends to civil codes, electoral laws, and key economic sectors, reinforcing their constituents' reliance on them. The Lebanese Parliament, intended to oversee the government, often succumbs to political alliances and fails to address citizens' daily challenges. MPs, representing sects and regions, prioritize sectarian leaders' interests, limiting access to public services. Electoral laws and personal status regulations hinder mobility and civil marriages. Elite competition for public infrastructure and services persists, with politically connected private providers creating parallel markets that breed corruption and socioeconomic disparities. Vulnerable populations depend on elite patronage, perpetuating dependency.

These challenges encompass power monopolization, weak disarmament efforts, fragmented legal systems, compromised judiciary, and disparities in various sectors, including infrastructure, taxation, healthcare, social welfare, education, and environmental protection. The bloated public sector prioritizes political connections, hindering responsiveness, while the private sector faces corruption has led to the rise of informal markets with poor working conditions and social security.

Lebanon is often described as an illustration of kleptocracy and kakistocracy, where corrupt elites exploit public resources while governance falls into the hands of incompetent individuals. By examining this pattern of corruption, this section uncovers
the root causes and consequences of elite capture, which has profoundly impacted the
country's governance and public trust.

Actually, the pre-war era of Lebanon, often romanticized as a peaceful and
prosperous haven of free enterprise and commerce, faced significant challenges. In
1961, nearly half of the population lived below the poverty line. Governments led by
presidents Bechara El Khoury (1943-1952) and Camille Chamoun (1952-1958) were
marked by nepotism, poor governance, and administrative corruption, prioritizing
personal and sectarian affiliations in appointments. Despite support from business elites
and the banking sector, corruption in the public sector was not effectively addressed.
President Fuad Chehab (1958-1964) attempted to reform the state, combat corruption,
and promote socioeconomic development, but subsequent leaders undid much of his
progress. When the civil war erupted in 1975, Lebanon had made minimal headway in
tackling these challenges, leaving corruption largely unaddressed.

During the sixteen-year-long Lebanese civil war, the conflict caused extensive
damage to property and infrastructure, while political and military actors exerted
influence over the judiciary, compromising its independence. The public administration
institutions, already corruption-riddled, were seized by warlords and their allies,
operating as rent-seeking fiefdoms. Instead of being rebuilt and strengthened, these
institutions turned into vehicles for personal gain. These multifaceted challenges created
a complex web of issues that deeply affected Lebanon's governance, economy, and
social fabric.

In fact, there were two phases concerning the disbursement of foreign aid, which
played a central role in financing postwar reconstruction projects in Lebanon between
1992 and 1997, with a focus on infrastructure development in critical sectors like
electricity, water, telecommunications, and roads. However, this reconstruction process was marred by corruption and rent-seeking practices, leading to the accumulation of economic rents. Key players dominated reconstruction efforts with the oversight and complicity of the Syrian regime. Donor-funded development projects took over government responsibilities, diminishing state accountability and feeding clientelist and patronage networks.

In the second phase from 1997 onwards, foreign aid shifted its focus towards promoting financial stability in Lebanon. The Paris I conference in 1997 and the Paris II meetings in 2002 marked this transition. Foreign aid was redirected to address balance-of-payments needs and maintain economic stability. While these measures averted economic crises and improved government finances, they made Lebanon increasingly dependent on foreign aid and hindered long-term structural reforms. Despite receiving substantial international assistance, Lebanon failed to implement necessary reforms, leading to economic instability and political gridlock. Foreign aid's impact on Lebanon's governance and economy remains complex and challenging to address effectively (Atallah et al., 2020; Dibeh, 2007; Finckenstein, 2021).

Indeed, since 1997, the postwar elite in Lebanon adopted an unconventional financial and monetary approach, often considered heretical: allowing the free movement of capital, maintaining an independent monetary policy, and fixing the exchange rate of the national currency against the dollar (Yazbeck, 2021). Typically, it is feasible to implement two of these principles simultaneously, but not all three. This economic strategy was influenced by Lebanon's culture of unrestricted borrowing, prompting the political elite to prioritize short-term financial stability, support the state, and bolster central bank reserves (Alami, 2018). This strategy resulted in a rentier
economy that hindered the development and diversification of productive sectors (Mahmalat et al., 2023).

Alongside dubious national cash-flow schemes, the relationship between political elites and private sector allies in Lebanon nurtured corruption in the financial sector. Prominent research by Jad Chaaban in 2016 exposed the extensive influence of political elites in Lebanon's commercial banking sector. His analysis revealed that individuals closely tied to the political elite control 43% of the sector's assets, with 18 out of 20 banks having major shareholders linked to political figures. Additionally, eight "political families" collectively oversee 29% of the sector's assets (Chaaban, 2016). These findings underscore the substantial nexus between political elites and the economy.

Moreover, the close connection between political and business elites has enabled political leaders to shape an economic model that serves their interests, with central banks and economic sectors closely intertwined with political elites who control significant assets (Diwan & Haidar, 2020). In fact, by 2019, 44% of firms with over 50 employees in Lebanon were politically connected. This relationship operates on a system of mutual benefits, where political elites receive kickbacks from business elites in exchange for favorable policies and limited state intervention (Diwan & Haidar, 2020).

Over time, it became evident that aside from a lucrative financial industry supported by aid from the international community, Lebanon's political elite adopted a strategy heavily relying on service sectors that were strongly influenced by the political dynamics in neighboring countries. Specifically, the financial industry earnings, tourism, and support from Gulf Arab states played a crucial role in servicing the
country's debt (Alami, 2018). According to a study by the Policy Initiative (2022), GCC countries, with Saudi Arabia in the forefront, emerged as the largest grantors of assistance to Lebanon. Saudi Arabia alone provided nearly $5 billion in official aid since 1991. By 2010, between 500,000 and 750,000 Lebanese nationals were estimated to be working in GCC countries, with just under half of them employed in Saudi Arabia alone. The remittances sent back home from these GCC countries played a crucial role in supporting Lebanon's economy.

Following the Doha Agreement in 2008 and as a result of Hezbollah’s regional activities, GCC countries distanced themselves from Lebanon, as the country's political instability worsened after Syria's withdrawal (Yahya, 2020). The country faced further economic difficulties caused by fluctuations in global oil prices, economic downturns in the Gulf region, the emergence of the Syrian civil conflict in 2011, the rise of ISIS in 2013, the Yemeni conflict in 2014, an 18-month-long presidential vacuum from 2014 to 2016, and consistent government deadlocks, all contributing to a decline in Lebanon's economic growth. Furthermore, Hezbollah's prominent role in Iran's regional activities led Arab Gulf countries to perceive Lebanon as an Iranian outpost, leading to a complete withdrawal of their support in 2016, following the election of President Michel Aoun, a known ally of Hezbollah. Even international efforts, such as the return of Prime Minister Saad Hariri after his resignation in Saudi Arabia in 2017, failed to restore Gulf support to previous levels (Yahya, 2020). Consequently, Lebanon experienced a loss of remittances and a significant decline in tourism, financial investments, and support from Arab Gulf states, leading to depletion of funds from the Central Bank.
In 2016, Lebanon faced mounting challenges, including a rising budget deficit and a worsening balance of payments as remittances fell short of matching imports. To prevent capital flight and maintain currency deposits while servicing the government's debt, Lebanese banks took measures such as printing more money and increasing interest rates on dollar and Lebanese pound deposits to encourage savings. However, these tactics were accompanied by a rise in inflation. Bankers noted that these tactics would have been acceptable if accompanied by prompt and sufficient reforms, which unfortunately did not take place. By 2018, Lebanon faced a significant increase in foreign reserves and liabilities, and the cost of servicing its debt soared to 157%, ranking it as the fifth highest globally (Shawish, 2019). This concerning situation led financial experts to draw unfavorable comparisons between Lebanon's financial practices, orchestrated under Central Bank Governor Riad Salameh, and a "nationally regulated Ponzi scheme."

Furthermore, the real estate sector, which traditionally had been a cornerstone of Lebanon's economy, was severely impacted by the inability to secure loans and dwindling foreign investor trust. This was evident in the 23.9 percent decrease in the total area of land registered for development under new building permits in the second quarter of 2018 compared to the same period in 2016 (Chbeir, 2018). The repercussions were far-reaching, and one of Lebanon's largest real estate companies, Sayfco, filed for bankruptcy in May 2018, affecting projects valued at around $2 billion (Alami, 2018).

In addition, unprofitable investments in Turkey and Syria, along with the deterioration of financial indicators such as Credit Default Swaps protecting against the risk of default by the Lebanese government, contributed to exacerbating the balance of payments deficit (Alami, 2019). The Central Bank intervened in the market through
various financial engineering operations to counter these challenges, and the Fitch rating agency downgraded the viability ratings (VR) of Lebanese banks from CCC- to F. Not to mention that allegations surfaced regarding Lebanese oil importers, backed by political support, smuggling over $1.7 billion to Syria, further straining the situation (Alami, 2019). If proven true, this illicit money flow would have drained Lebanon's dollar reserves.

In the face of the impending economic crisis, the political elite failed to exercise fiscal restraint and instead continued to escalate public expenditure. A notable instance was the increase in public sector wages before the 2018 elections (Francis, 2017). Financial experts criticized the estimated cost of the public sector salary scale, which amounted to 1.38 trillion Lebanese pounds, citing the lack of transparency regarding the number of public sector employees (Francis, 2017). The proposed tax hike intended to finance the wage scale, projected to generate 1.65 trillion pounds in revenue, was also met with criticism as it burdened an already impoverished population (Francis, 2017). These actions further exacerbated the economic challenges confronting Lebanon.

As the signs of an imminent collapse became increasingly evident, the Lebanese government resorted to its familiar pattern of seeking financial assistance from the international community during uncertain times. In April 2018, the CEDRE conference promised $11 billion to Lebanon, coinciding with the country's first elections in nine years (Irish & Pennetier, 2018). In its quest for support, Lebanon sought assistance from the IMF. However, this time, the international organization clarified that any financial assistance agreement would only be granted if the country implemented structural reforms, and anti-corruption measures, including comprehensive audits of critical institutions like the central bank. Despite Hariri's government promising reforms as
head of the 2019 cabinet, little had been achieved while debt continued to accumulate at citizens' expense (Ouazzani, 2019). The dominance of Hezbollah and its allies in both parliament and the cabinet made implementing reforms immensely challenging, leading many to believe that it was a little too late.

In sum, Lebanon's post-war trajectory is marked by two phases of foreign aid's impact. Initially, aid fueled reconstruction but was marred by corruption, weakening state functions. Subsequently, the shift towards financial stability heightened dependence on aid. However, inadequate reforms, elite-driven corruption, and escalating economic crises revealed the fragility of this approach. The nexus of foreign aid, elite interests, and economic challenges has left Lebanon trapped in a cycle of debt and instability.

3.2 Cri de Coeur: The October 17, 2019 Protest Movement

This section will delve into the eruption of the protests and the subsequent events that exposed the divergent interests among the domestic elite, which rendered elite accommodation problematic. On Thursday, October 17, 2019, massive protests erupted in Lebanon. In response to proposed austerity measures including a WhatsApp tax, youths organized through social media networks and took to the streets, blocking major intersections in Beirut with burning tires. The nationwide demonstrations could not be contained. In the protesters' view, increasing government revenues at the expense of an impoverished population was no longer acceptable, especially since the wealthy politicians did not participate in alleviating the debt themselves. Over the next few days, the protests quickly spread throughout the country. Protesters demanded the removal of the entire political elite with the chant "Kellon Yaaneh Kellon," meaning "All means
all" [must go]. Indeed, the 2019 uprising, termed the "social revolution" by scholars, is notable for its spontaneous, cross-sectarian, and nationwide nature. It is characterized by protestors defying taboos and criticizing leaders and parties from their communities (Karam & Majed, 2023).

On October 19, 2019, LF leader Geagea announced the resignation of the party's ministers from the cabinet, urging Prime Minister Hariri to take immediate action, resign, and form a "neutral technocratic government" to address the economic crisis. In contrast, the Free Patriotic Movement leader, Gebran Bassil, warned against yielding to public pressures, raising concerns about potential chaos and civil strife, and indirectly accused the LF of using the protests to topple the 2016 elite settlement along with Aoun’s presidency.

Prime Minister Hariri had a different strategy in mind. He presented a reform agenda and gave political parties a 72-hour ultimatum to approve his package which he claimed aligned with the international community's demands to save the country from collapse. The reform measures entailed significant reductions in salaries for current and former presidents, ministers, and MPs by 50%, along with cuts in benefits for state institutions and officials. The central bank and private banks would also be required to contribute $3.3 billion to achieve a "near zero deficit" for the 2020 budget. Moreover, reforms would include privatizing the telecommunications sector and undertaking a comprehensive overhaul of the costly and deteriorating electricity sector, which places substantial strain on the country's already depleted finances. Hariri threatened to resign if the parties failed to meet the deadline.

Meanwhile, Hezbollah sent a personal envoy to convince Hariri to remain in his position. Even ambassadors from France, the US, Britain, and Germany intervened by
contacting Hariri, expressing concerns about his potential resignation, given Lebanon's history of prolonged deadlocks and political disputes over cabinet portfolios. On October 19, 2019, Hezbollah's leader, Nasrallah, addressed the nation and cautioned protesters against attempting to topple the 2016 settlement, asserting it would be futile and costly in the long run. He blamed politicians in the national unity government for failing to approve Hariri's reform agenda and highlighted decades of mismanagement, while deflecting responsibility from himself and his party (see Chapter Three). Nasrallah also warned about the detrimental consequences of a political vacuum, stating it would not serve the interests of the protesters.

On the fourth day of protests, Lebanon experienced an unprecedented surge in participation, with hundreds of thousands of people taking to the streets, blocking roads, and burning tires. This massive demonstration marked the largest cross-sectarian mobilization in modern Lebanese history. Protesters expressed their outrage over Hariri's reform package, voicing their belief that the political elite would not genuinely implement the reforms that could lead to their downfall. Instead, they demanded the cabinet's resignation and the establishment of a new social contract. After several days of silence, Berri finally spoke out, expressing his opposition to the cabinet's resignation. He argued that such a move would not be beneficial for the country and could result in an uncertain future (Karam, 2019).

Initially, protests in Beirut's southern suburbs, predominantly populated by Hezbollah and Amal supporters, garnered support. However, when protesters directed criticism at their leaders, clashes erupted between the parties’ supporters and protesters. On October 25, 2019, the situation escalated as individuals dressed in black, believed to be Hezbollah supporters, clashed with the protesters while chanting pro-Nasrallah
slogans. Riot police intervened to quell the violence. A few days later, Nasrallah delivered a speech warning of the potential for civil war in a power vacuum (Perry & Knecht, 2019). He accused the US and Israel of supporting the protesters to incite conflict, in line with Hezbollah's typical rhetoric during internal crises (Perry & Knecht, 2019). Following Nasrallah's speech, his supporters waved Hezbollah's yellow flag and mobilized in Southern Beirut, their stronghold, in opposition to the growing protest movement. Despite international concerns, Hariri found it challenging to govern according to the terms set by Hezbollah and its allies. On October 29, 2019, Hariri resigned, leading to the collapse of his cabinet. (Perry & Knecht, 2019).

Soon after, diplomats from various countries, including the United Nations, United States, France, and the European Union, urged Lebanese politicians to swiftly form a government that would address the people's aspirations, knowing the challenge of stalled government formation (Perry & Bassam, 2019). A week later, consultations were scheduled with established parties to form a new government. LF leader Geagea declared the 2016 political settlement as "fallen" and proposed Hariri as the leader with sufficient international support to lead a technocratic government.

However, rival politicians opposed this proposition, arguing that Hariri is not "non-political," and any government involving him should include all parties. Bassil expressed concerns that a technocratic government would lack political cover and be incapable of handling security developments. Berri and Hezbollah MP Jamil Al Sayyed also claimed that a technocratic government would limit Hezbollah's political influence and consequently serve US interests. While the Lebanese protested in the streets, politicians continued to bicker over political power instead of addressing the protestors' concerns. Berri and Aoun postponed consultations to designate a new Prime Minister,
advocating for a national unity government that would “truly” represent the protest movement’s demands.

On December 19, 2019, Professor and former Minister of Education Hassan Diab was chosen as Prime Minister designate, but forming a government proved to be challenging. US diplomat David Hale reportedly conveyed a message to Diab, stating that the US would withhold aid to Lebanon if Hezbollah obtained ministerial seats or indirectly controlled the new government (Hubbard & Saad, 2019). The Gulf Cooperation Council also expressed disapproval of any government formed by Hassan Diab, considering him affiliated with the March 8 camp and supported by Hezbollah, which is seen as close to the Assad regime. Nabih Berri, on the other hand, expressed willingness to accept a one-sided government and believed that having specialists and partisans in the cabinet was acceptable. Tensions further escalated after a drone strike killed Iranian Revolutionary Guard Corps leader Qassem Soleimani, prompting Hassan Nasrallah to retaliate and threaten to “remove” the US from the region (Crowley et al., 2020). In response, the leadership of the Future Movement expressed concerns about attempts to seize the one-third veto power in the cabinet and called for any future government to distance itself from regional escalations.

On January 21, 2020, after three months of political vacuum, Hassan Diab successfully formed a 20-member cabinet. The process of forming a new government after Hariri’s resignation was complex and challenging. The politicians sought to maintain the 2016 formula by either keeping Hariri as prime minister or endorsing a cabinet supported by the Shiite duo and the Christian Free Patriotic Movement (FPM). Meanwhile, protesters felt that the political elite disregarded their grievances. Negotiations faltered mainly because Hariri refused to agree to a cabinet that included
Hezbollah along with a minority veto. Foreign powers had made it clear that aid would only be provided if the armed party was not part of the new cabinet. Hezbollah viewed this move as an attempt to isolate them at a crucial time. Knowing full well that it would be alienating the Sunni community in the country, Hezbollah and its allies formed a one-sided cabinet, with Hassan Diab as the prime minister. Protesters and local parties such as the Lebanese Forces, PSP, and Kataib strongly opposed Diab and his new cabinet.

The Sunni community were outraged at Hezbollah's control of the prime minister's position, leading to tensions along sectarian lines and protests, including road blockades on the highway connecting Beirut to the Shiite heartland. The formation of a government without Hariri or a candidate supported by him alienated the Sunni community and raised concerns that it would be perceived as Hezbollah's government. This undermined the group's willingness to assist the country during the ongoing economic crisis. At this stage, there were insufficient incentives for the political elite to cooperate with the international community, knowing that only the political elite had the power to implement necessary reforms, and they seemed determined to hold onto that power, regardless of the cost to the Lebanese people.

Indeed, the historical complexity of sectarian divisions would have a significant impact on the failure of the cross-sectarian protests in October 2019 to capitalize on a momentous opportunity when a wide range of Lebanese citizens united to demand political reform. The leaders of these protests overlooked the lurking presence of sectarianism, which lay dormant but ready to reignite like embers under ashes. Resolving this deep-rooted issue would demand significant effort, organization, and a
clear vision. Within days of the demonstrations' start, the sectarian discourse resurfaced, causing the protesters to retreat into their sectarian enclaves.

