

CAN THE SAUDI-IRANIAN RAPPROCHEMENT HELP ADDRESS LEBANON'S GOVERNANCE CRISIS?

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Executive summary

Lebanon is sliding into “failed state” status. The country has been limping along with a weak interim executive while the presidency has been vacant for over six months. A full restoration of the country’s leading governance institutions is needed as a first step to implement the long-awaited economic and fiscal reforms required to fulfill an International Monetary Fund bailout of \$3 billion. Given the negative experience of the government under former Lebanese President Michel Aoun, the new prime minister and cabinet must be fully empowered. At the expense of their compatriots, Lebanon’s rapacious political class and the beneficiaries of the country’s corrosive sectarian division-of-spoils system will do their utmost to maintain their privileged status.

The next few weeks could witness renewed regional and international efforts to broker a package deal for the selection of a new Lebanese president and prime minister. The key regional actors, Saudi Arabia and Iran, both of whom wield the greatest influence on

the ground in Lebanon, have opened major channels of dialogue on a host of regional files. Other international stakeholders, such as France and Qatar, are seeking to stave off the country’s collapse.

Without playing the presidential “name game,” the United States should work within a diplomatic framework alongside Egypt, France, Qatar, and Saudi Arabia, to ensure that whatever package deal is cut on the executive bakes in compliance with the top priorities needed to pull Lebanon out of its nosedive. Washington should continue its commendable support for the Lebanese Armed Forces and Internal Security Forces (the army and police) as bulwarks against Hezbollah. The United States should also, when needed, employ the sanctions stick against those who engage in human rights violations and rob the patrimony of the Lebanese people.

Saudi-Iranian rapprochement occurs as Lebanese presidential stalemate continues

The diplomatic rapprochement between Riyadh and Tehran, midwifed variously by the Omanis, Iraqis, and Chinese, was welcomed in many capitals, including Washington,¹ as a step to calm tensions between the two regional heavyweights. That the initiative touched on maintaining calm in Yemen is an encouraging sign. It remains to be seen whether the Saudi-Iranian agreement will enjoy any real staying power, but there are indications that it may have already opened the door to a dialogue on other areas of disagreement between the two capitals.

One such flashpoint is Lebanon, whose precipitous economic decline is cause for alarm. While not a panacea, prodding the Lebanese to agree on the selection of a new president could begin to address the governance vacuum that is exacerbating the grinding economic crisis. The country is now beyond its sixth month of stalemate over the selection of a successor to Michel Aoun, who constitutionally vacated the presidency on October 31, 2022, at the end of his six-year term.²

Much to their chagrin, Lebanese are no strangers to prolonged presidential vacuums, the most recent being the almost two-and-a-half years – from May 2014 to October 2016 – it took to fill the slot between Michel Suleiman’s departure and Aoun’s selection.

In Lebanon’s confessional system – initially forged in the 1943 National Pact and consolidated by the 1989 Taif Agreement that brought an end to the country’s horrific 15-year civil war – a power-sharing arrangement divides the country’s major positions between its three leading religious sects, or “confes-

sions.” The presidency is reserved for a Maronite Christian, the premiership for a Sunni Muslim, and the head of Parliament for a Shia Muslim.³ This entrenched division of the spoils, or “muhasassa” in the Arabic vernacular, has infected all levels of the Lebanese bureaucracy, down to the selection of ambassadors and attachés assigned to the country’s diplomatic missions abroad, and has deepened the country’s sectarian divides.

Hezbollah puts forward its candidate

On March 6, Hassan Nasrallah, the secretary-general of Lebanon’s major Shia party and only state-sanctioned armed group, Hezbollah, made public what was known by most observers: his party’s support for Suleiman Frangieh.⁴ Frangieh is the scion of a famous Maronite family from the north of the country (his grandfather, for whom he is named, served as Lebanon’s president from 1970-1976) and the head of the Marada Movement (a political party). He is also an unabashed acolyte of both Iran and the Assad ruling clan in neighboring Syria. Yet, despite the fact that Frangieh enjoys the support of Hezbollah’s junior Shia partner, Amal chief and Parliament Speaker Nabih Berri, and a handful of Christian and Sunni lawmakers – in addition to the financial support of some rather dubious backers⁵ – his election is by no means a foregone conclusion. Reflecting a broad swathe of Christian public opinion, Lebanon’s three major Christian political blocs – the Lebanese Forces, the Free Patriotic Movement, and the Kataeb – have to date been unequivocal in their rejection of Frangieh’s candidacy. Kataeb leader Sami Gemayel has publicly warned against anointing Hezbollah as kingmaker. He has vowed to block Frangieh in Parliament⁶ while Lebanese Forces head Samir Geagea, in an April 23 interview, has pushed back against what he viewed as France’s robust advocacy for Frangieh.⁷ Without the concurrence of the major Christian blocs, along with the key Sunni parties and Druze leader Walid Jumblatt, it will be difficult for any potential presidential candidate to secure the votes, let alone the legit-

