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“What’s Next for Lebanon? Examining the Implications of Current Protests”

I thank the Subcommittee for inviting me to share my analysis on the situation in Lebanon, especially as it relates to U.S. interests.

I must begin by noting that I represent only myself before you today; the Brookings Institution does not take any institutional positions on policy positions. I would also like to emphasize at the outset that Lebanon’s current protests are not about the United States, and we should avoid anything that would change the focus to the United States. But the results of the protests could affect U.S. interests positively or negatively. That is why I very much welcome Congressional attention to Lebanon at what could be a pivotal moment in the country’s history.

#### Lebanon matters to the United States

There are two common perceptions of Lebanon in the United States. One view is romantic, seeing a multi-confessional, relatively open democracy and vibrant society, offering incredible culture, cuisine, history and hospitality. According to the alternative view, Lebanon, with a bloody civil war and where U.S. Marines and diplomats have been butchered, is a dangerous outpost of Iran threatening U.S. interests in the region and beyond.

With some truth in each description, I would like to open by reviewing how tiny Lebanon affects U.S. interests in big ways. Most obvious is Iran’s projection of its malign regional role via its most successful export, the terrorist organization Hezbollah with its advanced capabilities to threaten Israel and other U.S. allies. In addition, the risk of Sunni extremist groups and Al-Qaida or ISIS establishing strongholds in Lebanon has largely receded, thanks to impressive, sustained efforts by the Lebanese Armed Forces. But, as happened in Iraq, these gains can quickly erode, with international implications, without continued vigilance.

The history of Hezbollah and of Sunni terrorist groups demonstrate vividly why Lebanon’s overall stability is in our interest: Iran exploited Lebanon’s civil war, the post-2003 internal conflict in Iraq, and the more recent civil wars in Syria and Yemen to establish deep roots that prove difficult to eradicate. Civil wars, in other words, become vehicles for the expansion of Iran’s influence. Chaos is also a fertile breeding ground for Al-Qaida-type terrorists, as in Syria, Iraq, Yemen and Somalia.

Russia also eyes Lebanon as a venue to continue its aggressive expansion of its regional and Mediterranean role. Russia is entrenched in Syria, and Russian mercenaries enabling General

Haftar's assault on Tripoli in Libya gives Moscow a toehold on the southern Mediterranean. Lebanon's three ports and offshore hydrocarbon reserves, if exploited by Russia, would add to the sense that Russia is winning in the eastern and southern Mediterranean, at our expense. With over 400 Chinese nationals in UNIFIL in southern Lebanon, China, too, may see potential in Lebanon's ports and location – and the Lebanese may find China's 5G technology hard to resist, given the sorry state of Lebanon's current telecommunications networks.

Closer to Lebanon, Bashar al-Assad, who for a supposedly strong-man dictator is embarrassingly dependent on Russia, Hezbollah and Iran to reassert his control over most of Syria, would undoubtedly love to posture again as a regional power broker by reversing his 2005 humiliation, when the combination of Lebanese protests and international pressure led by President George W. Bush forced him to end abruptly Syria's long-time oppressive military occupation of Lebanon. Russia, never happy with President Bush's focus on Lebanon's freedom, may be happy to facilitate the restoration of Syrian hegemony over its small neighbor, especially as convenient cover for Russia's own objectives in Lebanon.

In short, Lebanon is a venue for global strategic competition. Others will happily fill the vacuum if we cede ground.

However dysfunctional Lebanon's democracy is, we also have interests in seeing an Arab, Mediterranean country with relatively strong civil liberties, democratic traditions, and multi-confessional co-existence succeed. With their strong international connections, most Lebanese aspire to be linked politically, culturally, economically, and financially, to the traditional West – Europe and North America – than with Iran, Russia, or China. There is a natural affinity between most Lebanese and the West that can work to our advantage. But as citizens of a small, vulnerable country in a dangerous region, the Lebanese will also, not irrationally, look for reliable external partners. As frustrating, “needy,” and complicated as Lebanon can be, we need to play the long game and not allow Iran, Syria, China, or Russia to exploit our absence.

#### Lebanon's current protests coincide with U.S. interests

Over the years, many of us have marveled at the neat theatrical trick Lebanon has perfected: somehow staying politically and economically afloat, amidst conditions and lamentations that suggest imminent collapse. Predictions of Lebanon's doom have often proved, if not wrong, then at least premature. This time, it appears that the curtain may come down on this gravity-defying act. Not only is the management of Lebanon's internal and external debt increasingly complicated in a no-growth economy, but the public is by and large weary of, or even enraged by, the sectarian script and excuses that establishment political leaders use to advance their narrow political or financial interests at the expense of the country at large. The confessional patronage spoils that grease the Lebanese economy are now increasingly understood as a system to keep people confined to sectarian prisons. Meanwhile, income equality is on the rise, and job creation in decline. As a result, the entire Lebanese political system is now under hostile public scrutiny, and even Hezbollah has become a target of widespread criticism, a topic I will discuss in more detail below.