### 3.3 Diab's Lame Duck Cabinet and Elite's Refusal to Accommodate

In this section, I will explore the challenges faced by Diab's cabinet in negotiating an IMF deal, responding to the COVID-19 crisis, and implementing Lebanon's economic rescue plan. Initially, Diab's cabinet would face pressure from Hezbollah regarding the IMF deal and the conditions for a rescue plan. On February 25, 2020, Hezbollah's deputy secretary general Naim Qassem declared that the party would not cooperate with the IMF. Hezbollah's reservations about an IMF deal seemed to be related to the potential scrutiny that accompanies reform programs, which could expose and disrupt its parallel economy, mainly through enforcing customs controls (International Crisis Group, 2020). Representatives from France, leading the efforts to mobilize support for Lebanon in the EU, have also expressed concerns that the United States could use its influence over IMF decisions to impose conditions related to its "maximum pressure" campaign against Iran, Hezbollah's external sponsor (Samrani, 2020).

Nonetheless, understanding the severity of the situation, Diab responded to Qassem's statement and acknowledged that without an IMF bailout, Lebanon would be unable to access the funds needed to provide essential necessities like food, medicine, and fuel to its desperate population. On March 2, 2020, he declared that the state could only protect the Lebanese people and ensure them a decent life with assistance from abroad, expressing his intention to initiate negotiations with the IMF.
3.3.1. Defaulting on Eurobond Payments

As a first step, on March 9, 2020, Prime Minister Diab announced that Lebanon would default on its Eurobond payments and would initiate negotiations with foreign creditors to restructure its debt (Azhari, 2020). The country's currency reserves had plummeted to a dangerous level, compelling Lebanon to suspend $31 billion in Eurobond payments to avert bankruptcy and maintain vital imports. On April 30, 2020, the government unanimously approved a comprehensive 53-page reform plan to rescue the country's economy and would put Lebanon on a path to reach a 1.6 surplus by 2024. The plan outlined measures to address the trade deficit, including eliminating subsidies for electricity and fuel, reducing the public payroll, and implementing fiscal reforms.

However, it did not explicitly mention the privatization of the electricity and telecommunications sectors, as such measures would require regulatory and legislative actions that could affect politicians' revenues. The government's plan to address the balance of trade deficit involves reducing imports significantly, which would require a lira devaluation. This devaluation would make imported goods more expensive and lower living standards for most Lebanese. While the weaker currency could make exports more competitive, challenges such as failing infrastructure and difficulties importing raw materials may hinder the ability to benefit from this advantage. The plan also includes dedicated credit lines and growth-enhancing measures like subsidized loans to support productive industries.

On May 1, 2020, Diab formally requested Lebanon the IMF’s assistance. Economists and foreign diplomats agreed that the IMF, as the lender of last resort, was the only viable source for the government to access new funds and address the financial crisis. They also expected other external actors, including those who previously pledged
support at the 2018 CEDRE conference, to follow the Fund’s lead. On May 13, 2020, Nasrallah claimed that the party's position on an IMF deal would hinge on the terms of the assistance. The international community’s terms were simple: no cash before verified implementation (Samrani, 2020).

3.3.2. Failure to Agree on Lebanon’s Financial Losses

Lebanon's negotiations with the IMF faced challenges right from the beginning. The political elite would fail to agree on the extent of the country’s financial losses. As mentioned previously, when the crisis hit in 2019 and the central bank struggled to repay its dollar debts, a dispute arose over who would bear the enormous losses—the state, central bank, commercial banks, or bondholders. This disagreement contributed significantly to the prolonged duration of the economic crisis. Essentially, during the early stages of the IMF negotiations, the Diab government estimated the total losses at approximately $70 billion, which included substantial losses accrued by the central bank. The IMF had warned Lebanon that its central bank, Banque du Liban (BDL), had accumulated losses of up to $49 billion (Cornish, 2020).

In the prime minister's rescue plan, commercial firms were limited in their ability to use state assets to cover these losses. Banks would have to recapitalize through external investment or transfer ownership to depositors, which could expose board members and major shareholders, including politicians, to legal consequences (Atallah et al., 2020). Thus, given the political elite’s stake in Lebanon’s commercial banks, Diab was bound to eventually hit a wall. The losses, amounting to approximately L£170tn ($49bn), were primarily attributed to the complex financial engineering of the Banque du Liban (BDL), along with Lebanon's default on sovereign bond holdings and
currency devaluation. These accumulated losses accounted for about 91% of Lebanon's total economic output in 2019 (Cornish, 2020).

However, banks and a parliamentary fact-finding committee headed by FPM politician Ibrahim Kanaan, backed by MPs from various political factions, contested this figure, claiming it was only around $33 billion due to a different exchange rate (Khraiche, 2020). This discrepancy was seen as an accounting trick by critics so that banks can preserve their equity and withstand the impact of the proposed reforms. Much to Diab’s disappointment, the IMF reportedly tried to convince the central bank to accept the higher numbers, but the bank governor, Riad Salameh, resisted and declined to comment on the criticism. (Heller & Zoughaib, 2023). The result was deadlock. Several members of Diab's government distanced themselves from the proposed plan, leaving only a small group of advisors to support it. In June 2020, critical figures from the IMF negotiating team resigned in protest, claiming that influential economic interests were actively undermining the government's plan.

Nonetheless, according to the IMF, there needed to be more than just accepting the numbers alone. Lebanon would have had to address unsustainable government spending, including the bloated public payroll and costly pensions (Heller & Zoughaib, 2023). Additional reforms such as modernizing public procurement, regulating customs, establishing a single treasury account, and unifying exchange rates were also necessary to initiate IMF negotiations (Heller & Zoughaib, 2023). As such, Diab's government would inevitably be a lame duck cabinet since the implementation of the IMF reforms would technically run against the interests of political parties in the public sector and drain their sources of power. Indeed, Jumblatt's concerns about Lebanon being controlled by a "black operations room" to obstruct reform efforts and maintain
dominance over the remaining resources in the country might hold some truth (Naharnet, 2020).

3.3.3. Failure to Complete the Central Bank Audit

In July 2020, as part of its negotiations with the IMF, Diab’s cabinet enlisted the services of Alvarez & Marsal, a renowned international auditing firm, to carry out a comprehensive forensic audit of the nation's central bank and public institutions. The audit aimed to identify financial irregularities, mismanagement, and potential corruption that contributed to Lebanon's severe economic crisis. However, the forensic audit faced resistance from political and banking elites. Disagreements over the scope of the audit and access to critical financial records hindered its progress. Riad Salameh and some politicians claimed they cannot release the required information due to banking secrecy laws. Despite international pressure, the audit process was repeatedly stalled and delayed. In November 2020, Alvarez & Marsal announced its decision to withdraw from the forensic audit, citing the lack of cooperation from Lebanese authorities. The withdrawal was a significant setback in the country's efforts to address its financial crisis and tackle corruption. All the while, the Diab administration had devised a regressive subsidy program that depleted around $287 million per month from the nation's foreign reserves, primarily favoring politically connected oligopolistic importers.

3.3.4. Failure to Enact Anti-Corruption Measures

As mentioned in chapter one, systemic corruption has been entrenched in Lebanese political culture the Taif agreement in 1989. Over the years, public officials in Lebanon have often expressed support for reform and even passed laws to demonstrate their
commitment, particularly in areas like access to information (ATI). However, the implementation of such legislation has been particularly challenging because of the elite’s lack of political will and transparency. This deficiency in compliance with the law undermines citizens' ability to access information from the public sector, hindering efforts to combat corruption and foster trust between the government and the people. Access to information is crucial for holding officials accountable and deterring corruption, both on small and large scales.

Moreover, Lebanon's struggle to effectively combat corruption is compounded by the involvement of its ruling elites in the country's anti-corruption strategy. While the National Anti-Corruption Strategy 2020–2025 was established, its implementation faces numerous obstacles due to a lack of political will and accountability among the political elite (Merhej, 2021). The strategy serves as a comprehensive document with a clear executive plan, yet many doubt its practicality, given Lebanon's past failures in implementing governmental strategies aimed at reforming the public sector.

The strategy's origins can be traced back to 2011 when Prime Minister Najib Mikati formed the Ministerial Anti-Corruption Committee and a technical committee to develop an anti-corruption strategy with the support of the UN Development Programme. Despite being formally adopted by the Council of Ministers in May 2020, the strategy is perceived by some as a mere façade rather than a genuine effort to tackle corruption. Critics argue that the ruling elite may have adopted the strategy to gain

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5 The National Anti-Corruption Strategy can be found here: https://www.omsar.gov.lb/Assets/docs/NACS_English -Eversion.pdf
international favor, secure foreign loans, and appease public discontent following the
protests in October 2019.\textsuperscript{6}

In fact, in the strategy, it is mentioned that the United Nations Convention against
Corruption (UNCAC) mandates its signatory nations to establish Anti-Corruption
Commissions (ACCs), dedicated bodies responsible for combating corruption. These
ACCs have the crucial roles of monitoring, investigating, and preventing various forms
of corruption within the public sector, encompassing activities like bribery,
embezzlement of public funds, unauthorized withholding of public information, and the
unlawful allocation of public contracts to patronage networks. ACCs often possess the
authority to initiate legal proceedings. The commission's composition of six members
and their appointment process is designed to limit interference from political elites in
parliament or the cabinet.

Additionally, the ACC is expected to observe the implementation of the
Transparency in the Petroleum Sector Law to preclude misappropriation of petroleum-
related returns. The ACC will also examine the financial disclosures of civil servants in
line with the recent Illicit Enrichment Law published in October 2020. Importantly, the
ACC has the authority to directly seek assistance from the judicial police without
involving the public prosecutor and can request the freezing of assets and travel bans for
suspects from relevant judicial authorities.

Regrettably, the independence of the upcoming ACC might be compromised due to
the political class's escalated involvement. The concerns surrounding the effectiveness

\footnotesize{\textsuperscript{6} Remarks made by Badri Meouchi, president of the Lebanese Transparency Association, in a webinar
hosted by the May Chidiac Foundation on 28 September 2020. The webinar is available at:
https://www.youtube.com/watch?v=iVuzdEVA_jo}
of the Anti-Corruption Commission are valid, particularly due to certain aspects of its formation, budget, and recent amendments to the Anti-Corruption Commission law.

Regarding its formation, article 6 of the law allows the minister of state for administrative reform to propose three candidates, with one chosen by the cabinet, giving the executive branch a direct influence in the commission's composition (Merhej, 2021). Additionally, the Banking Control Commission proposes three candidates, with one selected by the cabinet, but this commission's members are proposed by the Association of Banks in Lebanon, which represents commercial banks and has strong ties to the political class (Merhej, 2021). The ACC's appointments are ultimately decided by the cabinet from the list of suggested candidates. With the frequent occurrence of "caretaker" governments having restricted decision-making authority, the process of formal appointments might be delayed if candidates are proposed.

Even if a "national unity" government is established, the various parties will compete to exert more influence over ACC appointments. The LTA had advocated for altering this appointment procedure to reduce susceptibility to political interference, but its recommendations were turned down. This connection raises the potential for a conflict of interest, as it effectively grants segments of the political class a role in the Anti-Corruption Commission. Moreover, the six-year uninterrupted mandate of the commission's members lacks criteria for dissolution, and there's uncertainty about whether the members will function effectively as a cohesive unit throughout the entire duration. According to Merhej (2021), the prospective ACC, though not yet operational, is poised to become an ally of the private sector housing transnational capital, seeking swift profit from emerging opportunities, as well as the political elite with extensive financial and corporate stakes.
Concerning the amendments to the law, according to Merhej (2021), examining the initial provisions of the law and proposed changes reveals mechanisms that lead to co-option. The initial version of the law, passed in June 2019, stipulated that ACC members should not have any political party or group affiliations. However, the law was later revised through Decree 5272, with the president objecting to this stipulation. Consequently, the law was reformulated to require members to have been without political affiliations for at least five years before their appointment. This change raises concerns that individuals closely aligned with political parties could potentially join the ACC. Even Transparency International's Lebanon chapter, the Lebanese Transparency Association (LTA), voiced concerns about the original law's failure to address such appointments. Despite these reservations, the law was amended based on the president's preferences and was re-passed in April 2020. This process underscores the potential for political class connections to influence the composition of the ACC, raising questions about its autonomy.

In terms of the commission’s budget, it would be funneled through the Prime Minister’s Office as opposed to its own separate budget in the original law. These directed funds would also be dependent on donor agencies for funding, also raising doubts about its long-term sustainability. Moreover, in late January 2021, the ACC law was modified through two propositioned amendments, introduced unexpectedly within the Ministry of Finance's 2021 Draft Budget Law submitted to the cabinet. The initial amendment sought to permit individuals with a bachelor's degree and a minimum of twenty years of experience (in contrast to the original condition of a master's degree and at least ten years of experience) to be selected. The subsequent amendment shifted the ACC's budget to be managed by the Prime Minister's office, instead of maintaining its
separate budget as outlined in the original legislation. This change removes any lingering perception of the commission's independence. These included amendments in the Budget Law, despite their limited relevance to the State Budget, suggests that the political elite are already considering specific individuals for these positions.

Skepticism remains high as to whether a political class allegedly entrenched in corruption can be genuinely committed to implementing the anti-corruption strategy and commission and holding itself accountable. Later, when Prime Minister Hassan Diab's government resigned in August 2020, it would be a significant blow to the prospects of not just effectively implementing the National Anti-Corruption Strategy, but also addressing the concerns associated with conflicts of interest.

3.3.5. Failure to Curb Hezbollah’s Operations Across the Syrian Border

As the negotiations for an IMF deal continued, it became evident that achieving such an agreement was becoming more challenging. The obstacles extended beyond the politicians' lack of seriousness to include Hezbollah's bold smuggling of goods into Syria. This activity shed light on Hezbollah's concealed motives and raised concerns about the group's intentions regarding a potential IMF bailout (Hage, 2020).

According to analyst Makram Rabbah (2020), the smuggling of subsidized commodities into Syria, like petrol and flour, has been causing a significant drain on Lebanon's hard currency reserves for an extended period. This issue was bound to draw attention from the IMF, urging Lebanon to implement border control measures. Hezbollah's involvement in smuggling diesel fuel across the Syrian border was estimated to generate around $300 million per month. Nasrallah, Hezbollah's leader, downplayed the smuggling issue and emphasized close coordination with the Assad
regime, suggesting that border control efforts were ineffective without normalization (Rabah, 2020).

Hezbollah's intention was to maintain its control over the Lebanese state and resist international support that might jeopardize its ties with Iran. By perpetuating and then seemingly "addressing" the smuggling problem, Hezbollah aimed to appear cooperative with the government's reform efforts (Rabah, 2020). However, this approach exposed the challenges of implementing reforms without full cooperation from Hezbollah. It became evident that regaining full sovereignty for the Lebanese state was an increasingly elusive requirement in the current circumstances.

3.3.6. Sectarian Elite Reasserts its Dominance amid Lebanon’s Triple Crisis

While politicians and Hezbollah had been avoiding financial reforms to salvage their interests within the state, the outbreak of the COVID-19 virus threatened to herald Lebanon's ultimate collapse. According to Alami (2020), Lebanon, at that point, was undergoing a triple crisis: The combination of economic collapse and financial instability, a political upheaval, and a health crisis prompted by COVID-19 infections, pushed Lebanon into one of the worst economic and social crises in its history, leading to widespread suffering and hardships for its people.

In March 2020, the emergence of the COVID-19 pandemic prompted the Lebanese government to declare a national emergency and implement a nationwide lockdown. This measure aimed to curb the virus's spread by restricting social gatherings and utilizing security forces. However, the country's pre-existing severe financial crisis compounded the challenge of acquiring essential medical supplies necessary to combat the outbreak. Notably, Lebanon's healthcare system faced a critical shortage of intensive
care unit (ICU) beds, with estimates indicating only 350 to 500 ICU beds available for a population exceeding 6 million, including Syrian and Palestinian refugees (Alami, 2020).

Furthermore, concerns arose about the healthcare sector's capacity to manage a potential second wave of infections, given the depletion of foreign currency reserves, the trade deficit, and the issue of debt default. Dr. Shadi Saleh, the founding director of the Global Health Institute, acknowledged the early preventive measures undertaken by Lebanon, such as enforcing social distancing, to slow down the infection rate (Alami, 2020). However, he emphasized the challenges of maintaining such strict compliance, particularly without economic support for marginalized groups. Dr. Saleh estimated that the government would need to inject $135 million monthly to continue supporting the 300,000 families living below the poverty line in Lebanon.

As the pandemic continued, it exacerbated Lebanon's already fragile economic situation, triggering protests against government failures in delivering essential services and addressing economic concerns. Notably, the virus's impact led to a reduction in protest participation. The government seized the opportunity to suppress protests under the pretext of pandemic control, deploying security forces to forcibly disperse demonstrators and imposing curfews and restrictions. As Karim Merhej stated, “the tents were a form of symbolically and physically reclaiming public spaces. This was a way of destroying whatever vestiges were left of the uprising. They used the coronavirus. The lockdown, to basically put an end to it.” While the government's focus appeared primarily on tightening control over civil society, the pandemic exposed vulnerabilities, inequalities, and strains on social services, particularly affecting refugees, migrant workers, and informal laborers. According to Sprei (2021), this
situation was highlighted by the military's involvement in food distribution and the imposition of restrictions, echoing historical instances of "military rule."

Later on, faced with a weak state, political factions once again asserted dominance in a crisis-stricken Lebanon. Chehayeb (2020) reported that while providing social services and philanthropy has been a long-standing tradition within Lebanese political culture, the efforts by the ruling elite to aid their supporters were seen as a desperate attempt to maintain their political hold. Many quarantine centers, including private hospitals and hotels, were established, or financed by Lebanon's ruling political parties in collaboration with local municipalities, often led by members of those parties. Hezbollah, possibly the best equipped to deal with the crisis, and Amal, formed a substantial team of over 24,000 medical workers. The party allocated a significant amount of money, around $1.75 million, for this initiative (Cammett & Mourad, 2020). Hezbollah introduced Al-Sajjad cards, named after an Imam, allowing their supporters to access discounted groceries at specific stores in Beirut's southern suburb and the southern region of Lebanon (Taha, 2021). These stores offer essential items at reduced prices in Lebanese pounds, with a 30% discount, and are backed by Hezbollah's support (Taha, 2021). The products available in these stores mainly come from Syria, Iran, and Iraq and are believed to enter Lebanon through the Syrian border. Hezbollah paid parts of its military apparatus in dollars, shielding its core supporters from deteriorating living conditions.