imacy, to take office. In a recent interview, Frangieh likely did little to help himself with key constituencies by proudly claiming his close ties with Hezbollah and Syrian President Bashar al-Assad, without offering much of a fresh vision for his troubled country.⁸

Indeed, those in the camp opposed to Frangieh's nomination are carefully counting the parliamentary votes. Lebanon's president is elected indirectly by the country's Parliament: the first voting round requires the presence of a quorum (86 out of the 128 Parliament members must be in attendance); a candidate must then secure a two-thirds majority in the first round and a simple majority in successive rounds.⁹ It is not at all evident that Frangieh can gather either the quorum or the votes needed to clinch the presidency, particularly since last year's Parliamentary elections — which witnessed the election of a bloc of independent and reform-minded "Change" representatives — introduced unpredictability into the vote counting calculus.

Renewal of governance needed to implement economic and fiscal reforms

Paving the way for the selection of a president is vital for Lebanon to begin recapturing even a semblance of normal governance, starting with the replacement of the current caretaker government, led by Sunni business magnate Najib Mikati. Among other functions, the president is charged with appointing the prime minister and approving the cabinet before it is sent to Parliament for a vote of confidence. Despite piecemeal efforts by Mikati's weakened interim executive, Lebanon's entirely dysfunctional not-so "new normal" is characterized by a state that is unable to deliver services and can barely come up with funds to pay the hundreds of thousands of civil servants and security personnel, including retirees, on its books.¹⁰ Unlike their ruling class, for whom business as usual

continues apace, the average Lebanese citizen has seen a sharp depreciation of the lira against the dollar and their standard of living deteriorate, with more than 80% of the population now living below the poverty line.¹¹ Over a year ago, the International Monetary Fund (IMF) laid out a series of needed reforms that, if implemented, would release \$3 billion in desperately needed funds. Yet, IMF officials left disappointed at the end of a visit in March, following which they issued a sobering statement summarizing the country's dire economic straits and chiding decisionmakers on their failure yet again to institute the required reform measures. Despite the IMF's warning that "Lebanon is at a dangerous crossroads, and without rapid reforms will be mired in a never-ending crisis" and its meticulous reiteration of the needed comprehensive reform package, the country's key decisionmakers continue to dither, unwilling or simply unable to muster the patriotic consensus needed to address this catastrophe.¹²

Lebanon's other institutions are not faring any better. Central Bank Governor Riad Salameh, who has become a pariah in the Western capitals where he was until recently lauded as a good partner and pillar of fiscal responsibility, is being investigated by officials from several European Union countries for his suspected embezzlement of hundreds of millions of dollars from the institution he was for so many years entrusted to run.¹³ Judging by reports from Europe, it appears Salameh's goose may well be cooked; there's little doubt that the country's kleptocrats, who seldom hesitate to place their collective survival ahead of all else, will be more than happy to throw the embattled governor under the bus.¹⁴ At any rate, Salameh's term will expire in July, rendering the search for his successor (who under the confessional system must be a Maronite Christian) another vitally important process.

Rule of law threatened while impunity prevails

Lebanon's judiciary is threatened, and impunity prevails, especially as it relates to bringing to justice those responsible for the devastating August 2020 explosions at the Beirut Port which resulted in the deaths of some 200 civilians and the injury of over 7,000 others. Tariq Bitar, the fiercely brave Lebanese judge tasked with upholding the rule of law and leading the investigation into the explosion, has faced one obstacle after another from those in power who seek to dodge accountability.¹⁵ Bitar's quest for justice brings to mind the massive disinformation campaign led by Hezbollah and its political allies to defame and discredit the Special Tribunal for Lebanon, tasked with holding to account the killers of former Prime Minister Rafik Hariri and a number of other innocents in February 2005. In the end, the tribunal "sputtered" to a close, no one having been brought to justice.¹⁶