As the media reporting indicates, the cross-sectarian nature of the demonstrations that erupted in October (when the government tried to impose a tax on WhatsApp messages in a straw-that-broke-the-camel's back moment) is refreshing and inspiring in the Lebanese context. Sunnis, Christians, Shia and Druse are all in the streets, describing themselves as Lebanese first rather than falling back on their confessional identity. The significance of these protests outweighs that of the movement that began on March 14, 2005, after the murder of Rafiq Hariri, because, this time, the Shia have joined. Moreover, the 2005 protests were aimed at Syria's occupation of Lebanon, which a significant part of the population – again, largely Shia – found less intolerable than most of the country. Today, the protestors focus on domestic issues – jobs, garbage collection, utility services and so forth – which can unify rather than divide the Lebanese. There is, in other words, widespread “bottom up” pressure for change in Lebanon.

While, to reiterate, the protests are not about the United States, the demonstrations and the reactions to them by Lebanese leaders and institutions fortunately coincide with U.S. interests. Hezbollah has long strutted as “invincible,” “clean” and “anti-establishment” compared to other Lebanese parties. Hezbollah Secretary-General Hassan Nasrallah's speeches – four and counting – hoping to discredit the demonstrations have undermined Hezbollah's carefully cultivated narrative more effectively than years of U.S. efforts to do so.

Nasrallah, peddling absurd theories of foreign interference, called for an end to demonstrations; they continue. He told the Shia protestors to go home; some did, but most did not. He said the government should not resign; Prime Minister Hariri did just that. So much for invincibility. Nasrallah's insistence that President Michel Aoun remain in office and his dismissal of the proposal for early parliamentary elections smear Hezbollah indelibly with the political establishment and the stench of the accompanying corruption that the protestors want eradicated. Hezbollah can no longer claim credibly to be “clean,” and its participation in the now-resigned, despised government damaged its claims to deliver services more effectively than others. In terms of the public perception of its political role, Hezbollah is now relegated to the same rubbish heap as the other discredited Lebanese parties.

In addition, Lebanon's citizenry is unlikely to forget that Hezbollah and its junior partner Amal sent thugs on motorcycles to beat up the demonstrators. This brutality resurrected memories Hezbollah would prefer remain buried: In May 2008, Hezbollah and Amal seized swaths of Beirut and surrounding areas to block government efforts to dismantle Hezbollah's parallel secure telecommunications link. Scores were killed before the army took control. While Hezbollah demonstrated no qualms about killing and even starving mass numbers of civilians in Syria, any attempt to repeat the May 2008 offensive at home in Lebanon would evaporate Hezbollah's already diminished “resistance” pretext entirely. For years, the United States has tried to prompt the Lebanese to face the fact that Hezbollah and its rockets create the danger of war with Israel rather than provide protection from Israel. Hezbollah's rhetorical and physical reaction to the current demonstrations may wake up more Lebanese – including the Shia, essential to undermining Hezbollah's popularity -- to that grim reality.

The current demonstrations also constructively undermine the partnership between Hezbollah and the Free Patriotic Movement (FPM), a Christian party, of President Aoun and his son-in-law, Foreign Minister Gebran Bassile. In midwifing an alliance between Hezbollah and FPM in

2006, Bassile is the architect most responsible for Hezbollah's ability to pretend to represent a national, cross-confessional movement and transcend its narrow Iranian and sectarian agenda. The FPM alliance slapped a veneer of Christian cover onto Hezbollah and thus became the primary vehicle for expanded Hezbollah influence inside government institutions: no longer was Hezbollah restricted by the "Shia quota" in Lebanese sectarian ratios, since Hezbollah could rely on the FPM's Christian share as well. Bassile has long exploited the sincere concern the United States and other countries have about the status of Christians in the Middle East precisely to divert scrutiny of his personal enabling of Hezbollah and his corruption. Bassile has now become the personification of everything that provokes and enrages the protestors, while his presidential father-in-law's speeches (including one suggesting that people unhappy with Lebanon's status quo were free to emigrate) reflect someone seriously out of touch with the national mood. So far, Hezbollah is sticking with its alliance with the FPM. But the value of this asset has dropped considerably and adds to growing public disenchantment with the Hezbollah brand overall.