Meanwhile, on a smaller scale, in different parts of Lebanon, the Free Patriotic Movement (FPM), provided medical aid and assistance to their constituencies. They established a team to sanitize neighborhoods, conduct free testing, and deliver essential goods to quarantined families in need (Hamdan, 2021). On the other hand, in the face of
an imminent diesel shortage that could have resulted in power outages in Aley, a stronghold of the Druze community, the Progressive Socialist Party (PSP) stepped forward to address the issue (Chehayeb, 2020). The party proactively sourced fuel from local distributors, including Coral and Hypco, and negotiated advantageous pricing. This enabled the PSP to distribute the fuel to private generator owners in the area and maintain a consistent supply through ongoing deliveries (Chehayeb, 2020).

Additionally, several politicians, including former prime ministers Saad Hariri and Najib Mikati, made monetary donations, albeit comparatively small, to support the COVID-19 response (Chehayeb, 2020). Druze leader Walid Jumblatt pledged $600,000 to the Rafik Hariri University Hospital and the Lebanese Red Cross during a television show (Chehayeb, 2020). Moreover, the Association of Banks president, Salim Sfeir, contributed $6 million to support the government's efforts against the pandemic (Chehayeb, 2020). Over time, political parties increasingly took on the responsibility of providing services to their constituents as the state's ability to serve society diminished. Indeed, as Maha Yahya (2020) stated, "The bitter irony could be that by plundering the state to the point where it falls apart, the political parties responsible for the mess may be able to recreate their power. When the state collapses, they will be the only ones with the money and organizational structures to control their areas. They will be the only gateway to whatever is left of public resources" (International Crisis Group, 2020).

Meanwhile, politicians are keen to protect their vested interests in a political and economic order that can no longer sustain such behavior (Yahya, 2020). In July 2020, as Lebanon's economic crisis worsened and the middle class faced significant challenges, the international community, including the IMF, urged the country's elite to implement reforms. However, Prime Minister Diab's cabinet was
beginning to fail, and despite the IMF's public warnings, there was little hope of reaching a deal. The situation seemed bleak, and the country's economic prospects remained uncertain. On August 4, 2020, Foreign Minister Hitti resigned, citing the lack of a clear vision for Lebanon and a genuine commitment to comprehensive structural reform (Azhari, 2020). He warned that Lebanon was on the path to becoming a "failed state" and called on the political leaders to take action to save the country (Azhari, 2020).

3.4 Coup de Grace: Beirut Port Explosion August 4, 2020

This section will provide a detailed account of the events following the Beirut port explosion on August 4, 2020. These events exposed the weakness of the Lebanese state and complicity of the political elite in the corruption and dysfunction that contributed to the devastating explosion.

On August 4, 2020, an unimaginable disaster unfolded as a massive explosion resembling a nuclear event devastated Beirut's port and caused widespread destruction throughout the city. The explosion claimed the lives of over 218 people, left 7,000 injured, and displaced 300,000 others (Hubbard et al., 2020). The catastrophic blast was triggered by the ignition of 2,750 tons of ammonium nitrate, an industrial chemical that had been improperly stored for years. Initially intended for Mozambique, the shipment had been offloaded at the Beirut port in 2013 due to technical problems with the transporting vessel (Hubbard et al., 2020). As a result of unpaid port fees, the authorities impounded the ship, leaving the hazardous compound neglected in a warehouse at the port for an extended period (Hubbard et al., 2020). The explosion occurred on an
ordinary day, resulting in one of the most enormous non-nuclear explosions ever documented.

For at least six years, officials and journalists had issued warnings about the presence of explosive chemicals at the port on multiple occasions, amounting to around "10 times." Majzboub (2020) presented detailed evidence revealing how omissions and actions by officials contributed to the haphazard storage of the explosive materials at the Beirut port. The report highlighted official correspondence and interviews with government officials, demonstrating that senior leaders were well aware of the risks associated with ammonium nitrate but failed to take the necessary actions to protect the public (Majzoub, 2020). Furthermore, Customs, Army, and security officials neglected to secure or destroy the hazardous material.

As a result, the catastrophic blast in Beirut resulted in a financial toll estimated between $6.6 and $8.1 billion, according to the World Bank (2020). Also, as per the World Health Organization (2020), the healthcare system suffered severe consequences, including the destruction of three hospitals, severe damage to three others, significant depletion of medical equipment and supplies, and the loss of 500 hospital beds. This severely hindered providing adequate care for blast-related injuries and increased COVID-19 cases (Majzoub, 2020). Additionally, around 280 educational institutions were damaged, affecting over 85,000 students and posing challenges for families in deciding their children's education (Majzoub, 2020). The destruction of the port disrupted Lebanon's food supply chain, including the destruction of grain silos and warehouses storing essential food items. This significantly reduced the country's capacity to import and store wheat and other cereals, leading to food shortages and significant social consequences (Majzoub, 2020).
The Lebanese Central Bank's announcement of support for businesses and individuals affected by the blast on August 6, 2020, raised doubts among experts about its ability to access sufficient funds from diminishing reserves (Turak, 2020). This came amidst the compounded impact of the liquidity crisis, credit loss, and COVID-19, which resulted in business closures, job losses, and limited electricity due to fuel scarcity. Notably, a few days after the blast, there was a notable absence of apologies from ministers or government officials to the Lebanese people. No efforts were made to visit hospitals to meet the wounded or the neighborhoods heavily damaged by shattered glass. The streets echoed with sentiments of mourning and a call for accountability. Behind closed doors, the resounding phrase "All means all" was uttered, leaving many questioning if this could be a turning point in the country's trajectory (Ghattas, 2020).

3.4.1. An Absent State Amid a National Disaster

The Beirut port disaster revealed the Lebanese state's vulnerability and its institutions' absence (Haddad & Sakr, 2022). In the aftermath of the explosions, ordinary citizens took it upon themselves to clear the debris and actively participated in the search for bodies. According to Haddad and Sakr (2022), the government's failure to respond to disasters is nothing new. Non-governmental organizations (NGOs) in Lebanon played a crucial role in disaster response during the civil war (1975-1990) and the 2006 war with Israel. NGOs in Lebanon stepped in to provide public services when the government could not do so and redirected their efforts toward relief activities during conflicts (Haddad & Sakr, 2022). Over the years, corruption and negligence in the public sector have motivated citizens to join NGOs and assume the state's role of protecting their communities.
Apparently, Lebanon exhibits the lowest level of preparedness for disasters compared to other Arab countries. The country is susceptible to various calamities, including fires, floods, seismic activity, and artificial disasters (Haddad & Sakr, 2022). The Beirut explosion, one of the most severe artificial disasters, highlighted the shortcomings in policies, infrastructure, and resources required to respond efficiently to such emergencies (Haddad & Sakr, 2022). The government's limited capacity, compounded by existing challenges of COVID-19, corruption, and economic instability, necessitated the involvement of local communities, volunteers, and organizations in the immediate response efforts (Haddad & Sakr, 2022).

Moreover, Haddad and Sakr (2022) also found that organizations hesitated to work alongside government forces. One of the main reasons was the absence of a clear disaster management plan. The government was ill-prepared to handle disasters and lacked a well-defined strategy. While some policies existed, the government lacked the expertise to implement them effectively. Also, their delay in providing relief, failure to address basic needs, and lack of engagement in humanitarian work led to frustration and hindered collaboration (Antonious et al., 2020). Organizations expected the government to provide resources for debris removal, directly assist people, and encourage its employees to make necessary repairs. Instead, the absence of state involvement resulted in children being exposed to hazardous materials on the streets (Haddad & Sakr, 2022). Lastly, the municipality of Beirut was absent and unprepared after the explosion, relying on organizations for assistance (Haddad & Sakr, 2022).

While international assistance was offered, the resilience and resourcefulness of the Lebanese people played a crucial role in the disaster response. According to Haddad and Sakr (20220, "the Beirut blast required Lebanon to rely on its public represented by
NGOs and, to a certain extent, the Lebanese Army." After the Beirut explosion, independent volunteers and organizations immediately took to the streets for search and rescue efforts. In contrast, the government responded after a week by introducing a national policy that required NGOs to register with the Lebanese Army since it was considered a "trusted Lebanese entity" and "apolitical" (Antonious et al., 2020). Additionally, the Army assumed a social role by overseeing donation management and providing on-ground security. It also collaborated with international military forces in search of missing individuals (Antonious et al., 2020).

3.4.2. The International Community Urges Change

Considering the lacking state presence, French President Macron believed it was appropriate for France to intervene. On August 6, 2020, Macron rushed to the heart of Beirut and met with besieged Lebanese residents in Gemmayze, where he told them that he would urge leaders to accept a "new political deal" and to "change the system, to stop the division of Lebanon, to fight against corruption" (Lawler, 2020). French President Macron also expressed the need for an international investigation into the port blast, which Michel Aoun rejected, claiming that an international investigation would only slow down the probe.

Despite Macron's emotive and interventionist approach, France was not the only country calling for political transformation and an investigation into the blast in Lebanon. The international community also expressed its support for change and a thorough investigation. In addition to France, other countries pledged humanitarian assistance directly to the people, bypassing government institutions, and stipulated that financial support to the government would be contingent upon implementing reforms. A
donors' conference for Lebanon was organized on August 9, 2020, co-led by France and the United Nations, resulting in approximately $300 million in aid commitments. The role of state institutions weakened further as a result of international donors vaporizing NGOs and their own channels of aid delivery. However, the final amount fell short of expectations due to concerns about the potential involvement of groups like Hezbollah and fears of mismanagement and corruption within the government bureaucracy (Yacoubian, 2020). Most significantly, the conference underscored the international community's lack of confidence in the Lebanese government, highlighting the need for efficient and transparent direct delivery of aid to the Lebanese people.

Through its embassy in Beirut, the United States announced an emergency assistance package of $17 million, including food and medical supplies directly to the people. Several other countries, such as Britain, Kuwait, Egypt, Iran, Canada, Turkey, Russia, Qatar, and even Israel, have also offered humanitarian aid to the ailing population. Germany and France sent rescue teams to help recover bodies under the rubble. The European Union (EU) also promptly sent over 100 firefighters and activated the Copernicus satellite mapping system to aid Lebanon following the Beirut explosion. The EU further extended support through preferential trade terms and customs assistance. At the same time, the United Nations (UN) allocated $9 million from the Lebanese Humanitarian Fund and additional funding from the Central Emergency Response Fund (CERF). UN teams were also deployed to aid and contribute to the emergency response efforts.

Meanwhile, the explosion immediately affected the Lebanese pound, causing its value to decline against the dollar on the black market, rendering talks with the IMF even more urgent. On August 9, 2020, IMF Managing Director Kristalina Georgieva, in
a statement, also urged Lebanon's international community and friends "to step up to help the country." "The IMF is exploring all possible ways to support the people of Lebanon," she said (Al Arabiya, 2020). "It is essential to overcome the impasse in the discussions on critical reforms and put in place a meaningful program to turn around the economy and build accountability and trust in the country's future" (Al Arabiya, 2020).

3.4.3. Elite’s First Attempts at Sabotaging the Port Blast Probe

Amid the public's widespread anger and Hassan Diab's announcement of an investigative committee, there was a pervasive lack of trust that any government official would be held accountable for the Beirut explosion. The committee, consisting of the justice, interior, and defense ministers and heads of the key security agencies, aimed to deliver its findings to the Council of Ministers of Lebanon before August 11.

The probe’s direction left little to be desired. The committee focused on determining whether the explosion at the Beirut port was accidental or a result of negligence and explored the possibility of it being caused by a bomb or external interference. The public condemned the political elite for manipulating the discussions surrounding the port blast. Instead of addressing the crucial questions of "who, how, and why" the explosive materials were mishandled and neglected at the port, they focused on the question of "who did it?" This diversionary tactic drew criticism as it failed to address the underlying issues that led to the catastrophic explosion, which devastated half of Beirut. Indeed, one by one, officials engaged in a blame-shifting game, passing the responsibility from one to another.

On August 5, 2020, the Council decided to place sixteen officials from the Beirut port, who had been responsible for storage and security since 2014, under house
arrest. (Cornish, 2020) The Army was assigned to oversee this measure until the investigation into the explosions was completed. Additionally, the general manager of the port, Hassan Koraytem, and the former director general of Lebanon's customs authority, Shafiq Merhi, were arrested (Rasheed et al., 2020). On August 7, 2020, President Michel Aoun stated that he had been informed about the hazardous chemicals three weeks before the blast and had instructed military and security agencies to take necessary action (Rasheed et al., 2020). He claimed his responsibility ended there as he had no authority over the port. Given the decades long pervasive lack of transparency and chaotic governance at the port, it was expected that high-ranking officials would claim innocence. President Aoun referred the case of the Beirut port blast to the Judicial Council, the country's highest court responsible for cases related to national security. However, knowing that the judiciary is inextricably linked to the executive, it was highly unlikely that the investigation would yield a positive outcome.

On August 8, 2020, frustrated protesters filled the streets of Beirut, storming ministries and expressing their discontent over the lack of accountability and the perceived obstruction of the investigation. Many viewed impending arrests as superficial since high-ranking officials were still in office. For the first time, the public openly questioned Hezbollah's potential connection to the ammonium nitrate involved in the blast. The authorities responded to the protests by using tear gas, further escalating tensions. As a result of the mounting pressure and serial resignations of independent ministers, starting with Information Minister Manal Abdel Samad on August 9, 2020, Prime Minister Hassan Diab's cabinet began to crumble.

In the face of these developments, Prime Minister Diab addressed the nation on August 10, 2020, officially announcing his government's resignation. He attributed the
tragedy to corruption, stating that the "system of corruption was bigger than the state" and that it was impossible to confront or eliminate it. Diab's resignation followed a period of political and security upheaval, with clashes between angry protesters and security forces leading to injuries and fatalities.

On August 17, 2020, Badri Daher, the current director-general of Lebanon's customs authority, was arrested. In addition, former ministers of finance and public works were scheduled for interrogation by a judge appointed by the Council. To add to the momentum, state prosecutor Ghassan Oueidat imposed travel restrictions on seven individuals, including Koraytem, the port's general manager. This was followed by another notable step on August 19, when a Lebanese judge issued arrest warrants for additional suspects linked to the explosion, bringing the total number of accused individuals to 25. Leading the investigation, Judge Fadi Sawan summoned former Minister of Transportation and Public Works Ghazi Aridi, Labor Ministers Ghazi Zaiter, Youssef Fenianos, and Michel Najjar, General Director of the Lebanese State Security Tony Saliba, Director-General of Lebanon's Land and Maritime Transport division Abdul-Hafeez Al-Qaisi, and General Director of General Security Major General Abbas Ibrahim for questioning (Reuters, 2020).

Despite the arrests, there was a prevailing sense of skepticism that the devastating explosion would lead to a comprehensive transformation across the nation. Many believed that the ruling class would resort to offering short-term solutions merely to create an illusion of consent and a semblance of normalcy. They speculated that a potential unity government might be formed under the pretense of technocratic nominees, leading the country back to square one. The political elite's involvement in
mismanagement and corruption at the port made it difficult to envision any genuine accountability from their end, especially considering Hezbollah's influence.
CHAPTER 4

THE FRENCH INITIATIVE: EXTERNAL INTERVENTION TO STABILIZE LEBANON

This chapter will delve into the complexities Lebanon after the Beirut port explosion on August 4, 2020. We aim to address the second research question, investigating whether this critical juncture can salvage Lebanon’s existing political system, or if a domestic and external appetite for a new contract exists. There remains the possibility that Lebanon could succumb to a malevolent combination of domestic actors determined to maintain the status quo and retain their capture of state institutions at the expense of citizens’ welfare, and external actors’ divergent interests in Lebanon. Disrupting Hezbollah's control over the political system could present significant challenges in the reform process for all parties concerned. Without a convergence of internal and external interests and genuine political will to forge national consensus and enact reforms, the French initiative and the IMF program might be a failed gambit.

4.1 The French Initiative

After the catastrophic explosion in the Beirut port on August 4, 2020, both local and international observers perceived this devastating event as a potential turning point. France’s president, Emmanuel Macron, rushed to seize the opportunity to squeeze the elite's hand and push for reforms. On August 6, 2020, Macron arrived in Beirut and quickly visited the destroyed neighborhoods of the city. Upon his arrival, he was met by a crowd overwhelmed with grief, and in a rather hasty manner, he responded to a man in the crowd, stating, "I am here today. This afternoon, I will present them with a new political agreement, and I will return on September 1, 2020. If they fail to honor their
commitments, I will bear the responsibility." In the evening, during a press conference, half of the journalists dedicated their questions to this alleged new political pact, and Lebanon’s entrenched elite began preparing their rebuttals to Macron's answers.

Macron had miscalculated the extent of fragmentation within Lebanon's protest movement and the resolute resistance of the political elite in maintaining the status quo, which served their interests significantly. Lebanon's protest movement struggled to unite around a national agenda due to its sectarian fragmentation, lack of leadership, and diverse grievances encompassing economic hardships, corruption, and political dysfunction. Political manipulation by established parties, external interference, historical divisions, and the complexity of Lebanon's political system further hindered cohesive alignment. Shortly after, Macron would rescind his rhetoric of a new social contract and return to a “realistic” framework of dealing with the political establishment.

French officials announced their intention to host two conferences in October with a focus on Lebanon. The first conference would concentrate on reconstruction assistance, while the second, held in Paris, would seek to garner international support for Lebanon's reform agenda. However, the realization of these plans hinged upon the establishment of a new government and the implementation of anti-corruption measures that had long been advocated for in previous Paris II, III and CEDRE conferences.

Additionally, the French ambassador to Lebanon, Bruno Foucher, reportedly presented Lebanese leaders with a two-page "concept paper" that outlined a roadmap for the country's future (Reuters, 2020). The paper outlined several key measures, including conducting audits of the Central Bank and the state's finances, expeditiously forming a “government of mission” capable of implementing the IMF reform program,
concluding an impartial investigation into the Beirut explosion, and organizing an early parliamentary election. The paper also urged politicians to prevent a political vacuum and resume the stalled talks with the IMF and UN regarding the international humanitarian funds that were recently pledged to Lebanon.

Amid these developments, Macron diligently navigated the complex landscape of foreign powers vying for influence in Lebanon. He made a plea to the United States, Iran, and Saudi Arabia, urging them not to disrupt the French-backed process, at the very least. In his efforts to broker a resolution, Macron convened a meeting with Lebanese political leaders at the Résidence des Pins. Notably absent were Nabih Berri and Hassan Nasrallah, represented instead by Ibrahim Azar and Mohammad Raad, respectively. The fractures within the political landscape were already becoming apparent.

However, France's stance towards Hezbollah added another layer of complexity to the French initiative and exposed the contrasting domestic and international interests at play in Lebanon. During the meeting, while regional issues and Hezbollah's weapons were discussed by most politicians, Mohammad Raad chose to remain silent. Raad had been recently sanctioned by the United States, and his reluctance to negotiate with a Western power seemed to play a role in his reserved approach.