Regional and international dimension

Enter the regional actors and the Western friends of Lebanon. Prior to the Riyadh-Tehran détente in March, the so-called "Group of Five" countries (Egypt, France, Qatar, Saudi Arabia, and the United States) had met in February to coordinate a position over the presidential vacuum, all while proclaiming the principle of non-interference in Lebanese affairs.¹⁷ Regardless of whom France may be advocating for, the package deal that would need to be cut on the presidential choice is a regional one, between the Saudis and Iranians, both of whom exert significant influence on the ground. During the 2014-2016 presidential vacuum, Riyadh and Tehran were at odds over the presidential selection, with the Iranians

favoring Aoun, who was Hezbollah's choice. Riyadh eventually acquiesced to Aoun's candidacy, with the understanding that their favorite as prime minister, Saad Hariri, would assume the office of the head of government.¹⁸ What ensued, however, soured the Saudis, who felt shortchanged as Lebanon lurched from one unstable, interim government to another while Aoun remained safely ensconced in the presidency and Hezbollah strengthened its grip on the country's frail institutions. Increasingly exasperated over the growing influence of Hezbollah and Iran, Saudi Arabia and other Gulf donors withdrew assistance to Beirut.¹⁹

Since then, the Iranian calculus to stick by Hezbollah has not changed. But the Saudi Arabia of even several years ago is not the Saudi Arabia of today. Crown Prince and de facto ruler Mohammed bin Salman, eager to focus on internal priorities, appears to be in a hurry to get out of Yemen, forge a new relationship with Iraq, and rebuild bridges with the Syrian regime. These regional goals are enabled by the agreement with Iran. The date of May 19, when Riyadh will host the next Arab League summit, could also be playing a role. Whether the family photo will include a new Lebanese president and a smiling (and no doubt triumphant) Assad, remains far from certain given the insistence by several Arab League members for a "step-by-step" or conditioned resumption of Syria's membership.²⁰

The Saudi Royal Diwan's stance on the Lebanese presidency is as yet unclear but a possible package deal could see Frangieh take the presidency, while widely respected Sunni diplomat Nawaf Salam, who served as the Lebanese permanent representative to the United Nations in New York and currently serves as a judge on the International Court of Justice, would assume the premiership. Ideally, the "Group of Five" would insist that Salam's government is sufficiently empowered to make the kind of decisions needed to put the country on the track to sustainable economic recovery. Absent such assurances, Salam would likely fall into the same trap as his Sunni predecessors: faced with a short tenure or forced into a Faustian bargain with Hezbollah (and its regional allies) holding sway over major policy deci-

sions. While not a guarantee, a credible package deal is also needed to unlock the heretofore withheld assistance from the Saudis and other Gulf nations.

What can Washington do?

Despite all the handwringing about diminished U.S. influence in the Middle East, there is room for the Biden administration to work toward a positive outcome in Lebanon. In the presidential sweepstakes, U.S. policymakers have done well to avoid the poisonous “name game.” Instead, Washington should use its relationships within the “Group of Five” countries to push for a deal that ensures a pragmatic, yet principled, outcome: a government that is strong and sufficiently empowered to begin addressing the very real problems facing the Lebanese people. The United States should push hard for the necessary economic and fiscal reforms, including the restructuring of the banking sector and amendments to the bank secrecy law that would meet the IMF’s requirements (the bank secrecy law passed by Parliament and signed into law by Aoun in October 2022 falls well short).²¹ Washington

should also continue to support the implementation of the Lebanon-Israel maritime agreement it helped to broker last fall and maintain its commendable strong assistance to the Lebanese Armed Forces and Internal Security Forces as bulwarks against Hezbollah, including by continuing to help pay salaries.²² In support of the rule of law, the United States should not hesitate to use the stick of sanctions like those announced recently by the Treasury Department against the notorious Rahme brothers who used corrupt practices to win energy contracts from the Lebanese government²³ and in 2020 against Free Patriotic Movement leader Gebran Bassil, who was placed under Magnitsky Act sanctions for his “systemic corruption” that undermined Lebanon’s governance system and robbed the patrimony of the Lebanese people.²⁴

Too often the victims of regional conflagrations, the Lebanese people were right to look with some hope at the diplomatic rapprochement between Saudi Arabia and Iran. Translating that hope into reality with the renewal of Lebanon’s executive institutions via a new Lebanese president and premier will require diplomatic dexterity and a meaningful commitment to the establishment of a Lebanese government that can start to deliver for its people.

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