

# Lebanon: Workers take to the streets to denounce government austerity measures

Jean Shaoul  
13 May 2019

Public sector workers from telecom, water, electricity, the universities and other government-run services took to the streets of Beirut, Lebanon's capital, on Friday, to protest the government's budget proposals to cut their wages, pensions and benefits.

The protests were the second in as many weeks. They were joined by retired army personnel, angry over the proposed cuts to their pensions and benefits. The rallies were part of a nationwide public sector strike affecting schools, universities, state-run media outlets and government offices.

Demonstrators burned tyres and called Lebanon's politicians "thieves" because they were being made to pay for the failures of "ineffective and corrupt" politicians, demanding the government target "corrupt businesses and politicians" instead of workers who struggle to make ends meet in one of the most expensive countries in the Middle East.

It is the latest in a series of strikes and protests Lebanon has witnessed over the last few months as Prime Minister Saad Hariri's fragile new government has sought to put together an austerity budget aimed at slashing state expenditure and reducing the budget deficit.

With one of the highest debt-to-GDP ratios in the world, Lebanon must satisfy onerous economic and fiscal conditions if it is to access the \$11 billion in loans pledged at the CEDRE conference in Paris last year.

Last month, Hariri warned of an economic "catastrophe" if public spending kept rising and said, "As a government, we are required to issue the most austere budget in Lebanon's history because our financial position doesn't allow us to increase spending." Although he did not specify what measures he would take, he hinted that soldiers would have to make "sacrifices."

Finance minister Ali Hassan Khalil said that draft budget for 2019, which projects a deficit of 9 percent of GDP, compared to 11.2 percent in 2018, includes major

expenditure cuts due to the need for "exceptional austerity measures." This was only an "introduction to more deficit reductions in the 2020 and 2021 budgets," he added.

He claimed that the budget would tackle tax evasion, boost customs revenues and propose "tax amendments" for high earners, but not for the poor and those with middle incomes. He did not specify the spending cuts.

The government also announced a plan to reform the country's failing electricity system that included reducing and ultimately eliminating public funding, while raising tariffs to compensate. This—in a country subject to daily electricity shutoffs—provoked outrage. It is widely assumed that the government plans to privatise the public utilities.

On May 3, central bank workers began an indefinite strike over the government's budget, forcing the closure of the Beirut Stock Exchange. On Tuesday, the unions suspended the strike for three days, pending discussions with the government.

On May 4, hundreds of migrant workers, mainly from Bangladesh, Ethiopia, Kenya, the Philippines and Sri Lanka, marched through Beirut to demand an end to the Kafala system, whereby foreign workers' residency in the country is tied to their employer's sponsorship, leaving them with little or no protection under Lebanese law. They are unable to travel, resign, change jobs or return home without permission from their employers, who typically withhold their passports.

There are around 250,000 migrant domestic workers in Lebanon, mostly women. According to a report "Their House is My Prison" published earlier this year by Amnesty International, workers can be subject to violations including physical and sexual abuse, confiscation of passports, non-payment of salaries and restrictions on their movement and food, while the authorities turn a blind eye to these abuses.

Last January, several thousand people protested outside

the finance ministry in Beirut over plans to hike the value-added tax and reduce fuel subsidies. It was the biggest protest since the demonstrations over garbage piles on Beirut's streets in August 2015.

Friday's protest was joined by scores of students furious over rising university tuition fees and their own non-existent job prospects. It was part of a series of demonstrations that began two months earlier over economic and social inequality with demands for an end to corruption and Lebanon's sectarian political system, with many wearing yellow vests in sympathy with French protesters.

The protests and the crisis of bourgeois rule in Lebanon are bound up with the imperialist powers and their regional allies' machinations and wars.

Lebanon, a tiny country of 6 million people, has never had any real political independence. Carved out by Britain and France from the Syrian province of the Ottoman Empire after the Ottomans' defeat in World War I, it was ruled, along with Syria, by France until 1943.

Since then, Lebanon has been a proxy battleground for influence in the region between the imperialist powers and rival regional states. No political event in Lebanon can be understood as a purely domestic issue.

Various powers whipped up conflicts between Lebanon's numerous Christian and Muslim sects; between the Lebanese and Palestinians who fled or were driven out of their homeland by Israel in 1948 and 1967; and between Sunni and Shi'a Muslims to further their own agendas, leading to a 14-year civil war that ended in 1989.

Jobs were and still are often restricted, implicitly or explicitly, to a particular sect, often in return for votes in the elections. Government posts are likewise distributed to key political dynasties and sects, making it impossible to implement reforms because that would require the political groups to give up the rewards of cronyism and patronage.

The recent discovery of off-shore oil and gas has increased Lebanon's geostrategic value in the eastern Mediterranean. Their exploitation requires a reliable government unequivocally aligned with Washington and subservient to Western oil corporations.

It has been a crucial staging post for the war in Syria, where Washington and its regional allies sought to overthrow President Bashar al-Assad. This has been part of their efforts to isolate Iran and Russia, Syria's main allies, to defeat Hezbollah—the bourgeois clerical group that is close to Iran and holds three cabinet posts in

Hariri's government—and control the Middle East.

Lebanon is now home to around 1 million UN-registered Syrian refugees and 600,000 unregistered refugees, who—with no legal right to work in the country—fall prey to the avarice of unscrupulous employers who pay them poverty wages and the anger of Lebanese workers whose jobs and wages have likewise fallen to unimaginable levels of poverty and hardship, as Nadine Labaki's heart-breaking film, *Capernaum*, exposed.

In November 2017, Saudi Arabia forced Hariri to resign in Riyadh over Saudi state media over his inclusion of the Iranian-backed and Shia-dominated Hezbollah movement in his so-called national unity government, in what proved to be an abortive attempt to isolate Hezbollah and further US, Saudi and Israeli preparations for military confrontation with Iran.

Not only has Washington used sanctions and banking restrictions to crash Iran's economy, it recently passed legislation intensifying the sanctions imposed on Hezbollah, which it designated as one of the five leading transnational criminal groups, and on those supporting it. Given Hezbollah's significant economic role in the country, this will serve to destabilise Lebanon's banking sector.

An impoverished state, Lebanon provides few public services. The situation deteriorated with the adoption of free-market policies. As a result, access to essential services, education, health and housing is now dependent upon faith-based and commercial provision, which exacerbates divisions.

But the key dividing line is class, not religious affiliation, despite the confusion deliberately generated by the division of Lebanon for electoral purposes into 18 officially recognised sects. Lebanon is characterised by enormous social inequality. Apart from a handful of billionaires and millionaires, the overwhelming majority of the population live in poverty, more than half are unemployed, while around half of those in work are without a contract. Subject to water and electricity shortages, and food contamination, their life is a constant struggle.



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