Nevertheless, Macron persisted in his call for the formation of a technocratic cabinet that would prioritize crucial matters like banking, combating corruption, and implementing much-needed reforms. He emphasized that opening the doors to international financial institutions such as the World Bank and the IMF was possible, provided that the elite avoids contentious points that cannot be immediately resolved. During a private discussion with Macron, Raad conveyed the party's rejection of any
conditions imposed on Hezbollah. Macron, in response, assured that Paris would treat Hezbollah on the same level as other Lebanese parties. His only caveat was that the Shiite party participate in the reform dialogue with genuine commitment. It quickly became clear that with Hezbollah's involvement, finding common ground would be difficult. Yet, without their cooperation, significant reforms seemed practically unattainable. The intricate balancing act continued as Macron aimed to navigate the complex web of interests and find a way to bring about meaningful change in Lebanon.

By August 31, 2020, Mustapha Adib had risen as the favored contender for Prime Minister, garnering widespread agreement and endorsement within the Sunni community. He was regarded as a potential leader to advocate for the reform agenda proposed by French President Macron. Initially, President Macron had not regarded Saad Hariri's return as pivotal to his plan. Nevertheless, in the aftermath of Diab's unsuccessful administration, it became clear that obtaining Hariri's approval for appointing a Sunni representative to head the upcoming government was essential.

Although the Shiite parties leaned toward endorsing Hariri's comeback, he encountered a lack of backing from the Lebanese Forces and other Christian factions. The Christians viewed the government's formation at this juncture as a mere reiteration of the existing 2018 parliamentary arrangement, which was dominated by Hezbollah and its allies. They advocated for diplomat Nawaf Salam and proposed early elections instead. Walid Joumblatt, the leader of the Progressive Socialist Party, also opposed Hariri's return due to concerns about potential street tensions. Despite these reservations, the political elite chose Adib as a symbolic gesture to support Macron's initiative. Adib publicly committed to enacting essential reforms in line with the IMF’s guidelines, garnering Saad Hariri's approval.
On September 1, 2020, Macron arrived in Beirut to mark the centenary of the establishment of "Greater Lebanon" by French authorities in 1920. This historically significant event served as the backdrop for France's president to kickstart his campaign in support of his initiative. During his visit, he highlighted the enduring ties between Lebanon and France, beginning his tour with a visit to the residence of singer and national icon Fairuz. He then presented a comprehensive roadmap for crucial reforms, emphasizing an aggressive timeline and issuing stern warnings about the consequences of non-compliance. This included the possibility of imposing sanctions on obstructive members of the political elite. Macron stressed that this was the final opportunity for the current political leaders, setting an expectation for a government to be formed within 15 days and for results within three months, declaring his intention to return on December 1, 2020 (Mrouwe & Haddad, 2020). As Macron's longtime friend once said, "We must not forget where he comes from. He succeeded in blowing up a bipartisan political system that has existed since the beginning of the Fifth Republic." What could go wrong?

Protesters vehemently rejected Macron's reliance on the elite to facilitate the formation of a technocratic government and implement the reforms that would undermine their authority. They questioned why he would place trust in the same political figures when he had previously promised to bring about systemic change. They perceived Adib's designation as an indication of a lack of genuine political will to enact reforms, viewing him as yet another representative of the existing system. As a result, clashes erupted in the evening between angry protesters and security forces, with tear gas being deployed to disperse the crowds. Many protesters displayed black Lebanese flags as a symbol of mourning for the victims of the port explosion.
4.2 The Tragedy of Doing Nothing: No Reforms, No Aid, No Mercy

Initially, Macron's initiative had been making progress, especially with Hezbollah displaying a degree of flexibility. Nevertheless, when he acceded to the requests of Hezbollah, Amal, and FPM to delay early elections, it signaled the beginning of France making concessions to the old guard. Amid heightened domestic tensions, the political elite evaluated that permitting public voting could potentially lead to their downfall. For certain politicians, this moment presented a chance to recalibrate power sharing and safeguard their communities against external influences. Meanwhile, others seized the opportunity to exploit outside intervention, stoking sectarian apprehensions and gaining a timeframe to postpone reforms.

Certainly, after Macron declared his intention to facilitate the establishment of a new social contract, clear signs of division emerged among the political elite. Geagea's stance showcased this early fragmentation, as he stated on August 12, 2020, that the Lebanese Forces' 15 members of Parliament would not resign without their allies, aiming to prevent other cabinet members from gaining an advantage that could be used to modify electoral laws, amend the Constitution, and potentially elect a president in the first round. Additionally, Geagea rejected Berri's earlier call for an electoral law without regional or sectarian barriers, as well as any majoritarian rule that could undermine the Lebanese formula and National Pact. Instead, he emphasized early elections as the only viable solution to form a cabinet of technocrats that could implement the needed reforms. Moreover, Geagea expressed a readiness to deliberate on a fresh political agreement while underscoring the importance of extensive decentralization. However, some perceived this stance as potentially harboring sectarian implications and therefore would not find consensus among all parties. He appealed to the Arab Gulf states to
endorse this strategy, effectively delineating the divisions among the various political factions.

Like Geagea, on August 18, 2020, Druze leader Walid Jumblatt was also reluctant to accept any changes to the Taif accord. His fear was that any alterations could lead to a shift in the balance of power, favoring Hezbollah and Iran. In line with the Taif agreement, Jumblatt advocated for the establishment of a senate that would grant veto power to the Druze community (which ironically would further consociation even more). At the same time, on August 17, 2020, Patriarch Al Rahi made a significant move by officially announcing his "Memorandum of Active Neutrality." This declaration solidified his position, as he had previously condemned political conflicts and advocated for a policy of neutrality. The Patriarch expressed concerns about Lebanon's isolation resulting from Hezbollah's involvement in regional affairs. He stressed the importance of prioritizing sovereignty, disengaging from neighboring conflicts, and promoting coexistence and security. Al Rahi highlighted that these measures were crucial for gaining access to international aid and successfully implementing much-needed reforms. President Aoun, Hezbollah, and Berri, who all stand to gain from the existing political system, swiftly responded to these declarations with rhetoric that could be interpreted as veiled threats.

On August 30, 2020, President Aoun delivered an address on the occasion of Lebanon's 100th year since the declaration of the Greater State of Lebanon. In his speech, Aoun called for Lebanon to be declared a "civil state," stating that the current sectarian system had become an obstacle to progress and reform. He placed blame on the system itself, deflecting any responsibility from his own political party and others in the establishment. Aoun acknowledged that while the Taif Accord had strengths, it also
had weaknesses that emerged at various points. He called for a national dialogue to discuss a new power-sharing formula that could be adjusted based on constitutional mechanisms.

Hassan Nasrallah, seizing on French President Macron's call for a new political pact in Lebanon, also supported Aoun's call for a civil state on the same day. Nasrallah expressed a desire for parliamentary blocs to name a PM-designate who met the constitutional requirements. However, he emphasized that such a discussion must have consensus among all Lebanese factions. Nasrallah criticized the sect-based political system, arguing that it could not enable the urgent reforms needed in the country.

Echoing Aoun and Hezbollah, on August 31, 2020, Berri raised the idea of establishing a civil state, highlighting that this should have been done 20 years ago as stipulated in the Constitution. He suggested that the problem lies with the political system itself, rather than the politicians who have exploited it.

Meanwhile, Adib's appointment can be seen as a product of the current Lebanese political establishment, currently settling past grievances within the framework of new engagement rules set by France. Apparently, the newly nominated Prime Minister Mustapha Adib, along with the Sunni former prime ministers who endorsed his nomination, adopted a secretive approach in forming the cabinet, refraining from leaking information or seeking consultations on the selection of cabinet members. They argued that such discretion is within the constitutional authority of the prime minister. Saad Hariri's influence on Adib was considered crucial, as Hariri aimed to achieve through Adib what he was unable to accomplish in his previous tenure as prime minister designate. Hariri saw Hezbollah as being in a vulnerable position, and he held the viewpoint that according to the Constitution, the formation of the government
is the prerogative of the prime minister, with the president's endorsement, effectively sidelining the Shiites from this process.

Hezbollah and Berri resisted the idea of isolating the Shia community and instead focused their efforts on stalling the formation of the cabinet. In response to the appointment of a Sunni prime minister with the authority to unilaterally select the cabinet, Berri expressed his objection, stating that it violated the Doha Agreement and contradicted the principles of the National Pact, which established Lebanon as a multi-confessional state. Berri further argued that his ability to choose the finance minister was crucial to maintain the potential for a Shia veto in endorsing significant decisions made by the Maronite president and the Sunni prime minister. It is important to highlight that Hezbollah, Amal, and their allies hold a significant number of seats in Parliament because of the 2018 elections. Therefore, despite objections from various national and regional parties, any attempt to exclude or isolate them from the reform process would risk reigniting a situation like that of 2008.

On September 9, 2020, just two weeks before Macron's deadline, on the one hand, as a clear message to Hariri to distance himself from Hezbollah, the US Treasury imposed sanctions on Ali Hassan Khalil, the former finance minister and a prominent member of Amal, as well as Youssef Fenianos, a senior member of the pro-Syrian Christian Marada movement (Mrouwe, 2020). Apparently, Khalil and Fenianos often acted as intermediaries between Hariri and the armed group. Macron tried to salvage the situation by contacting Berri, but the latter remained firm in his position, particularly in defiance of Washington's actions against Fenianos and Khalil (Alsharq Awsat, 2021). On the other hand, Berri interpreted the sanctions as a clear directive from the US to take a step back from the government formation process and be more flexible in the
maritime border talks with Israel (Macaron, 2020). Cracks would start to appear in the foreign policies of the US, France, and Saudi Arabia. The political elite would seize this opportunity to their advantage.

To break the political deadlock, President Aoun sought external mediation by sending Lebanon's General Security Director, Abbas Ibrahim, to Paris. However, France was cautious not to appear overly involved in the government formation process. On the other hand, Saudi Arabia openly expressed its disapproval of the entire French initiative and the government formation process. King Salman, during his address at the United Nations General Assembly, condemned Hezbollah's dominance and believed that granting political legitimacy to the group would only strengthen its position within the political system.

Under mounting pressure from the US and Saudi Arabia, Prime Minister Hariri reluctantly offered to compromise by proposing the Finance Ministry to the Shiite parties, but with the condition that his camp would choose the minister. However, the Shiites rejected this proposal, questioning why Hariri should have the authority to select Shiite ministers. Hezbollah found itself in a complex situation. The loss of Christian support in Lebanon, its apparent isolation, and the announcement of the Abraham Accords between the US, Israel, and the UAE on August 13, 2020, threatened its domestic and regional status. As previous experiences have shown, when Hezbollah feels increasingly pressured, it becomes less willing to make concessions.

On September 26, 2020, shortly after assuming the role of Prime Minister, Adib's resignation took place, causing disappointment to Macron (Karam, 2020). Simultaneously, Hariri publicly criticized the "celebration" of the French initiative's failure to establish a government and implement reforms. He warned those cheering
about the consequences they would later regret (Reuters, 2020). However, the situation didn't unfold as finger-biting; instead, a sequence of events followed. Nasrallah responded, blaming local adversaries, the US, and Saudi Arabia for sabotaging government formation. Despite the economic ramifications, another cycle of political stagnation seemed inevitable.

Following Adib's departure, President Macron visited Lebanon and sharply criticized the nation's power brokers, expressing his "shame" at their "collective betrayal." He rebuked their prioritization of partisan and personal interests over the country's welfare (Charlton, 2020). Macron specifically mentioned Hariri and questioned Hezbollah's motives, pondering if it was a genuine political entity or an instrument dictated by Iran's agenda. Macron emphasized the need for progress in the weeks ahead, warning of the potential for the nation to slide into "civil war" if the political elite didn't reach a settlement. France's options appeared exhausted, constrained by tight timelines that hindered increased international and regional involvement.

Within days, Hassan Nasrallah responded, expressing continued support for the French initiative but attributing the lack of cooperation to the US, Saudi Arabia, and domestic adversaries. He clarified that Macron did not hold authority over the nation and would need to consider various groups' concerns in any settlement. Nasrallah firmly asserted that the resistance wouldn't accept an imposed government lacking Hezbollah representation, specific minister numbers, and portfolio rotation. He contended that any arrangement aligned with current French reasoning would contradict democratic norms by facilitating minority rule over the majority (Naharnet, 2020). Hezbollah's unwavering stance demonstrated its determination to uphold the status quo amid uncertain regional circumstances.
In October 2020, Hariri returned as designated Prime Minister. Speculations arise that he is supported by France, with the approval of the United States and Saudi Arabia. However, the French ambassador to Beirut, Anne Grillo, clarifies that France will judge based on actions rather than assumptions. Despite Hariri's return, French diplomats emphasize that the resumption of international aid will not automatically resolve the deadlock in Lebanon. Hariri believed that establishing a mutual understanding with Hezbollah and Amal would enable him to effectively implement a French-supported economic reform plan for Lebanon. The underlying implication was that such cooperation between the Sunni and Shia factions would compel other sectarian leaders to follow suit.

However, Nasrallah's response made it clear that Hezbollah would not be pressured into making a choice, creating difficulties in forming a new government, and rendering the provision of public goods an elusive dream. In fact, from October 2020 to July 2021, Lebanon faced a series of acute challenges that had profound repercussions on its economy and governance. One of the most pressing issues was the precipitous devaluation of the Lebanese pound. Within a matter of months, the exchange rate of the Lebanese pound against the US dollar surged from approximately 8,000 to over 20,000 Lebanese pounds per dollar, leading to a staggering increase in the cost of living for citizens (Al Jazeera, 2021).

The scarcity of fuel emerged as a critical concern, resulting in long queues at gas stations and disruptions to daily life. Moreover, the government’s announcement of cutting subsidies to wheat and other essential goods would disproportionately burden the already struggling population, leading to public protests (Bloomberg, 2021). The energy crisis was further compounded by power cuts and extended electricity shortages,
a longstanding problem in Lebanon's infrastructure (Reuters, 2021). Symbolic of Lebanon's broader governance issues, the chronic mismanagement of the electricity sector had resulted in constant power shortages and unsustainable financial losses for the state (World Bank, 2021). Implementing meaningful reforms in this sector was a pivotal aspect of the IMF negotiations, as it signaled a commitment to structural change and transparency in Lebanon's governance.

Furthermore, instead of concentrating their legislative efforts on enhancing the worsening economic and social conditions, the performance of MPs declined. Despite presenting proposed laws, it seemed that this endeavor was more of a facade aimed at expediting international assistance. Among these legislative proposals were those pertaining to capital control, public procurement, amendments to bank secrecy regulations to facilitate forensic audits, the judicial system's autonomy, reforms for fair competition, and the creation of a specialized public prosecution unit for combating corruption.

Certain laws underwent concerning amendments as well, such as the Embezzled Funds Recovery Law, the Anti-corruption and Illicit Enrichment Law, and the Law regarding the Establishment of a National Anti-Corruption Commission (which will be discussed in section 2.3.4.) Nevertheless, a significant portion of these laws did not gain approval, particularly the capital control law. Those that did get approved either lost effectiveness prior to their passage or were approved but have yet to be put into practice.

In fact, the Budget and Finance Committee of the parliament prolonged the process of the capital control draft law to an extent where its original goals have largely lost effectiveness, given that billions of dollars have already been moved out of the
country since October 2019, leaving regular depositors to face unregulated capital controls simultaneously. The Ministry of Finance director-general estimated that around $6 billion were illicitly taken out of Lebanon. The draft was only brought before the general assembly for voting in October 2021, and subsequently returned to the committee, remaining in deliberations ever since. Simultaneously, the Central Bank had also essentially rendered its Banking Control Commission and Special Investigation Commission ineffective, which facilitated the movement of wealth abroad for political and economic elites. Consequently, most of Parliament's endeavors during this period were performative actions that failed to produce any substantial impact on the lives of the ailing population.

Even the judiciary failed in this aspect and only protected the elite’s interests. Impunity regarding banks' actions reached unprecedented levels. Despite violations of Lebanese laws by banks, the judiciary, including top-level and lower-ranking judges, failed to hold them accountable. Banks imposed illegal withdrawal limits and did not return deposits in their original currencies, contrary to the Code of Commerce. According to Atallah (2022), despite Law 2/1967 requiring banks to undergo an insolvency process if unable to settle deposits, this law has not been enforced, and no Lebanese bank has been declared bankrupt. Few successful legal cases compelled banks to return owed deposits, often through foreign courts, while domestic cases were less successful. Even foreign court orders did not deter certain banks from taking drastic actions, such as closing accounts of British depositors after a London court ruled in favor of one depositor.

In the end, on July 21, 2021, Hariri resigned after eight months due to a failed response to the economic crisis amid widespread poverty and discontent as well as
disputes regarding the allocation of key ministries. These included granting the finance portfolio to Hezbollah and Amal, while assigning the justice, interior, and energy ministries to President Michel Aoun and Bassil. The latter also insisted on retaining the blocking third in any new government (Ali, 2021). Indeed, amid his disintegrating legacy and hazy alliance with Hezbollah, President Aoun was playing his final cards. For the first time in a decade, Bassil's failure to secure the energy portfolio was emblematic of his involvement in Lebanon's disastrous energy predicament, contributing to annual losses totaling billions of dollars.

At this point, elite consensus could not be reached as Hezbollah and its allies held their ground, adamantly advocating for a techno-political cabinet – a strategy that appeared to be aimed at delaying government formation until they could reclaim their influence. Apparently, Hezbollah's stance was contingent on the outcome of the outcome of the US presidential elections, the pending revival of the Iran nuclear deal with the US, and the resolution of the political situation in Syria. Even external stakeholders were waiting for the outcome of the US elections to gauge the extent of their leverage over domestic actors. Indeed, even the French government hoped that the Biden administration would play a role in pushing the Lebanese political elite towards a resolution.

Finally, on July 26, 2021, ten days after Hariri resigned, the Lebanese parliament nominated billionaire and former Prime Minister Najib Mikati for the premiership. Anis Nassar, a Lebanese Forces MP who presented a blank ballot, told Al Jazeera, "We [the Lebanese Forces] have decided that no one, no matter how decent, powerful, and influential the prime minister, within the political system and the ruling elite, he or she will not be able to do anything in this country." Mark Daou, co-founder
of the independent and opposition political party Taqaddom added, "recycling is good for the environment, not for politicians." Regardless of political affiliations, both statements could not be truer.

Despite Mikati's declaration of commitment to the French initiative and his willingness to work with the international community to reach an agreement with the IMF, many remained skeptical about the prospects of his upcoming cabinet. Instead, they accused him of merely paying lip service to a party aligned with Tehran's interests and move the country Eastwards. The weaknesses of the French initiative eventually became too apparent to ignore. It relied on the same political class that was responsible for the country's catastrophic situation in the first place. The initiative's temporary nature excluded any meaningful discussions about Hezbollah's arms, which naturally alienated Iran's domestic and regional opponents, who sought to curtail the regime's influence in Lebanon and its proxies in the region.

Furthermore, despite the repeated calls for a new social contract from the protesters on the streets, it was becoming increasingly elusive at this stage. It was clear that destructive domestic and external interests would impede any chance at genuine reforms in the country.

