By Hannes Baumann

There is a temptation to emphasise the constants of instability when analysing Lebanese politics: divisive sectarianism, spill-over of regional conflicts, and clientelism. The political crisis of 2005 to 2008 with its outbursts of violence seemed to confirm the impression that nothing much has changed since the Lebanese Civil War of 1975-1990. Yet the focus on seemingly static features of Lebanese politics does not explain the timing of crises and obscures the significant social and economic changes of the last twenty years.

The country is divided into several Christian (primarily Maronite and Greek Orthodox) and Muslim sects (primarily Shi'i, Sunni, and Druze). The civil war was largely fought by sectarian militias. However, references to sectarianism leave several wartime phenomena unexplained: the timing of the outbreak of war, the significant role of non-sectarian militias, and intra-sectarian fighting. Confessional conflict often obscured larger international or economic conflicts. Sectarianism has continued to dominate post-war politics. The Taif Accord of 1989, which became the basis of the post-war political settlement, perpetuated the constitutional system under which politicians are first and foremost the representatives of “their” sect: The president (always a Maronite) lost some of his prerogatives to the prime minister (Sunni) and the speaker of parliament (Shi'i). Until now, sectarian violence perpetrated during the Civil War provides an arsenal of “memories” that leaders can mobilise at moments of political turmoil. However, sectarianism alone still cannot explain conflict dynamics. When sectarian conflict turned “hot” again between 2005 and 2008, the main fault line ran along the Sunni-Shi'i divide, while the Christian community was politically divided. This confounded post-war academic speculation that had focused on the likelihood of renewed Christian-Muslim conflict.

Lebanon has remained an arena for regional struggles. The Syrian-Israeli conflict, in particular, has shaped Lebanese politics. The endgame of the Civil War 1989-90 represented an acceptance by the US and its regional ally Saudi Arabia of Syrian dominance in Lebanon. Damascus was given free rein to marginalise its opponents in Lebanon, who were deprived of meaningful international sponsors. In turn, Syria reoriented its policy toward the West, joining the first US-led war against Iraq in 1991, and engaging in a peace process with the Jewish state. Meanwhile, Israeli occupation of South Lebanon persisted. The relative concord between Israel and Syria over Lebanon ended in 2000, when peace negotiations broke down and Israel withdrew from Lebanon. A more assertive US Middle East policy and the assassination of former Lebanese Prime Minister Rafiq Hariri in 2005 resulted in a period of American and European pressure to stop Syrian meddling in its neighbour’s politics. Opponents of Syrian tutelage returned to Lebanon’s political scene. Damascus was forced to withdraw its troops from the neighbouring country. A period of domestic tension between “pro-Syrian” and “anti-Syrian” sectarian coalitions followed, as well as an Israeli war with Lebanon in 2006. Following an outbreak of violence in 2008, the US, Europe, and the “moderate” Arab states realised that Syria could not be defeated. Once international pressure subsided, Lebanon’s rival factions came to an agreement to share power in a government of national unity.

The distribution of wealth has remained highly unequal but Lebanon’s economic structure has changed fundamentally since the pre-war era. Before 1975, Lebanon’s banks acted as financial intermediaries between the Arab Gulf and Western financial markets. This benefited a small commercial-financial bourgeoisie which was closely networked with the pre-war political elite. During the war, Lebanon lost its role as the Arabs’ banker, eventually suffering financial collapse in the 1980s. New economic and political actors emerged from this structural shift: a new contractor bourgeoisie of Lebanese exiles who had made their money abroad – especially in the Gulf – began looking for investment opportunities. The prime example was the businessman Rafiq Hariri, who rose from humble origins in Lebanon to serve as a major contractor to the Saudi King in the 1970s and 1980s. The wealth and political backing Hariri received in the Kingdom launched him on a political career in Lebanon, serving as Prime Minister in 1992-98 and in 2000-04. Former militia leaders were seeking investment opportunities for the illicit gains they had made during the Civil War, while the remnants of the pre-war bourgeoisie were trying to cling to their status. All of these actors were looking for new mechanisms of wealth creation, not least to finance patronage to their sectarian clientele. Members of the Syrian regime also appropriated their share of post-war wealth.
The post-war economy was built on a compromise: a boom in reconstruction and finance benefited primarily the new contractor bourgeoisie, while the former militia leaders used “service ministries” as patronage sources (e.g. education, health, or regional reconstruction funds). This system was prone to crises because it was fuelled by prolific government borrowing from Lebanese commercial banks. The high-interest borrowing plunged the country into debt but also transferred wealth to a small number of investors believed to be closely networked to – if not congruent with – the political elite. Government debt at 148% of GDP in 2009 was one of the highest in the world, while debt servicing accounted for 44% of government expenditure. Since 2002, Lebanon has relied on a helping hand from international donors to avert renewed financial collapse. Saudi Arabia, in particular, gained great leverage over Lebanon’s political economy as the de-facto guarantor of the country’s debt. Efforts to cut the spending of the “service ministries” or to privatise state-owned utilities and telecoms have led to tension with the former militia leaders, whose access to patronage sources depends on state largesse.

Twenty years after the end of the civil war, Lebanon still faces strong crisis tendencies. It is not enough to strike the right “sectarian balance” because sectarianism itself distorts Lebanese politics. Rising regional tension between Iran and Israel is likely to reverberate within Lebanon. Recent Israeli accusations of Syrian smuggling of Scud missiles to Hizbollah have stoked fears of another war. Although financial collapse has so far been averted, it remains a possibility. Despite the current calm, Lebanon remains at the brink.

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Shifting Sands is the blog of the Middle East International Affairs Programme at LSE IDEAS, analysing current events in the Middle East and contributing to the ongoing deliberations over policy prescriptions.

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