By contrast, the reputation of the Lebanese Armed Forces (LAF), which has managed largely to stay out of politics, has, for the most part, headed upwards. There have been some problems and discrepancies in the LAF's reaction to the protests -- the LAF protected demonstrators in Beirut against Hezbollah and Amal thugs, while units in Nabatieh, in the south, looked the other way; LAF fire killed one demonstrator last week. But overall, the LAF has responded with professionalism and restraint to what from both security and political angles must be a most trying situation: what would we Americans think if persistent protests prevented us from reaching our airports, hospitals, schools or jobs? Moreover, the LAF has been forced to operate and take risks with no coherent political guidance -- or cover -- from Lebanon's civilian leadership and with veiled threats from Hezbollah to clear the protests. In recent days, to the dismay of the demonstrators, the LAF has moved more forcefully to open streets and roads, to allow schools, businesses and public buildings to re-open.

While its record has not been perfect, in general the LAF's performance has been admirable in these circumstances. The contrast to the Hezbollah thugs on motorcycles could not be clearer, and the LAF's behavior compares favorably to the Iraqi, Egyptian or Syrian security forces' reaction to protestors. The LAF can be an example of how public respect for an independent, capable and credible national institution can start to chip away deference to a sectarian one. This, too, is a phenomenon not about us but certainly in our interest -- and one to be nurtured.

Some in Washington may ask if the LAF should now prepare to confront Hezbollah kinetically and disarm Hezbollah by force. That would be a recipe for civil war, and, as noted above, Iran and its proxies as well as Al-Qaida tend to thrive in civil war situations. We need to think more long term. In general, LAF officers, protective of their independence, know how much the army's capabilities and professionalism have improved thanks to sustained U.S. training and equipment, and the Lebanese public is starting to recognize that, too.

A 2007 counter-terrorism operation compared to the LAF's more recent CT efforts demonstrate this improvement. In 2007, the LAF labored from May until September to liquidate Fatah al-Islam, a Sunni terrorist organization inspired by Al-Qaida. Through the course of the battle, 158 LAF soldiers and officers were killed (along with 222 Fatah al-Islam terrorists), over 50 civilians

died, and the entire Nahr al-Barad Palestinian refugee camp, previously home to over 30,000 people, was destroyed. Now, the LAF conducts rapid and effective counter-terrorism operations including on the Lebanese-Syrian border with minimal civilian or army casualties. A 2017 operation to clean eastern Lebanon of over 700 ISIS fighters took a mere ten combat days, with seven LAF killed. The LAF arrested over 3,000 Sunni extremists in 2017 and several hundred more last year. Proud of their institution and mindful of increased public support, LAF officers already whisper resentment of Hezbollah's arrogant dismissal of the LAF. It is only a matter of time before this resentment comes out into the open.

However unappealing the occasional tactical accommodation, especially in the Hezbollah-dominated south, we should recognize that the LAF-Hezbollah relationship is not an eternal romance. The United States deserves credit for contributing to the LAF's professionalism and improved capabilities, and thus its enhanced local respect and independence. I regret that the current review suspending – I hope only briefly -- U.S. Foreign Military Financing (FMF) to the LAF has interrupted a predominantly good news story about LAF-U.S. cooperation, while giving Hezbollah, Syria, and Iran a convenient talking point about U.S. unreliability.

#### Dysfunctional Lebanese economy may force a change in direction

While the demonstrations have focused on immediate issues of jobs, garbage, and services, they take place against the backdrop of a looming financial crisis. As one of the highest debt-to-GDP ratios in the world – exceeding 150 percent – Lebanon has long teetered on the brink of financial disaster. The ability of the banking system to pursue clever financial engineering to prevent a plunge off the cliff seems to have run its course. With a tightening of visa restrictions for Europe and the United States, with a decline in employment possibilities in the Gulf states, the traditional outlet for Lebanon's youth – jobs (and possibly emigration) abroad – has lost its power to reliably churn large amounts of foreign currency remittances back into the Lebanese economy.

But the real problem is persistent economic stagnation. Debt can be managed in an environment of economic growth. Lebanon's GDP, even before the current demonstrations, was projected to expand by only 0.02 percent this year in real terms. Privatization of state assets – telecom, electricity – could produce revenues, if the privatization schemes could be trusted, as well as improve services over the longer term. And certainly credible, transparent governance, where the public good rather than personal gain motivates the political leadership, can contribute to economic improvements. A significant difference would derive from new investment and a return of Arab Gulf tourists, companies, and financial deposits.