4.3 Divergent French and US Interests in Lebanon

This section will delve into how the political elite capitalized on the divergent interests between the US and France, leverage the tense US-Iranian rivalry to prolong the government formation process and retain their grip on power without implementing substantial structural reforms. As mentioned in chapter one, destructive external forces can hinder consociation in Lebanon.
4.3.1. France’s Interests

Unlike the United States, Macron did not view the exclusion of Hezbollah from the process as a practical and constructive approach. Macron recognized that Hezbollah is a heavily armed political party with a significant and loyal support base within the Shiite community in Lebanon. Apparently, France acknowledged its enduring presence in the country and viewed sanctions as "an instrument of diplomacy that is very American," has its limits and contributes to "tensing up the situation" in Lebanon (Momtaz, 2020).

Furthermore, the French initiative, spearheaded by Macron, had multifaceted objectives. Firstly, it aimed to enhance France's international standing by positioning itself as a significant powerbroker amidst competing interests involving the United States, Israel, Gulf Arab states, Iran, and Hezbollah. Macron sought to assert France's influence in the ongoing war in Syria and reestablish its role in the Eastern Mediterranean, especially after a recent incident where France failed to inspect a Turkish warship sailing to Libya (Macaron, 2020).

Secondly, the French global shipping group, CMA CGM, saw an opportunity to compete with Turkey in rebuilding the port of Beirut after the devastating explosion. Already responsible for a substantial portion of traffic at the port and most of Tripoli’s port in northern Lebanon, CMA CGM saw the explosion as a golden chance to secure a lucrative contract for the reconstruction efforts.

Thirdly, France showed interest in investing in Lebanon's telecommunications industry, temporarily holding two major operating licenses, and aimed at capitalizing on natural gas exploration opportunities through the French energy company Total. Total
had previously signed Exploration and Production Agreements with the Lebanese government, covering Blocks 4 and 9, but any further progress in offshore exploration would depend on the formation of a new government. These interests and objectives underscored France's eagerness to play a significant role in Lebanon's affairs and regional dynamics. In this vein, the French leader did not bring up the issue of Hezbollah's arms, setting his focus on the reform plan instead.

The divergence between France and the US became increasingly apparent when US Ambassador to Lebanon, Dorothy Shea, made a significant statement. Shea clarified that the French proposal was solely a matter concerning France and did not align with the US position on Hezbollah. She averred that US's stance was unequivocal, stating: “Our senior leaders in the State Department and the White House made it clear. And I personally repeated it more than once, and its substance is: Hezbollah's terrorist and illegal activities in Lebanon show that it cares more about its interests than what is best for Lebanon and the Lebanese people" For Hezbollah, it seemed that France is unable to moderate the US's hostile policy, prompting the party to strengthen its position in Lebanon through whatever means necessary.

4.3.2. The United States’ Interests

American leadership was unequivocal about its stance on Hezbollah right from the start. It viewed Hezbollah’s interference in the internal affairs of several Arab countries and its role as Iran's security and military arm as the reasons for their “antagonistic” approach (Naharnet, 2020). Despite expressing support for the French initiative, the US reiterated that it would continue to view Hezbollah as a terrorist group rather than a political faction. The US asserted that the party would do everything in its
power to maintain control in a dysfunctional system that, realistically, cannot be salvaged by Macron’s French initiative. The US's agenda comprised of Hezbollah's arms and illicit financial activities, the Israel-Lebanon demarcation issue, and Lebanon's relationship with Syria. As expected, the US's negative approach pushed Hezbollah, its allies, and the Iranian regime further away from the French initiative.

Firstly, US Secretary of State Mike Pompeo made his position clear while in Paris, stating, "Hezbollah" could "torpedo" Macron's efforts in Lebanon. He emphasized the incongruity of allowing Iran to have more resources and weapons while also attempting to distance Hezbollah from the disastrous situation it created in Lebanon. Pompeo reiterated this view a few days later, asserting that Hezbollah was complicit in the political elite's self-enrichment scheme and shared equal responsibility in the deception.

Given the state’s inability to target networks of corruption in the country, especially those of Hezbollah, the US has focused its efforts on targeting the party’s illicit financial activities and broader political economy in the country and abroad. Examples include the US Treasury’s sanctions against Hezbollah-affiliated engineering and construction companies such as Arch Consulting and Meamar Construction, the former of which was set up as a private company by Jihad al-Binaa to implement millions of dollars’ worth of infrastructure projects in their strongholds. In 2020, the US Treasury also sanctioned Ministers Ali Hassan Khalil and Youssef Fenianos or aiding Hezbollah financially. Fenianos was accused of siphoning money to Arch Consulting and Meamar Consulting while he was minister.

More flagrantly, in 2021, the U.S. Treasury imposed sanctions on seven individuals affiliated with Hezbollah and Qard al Hassan, an entity that presents itself as
an NGO while operating like a bank in support of Hezbollah. This organization evades appropriate licensing and regulatory oversight by operating under a Ministry of Interior-granted NGO license. By accumulating essential currency that the Lebanese economy urgently requires, Qard al Hassan enables Hezbollah to strengthen its support network and undermine the stability of the Lebanese state (Khatib, 2021). Apparently, Qard Al Hassan is Hezbollah’s indispensable source of gold and foreign currencies and is used as a vehicle to channel cash funds in US dollars outside of the Lebanese banking system. The US has been adamant on sanctioning money launderers who have found ways to bypass the Lebanese banking and financial system.

Moreover, Hezbollah, much like other political elites in Lebanon, capitalizes on pervasive corruption within state entities connected to the Port of Beirut to generate income and facilitate the smuggling of illicit goods. Allegedly, the Lebanese state's customs fees from the port are significantly lower due to corruption, with a portion of the missing revenue reportedly shared with Hezbollah. Unlike other groups, Hezbollah extensively utilizes the Port of Beirut for the transportation of drugs, weapons, and explosive materials without state supervision. The group stores explosive-making materials at the port and facilitates their shipment abroad. In 2019, high-ranking Hezbollah official Wafiq Safa was sanctioned by the U.S. Treasury for exploiting Lebanon's ports and borders to smuggle contraband and assist Hezbollah's operations, including facilitating the passage of illegal drugs and weapons through the Port of Beirut (Khatib, 2021). However, enforcing sanctions against Safa did not diminish Hezbollah's influence over the Port of Beirut. The group's engagement in the import and export of ammonium nitrate, the primary chemical responsible for the explosion, via the
port has prompted inquiries regarding its connection to the explosive substance involved in the blast.

Secondly, the United States was concerned about the Assad regime's manipulation over exchange rates and its growing influence over Lebanese politics. Assisted by Hezbollah, the Assad regime, grappling with sanctions under the Caesar Syria Civilian Protection Act, allegedly channeled funds from the Lebanese banking sector and clandestinely moved money and vital commodities such as fuel, wheat, and flour across the Lebanese border (Khatib, 2021). In addition, Iran offered to sell fuel to Lebanon in the latter's currency, seemingly aiming to use local currencies to finance its operations in Syria and Lebanon through Hezbollah (Dahdouh, 2022). Moreover, both Syria and Iran were allegedly flooding the market with their products while Lebanon suffered from shortages of medicine and food. This created a parallel market that benefited both countries (Dahdouh, 2022). In fact, Hezbollah generates around $300 million per month via its trafficking routes to Syria (Khatib, 2021).

Indeed, this engagement in smuggling subsidized commodities is linked to economic pressures faced by Hezbollah and Iran, its main sponsor, due to US sanctions on Iran and Hezbollah's involvement in the Syrian conflict. Collaboration with Maher al-Assad and his Fourth Brigade facilitates Hezbollah's smuggling of diesel oil and gasoline from Lebanon to Syria, allowing them to profit from price discrepancies between the two countries. Nicholas Heras pointed out that the Assad regime openly referred to Lebanon and its financial system as the "lung of Syria" (Detsch, 2020). Also, Hezbollah's involvement in cross-border smuggling, including narcotics – specifically Captagon - is a key revenue source for the group, has escalated since the financial crisis.
Thirdly, the US was still in competition with Iran. In response to Hezbollah's illegal act of importing fuel from Iran in September 2021, the US engaged in an energy deal with the Lebanese government on June 22, 2022, which would facilitate the transportation of fuel to Lebanon through Syria, Jordan, and Egypt (Zais, 2022). However, this agreement was controversial since it would strengthen Assad's control over Syria and set a precedent for circumventing Caesar Act sanctions. The World Bank also expressed reservations about funding this project, given Lebanon's history of failed reforms. The bank had set conditions requiring significant electricity reforms to be implemented before releasing any funds (Oweis et al.). As of now, these conditions have not been met.

Therefore, the Iranian regime faced a dilemma: it couldn't rescue Lebanon financially or economically, yet it couldn't allow the US to exploit Lebanon's vulnerability, especially when neighboring countries were normalizing relations with Israel. Instead of adopting an "isolationist and confrontational mode," Iran preferred to exert its influence through Hezbollah (Hashem, 2020). Recognizing this reality, the US, along with Saudi Arabia and other Arab Gulf States, understood that they couldn't effectively counter Iran's role in Lebanon by supporting Shiite dissenters or alternative groups, as previous attempts had proven unsuccessful. Additionally, engaging in a war would only worsen Lebanon's collapse. The US also understood that the new peace deal between Israel and the UAE would be seen by Iran as a response to its growing influence in the region. In this context, the US’s only viable approach to loosen Iran’s grip on the country would be by targeting Hezbollah's financial networks to pressure Iran into a détente.
After a while, it appeared that the US and Iran could only concede on one issue - the marking of the border between Lebanon and Israel. To avoid a potential war with Israel, Hezbollah, and Amal, with Iran's covert approval, yielded to American pressure and allowed Lebanon's government to enter talks with Israel regarding maritime boundaries. Although some saw economic opportunities in such an agreement, unlocking revenues from it would take years (Yahya, 2022). Activists criticized politicians for creating a "false impression" that gas revenues would resolve Lebanon's debts without implementing essential political and economic reforms. Furthermore, successful implementation would also depend on maintaining a consistent détente between Hezbollah and Israel, which was a challenging task (Vohra, 2020).

As such, at this critical stage, there would not be a convergence of domestic or external interests to ensure the success of the French initiative, let alone a new social contract. The initiative’s success depended on the direct cooperation between the US and Iran, making its prospects dim from the beginning due to their fierce rivalry in Lebanon. It seems that Michael Kerr's prediction that Lebanon's future will be decided "within the context of a U.S.-Iran understanding" and Hezbollah's arms will be solved through Arab politics still holds true (Hage Ali, 2021).

4.4 Naijb Mikati's "New" Government: Feeding the Absent Leviathan

This section will analyze how Mikati's cabinet is likely to pursue an IMF deal through a "shadow plan," implementing superficial reforms that allow the elite to access aid or revenue streams undertaking significant structural changes that could threaten their sources of power. Once more, the elite would reinforce citizens' reliance on their
authority while falling short in delivering crucial public services and practicing good governance.

Almost a year had passed since the devastating Beirut port explosion on August 4, 2020, and the Lebanese population was still struggling to recover. By 2021, the Lebanese pound had lost 90% of its value, unemployment was at 40%, and the country recorded the highest national debt ratio in the world at 183% of GDP (Mrouwe, 2022). Moreover, 82% of the population was living below multidimensional poverty. Despite the ailing economy, the political class continued to propose choices that prioritized their own privileged interests instead of actively pursuing the crucial institutional reforms that Lebanon and its people urgently required. On July 26, 2021, ten days after Prime Minister Saad Hariri resigned, former Premier Najib Mikati was appointed to form a new government. He first secured a nomination from President Michel Aoun and then received 72 parliamentary votes out of 128 from Hezbollah, Amal, and even Hariri's Future Movement. Mikati, who asserted backing from countries like the United States, France, and Saudi Arabia, had promised to promptly appoint a cabinet. And yet, his appointment raised questions about his ability to address the people's plight, given his status as a longtime member of the political class.

According to critics, Hezbollah and its allies chose Mikati for a specific outcome: Retain gains from the 2018 parliamentary elections and buy time until the next elections in 2022 (Ghaddar, 2021). The logic determined that if Mikati succeeds, the elite would somehow perpetuate the illusion that an internal solution does exist and therefore bypass the imminent EU sanctions on the Lebanese leaders for failing to enact reforms and reverse the potential for renewed mass protests (Ghaddar, 2021). On September 10, 2021, less than two months after his designation, Mikati managed to
from a cabinet and receive the confidence of Parliament amid what the World Bank has labeled as one of the worst economic depressions in modern history.

Mikati hastened to announce the new cabinet statement, which appeared as a list of principles rather than an actual point-by-point executive plan. The agenda included resuming IMF negotiations, implementing structural reforms in the electricity sector without mentioning any laws, and holding the 2022 elections on time. Mikati also vowed to reform the banking sector, amend the salaries of the public sector, address subsidies in the health and education sectors, as well as improve relations with the Arab states.

However, although Mikati expressed his intention to meet with Macron in France to discuss the French reform plan and activate the aid conditions established during the CEDRE conference in 2018, analysts were skeptical about his ability to achieve substantial long-term solutions in the limited timeframe of less than nine months before the parliamentary elections in May 2022, particularly in terms of securing an IMF deal (Frakes, 2021). They claimed that Mikati would not make major policy decisions, such as banking reforms that could be reversed by a successor or "shot down by the next government or the government after that" (Young, 2021). Analysts had other reasons to believe Mikati would be unsuccessful.

4.4.1. Depleting Foreign Reserves at Citizens’ Expense

Following Diab's unsuccessful rescue plan in 2020 and the stagnant IMF talks, the Lebanese elite sought help from the Central Bank, which, unfortunately, resumed implementing unsustainable measures that further exacerbated the crisis. As a result, a significant impoverished portion of the population once again became reliant on
patronage networks for their survival. How did this happen? Essentially, the Central Bank sustained a system where importers of essential goods received US dollars at a fixed official exchange rate, despite the significant decline in the currency's market rate (International Crisis Group, 2022). This approach resulted in the depletion of foreign reserves and prolonged the financial hardship experienced by Lebanese citizens earning in the local currency. The delay in exploring alternative policies further exacerbated the critical depletion of foreign currency reserves. Additionally, the Central Bank's decision to end fuel import subsidies in August 2023 resulted in a collapse of supply and distribution, leading to severe shortages of medicine, electricity, and fuel. The Central Bank also authorized commercial banks to release limited amounts of frozen dollar deposits, causing a significant increase in the amount of Lebanese lira in circulation and contributing to the currency's depreciation.

Significant disagreements persisted regarding the allocation of losses within the banking sector and the associated costs of its rescue, which resulted in the unsuccessful IMF negotiations in mid-2020. Mikati expressed his intention to reassess specific aspects of the 2020 rescue plan to adopt a more “realistic” approach. However, statements from the banking sector indicated a limited willingness to compromise. In fact, after agreeing on financial sector losses of between $68 and 69 billion (around the same estimate as Diab had proposed), the same issues with the banks re-merged. The banking sector maintained its previous position, advocating to reduce the proposed losses and for the state to address the balance sheet deficit by selling off state assets.

As expected, politicians with ties to banking interests continued to support this stance, as they had done in 2020. Indeed, after the recapitalization of the still-viable banks, the number of banks in the country could be reduced to fewer than a dozen from
the current more than fifty. Due to this potential outcome, many bank owners and shareholders, some of whom are powerful politicians, have strong motives to oppose a restructuring aligned with international best practices.

At this stage, it appeared that any credible reform plan would have had to include a viable strategy for achieving sustainable public budgeting, wherein the government could cover its expenses from actual revenues, reducing reliance on heavy borrowing or money printing (Saidi, 2021). The path to attaining a self-sustaining budget would inevitably involve downsizing the public sector, which employed around 300,000 individuals, accounting for nearly a quarter of the working population.

Considering the potential impact on dependents and relatives, this workforce represented a significant number of voters that no politician could afford to alienate (Saidi, 2021). Public-sector employment served as a crucial means for establishment politicians to cultivate their support base and garner political backing. Likewise, addressing favoritism and corruption in public procurement and resource allocation, which were key reform priorities, would pose a risk to or even eliminate crucial mechanisms through which established parties secured support from their core constituencies (Hage Ali, 2021).

It seemed much more probable that the economy would readjust at a significantly lower level, causing harm to the most vulnerable individuals within society, who in turn will once again depend on politicians and patronage networks to survive. This vicious or "Darwinian" cycle, as one Lebanese economist puts it, meant that in the envisioned post-crisis Lebanon, a small portion of the population would secure stable jobs with livable incomes while a larger segment would depend on politicians and their patronage networks, facilitating politicians' access in garnering...
loyalty and manipulating votes, perpetuating the kleptocratic system and environment of political control (International Crisis Group, 2022).

4.4.2. Elite’s “Shadow” Non-IMF Plan

Given the track record of the political elite in failing to take responsibility for financial sector reforms, it was inevitable that doubts would persist despite Mikati’s discussions with the IMF and the subsequent staff-level agreement reached in April 2022, with the assistance of Deputy Prime Minister Saadeh Shami. The impending elections in May 2022 further compounded doubts about the lack of political will to carry out any of the agreed-upon reforms and provide essential public goods that could threaten their grip on state institutions. (Hage Ali, 2022). Instead, the elite’s reinforced their hold on the state and perpetuated a nationwide state of deprivation and impoverishment.

The staff-level agreement, which received praise from President Aoun, Mikati, and Speaker of Parliament Berri, was based on "five key pillars" (2022). These pillars included the restructuring of the financial sector and fiscal reforms, the restructuring of external public debt, the reform of state-owned enterprises, particularly in the electricity sector, and efforts to enhance governance, anti-corruption, and anti-money laundering measures.

In practical terms, this would involve drafting a capital control law, restructuring the banking sector, establishing a credible monetary and exchange rate system, and amending longstanding secrecy laws. The agreement was seen as an initial step towards a comprehensive bailout that could unlock three billion dollars in loans over four years and roughly ten billion in additional donor commitments (Mrouwe, 2022). However,
given the political elite's mastery in not picking low-hanging fruit, the agreement was bound to fail.

According to a report published by Sami Zgheib and Sam Heller (2023), the stalled IMF talks in Lebanon can be attributed to two main reasons. Firstly, the negotiations are being conducted with an official Lebanese team led by caretaker deputy prime minister Saade Chami does not represent the country's political class, which lacks the motivation and commitment to implement the agreed reforms. Essentially, while the team negotiating with the IMF has received approval from Mikati's cabinet, it lacks genuine interest and "political buy-in" from the ministers (Heller & Zgheib, 2023).

Given the country's relatively weak executive, the prime minister does not have a parliamentary majority that could advance legislation, but rather the system is "full of veto players" who "stake out independent conflicting positions on IMF talks and key reforms" (Heller & Zgheib, 2023).

In fact, the IMF typically works with executive bodies such as the Ministry of Finance, the Central Bank, and statistical agencies. Technically, the finance minister, Youssef Khalil; the economy and trade minister, Amin Salam; and Central Bank governor, Riad Salameh are supposed to be active members of the negotiating team. Alas, Chami has been left alone to deal with unwilling and indifferent politicians. Also, since the crisis, the Ministry of Finance has been severely weakened, and therefore any IMF-related concerns would have to be dealt with by certain lawmakers and cross-party groups who can more directly convey the IMF’s observations on legislation (Heller & Zgheib, 2023).

