

# Lebanon's social crisis deepens amid internal political turmoil and imperialist scheming

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22 June 2021

Shops, government offices, businesses, and banks, largely controlled by Lebanon's Christian and Sunni elites, closed their doors in a general strike last Thursday.

Protesters set up roadblocks in Beirut and other towns and cities, burning tyres and bringing traffic to a standstill, including the road to Beirut airport.

While workers joined the strike to protest the horrendous social conditions and endemic corruption that have destroyed their livelihoods, Lebanon's corrupt political parties seized the occasion to call for a new government to be installed forthwith.

Their pose of support for the strike was widely ridiculed on social media, with one Twitter user writing, "Let me get this straight. The same corrupt government, criminal ruling class that blew up this city are actively protesting against themselves...? In what world is this acceptable?"

On the previous Friday, pharmacies went on a two-day nationwide strike over the failure of the central bank to supply them with dollars at a preferential exchange rate as was previously the case. This has made it impossible to import goods at an affordable price, amid a severe shortage of medicines and baby formula as hospitals struggle to cope with the coronavirus pandemic while criminal gangs hoard or smuggle medicines out of the country.

The economic crisis has been intensified by the pandemic, the default last year on Lebanon's sovereign debt to international lenders and the Beirut port blast last August that killed 211 people, injured more than 6,000 and destroyed much of the northern part of the city.

More than half of the population has been thrown into poverty as a result of the pound's plummeting purchasing power and the soaring unemployment rate that rose from 28 percent in February last year to 40 percent in December. While the government said it would set up a financial support system to help those most in need, it has failed to do so, leaving the political parties to provide

food and other aid to their clients.

A World Bank report published this month branded Lebanon's economic crisis as one of the world's worst in over 150 years. Lebanon's GDP crashed from nearly \$55 billion in 2018 to around \$33 billion in 2020, a 40 percent drop in GDP per capita. Its currency has lost 90 percent of its value since late 2019 and is now trading at 15,100 pounds to the US dollar, with soaring inflation expected to worsen this year.

According to the Lebanon's statistical service, as of last December, food prices had risen fourfold in a year, clothing and shoe prices rose fivefold and hotels and restaurants more than sixfold, while the minimum wage had fallen in real terms to just \$67 a month, down from about \$450 a month two years ago.

There are now food, fuel and electricity shortages. Turkey's Karpower recently shut down two floating power barges that supply a quarter of the country's electricity due to payment arrears. Basics like oil, flour, rice and sugar have vanished. Meat is unaffordable, while people are forced to queue for hours to buy petrol.

As the World Bank pointed out, "Such a brutal and rapid contraction is usually associated with conflicts or wars." It warned, "The dire socio-economic conditions risk systemic national failings with regional and potentially global consequences." This was a reminder that what happens in Lebanon has ramifications beyond its borders, particularly Syria, whose economy, financial system and people are inextricably linked to that of Lebanon.

The economic crisis has been compounded by political paralysis. After mass protests erupted in October 2019 over rising poverty, social inequality, and rampant government corruption, demanding an end to the sectarian political system and elections to form a new government, Hassan Diab, an engineering professor from the American University of Beirut was tapped to form a "technocratic"

government. He replaced the government of Sa'ad Hariri, the billionaire Sunni client of Saudi Arabia and France, early last year.

As the new government sought to impose the cost of Lebanon's financial losses on the banking sector, and thereby on the corrupt Sunni and Christian politicians with banking interests, including the Hariri family, the financial elite and their political allies moved to undermine the government's economic programme.

As it became clear that it would be held responsible for the last August's explosion in Beirut's port—despite being the first to raise the alarm about the explosives being held at the port since 2014—Diab's short-lived government resigned. Once again, President Michel Aoun fell back on the widely discredited Hariri to form a government, but with the two men unable to agree a new cabinet that would include their different patronage networks—Aoun backing the Free Patriotic Movement, led by his son-in-law Gebran Bassil, and the Shia party Hezbollah—no new government has been sworn in and Diab continues in a caretaker role.

The country's foreign reserves that are used to fund the subsidies of basic goods including fuel, medicine and wheat are running out. Lebanon, whose health care system has collapsed, has suffered nearly 8,000 deaths from the coronavirus, if official figures are to be believed. Some hospitals are refusing to carry out anything except emergency services to preserve remaining medical supplies, while desperate citizens are turning to the Internet to trade belongings and barter for medicines.

Earlier this month, Hassan Nasrallah, who heads the Hezbollah movement that together with its allies has a majority in the parliament, said that Lebanon might soon have to rely on fuel imports from Iran if shortages continue.

Lebanon, a tiny country whose population has swelled to six million following the influx of Syrians fleeing the decade-long proxy war to topple the regime of President Bashar al-Assad orchestrated by US imperialism, has long been at the mercy of the rival regional powers and their more powerful backers. Caught in the crosshairs of the escalating conflict between the US, Israel and the Gulf petro-monarchs on the one hand, and Iran and its allies, including Syria on the other, it has been hung out to dry as Washington steps up the pressure on Iran.

The Gulf states have made any aid dependent upon a government that excludes Hezbollah, while the Western banks and institutions have refused to stump up \$11 billion pledged at a 2018 conference until the government

implements the free market reforms demanded by the International Monetary Fund. This is an anathema to Lebanon's corrupt financial elite that are dependent upon government succor.

Should the talks in Vienna over the resumption of the 2015 nuclear accord with Iran succeed, with a partial lifting of the sanctions targeting oil exports that have crippled Iran's economy, this would release Iranian funding for Tehran's regional allies. This would allow Hezbollah to partly fill Lebanon's financial and economic vacuum, and thereby align the country more closely with Iran, and by implication Russia and Syria.

It was for this reason that the US State Department announced last week that it would grant the Lebanese Armed Forces (LAF) an additional \$15 million in foreign military funding. This brings the total for the year to \$120 million, including to support Lebanon's "border security and counterterrorism operations" that are poised to receive an additional \$59 million. This would include operations in Syria, supporting the counter-Islamic State offensive, as well as maintaining "internal stability."

Warning of a "critical" situation, LAF chief Gen. Joseph Aoun told a French-led virtual meeting of the major powers and some Gulf Arab states last Thursday that the country's economic crisis would lead to a collapse of all state institutions. He said he had not enough money to adequately pay his 80,000 troops, who were earning the equivalent of just \$90 a month. Military personnel were moonlighting to augment their incomes, going absent without leave or quitting. His warning came after the LAF's recent receipt of ammunition from Russia and some 100 light duty vehicles from China.

Aoun said the army was the "sole guarantor" of Lebanon's security and its "most trusted institution domestically and globally... Therefore maintaining the cohesiveness and supporting the LAF to carry out its mission are of paramount importance."



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