Yet success in attracting Western and GCC investors will remain elusive without significant changes. Western and GCC investors will look elsewhere for opportunities if the Lebanese remain complacent about being part of what is seen as the Iranian/Syrian axis and if they tolerate an only intermittent commitment to transparency and rule of law. More pointedly, investors and tourists will not return in sufficiently large and predictable numbers as long as Hezbollah can on a whim pull Lebanon into war, with no reference to public opinion or government oversight. The Lebanese themselves will need to choose the path leading either to perpetual poverty or potential prosperity, by determining whether they will continue to accept poor governance

combined with the effective veto over government decisions that Hezbollah insists upon (while simultaneously rebuffing any public accountability for Hezbollah's own often deadly actions). Lebanese voters may not be able to strip Hezbollah of its arsenal overnight, but they can seize the next electoral opportunity to strip Hezbollah of the parliamentary partners it uses as force multipliers to assert its will politically: thus, Nasrallah's red line against early elections.

The protests may not produce immediate changes, but a constructive process has begun

As of this writing, it is not clear that Lebanon's besieged political class has any clue what kind of government might satisfy the demands of the street. The candidate currently being discussed for the premiership, businessman and former Finance Minister Mohamed Safadi, does not seem to represent a break from past practices, as initial hostility on the streets indicates.

Arguing that they are concerned about safety in a country where political leaders and social activists have been routinely murdered, the demonstrators have intentionally rejected the idea of promoting leaders out of the protests to negotiate on their behalf. This leaves an inchoate impression about who and what might be acceptable. (One has images of the scenes from the movie and play "Network," of people shouting from the windows about "not wanting to take it anymore," but without any clear proposal about what would replace the status quo.) This is an ominous sign that the status quo establishment figures, otherwise so divided, might find common cause in evading accountability and replacement, since the "street" might be less united than the picturesque demonstrations (complete with pots of bougainvillea as decoration) suggest.

Moreover, in contradiction to the carefully nurtured non-sectarian image of the demonstrations, some public frustration in Sunni-majority areas such as Tripoli emerged that "Sunni interests" were damaged when PM Hariri (a Sunni) resigned, when Parliament Speaker Nabih Berri (Shia) and President Aoun (Christian) remained in place. Lebanon's sectarian ghosts will be hard to exorcise.

After the missteps of Nasrallah's speeches, Hezbollah must be recalculating along with other status quo leaders about how to retain their prerogatives while somehow managing the popular mood. According to one rumor, some traditional sectarian leaders are musing about allowing an authentically technocratic cabinet to emerge – in the belief that the technocrats will "own" the predicted financial collapse, thus paving a way for the traditional leaders to pick their way through the financial rubble in a rush back to power. The preliminary (if temporary) nod to Safadi, however, suggests that the protestors are not going to get the purely technocratic cabinet they appear to want. But the sustained, widespread criticism of Lebanon's political class, sectarianism, and of Hezbollah have broken significant taboos. Furthermore, Syria's proxies in Lebanon and Iran's proxies in Lebanon – once viewed as virtually indistinguishable, singing their "resistance" duet in sinister harmony – show nascent but unprecedented signs of divergence. Even if not all the potential gains are realized immediately, 2019 is a turning point for Lebanon.

## The U.S. cannot determine but can influence the outcome

The 2005 protests, which successfully forced the entrenched Syrian military and intelligence assets to leave Lebanon, offer an important lesson for today: the value of domestic initiative combined with external support. Had, say, the United States and France pushed 14 years ago for the Syrians to decamp to their side of the border, and had the Lebanese stayed home, the Syrians could have resisted the external pressure to go. Had the United States and France been looking away, uninterested, when the Lebanese took to the streets in such massive numbers, the Syrians would have displayed no qualms in crushing the demonstrations by force. The combination of Lebanese on the streets in massive numbers and the attention by the international community, led by the United States under President George W. Bush and France under President Jacques Chirac, gave the Syrians no viable option except the exit.

As in 2005, sustained attention and interest today – by Congress, by the Administration, by the UN Security Council, by others -- can help protect the demonstrators. But the demonstrations cannot continue indefinitely, especially as average citizens tire of interruptions to daily lives and worry about the economic costs of paralysis. Sustained U.S. interest, attention and messaging can make a difference as the Lebanese struggle to decide how to proceed beyond the home-grown protests.