The disconnect between Lebanon's ruling class and its representatives in the IMF negotiations is particularly evident within the Parliament. An example of how this
disconnect hampers progress in implementing prior actions through parliamentary channels can be seen in the passage of Lebanon's new banking secrecy law. In July 2022, Parliament approved a revised banking secrecy law, which the IMF deemed unacceptable. In September, President Aoun sent the law back to Parliament for further revision, coinciding with the IMF's leaked critical assessment of the legislation (Heller & Zgheib, 2023).

Eventually, in October, an amended version of the law was passed by Parliament, addressing some of the IMF's concerns. However, even with these changes, the law remained unsatisfactory. Ibrahim Kanaan, the chair of the Budget and Finance Committee, estimated that Parliament had incorporated around 80 to 90 percent of the IMF's feedback. Nevertheless, the IMF emphasized that this level of compliance was insufficient. Furthermore, the audit of the Central Bank had taken place, but the results had not been made public, and the audit of the country's fourteen largest banks was still pending (Heller & Zgheib, 2023).

Thirdly, a discourse filled with anti-IMF narratives and misinformation propagated by powerful interest groups, including influential banks, had created obstacles and hindered progress (Hage Ali, 2022). As a result, the Lebanese public had been deprived of accurate information about the status of the IMF talks. Furthermore, there was a narrative circulating that implies natural gas exploration in Lebanon's coastal waters could serve as a miraculous solution to the country's economic crisis. This narrative suggested that it could eliminate the need for an IMF program and the accompanying reforms (Salame, 2023).

From the elite's perspective, the anticipated revenue from the demarcation of the maritime borders between Lebanon and Israel emerged as a significant opportunity to
reject the IMF deal and sustain patronage networks, further delaying crucial structural reforms. Indeed, since the deal in 2022, there has mounting pressure on Parliament to establish a sovereign wealth fund to protect future generations revenue streams and address these concerns (Salame, 2023). Another narrative contends that the key to resolving the economic crisis lied in repairing Lebanon's relations with the Gulf states. Specifically, it emphasized the importance of appointing a head of government and president who enjoy the support of Saudi Arabia and the Gulf countries (Salame, 2023).

Regardless, Lebanon will unlikely enter the IMF program simply because the political elite does not have the political will. Instead, critics have deemed politicians' alternative financial decisions as part of a "Shadow Plan" (Salame, 2023). Apparently, the non-IMF shadow plan involves shifting banks' liabilities to small depositors and the country's unbanked poor, leading to disadvantageous exchange rates and hyperinflation. This plan neglects productive investments, promotes a cash-based economy, deepens inequality, erodes human capital, and weakens the state. The shadow plan could technically stabilize the economy at a low level but at a severe human cost (Heller & Zgheib, 2023). The private sector, aided by remittances and tourism, had been performing relatively better, and real estate transactions and prices had rebounded. Imports in 2022 had reached similar levels to those of 2019, before the country's crisis.

Nevertheless, this so-called "recovery" was disastrous for most of the Lebanese population. Economist Roy Badaro refers to Lebanon as having "many economies under one economy." While some indicators suggested a recovery, it primarily benefited Lebanon's elites, leaving the majority of the population poorer and marginalized (Heller & Zgheib, 2023).
In sum, Lebanon's economic model continued to be unproductive, lacking investment in infrastructure or industrial development. The growing cash-based economy encouraged tax evasion and other illegal activities. As a result, inequality worsened, and the country's human capital eroded due to unprecedented immigration and a massive brain drain. The impoverished population will rely heavily on remittances and foreign aid to survive, while the state itself will decay and diminish significantly.

4.4.4. Perpetuating a Culture of Impunity and Uncertainty

Once again, the state’s inability to provide public goods, including upholding the rule of law and internal security, would fragment society and render them susceptible to seeking protection from their sectarian leaders.

It is essential to mention that the resumption of IMF talks in 2022 faced delays due to heightened sectarian tensions and cabinet members refusing to participate in meetings unless Judge Tarek Bitar, who was impartially investigating the Beirut port blast, was removed from his position. This situation presented an insurmountable challenge for the Mikati government, as it encountered intense political pressure concerning Judge Bitar (International Crisis Group, 2021).

Succumbing to Hezbollah's pressure further strengthened the widespread belief that Mikati was merely a puppet for the Shiite party's unchecked control (Young, 2022). This undermined any hope of Lebanon's officials adhering to the law and being held accountable for their actions. Furthermore, the idea that international financial institutions and governments would trust a political elite and authorities incapable of
upholding the fundamental rule of law with the substantial assistance required for Lebanon's recovery, seemed highly unrealistic.

The political violence following the port explosion did nothing to mitigate the political elite's standing. Since then, Lebanon has witnessed the killings of five individuals, including the deaths of a Bank employee and a retired customs officer Munir Abou Rjeily and retired colonel Joseph Skaf. In December 2020, gunmen with silencers killed Joseph Bejjany, a photographer who had collaborated with the LAF and documented the aftermath of the Beirut port explosion (Rabah, 2021). The perpetrators also stole his phone for reasons that remain unclear. In February 2021, unidentified assassins abducted and murdered Lokman Slim, a Shiite activist from Southern Lebanon who blamed the Syrian regime and Hezbollah for the presence and detonation of the ammonium nitrate at the port. Lastly, in March 2021, LAF Major Jad Nemr was found shot dead in his apartment (Rawad, 2021). The killings appear to be linked to networks of administrative corruption, some of which became evident in the aftermath of the port explosion or may have been related to the explosion itself.

Furthermore, in the aftermath of the port explosion in 2020, Lebanon witnessed an increase in clashes both between and within sectarian communities, raising concerns about the resurgence of civil strife. This situation has left communities vulnerable to the influence of sectarian leaders (International Crisis Group, 2021). In a significant and concerning incident, a march organized by Hezbollah and Amal on October 14, 2021, to protest the investigation into the Beirut port blast turned violent.

As followers of the two Shiite parties approached the Palace of Justice, located in a predominantly Christian neighborhood in Beirut, a shootout ensued (El et al., 2021). Seven people, all of them Shiites and mostly supporters of the two parties, lost
their lives. Hezbollah accused the Lebanese Forces of attempting to incite civil war. LF leader Geagea vehemently denied accusations of holding arms and accused Hezbollah and its allies of attempting to bury the investigation and deny justice to the victims of the blast. In March 2022, a Lebanese military court would charge Geagea over the clashes in October, a move that would ignite sectarian tensions two months before the 2022 parliamentary elections.

Later, in early February 2023, a clash between Judge Bitar and General Prosecutor Ghassan Oueidat would be a pivotal development and would expose a tug-of-war within the judiciary. After facing prolonged hindrances orchestrated by high-level politicians through repeated lawsuits, Judge Bitar employed a legal interpretation to proceed with his work. In response, Oueidat accused Bitar of rebellion and usurping power, leading to Bitar being issued a travel ban and the release of 17 detainees linked to the investigation. However, the issue extends beyond this judicial feud. It centers on the pursuit of justice for one of the largest non-nuclear explosions in modern history—the Beirut Port explosion—and the potential consequences of the ongoing judicial conflict. The danger lies in the potential degradation of justice and the judicial process. The present situation threatens to solidify an abnormal status quo where the investigation will be thwarted unless it avoids implicating high-ranking security officials and politicians or follows the preferences of influential political parties, undermining the separation of powers and judicial independence.

While many have debated the timing of Bitar's actions and the legality of his methods, his approach can be seen as a response to a challenging political environment bent on impeding the investigation. More ominously, these killings indicate that any attempt to enact substantial reforms in Lebanon's political landscape and seeking justice
in a culture of impunity might be met with accompanying or potentially provoking acts of violence. Paradoxically, such violence could deter the Lebanese public from seeking protection or justice beyond their own communities and established political factions.

Thus, the main concern until early 2023 seemed to be the rampant impunity and erosion of security stemming from the gradual decay of state institutions and scarcity of resources (International Crisis Group, 2021).

Indeed, security officials had repeatedly been cautioning the government about their struggles in maintaining security and institutional integrity under substandard living standards. This predicament has particularly affected the security forces, including the Lebanese Armed Forces (LAF), which employs around 130,000 personnel. Their salaries, even for junior ranks, have plummeted to approximately $50 per month, compelling many to seek additional employment or abandon their units. This financial strain has weakened morale, although it remains relatively higher than other sectors due to certain benefits.

The LAF, along with other security agencies, faces a myriad of security challenges across the country. They are tasked with managing factional conflicts that are intensifying in both scope and scale, protecting crucial infrastructure during protests, overseeing disaster-stricken zones like the Beirut port, and extending their presence along Lebanon's borders to curb smuggling activities. These forces also played a role in managing the COVID-19 pandemic and distributing subsidized food items amidst the turmoil.

The LAF's role has evolved from being reactive and cautious in maintaining domestic security. Traditionally avoiding confrontation with political factions to prevent undermining loyalty among its ranks, the LAF has been increasingly tasked with
managing protests and absorbing public dissatisfaction. As the public face of a failing state, the LAF's involvement in crisis response has expanded, sometimes replacing the Civil Defence in emergencies. Nonetheless, the LAF and other security agencies are grappling with immense challenges, including containing clashes among different communities, confronting jihadist threats, maintaining order in prisons, and curbing criminal activities in regions like the Bekaa Valley. Even if successful in managing these challenges, these security forces lack the capacity to effectively address sustained and widespread social unrest, unless a coherent policy approach is implemented in affected areas.

In March 2020, the caretaker interior minister claimed that the LAF forces were "unable to carry out 90% of their tasks" and that security in the country "had broken down" (Sakr, 2021). Army commander General Joseph Aoun warned of a substantial rise in deserters and an "implosion" of the armed forces that would lead to "chaos" if measures aren't taken to support them. Indeed, in a society sinking into poverty, the deteriorating security situation strengthens the power of leaders who can protect people from physical harm (Sakr, 2021). Consequently, the elites who weakened the state may start embodying its traits, consolidating their control over weakened institutions and fragmented territories. The prospects of change without substantial violence remained highly unclear and unlikely.

4.4.5. Elites Recapture State Institutions

The deep-rootedness of patronage networks should not be underestimated, especially around scheduled elections. In both the public and private sectors, the attainment of desirable benefits and opportunities relied heavily on the patronage
system tied to political connections. In the public sector, securing coveted privileges such as public employment or healthcare coverage necessitates seeking support from influential political figures. According to Wassim Maktabi (2022), during the election period, the executive branch made significant contributions to public sector workers by offering them a monthly salary increase of 50% until the 2022 budget law was enacted.

Furthermore, Members of Parliament (MPs) introduced a line of credit totaling LBP 1.2 trillion, with a significant portion designated for supporting workers. In addition, they enacted three laws aimed at improving the working conditions and social protection benefits for officials serving in Lebanon's State Security and Internal Security Forces. In terms of the broader society, the Parliament approved the final version of the Emergency Social Safety Net (ESSN) law in December 2021 that benefitted public sector employees and security personnel over citizens. This program, sponsored by the World Bank, was originally scheduled to launch two years earlier but faced setbacks due to alleged administrative errors (Maktabi, 2022).

Traditional parties also postponed publishing the 2022 budget, which could incite backlash due to anticipated austerity measures. Instead, they heavily invested in short-term currency stability to placate low and middle-income constituents. Specifically, according to Maktabi, Banque du Liban instructed commercial banks to conduct limitless currency exchange operations. This strategy led to the depletion of nearly $2 billion from the country's foreign reserves, resulting in a temporary appreciation of the Lebanese lira from USD/LBP 31,500 on January 10, 2022, to approximately USD/LBP 27,000 during election week. Moreover, the fluctuating gap between the Sayrafa and market rates caused the central bank to lose over $800 million through arbitrage. The timing of this intervention near the parliamentary elections,
combined with its lack of connection to a broader macroeconomic recovery framework, strongly implied that it was politically motivated, aimed at pacifying the public and preventing potential protests.

Moreover, according to Atallah et. Al (2022), the financial crisis and pandemic in Lebanon pushed over 70% of the population into poverty, with limited formal poverty-targeting schemes. A study using data from IMPACT, an e-government platform, analyzed municipalities' behavior in registering vulnerable households for cash assistance. Between April 2020 and April 2021, municipalities submitted 468,662 aid applications, with traditional party-led municipalities contributing significantly more, potentially for clientelist motives. Among 1,002 municipalities, 158 heavily focused on Ministry of Social Affairs aid submissions, with 41% controlled by traditional parties accounting for 59% of submissions. Traditional party-affiliated municipalities submitted more aid applications per capita than family-run or independent ones. Hezbollah and Amal stood out the most in this regard, possibly due to their organized networks.

It would come as no surprise that the same political class, which had previously failed the Lebanese citizens so profoundly, was reelected in the 2022 parliamentary elections. The unsettling outcome reflected the paradoxical reliance of the Lebanese people on traditional parties, coupled with their disillusionment towards any substantial change, as evidenced by the low voter turnout of only 41%. Despite opposition groups gaining 13 seats out of the total 128 in Parliament, and Hezbollah along with its Christian ally FPM losing their majority, the established political forces, including both Hezbollah's coalition and its longstanding adversaries, managed to maintain control over 90 percent of the seats in the legislature (Daoud, 2022).
As a result, the election outcome ended up reaffirming the political elite's stronghold in the country. In fact, there are many reasons why opposition groups failed to secure enough votes to supplant traditional parties, some of which include a lack of opportunities, funding, and difficulties in forming strategic alliances (Macaron, 2022). It is important to note that the opposition movements cannot be solely blamed for this outcome. Ultimately, the expectation that the ongoing crisis would bring about substantial change was misplaced from the beginning, highlighting the complexity of the political culture and system in Lebanon.

Following binding consultations on June 23, 2022, Najib Mikati was once again assigned the responsibility of forming a government. Only this time, his term would face a severely challenging obstacle: electing a new president after Aoun's term ended in October 2022. Given the political elite's tendency to prolong negotiations until their extreme demands are met, the chances of such an election taking place seemed highly improbable (Young, 2022). Consequently, this meant that his cabinet would only serve temporarily in a caretaker role, with limited executive functions, until the election was successfully conducted.

Mikati displayed a lack of enthusiasm for establishing a new government to circumvent the conditions set by Bassil during its formation (Young, 2022). Bassil's intention was to leverage his influence over such a government to secure his own election as president or bring in a candidate of his choice, thereby setting the stage for his own presidential bid in six years. One advantage Bassil had was that his father-in-law had to approve any decree establishing a new government (Young, 2022). However, after Aoun's departure on October 22, 2022, the situation changed.
The departure of President Aoun is seen by some as the end of a troubled mandate, but Lebanon faced immediate challenges in its executive branch. Many were disputing the caretaker government's powers led by Prime Minister Mikati. Aoun and Bassil argued that a caretaker government could not assume presidential powers, while Mikati asserted the opposite. FPM and Hezbollah ministers thus threatened to withdraw, further weakening Mikati's position. This left Lebanon without a president and a fully empowered government, which was a grave concern given the country's financial crisis.

The election of a president would be delayed by political forces who were anticipating potential changes in the regional situation. Army General Joseph Aoun appeared to be the candidate with the best prospects, but he would also require consent from Hezbollah and FPM, which seemed unlikely. Hezbollah's next move would be in support of Sleiman Frangieh, sending a message to both internal and external actors that a candidate should not act against its interests. However, such a move would provoke Christian leaders like Bassil and Geagea to unite against Sleiman.

Meanwhile, talks between Saudi Arabia and Iran were taking place in Doha, followed by an official detente at the time this was written, but they were mostly focused on countries like Yemen and Iraq and did not allude to Lebanon being a direct priority (Young, 2023). Not to mention that just because there has been a détente, it does not mean an entente; anything could happen to derail the negotiations between both longtime foes. There have also been no signs of a potential easing of tensions between Washington and Tehran.

In addition, Saudi Arabia had demonstrated some interest in influencing the presidential appointment, concerned about Hezbollah's growing clout and Iran's influence. Riyadh has the potential to exert pressure on Lebanon's Sunni MPs based on
the candidate's stance towards Hezbollah, but whether they would support a compromise candidate acceptable to Hezbollah remains uncertain. Indeed, the convergence of external and domestic interests has not yet occurred. These processes inevitably take time, which incentivizes Lebanese political actors to prolong the presidential elections and wait for regional developments that could potentially be advantageous for them. In the end, the political elite had successfully maneuvered their way into maintain their grip on state institutions and power. Meanwhile, citizens suffer.

4.5 The Hezbollah Conundrum

This section will address how Hezbollah's dominant position within Lebanon leads to internal instability and divergent approaches among external actors. Hezbollah’s efforts to quash domestic opposition and push the country Eastwards will signify to the international community that the party is the final arbiter in Lebanon’s current political system.

Over the past two decades, Hezbollah has stood apart from all other Lebanese parties. Empowered by the Iranian regime and political cover by the Christian FPM, it has built an exceptional military and political capacity to outmaneuver its domestic and regional foes. While it is true that the party has operated like other Lebanese factions in terms of appropriating identity politics and patronage networks to sustain communitarian support, it has uniquely positioned itself as a hybrid actor capable of operating "both within and outside the state without being held accountable to the state. It has grown in status to be able to influence and control the state in Lebanon from within state institutions as well as outside them." (Khatib, 2021).
At the same time, it is the only political faction that can impose its will or veto through coercion and violence, exemplified and perpetuated by the outcome of the 2008 siege of Beirut and the consequent Doha agreement. Emboldened by its close alliances with the Christian Free Patriotic Movement and its monopolization of Shiite political power alongside Amal, it is now impossible for Lebanon to govern without Hezbollah's consent. Its ability to outmaneuver local and international investigations by reigniting – sometimes violently – fears of civil strife has rendered it immune to accountability, further quashing civil society, increasing sectarian tensions, and bolstering calls for federalism or partition (Abou Zahir, 2021).

Hezbollah's regional ventures sponsored by the Iranian regime have caused tremendous damage to Lebanon's diplomatic relations with the Arab Gulf states, triggering criticism even from its most ardent supporters. Indeed, the rift with the Gulf cuts off a potent source of funding for economic recovery and jeopardizes important markets for Lebanese exports as well as access to labor markets that have traditionally been receptive to Lebanese professionals" (International Crisis Group, 2021). However, it is precisely its regional activities that are pushing Hezbollah to maintain the status quo, thus is the zero-sum game of Lebanese politics today.

Apparently, even those with ideological proximity to Hezbollah openly acknowledge that the party has neglected domestic and economic matters for an extended period. However, Hezbollah's position is intricately linked to the regional equation, and any slight shift in the domestic balance of power could potentially undermine its position. For Hezbollah, the primary concern is to maintain an environment that enables its role within the resistance axis. Engaging extensively in Lebanon's social issues would divert attention from this objective, thereby presenting
the party with a dilemma (International Crisis Group, 2021). Instead, Hezbollah attributes the state's failure to the actions of its predecessors and rivals, citing "economic warfare" and US policies in Lebanon. The party advocates for redirecting Lebanon's focus toward economic integration with Syria, Iraq, Iran, and even China (Daoud, 2021).

