

Workers in Lebanon reject tax hikes, demand the government's resignation

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Five days of mass protests—the largest since 2005—over the government's attempts to place the full burden of the international banks' demands on the working class have rocked Lebanon. Demonstrators have demanded the government's resignation and an end to the corruption that pervades every aspect of life in the country.

The protests, which are uniting workers across religious affiliations despite the confusion deliberately generated by Lebanon's division for electoral purposes into 18 officially recognised sects, have reached almost every city and province. They are part of a broader upsurge in the class struggle that is taking place all over the world and testifies to the primacy of class over ethnicity, nationality and religion.

On Saturday, there were sympathy protests of more than 1,300 people outside the Lebanese embassy in London, with similar protests taking place in the United States in Los Angeles, San Francisco, Boston, Cleveland, Dearborn, Houston, Washington, D.C., New York, San Francisco, North Carolina, Illinois, Minnesota, and Florida.

On Thursday, workers took to the streets of Beirut, Lebanon's capital, and the northern port city of Tripoli, which is the bastion of Prime Minister Saad Hariri's Future Movement. They blocked the roads to demand the end of the government's proposal to levy a \$6 per month charge on WhatsApp and other Internet-based telephone calls. In a country where telephone charges are among the highest in the world, the proposed tax was the last straw.

As in earlier protests this year, public anger has been fueled by longtime hardships that include 37 percent youth unemployment, low wages, the soaring cost of living and dollar shortage. This has been compounded by the government's tax hikes and austerity measures, the non-functioning of the electricity and water sectors, and fury over the corruption that is endemic throughout Lebanon's political and economic life. According to the World Bank, more than a quarter of the population lives below the poverty line.

All this has only served to enrich Lebanon's financial elite who benefit from the country's status as a tax haven for the rich. Just 1 percent of the people own 58 percent of Lebanon's wealth, while the poorest own less than 1 percent. More than 14 million Lebanese currently live outside the country, more than

double the country's current population of just 6 million.

Police were deployed *en masse* to crack down on the protests. They used massive force, including tear gas and water cannon, to disperse the mainly peaceful crowds, leading to angry clashes between protestors and police. More than 60 people were injured the first day and 52 the second day. Two Syrian workers died as a result of smoke from a fire near the demonstrations. Scores of people were arrested, with most released the following day.

The government's use of the security forces and their equipment to put down civil unrest—as was widely noted—was in stark contrast to its inability to cope with the more than 100 forest fires that broke out across the country just days earlier. Then, the government was forced to call for help from neighbouring countries to put out the fires. Its own firefighting helicopters, bought at a cost of £13.9 million, were out of action, due to a lack of maintenance.

Faced with mass opposition, the government—fearing the protests could further destabilise the country, whose economy is staring into the abyss—swiftly backtracked. But the protests, reflecting pent-up anger and deep-seated grievances, only escalated.

On Friday, demonstrators began to call not just for Hariri's resignation but the resignation of the entire government, saying they would stay out on the streets until the government resigned. They shouted slogans such as “We are one people united against the state. We want it to fall” and “Revolution, revolution!”

The government ordered the closure of all schools and banks because of the demonstrations.

Government posts are distributed to key political dynasties, billionaires and key members of Lebanon's sects, which, entrenched in power since the end of Lebanon's 15-year-long civil war in 1990, refuse to surrender the rewards of cronyism and patronage.

As well as anti-government demonstrations in Tripoli, protesters in the southern Shi'ite city of Nabatiyeh tore down posters of Nabil Berri, speaker of Lebanon's parliament and head of the Hezbollah-allied Amal Movement, denouncing him as a thief. According to eye-witnesses, Berri's supporters responded by attacking protesters in the southern port city of

Tyre on Saturday.

Demonstrators blocked roads throughout the country, including in the Beka'a Valley, a predominantly Shi'ite area. Hariri's government depends on Hezbollah's support for its survival. Protesters also targeted Christian President Michel Aoun and his son-in-law and foreign minister, Jebran Bassil, for the country's systemic corruption.

By Saturday, downtown Beirut looked like a war zone, with the streets littered with broken glass, upturned litter bins and burning tires, and banks and many shops and restaurants shuttered, and the main airport blocked by demonstrators.

Hariri demanded that unless his fractious coalition agreed on his budget proposals without imposing new taxes within 72 hours, he would resign. On Saturday, four government ministers from the Christian Lebanese Forces party, including the labour minister, social affairs minister and deputy prime minister, resigned.

The following day, the remaining factions announced that they had agreed on a final budget that did not include any additional taxes or fees. Hezbollah leader Hassan Nasrallah emerged as a key government supporter, warning that any change in government would only worsen the situation, since it could take a long time to form a new government and solve the crisis.

But none of this impressed the Lebanese people. Yesterday, the main labour union declared a general strike, and banks, businesses, schools and universities remained closed as the cabinet agreed on a long-stalled 2020 budget. It includes halving current and former politicians' salaries and benefits and requires the central bank and private banks to contribute \$3.3 billion to a "near-zero deficit" for the 2020 budget.

Protesters said this was not enough and demanded the government resign.

The protests follow earlier mass protests in May over budget proposals to cut public sector wages, pensions and benefits, as Hariri's fragile government sought to put together an austerity budget aimed at slashing state expenditure and reducing the budget deficit.

Lebanon has a national debt of \$86 billion—at 150 percent of GDP, this is one of the highest debt-to-GDP ratios in the world. The debt was recently reduced to junk-bond status by the credit ratings agencies. 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.

On September 2, Hariri declared a state of economic emergency and vowed to speed up "financial reforms"—tax hikes and austerity measures to be borne by the working class—including a freeze on public sector hirings, the closure of loss-making public enterprises and the few remaining public services, ending of \$2 billion worth of subsidies to the country's barely functioning electricity sector, and further privatisations, including the telecoms sector.

Last month, gas stations and companies that import and

distribute petroleum-based products staged strikes, leading to long lines of vehicles at petrol stations. This came in the wake of the refusal by Lebanese banks to supply dollars to their clients, including the gas importers and distributors, wheat millers and telecoms firms—in order to preserve the financial institutions' hard currency reserves—forcing companies to buy dollars at a higher rate from currency exchange offices.

The dollar shortage is the result of the decline in the central bank's foreign currency reserves, the reduction in remittances from Lebanon's diaspora, falling foreign investment, particularly from the Gulf, and rising balance of payments deficits as imports far exceed exports.

In addition, the country's economy has been particularly badly hit by the US-driven war for regime change in Syria, with whom Lebanon—once part of Syria until the post-World War I carve-up of the region by Britain and France—has historically had close family, social and economic relations. This has turned Lebanon into a proxy battleground for influence in the region between the imperialist powers and rival regional states, with the result that no political event in Lebanon can be understood as a purely domestic issue.

These events bring fresh confirmation that the bourgeoisie in Lebanon, reliant as it is upon the major imperialist and regional powers, as in all the former colonial countries, is incapable of securing workers' entirely legitimate aspirations for economic security.

The only progressive solution is for the workers to bring down the political establishment, expropriate the billionaires that run the country and transform the key sectors of the economy into public utilities. The Lebanese protesters can only achieve their fundamental aims through the revolutionary mobilisation of the working class in a broader struggle with their class brothers and sisters in the region against capitalism and imperialism and for socialism.



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