The trick for us is nuance. It would be unwise to interfere directly in Lebanese political decisions, which would make it too easy for Nasrallah (or Syria, Iran or Russia) to cite credible examples in predictable attempts to discredit the protestors and their demands as U.S.-directed. Nor should we be seen to be in the business of picking Lebanon's next prime minister (Safadi or anyone else) or specific cabinet ministers; those are exclusively Lebanese decisions. But as our own national interests and those of our regional allies will be affected by what happens in Lebanon, we have a responsibility to clarify our own views by our action and by our words. The Lebanese deserve to understand fully what the implications will be of the decisions they make on cabinet appointments and policies.

As a first step, the military assistance now under review should be rapidly released. This would put the U.S. on the side of national, credible institutions. At a time when the LAF's popularity is trending mostly upwards compared to what appears to be Hezbollah's reputational decline, we can reinforce what is, for us and for Lebanon, a positive momentum. Release of the assistance would also undermine the ongoing attempts by Hezbollah, Iran, Syria and Russia to entice the Lebanese into their orbits by calling into question U.S. reliability. Our military aid is never provided unconditionally; we also benefit from the partnership with the LAF. Our expectation that the LAF would improve its professionalism and readiness has been demonstrated vividly by successful counter-terrorism measures and by the (mostly) appropriate response to the protests. The United States can link the release of the FMF with an insistence that the LAF remain outside of politics and treat peaceful demonstrators with equal respect across the entire country, in Nabatieh as well as Beirut.

I would also recommend that we find ways publicly to reinforce the position that we do not want to see the financial or political collapse of Lebanon (lest chaos and civil war provide further opportunities for Iran, Syria and Russia to interfere) – but that our ability to mobilize financial

and economic support depends on decisions from the Lebanese themselves, including the composition and policies of Lebanon's next government. Yes, we are willing to stand with Lebanon, but on the basis of how the Lebanese wish to proceed. If the Lebanese government finally addresses the questions of governance and accountability, the international community can respond; if the government returns to "business as usual," we will not be able to mobilize support to prevent collapse. With the demonstrators calling for a technocratic rather than political government, our public messaging can emphasize our expectation that a new Lebanese government, if it seeks international support, should effectively and immediately address the reform aspirations of the Lebanese people.

While the decisions are theirs, the Lebanese, who have long lived complacently with the contradiction of self-identification with the West while harboring an Iranian terrorist subsidiary, need to understand the implications of the path they choose. In previous financial crises in Lebanon, Arab Gulf states shifted foreign currency deposits to the Lebanese Central Bank temporarily to shore up reserves; this could be repeated. The U.S., along with France and others, can lead engagement with the International Financial Institutions regarding support to Lebanon. With the right people and policies in place, a new Lebanese government might finally implement the reforms that could trigger release of a reformulated \$11 billion assistance package pledged at an international conference in Paris in 2018. Such measures would offer the Lebanese officials a brief respite, while they enact reforms --- long promised, never delivered, and now demanded by the population -- to put Lebanon's finances on a sustainable footing and to promote economic growth. But given past foot-dragging, the burden is on the Lebanese officials to overcome domestic and international skepticism, by choosing credible faces and policies for the incoming cabinet. Continued cronyism, corruption and coddling of Hezbollah will lead ever downward, while reform, accountability, transparency and reliance on national institutions instead of Hezbollah can attract the type of support to lead to a better destination, with the United States and others offering support and partnership. That should be our message.

Over the long term, U.S. interests in Lebanon would be best protected by what the Lebanese people indicate that they want: a prosperous, democratic, independent, fully sovereign, peaceful Lebanon, reliant (including for security) on effective, transparent government institutions subject to public accountability. With the right government in place and with renewed international support, this should not be impossible to achieve. At a bit more than 10,000 square kilometers, Lebanon is smaller than the New York City metropolitan area. The population of greater New York exceeds 20 million, whereas Lebanon, even including Syrian and Palestinian refugees, has a population of well under 7 million. Surely it can't be that difficult to provide reliable electricity, internet, and garbage collection to a Lebanese citizenry that, in general, is both well-educated and internationally connected. Nor should it be that expensive under the right leadership to attract support to put the financial situation on a better course: to put this in perspective, Lebanon's entire external debt (around \$35 billion) is in line with the estimates of what Saudi Arabia is bleeding every year in pursuing a war in Yemen (\$25-40 billion).

By releasing the military assistance now, by demonstrating we are paying close attention, and by making crystal clear the implications, good or bad, of the choices the Lebanese make, we can serve our own interests, contribute to the calculations the Lebanese will make regarding cabinet

and policy decisions, and prevent a vacuum that others would fill to our detriment. I again thank Congress and this Subcommittee for focusing on U.S. interests in Lebanon.