Aside from complicity in economic deterioration, Hezbollah's involvement in the Syrian war has affected Shiite sentiment towards the group for the worse. Indeed, Hezbollah is not technically in Syria to protect Bashar Al Assad, but rather Iran. Initially, the Shiites endorsed the party's war effort in Syria, supposedly to fend off "takfiri" influence and penetration in Lebanon. However, Nasrallah eventually "took advantage of the trust and legitimacy a result of Hezbollah's fight against Israel, and managed to convince his loyal base of supporters that it was their jihadist duty to protect sacred Shiite shrines and residents in Syria as well as make the Lebanese borders impervious to ISIS and Al Nusra" (Khashan, 2019). In light of Nasrallah’s tactics, some have gone as far as claiming that Iran is converting Syria to Shiism as part of its "Shia Crescent" plan for the region (Vohra, 2021).

Indeed, over time, the sentiment has changed, especially because of the increased body count, the ideological contradiction of fighting to save the oppressor – the Assad regime - rather than the oppressed – the Syrian people - and intervening in GCC affairs that are considered extremely sensitive. Adding salt to the wound is the economic deterioration affecting jobs in the country and Shiite access to work in the GCC countries, as well as the port explosion that exposed Shiite complicity in the mismanagement of the ammonium nitrate.
Moreover, Khashan claims that Hezbollah's mission may ultimately prove impossible, especially as more Shiites within the communities around the country grow disillusioned with both Hezbollah and Amal. However, the Shiite parties do not hesitate to use violence and crackdowns to silence resistance (Saad & Yee, 2021). The 2016 municipality election results in South Lebanon are a case in point. "Hezbollah-Amal oligarchical alliance does not allow the emergence of a third political force within the sect. They tolerate expressions of personal feelings and opinions if they do not lead to mass mobilization: There are two realities among Lebanese Shi'ites: the authoritarian alliance of Hezbollah and Amal, and the marginalized rank-and-file. This reality is unlikely to change in the context of the region's existing geostrategic equation" (Khashan, 2019). Still, there seems to be a noticeable change in the Lebanese Shiite community's mood towards the "Shiite duo," especially after the assassination of Shiite luminary Lokman Slim on February 18, 2021.

Apparently, he had been receiving death threats for a while and had left a note in 2020 that should there be an attempt on his life; it is Hezbollah that should be blamed. Lokman was staunchly anti-Hezbollah and gave the disgruntled Shia a voice against the group and the status quo. It seemed for a time that they had no need to target anyone since they had prevailed for the longest time. However, now, there is "a new form of opposition to Hezbollah and the entire political class, from a leaderless mass of people who seek a secular, human-rights-driven country. Lokman had enough cultural influence to shape the discourse that called for a new nonsectarian social contract between the citizen and the state" (Vohra, 2021).

Some analysts and activities have argued that his assassination is part of a trend that extends to Iraq, in which activists are simultaneously being silenced, while others
also see it as a way to corner the international community into acquiescence early on as it had in 2005 when it was also put in a tight spot domestically. Hanin Ghaddar argues, "If Hezbollah's leaders only wanted to get rid of Slim, they could have easily made it look like a car accident or a robbery, and thereby avoid the blame, but they wanted to send a message to others while testing the limits of the international community" (Ghaddar, 2021). Hezbollah will not admit that it may be miscalculating its long-term survival because, in its view, the Shiite community has no alternative in Lebanon, and if Hezbollah loses, the Shia lose.

However, by maintaining this attitude, it may be undermining its resistance by failing to listen to alarms about Lebanon's compounding crises. Michael Young writes that Hezbollah's mention of a civil state and a new political pact, using the term a "foundation conference" where Lebanon's sectarian balance would recalibrate political power, may not hold much weight since its demographic weight is still comparable to the other sects (Hilton, 2020). Hezbollah also cannot use its weapons to impose such changes in the post-Taif constitution once again because of the country's sectarian makeup, which could essentially plunder the country into a civil war. As Patriarch Al Rai stated on September 2, 2020, "We are not ready to examine a change in [the Lebanese] system before all components of the country enter the realm of legitimacy ... There can be no change in the system in the presence of ministates" (Nidaa et al., 2020).

Essentially, what he means is that Hezbollah cannot seek constitutional changes to alter the country's political system without first "surrendering its autonomy, foreign allegiances, and most importantly, its arms." Hezbollah responded through the Supreme Islamic Shia Council, demonstrating that it is also a sectarian organization like any other in the country. Indeed, to change the political system, it would require broad
consensus, and evidently, Hezbollah, least of all, does not have the entire country's support. Young (2020) argues that "it is apparent that while Hezbollah remains the dominant party in Lebanon, it has no practical way of running the country. In not wanting to alienate its political allies, any government the party helps bring to office will fail to effectively address Lebanon's need for economic reform."

Now, Hezbollah is being labeled as the protector of the political class and thus has trapped itself by not giving any leeway to popular protests and bolstering the corrupt patronage networks that have gradually disintegrated state institutions. By aggravating popular discontent, Hezbollah has placed itself in a difficult situation where its contract with Iran – to act as a deterrent against Israel – is now far more difficult to achieve. In fact, Hezbollah is avoiding war with Israel like the plague, knowing full well that if it initiates, a war with Israel would not only be costly, but it will also completely eradicate whatever support it has left among the Lebanese community already suffering economic woes.

Bolstered by the UAE-Israel peace deal, the United States and its allies in the region are keenly aware of this and are disinclined to lose their joint leverage over both Tehran and Hezbollah. In squeezing Lebanon's economy to the point of extreme poverty and staying headstrong against any options, Hezbollah would be "bringing about the very situation [civil strife] its most vociferous enemies had sought to impose on Hezbollah—an internal conflict that would neutralize it as a tool of Iran…It has always sought to shape its environment to secure its strategic objectives, but now it is actively destroying that environment" (Young, 2020). Indeed, by attempting to change the political system, it would be guaranteeing the concessions it has been avoiding for decades.
Actually, Hezbollah never typically focuses on local affairs since it sees itself as a "vehicle for achieving a much broader regional plan. Its interest in local politics did not go beyond ensuring the freedom of activity between its Lebanese base and foreign destination. Its preferred objective is to maintain itself as an alternative state, keeping the Lebanese state at arm's length while establishing a modus vivendi with it. Hezbollah has perceived Lebanon, with its legacy of persistent inequality and sectarian tensions, as "a microcosm of the Middle East's problems and the breathing lung of its problems." In addition to advertising strong religious virtue, it pledged to continue to stand firm against Israel, combat Western cultural invasion, promote Islamic morality, defeat the promoters of apostasy, and advocate Islamic universalist values" (Khashan, 2019).

Thus, Hezbollah may be a party apart, but it risks being pushed to the side. Numerous critics have called for toppling the "Hezbollah regime" (Koteiche, 2020) and "putting Hezbollah in its place" (Maksad, 2020). However, other more realist analysts refrain from such wishful thinking and claim that the question of Hezbollah may only be resolved regionally since, despite creeping discontent among Lebanese Shiites, "Hezbollah's political project in Lebanon is contingent upon Iran's growing regional posture" rather than a question of Lebanese Shiite demand (Saad & Yee, 2020). The group's survival and future as a politico-military force hinges on the Iranian regime's regional and international status, and it seems adamant about retaining the status quo in Lebanon, no matter the domestic cost.

Not to mention that Hezbollah has de facto control over the country's borders with Syria, allowing it to smuggle weapons and resources from Iran, Syria, and other allies. The party, although not exclusively, does hold significant sway over the Beirut port, which gives it unrestricted ability to "transport drugs, weapons, and explosive
material both in and out of Lebanon without any state oversight of its operations or inspections of the hangars it controls" (Khatib, 2021). Moreover, the cycles of ministerial statements since 2008 have allowed Hezbollah to maintain the Army-People-Resistance formula, allowing it to pursue its foreign ventures without checking and retain its weapons in the name of national security and defense in addition to its sway over areas of security and military institutions.

Thus, it is indeed challenging to convince the Lebanese people and international community that Hezbollah can fight corruption and enact "reasonable" reforms within a techno-political government since it is entrenched and, therefore, complicit in the political system. Apparently, "enabling the state " . . . is bound to weaken Hezbollah's project" since, as Khashan argues (2019), it would mean diminished social assistance to the Shiite community and exposing the endemic corruption perpetuated by its close allies – i.e., Amal and FPM. "Hezbollah's enemies in Lebanon see it as a Trojan Horse in the cabinet whose primary objective from championing the fight against corruption is "cowing them into submission to its dictates" (Khashan, 2019). The straw that broke the camel's back is Hezbollah's well-documented record of utilizing ammonium nitrate to engineer explosives, as well as barrel bombs used by the Assad regime during the Syrian conflict, which was publicly and ubiquitously dissected following the port explosion (Khatib, 2021).

Despite the unsubstantiated claims of a direct link between Hezbollah and the explosion, many have argued that there is enough reasonable doubt to declare – if only because of the party's unchecked activities at the port– that it is somewhat complicit in the ineptitude, dysfunction, and corruption at the Beirut port, forever tarnishing the party's public image. In fact, Hangar 9 and Hangar 12 at the Port of Beirut are managed
by Unit 112's Airport and Port Unit, operating independently from the Lebanese state's control and under Hezbollah. These facilities, along with Beirut airport, enable the entry and exit of goods and individuals without official documentation of their passage (Khatib, 2021).

Over time, Hezbollah's influence in the port has grown, facilitated by its connections with influential political elites and parties associated with the commission (Khatib, 2021). These connections include affiliates of Amal and, since 2005, the Free Patriotic Movement (FPM). According to Khatib (2021), an undisclosed source mentioned in Al Arab in 2020 that corruption has significantly affected customs revenue at the Port of Beirut. Instead of receiving an estimated $3 billion annually, the Lebanese state allegedly only receives $800 million in customs fees. These sources claim that the missing revenue is shared with Hezbollah, providing the group with an additional income stream. Indeed, Hezbollah has stood apart from other groups due to its extensive use of the Port of Beirut for the transportation of drugs, weapons, and explosive materials without any state oversight or inspections of the hangars it utilizes. Illicit goods sometimes enter Lebanon through the port for further transport to Syria by land.

However, Hezbollah rejects the notion that it deserves "special blame" when the corruption has spanned decades. Hezbollah asserts that the recent attention on their alleged wrongdoing and that of their allies is not primarily driven by a genuine concern for good governance but rather influenced by foreign policy considerations, particularly related to the party's stance on Israel. In Hezbollah's view, foreign countries have long tolerated corruption among their Lebanese allies but have now shifted their focus
towards the party to force them into disarmament and abandoning their resistance mission, which is not up for discussion.

In addition, Hezbollah has a history of opposing efforts to hold it accountable when it believes such actions could have negative political consequences. A recent example of this is the group's insistence on replacing Judge Tarek Bitar, who has been leading the investigation into the Beirut port explosion. While Hezbollah members were not directly interrogated or subpoenaed by Bitar, the fact that he pursued such actions against the party's allies, notably Finance Minister Ali Hassan Khalil, who is a close associate of Berri, and Major General Abbas Ibrahim, the head of General Security, was deemed unacceptable by Hezbollah (Chehayeb, 2023).

Hezbollah used the potential for destabilization and civil unrest as leverage to achieve its objective of removing the judge (Chehayeb, 2023). At the time of writing, Judge Tarek Bitar faced numerous legal challenges that resulted in several suspensions of the investigation (Chehayeb, 2023). Unfortunately, these obstacles have ultimately brought the investigation to a complete standstill. On January 23, 2023, the US sanctioned a key Hezbollah money exchanger, leading the party to accuse Washington of political meddling and pressure ahead of the presidential elections and amid an increasing rift between Tehran and Washington.

In sum, Hezbollah's influence in Lebanon is both a product and a contributor to the country's political system. As long as the current political system persists in Lebanon, Hezbollah's influence over the Lebanese state cannot be reversed. Its military strength surpasses that of the Lebanese Armed Forces and its arsenal to grow exponentially. Despite its military prowess, forcibly taking over the state would likely spark unrest and external interventions. Additionally, its dominance as a formal and
unarmed state actor and party would subject Hezbollah to scrutiny and calls for accountability, jeopardizing its covert financial and logistical operations.

Seizing power could lead to pariah status and loss of foreign aid, which it necessitates because of the economic crisis and US sanctions. Hezbollah thrives in a hybrid status, wielding power without the challenges of governing and addressing citizens' needs. The state's security formula, "the army, the resistance, and the people," lacks meaningful representation for citizens, who have protested against their neglect and disenfranchisement by the political elite. This absence of citizen participation extends to Lebanon's security architecture, with "the people" included merely superficially. Despite rhetoric of reform, Hezbollah's actions and lack of efforts to implement state reforms maintain a status quo that benefits the group and the political establishment.

4.6 The Return of Arab Politics: Containing Tehran Through Hezbollah

As of the beginning of 2023, the status of the French initiative was perceived as entirely inactive or unsuccessful. The Arab Gulf States, particularly Saudi Arabia, were unable to fully endorse the French initiative due to concerns that it would lend credibility to Hezbollah as a political entity. Instead, they aligned more closely with the US strategy of exerting maximum pressure on the group, even if it had negative consequences for Lebanon's political landscape. Critics argue that France encountered a substantial gap between its envisioned role in the Middle East and its actual influence in the region. This section will explain how this disparity cannot be solely attributed to analytical errors by the French government but is indicative of a more extensive erosion
of Western influence in both the Middle East and Africa and the Arab Gulf states' broader strategy of regional de-escalation.

Indeed, despite recognizing the benefits of the United States' maximum pressure campaign against Iran and Hezbollah, Arab Gulf states have chosen to "disengage from the United States" due to its inconsistent, one-track-minded, and overall indefinable policies in the Middle East. According to Al Sheikh (2023), public opinion in the Middle East is shifting, with growing dissatisfaction towards the United States and the European Union, while Russia and China are gaining popularity. Arab youth increasingly view the US as an enemy rather than an ally, and Russia is considered a top ally by a significant portion. Conducted by the Friedrich Ebert Foundation, a comprehensive public opinion survey across Arab countries showed that Turkey, Iran, and Israel show greater confidence in Russia than the US in several nations, including traditional US allies like the UAE and Egypt. The survey also indicates Arab support for US military withdrawal from the region.

China's popularity surpasses the US in multiple Arab countries due to perceptions of China's non-colonial approach and economic focus. Russia, seen as a counterbalance to US dominance, has gained favor through its actions in Syria and its provision of aid to Arab states. While public support is tilting towards Russia and China, Arab nations are likely to remain pragmatic, balancing their reliance on the West with diversification of alliances, including with regional powers like Iran, Turkey, and even Israel. The Middle East is undergoing significant changes, and as alliances evolve, the region may move Eastward to circumvent the emergence of a bipolar world marked by US-China competition, moving instead towards a more multipolar model.
As a result, these states have pursued their independent strategies in Lebanon and in the broader region. Certainly, the region has witnessed a notable shift towards a "return to Arab politics." This has been evident through the historic Saudi Arabia-Iran détente brokered by China on March 10, 2023, and neighboring efforts to reintegrate Syria back into the Arab fold, both aimed at fostering regional de-escalation (Harb, 2023). It has been suggested by many that the shifting regional dynamics could eventually lead to a presidential election in Lebanon. The process of forming a new elite settlement in the country may be inevitable but will likely take time, as it necessitates the convergence of interests among various stakeholders such as Iran, Saudi Arabia, the United States, France, and the Lebanese elite.

Certainly, the political elite in Lebanon remains more polarized than ever, especially over Hezbollah's growing role in the state. Sectarian communities in Lebanon are minorities with existential fears and attempts to impose dominance by a sect are typically discouraged in sectarian systems. In the past, when the Palestinians left Lebanon, the Sunnis lost their military support and weakened. The Maronites lost power after failing to bolster their position in the face of complex internal dynamics involving Israel and other sects. Currently, the situation is complex with the Shia community, particularly those aligned with Hezbollah. Hezbollah is heavily armed, and its foreign sponsor, Iran, is not physically present in Lebanon. This makes it challenging to weaken Hezbollah by forcing Iran's departure. Iran has based its regional influence on the turmoil of Arab countries rather than through prolonged military presence.

Thus, finding a way to counter Hezbollah's dominance without sparking civil conflict remains a significant challenge and burden on the political system. Historically, Lebanese actors have often invited foreign intervention to gain leverage over their
domestic opponents. However, in the present day, there is a growing domestic and cross-sectarian opposition to Hezbollah's dominant influence in Lebanon. This has transformed the country into a negotiation space, where both internal and external actors are actively searching for a solution to prevent Lebanon from becoming an Iranian satellite.

Nevertheless, Hezbollah appears to be actively seeking a more inclusive resolution to Lebanon's predicament. If a comprehensive agreement is to be reached through the various levels of negotiations, all parties involved must find satisfaction. Considering Hezbollah's lack of majority control in parliament, any agreement regarding the selection of a president would necessitate compromising with both rivals and even some allies. Hezbollah's preferred candidate, Sleiman Frangieh, faces opposition from two prominent Christian parties, the Lebanese Forces and the Free Patriotic Movement. However, Frangieh has received approval from Iran and has not faced a veto from Saudi Arabia, which has indicated a willingness to abstain from vetoing candidates if there is consensus among local factions (Young, 2023).

While Hezbollah is unlikely to accept a president who is perceived as being too aligned with Saudi Arabia, the United States, France, or Egypt, the party finds itself in a dilemma. It cannot impose Frangieh on parliament, let alone on a Christian community that is increasingly reluctant to see its prominent representatives in the state chosen by the Muslim majority (Young, 2023). Notably, in a recent interview, Samir Geagea expressed his belief that Lebanon's current political system is unsustainable, citing the failure to elect a president as evidence that a new structure is necessary. Geagea and other Christian leaders advocate for a less centralized system that provides Christians with greater autonomy.
Moreover, during his recent visit to Paris, Maronite Patriarch Bechara al-Rai expressed his objection to the election of a president in Lebanon without the support of the Christians, emphasizing that the presidency traditionally belongs to the Maronite community (Bahout, 2021). This objection was conveyed during his meetings with French President Emmanuel Macron and his visit to the Vatican, where the Vatican also expressed its refusal to accept the election of a president against the will of the Christians in Lebanon. Lebanon's identity and political system require the active participation of the Christian community, and the party's extreme demands on the Christian sect are rendering the presidential election more challenging. Hezbollah, therefore, would have to search for alternative candidates who may not be ideal for the party but whom it may have to accept to reach a comprehensive accord with all sects.

Critics argue that Hezbollah is deliberately voicing its rejection of any candidate who would challenge its influence and replicate the experience of former President Michel Sleiman. In 2012, Sleiman openly criticized Hezbollah's involvement in Syria and advocated for a defense strategy that would transfer control of the organization's arsenal to the Lebanese army. As such, regardless of internal and external pressure, Hezbollah will prevent any candidate who would challenge its authority from assuming the presidency. The party claimed that it is looking for a candidate who is a "brave man," unafraid of the United States, and capable of resisting pressure from Washington (Young, 2023).

At the time of writing, MP Michel Mouawad had bowed out of the presidential race in favor of former minister and director of the IMF's Department for the Middle East and Central Asia Jihad Azour. Azour has been officially endorsed by the Lebanese Forces, FPM, and Kataeb, as well as some MPs affiliated with the protest movement.
Frangieh and Azour remain the top contenders, with Joseph Aoun as a recurrent choice among other politicians and foreign powers. It is worth noting that Qatar and Saudi Arabia, to a lesser extent, have expressed their approval towards Joseph Aoun, but his election would need a constitutional amendment, which is currently being rejected by Speaker of parliament Nabih Berri and Hezbollah since he is seen as being closely aligned with Washington. The Lebanese Forces do not oppose Aoun, but Gebran Bassil strongly rejects his candidacy, as he perceives Aoun as a threat to his own influence within the Maronite community. Instead, Bassil endorsed Azour due to his positive relations with external stakeholders such as the IMF, the US, Saudi Arabia, and others. Moreover, Azour is viewed as a candidate who poses no political threat since he does not appear to have any aspirations of establishing his own political party. This quality makes him an appealing choice for FPM and significant anti-Hezbollah political factions in the foreseeable future.

Meanwhile, external actors have initiated discussions to seek a comprehensive resolution for Lebanon's presidential stalemate and economic crisis. In a meeting held in Paris on February 6, 2023, officials from Saudi Arabia, France, Qatar, the United States, and Egypt convened to address the political impasse in Lebanon (Rabih, 2023). Although no official statement was released to allow for consultations with Iran, behind-the-scenes negotiations are underway. These negotiations aim to determine various aspects, including the selection of Lebanon's next president and prime minister, another "national unity government," the provision of financial aid, and an overall agenda for the country's recovery (Rabih, 2023). Qatar appeared to be playing a mediating role between Tehran and Saudi Arabia, leveraging its positive relations with the US and France and its longstanding connections with Hezbollah (Young, 2023).
France had initially intended to assume a role in facilitating the negotiations, but President Macron's imprudent endorsement of Frangieh has damaged his credibility with the various political factions in Lebanon. During the quintet's meeting in Lebanon, the participants deliberately refrained from mentioning specific names and instead focused on outlining the desired characteristics of a candidate: a centrist that does not belong to any political faction and is not seen as provocative by any party involved (Ibrahim & Jawhar, 2023). However, by prematurely endorsing Frangieh, France disregarded this approach and appeared to support Frangieh, whose attributes directly contradict those sought by the quintet. France's alleged misstep ultimately caused division among the meeting participants. The US imposing sanctions on Teddy Rahme and Raymond Rahme, who are associated with Frangieh, to veto his candidacy is a case in point (Young, 2023).

Undoubtedly, the frontrunner in the upcoming developments will emerge as a result of extensive regional and local negotiations involving all relevant parties. However, if a broad consensus is achieved among the five countries involved in the Paris meeting, as well as Iran and Hezbollah, pressuring other Lebanese actors to align, then all candidates still have an opportunity based on their compatibility with the final conditions of the agreement (Ibrahim & Jawhar, 2023). Currently, Lebanese parties lack the motivation to facilitate such an outcome, as they are keen on assessing the financial incentives offered within any accord, which are likely to come from the Gulf participants. There have been recent suggestions that the Qataris might provide an advance payment based on their participation in the Qana field, which could make embracing a political package economically lucrative as well (Young, 2023). Although
the ongoing discussions persist, there are indications that progress is being made toward a resolution for Lebanon.

Finally, the ongoing effort by external actors to find a resolution for Lebanon's crises echoes the Doha agreement of 2008, which effectively prevented a civil war in the country. While regional agreements have previously helped untangle the country's dysfunctional politics and provided financial incentives, as seen in the 2009 Saudi-Syrian rapprochement, the circumstances around the nascent agreement are different (Harb, 2023). There are several factors that may prolong the resolution this time. Firstly, Saudi Arabia is part of a coordination group with the US and France that requires policy coordination on the political and financial levels.

Secondly, it is crucial to prioritize trust-building measures and de-escalation between Iran and Saudi Arabia. The ongoing Yemen conflict has a significant impact on Saudi Arabia, making it a higher priority for them. Currently, the Saudis appear to be emphasizing Iran's concessions in the Yemeni conflict as a potential bargaining chip for their assistance in Lebanon. However, achieving such concessions is expected to take considerable time. There are behind-the-scenes discussions taking place between Saudi Arabia and the Houthis, with the goal of reaching a comprehensive agreement. This agreement aims to create a more favorable environment for negotiations regarding Lebanon (Ibrahim & Jawhar, 2023). On the other hand, Iran has a vested interest in maintaining Hezbollah's supremacy in Lebanon. As a result, Iran may also seek concessions from Saudi Arabia. Other contentious issues such as resolving disputers over maritime borders in the Persian Gulf and normalization with Israel will also take center stage. It should be noted that any compromises reached would come at a high
cost. Therefore, the outcome of these negotiations remains uncertain at this point, and in the case of a slowdown in the détente, Lebanon will surely bear the brunt.

Lastly, the internal polarization and a hung parliament in Lebanon necessitate a more inclusive agreement on the presidential candidate, their program, and a new government. So far, Hezbollah's political opponents and the party itself have not engaged in a meaningful process. While the Saudi-Iranian agreement can facilitate the process, Riyadh's leverage in Lebanon today is not the same as in 2009, and reaching an agreement with Tehran may not easily translate into political outcomes (Harb, 2023).

Moreover, the potential for a partial Syrian resurgence in Lebanon, facilitated by Gulf states seeking influence, raises concerns about the balance of power in the region. Suleiman Franjieh represents the remnants of Syrian influence in Lebanon, and his prospects may be influenced by the outcome of the Jeddah meeting. While Assad can rely on some Lebanese networks, including Sunni parliamentarians and independent blocs, his influence is still intertwined with Hezbollah's control (Lasserre, 2023). The presence of a significant Syrian population in Lebanon gives Assad a voice, but without a security apparatus, he relies on Hezbollah to enforce policies. Syria's ability to benefit from Lebanon's corruption networks may be limited, but the reconstruction efforts in Syria will generate revenue (Lasserre, 2023). However, the Syrian leadership is unlikely to regain the level of influence and exploitation seen in the past. The dynamics of power and influence in Lebanon remain complex and interconnected. It remains to be seen how Saudi Arabia will handle Hezbollah's role in Lebanon's presidential process.

Hezbollah has always known that the sectarian system, despite its imperfections, serves as the most effective obstacle against the party. It has actively worked to divide its sectarian adversaries, recognizing the importance of maintaining such divisions.
However, the party now faces the possibility of strategic challenges arising from sectarian dynamics, which it strongly opposes, and fears being outmaneuvered. Interestingly, Hezbollah views Lebanon's severe financial crisis as a reason to seek reconciliation with the Gulf states. The party sees potential Arab assistance as an opportunity for Lebanon to reduce its dependence on the International Monetary Fund (IMF), which Hezbollah considers to be under the influence of the United States. Thus, Hezbollah might be willing to compromise with Saudi Arabia for a consensus candidate since his ally, Berri, already retains the speaker of parliament position, and Riyadh will surely want a prime minister that it can work with.

Ultimately, we're likely moving towards a comprehensive agreement that involves more than just electing a president, potentially encompassing the appointment of a prime minister, a consensus on a government agenda, and financial support. Saudi Arabia and Iran will have significant roles, particularly if they can achieve a détente. The prolonged negotiations stem from the complexity of crafting a multifaceted deal that satisfies various parties, in contrast to the relative ease of approving a president. Certainly, if this package deal materializes, then Gulf money will most likely be thrown in as well. However, this all ultimately depends on the pace of the Iran-Saudi Arabia détente, and if there are slowdowns or clashes between the two countries, Lebanon will definitely bear the brunt.
CHAPTER 5

CONCLUSION

This study aimed to examine the fate of power sharing Lebanon. In Chapter One, I asked the following two research questions: Why has the Lebanese political system failed at regulating internal conflict? Can it be salvaged, or will there be a new power-sharing agreement to manage internal conflict?

I answered the first question and argued that Lebanon's history is characterized by recurrent efforts at power-sharing and sectarian governance, exemplified by agreements like the Taif Agreement of 1989 and the Doha Agreement of 2008. However, these attempts have consistently fallen short of effectively managing internal conflicts and establishing a robust, inclusive central authority. The Taif Agreement, a response to the protracted civil war, aimed to balance representation between religious groups, but its implementation faced hurdles due to unaddressed constitutional reforms.

The Doha Agreement of 2008 momentarily eased tensions by creating a unity government based on sectarian quotas, yet it entrenched a consensus-based sectarian system that perpetuated deadlocks, poor governance, spoils sharing among sects, a lack of checks and balances, and an armed Hezbollah within the political system. With time, Hezbollah exploited the opportunity to act without being held accountable by the state, causing political instability and tying Lebanon’s fate with regional conflicts. As a result, Lebanon experienced multiple periods of political vacuums that severely weakened the state’s ability to provide public goods, which rendered citizens increasingly dependent on their sectarian leaders.
Lebanon's political system, meant to foster inclusivity and social cohesion, has instead yielded short-term stability, governance fragmentation, limited reforms, the primacy of sectarian elites' interests, and thin line between the private and public sector. The political elite's reluctance to enact reforms, coupled with their appropriation of state institutions for personal gain, perpetuates the absence of a potent central authority. This scenario contributes to ongoing internal conflicts and external intervention.

Essentially, I delve into the elite's lack of political in implementing crucial reforms during pivotal moments, specifically examining the October 17, 2019 protest movement, the COVID-19 pandemic, and the Beirut port explosion on August 4, 2020. In doing so, I illustrate how these three critical events marked key junctures that were thought to have the potential to catalyze a new social contract. I examine the eruption of protests triggered by the elite's imposition of austerity measures that would impoverish them and enrich the elite, a movement that rapidly gained momentum and endured for months. Across the country, citizens fervently called for the elite's resignation, restitution of embezzled funds, a complete overhaul of the political system, the introduction of anti-corruption measures, and accountability for the elite's actions.

However, the absence of a comprehensive transformative agenda among the protestors posed a substantial challenge in curtailing the rulers' authority. The elite capitalized on the COVID-19 pandemic to suppress the protests by imposing a lockdown. Leveraging the state's weakened state, the ruling elite assumed responsibility for providing public goods during this challenging period. Also, Hezbollah emerged as a protector of the status quo considering Iran’s regional motivations. Moreover, under Diab’s cabinet, the elite's reluctance to ease citizens' burdens through an IMF deal and a new taxation system that encompassed a national budget, audit, an agreement on
financial losses, and fair distribution of resources proved challenging. Opposition from political and banking elites also hindered anti-corruption measures required by the IMF and international community, obstructing vital reforms for navigating the economic crisis effectively.

Disputes over Lebanon's financial losses prolonged the IMF deadlock, as the political elite evaded accountability, further extending the economic crisis. Even proposing a forensic audit of the central bank encountered resistance from these elites who had ties with the banking sector. Moreover, despite adopting an Anti-Corruption Strategy to demonstrate superficial reforms to the international community, the political elite amended laws that would compromise the strategy and commissions’ implementation. The corruption of the elites and their polarized approach to reform rendered managing internal conflict and meeting the diverse needs of the population nearly impossible.

Additionally, the cataclysmic Beirut port explosion on August 4, 2020 laid bare the depth of the elite's corruption and exposed the vacuum of effective state institutions in emergency response, and also allowed the elite to step in and provide relief aside from local NGOs and international humanitarian groups. At this time, rather than exhibiting compassion towards citizens and providing a sense of justice, the elite thwarted attempts at an investigation and inflamed sectarian tensions to evade accountability and solidify their hold on power. As events progressed, Prime Minister Diab resigned and blamed systemic corruption and the ruling sectarian elites for the country’s dismal state. Any form of justice or accountability meant stripping the elite of their powers and holding them accountable, an objective that proved elusive. Here, I
demonstrated that the system has encountered a deadlock that would now require external intervention to untangle.

In my analysis, I examined the potential for elite accommodation facilitated by external mediation, spearheaded by French President Emmanuel Macron. Central to my investigation was Macron's French initiative, which hinged on both domestic political will and indirect coordination between the US and Iran, two powers engaged in an intense competition within Lebanon. Macron recognized the necessity of engaging with Hezbollah, a deeply entrenched component of Lebanon's political landscape. In contrast, the US, while officially supporting the initiative, maintained a stringent stance against Hezbollah due to its "Maximum Pressure campaign" against Iran, considering the group as a terrorist organization.

The US strategically targeted Hezbollah's illicit financial endeavors, exposing its involvement in corruption and smuggling, even implicating its role in illicit activities at the Port of Beirut. The US sought to counterbalance Iran's influence channeled through Hezbollah, aiming for a solution that avoided both isolation and military confrontation, recognizing the precarious positions both sides found themselves in. This context presented an opportunity for addressing issues like the Lebanon-Israel border. However, the intense rivalry between the US and Iran provided a backdrop for domestic actors to settle their own disputes, leading to a delay in implementing the French initiative and the essential reforms vital to prevent the nation's collapse. The success of the French initiative hinged on the improbable cooperation between the US and Iran, coupled with a lack of accommodation by the political elite.

I also demonstrated how Prime Minister Najib Mikati, who took office after Diab’s resignation following the port explosion, failed to enact any substantial reforms
that could improve citizen’s lives and instead were waiting to maintain their hold on power after the May 2022 elections. Their re-capture reverberated throughout the system and eventually demonstrated that the political system is irredeemable. Given the lack of checks and balances, the parliament, functioning as a legislative stronghold, played a role in safeguarding the interests of the elite. This involved thwarting any proposed laws aimed at reform that could potentially disrupt the status quo.

Additionally, the judiciary, which had become intertwined with political interests, faced internal divisions and eventually provided legal protection for the political elite during the Beirut port probe investigation, commercial banks, their proprietors, and the central bank governor, shielding the political elite from any form of accountability for their actions and perpetuating a culture of impunity. The elite’s comeback after the 2022 elections exposed the depth of citizens’ dependence on the elite and the dysfunction of the country’s sectarian political system.

Additionally, I highlighted Hezbollah's dominant position in Lebanon after the Doha agreement in 2008, causing internal instability and discord among external actors, which eluded any illusion of a new power sharing agreement. Empowered by Iran and supported by local allies, Hezbollah operates both within and outside the state, controlling institutions and resorting to violence to maintain its influence. While regional ventures damage diplomatic relations, Hezbollah's commitment to its resistance role hinders local reforms. Its involvement in Syria has strained Shiite sentiment, despite initially rallying support. Discontent within Shiite communities is growing, and Hezbollah's position relies on Iran's regional posture. The party's grip on power undermines calls for change and its ability to address Lebanon's crises. Its control over borders and the port facilitates smuggling. Attempts to investigate Hezbollah's role in
the Beirut explosion faced obstacles, revealing its influence over the judiciary. In essence, Hezbollah's influence in Lebanon is both a product and a contributor to the country's dysfunctional political system, maintaining the status quo to safeguard its interests and avoiding full responsibility for governance.

Finally, I contended that the French initiative failed and exposed the diminishing Western influence in the Middle East. I argued that Arab Gulf states have distanced themselves from the US's strategy of pressuring Hezbollah due to inconsistent American policies. Arab public sentiment has shifted towards Russia and China, indicating a broader geopolitical shift. Arab nations are recalibrating their political strategies, as evidenced by the Saudi Arabia-Iran détente and efforts to reintegrate Syria into the Arab fold. Hezbollah's stronghold in Lebanon faces mounting opposition both domestically and regionally. In the midst of a presidential vacuum, the elite seized the opportunity to negotiate for their own gains, leveraging external support to the detriment of citizens' welfare. Yet, achieving domestic and international consensus proves intricate, given the conflicting interests of Iran, the US, Saudi Arabia, France, and the Arab Gulf states.

The Lebanese crisis bears resemblance to prior agreements aimed at resolving political dysfunction and economic turmoil. However, the potential return of Syria would complicate the power dynamics further. Notably, Hezbollah appears amenable to reconciling with Gulf states, seeking financial assistance to reduce reliance on the US-influenced International Monetary Fund. This evolving stance could influence the party's trajectory. Potential resolutions may entail comprehensive accords on leadership and economic aid, influenced by the unfolding détente between Iran and Saudi Arabia.
Based on these conclusions, I assessed the possibility for a renewed power-sharing compact that can effectively manage internal conflicts and provide essential public services, answering the second research question. Regrettably, the current landscape lacks the necessary political determination and convergence of domestic and international interests to establish such an arrangement. As of now, this study suggests that only a short-term settlement akin to the 2008 Doha Agreement is attainable. This would involve the election of a consensus president, the formation of a national unity government, and financial backing to address immediate challenges. Despite recent improvements in Saudi Arabia-Iran relations, the forthcoming Lebanese presidential elections will require time. This delay arises from sluggish domestic dialogues, ongoing tensions between the US and Iran, and Lebanon's secondary status in the current Saudi-Iran rapprochement, primarily centered on resolving the Yemen conflict.

Moreover, Hezbollah's actions to steer Lebanon away from the IMF’s reform program and towards alignment with regional powers underscore the party's significant authority within the nation's political framework. Instituting anti-corruption reforms would necessitate curtailing Hezbollah's influence, which it will not allow. Meanwhile, its allies persist in prolonging the process of reaching consensus and in implementing superficial reforms, further dragging the population into penury, and the state into decay.

The future implications of the findings from this study are profound and portend a challenging path for Lebanon. The persistent political stalemate, deeply rooted in the sectarian power-sharing system, suggests that swift and comprehensive reforms to address the country's multifaceted challenges are unlikely. External geopolitical influences, notably the dynamics between the US, Iran, and Arab Gulf States will
continue to shape Lebanon's political stability and prospects for reform. Hezbollah's dominance within Lebanon's political and security landscape remains a formidable obstacle to substantive change, potentially drawing the country further into regional dynamics, interests, and conflicts.

The enduring economic crisis, poverty and inequality levels, and erosion of essential public services are expected to persist without substantial anti-corruption measures and comprehensive reforms. Citizens' frustration with the political elite and the sectarian system may continue to manifest in protests, yet the absence of a coherent reform agenda among protesters limits their transformative impact.

Unclear and divergent Western policies in the region, exemplified by the failure of the French initiative and persistent maximum pressure campaign against Hezbollah through Iran by the United States, further complicates Lebanon's ability to secure international support for reforms. Sectarian tensions, perpetuated by the sectarian-based political system, are likely to persist. The entrenched interests of the political elite, coupled with external geopolitical rivalries, pose formidable challenges to genuine political and economic reform. Lebanon's future hinges on a delicate interplay of domestic and international factors, making it a critical concern for regional stability and global diplomacy.
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