# **POLICY BRIEF**



# PEOPLE BEFORE POLITICIANS: HOW EUROPEANS CAN HELP REBUILD LEBANON

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#### SUMMARY

- Lebanon is in a deep crisis created by a corrupt and incompetent governing elite.
- The country is home to key strategic interests for the EU, which does not want another failed state on the Mediterranean.
- France has made an effort to resolve the crisis by negotiating with the political elite but Lebanon's leaders will never engage in genuine reform.
- The Lebanese people are already self-organising to fill the gaps in public service provision left by the government.
- The EU and other international bodies are right to withhold funding for high-level state institutions until real reform takes place.
- In the meantime, Europeans should support local institutions such as schools and hospitals to help ordinary people and create space for a new politics to emerge, including at next year's parliamentary election.

#### Introduction

The magnitude, nature, and timing of the August 2020 Beirut port explosion could not have been worse for Lebanon's faltering economy, pandemic-plagued hospitals, and crushed revolution. It felt like the final nail in the coffin for a generation of people whose parents endured a civil war and rebuilt their lives from scratch. "How many times will we have to go through this?", my friend asked as we walked over broken glass amid the stench of blood and sweat in the summer heat. The horror of the explosion should have been enough to finally loosen and throw off the grip of Lebanon's corrupt political class; but it was not. In fact, the worst happened after the explosion – which is to say, nothing at all. A year on, there have been no major arrests, the local investigation continues to stall, and wider reforms of the country's politics and economy are yet to take place.

Lebanon is now in freefall. The World Bank has <u>described</u> the crisis as a "deliberate depression" created by the political elite's unwillingness to prioritise much-needed reform measures over their own narrow political and economic interests. Lebanese politicians have yet to form a new government, meaning the country is without a functioning executive while the economy implodes following a financial crisis that began two years ago. The collapse in the value of the currency and massive inflation are pushing more than half the population below the poverty line.

Without a reformist government to engage with, the European Union is losing a potential partner in a deeply unstable geopolitical environment. But the EU cannot afford to stand apart. The problems in Lebanon are a clear threat to the stability of the Mediterranean region and associated European interests.

Lebanon can, and should, be saved. The EU has the power to help the people of Lebanon, without whose support there is no prospect of stability, reform, or prosperity in the longer term. But, to do this, European states need to put the country back on their agenda. Moreover, more member states other than France need to work to understand and resolve Lebanon's problems. Indeed, during his time in office President Emmanuel Macron has sought to persuade the Lebanese political elite to implement reform – the same elite that has for too long squandered EU support and funding. That approach did not work. Therefore, the EU and its member states should now facilitate a shift away from elite engagement and fashion a new policy that supports ordinary people and grassroots activists as they seek to work around the country's corrupt structures. If the EU is willing to identify and support the right partners, the damage that has been done to the country's identity, institutions, and economy need not be irreversible.

This paper calls for the EU to pursue an approach that supports bottom-up humanitarian and

stabilisation efforts. Such a focus will, in time, enable wider reform to take place. The people of Lebanon, starting with communities devastated by the explosion, are already showing that this is viable: they are establishing local mechanisms to deliver aid, improve services, and redefine the rights and responsibilities of citizens and the government. And the more that people are helped back on their feet, the better the chances that they will be able to hold politicians accountable, including at the parliamentary election scheduled for 2022. By providing support and advocating for the election to take place as promised, the EU would help facilitate the emergence of reform-minded politicians who could challenge and change the system from within. The Lebanese people, and the collective movements emerging out of extreme tragedy, deserve better, direct support.

#### Lebanon's man-made disasters: A portrait of life in hell

Lebanon's disasters and compounded crises were preventable. Arabic graffiti written on one Beirut wall in the aftermath of the port blast captures this point: "This need not be how we end." The recent economic crash, like the explosion, was not preordained but, every step of the way, politicians persisted in doing the wrong thing by the country's people. For decades, Lebanon's politicians have focused squarely on preserving their hold on power, knowing that any serious reform measures would mean career suicide. Clinging to power enables them to sustain a clientelist network outside the state and to use state institutions as spoils, from hiring loyalists to allocating contracts and deals among themselves. If real reform were ever to strengthen the role of the state, they would be out of business.

Who are these men who made Lebanon's disasters? They are mostly a group of warlords and carpetbaggers who have governed since the end of the civil war in 1990. They are the same group who enshrined a sectarian system of corruption and impunity that has resulted in their own enrichment while the rest of the country grew poorer. They have a monopoly over the country's institutions, including healthcare and education, electoral processes, and foreign policy. Widespread corruption and mismanagement became the norm. In the case of the Iranian-backed Hizbullah, its leaders even established their own independent security apparatus to ensure that no one could challenge their sway.

The roots of the crisis can be traced back to Lebanon's post-war formula, which granted military chiefs amnesty for war crimes, ushered in a Syrian occupation, and mainstreamed corruption throughout the state and even society. Syria's withdrawal from Lebanon in 2005 only empowered Hizbullah, effectively prolonging its post-war impunity and hindering the reforms outlined in the 1989 Taif Agreement, which ended the civil war. This agreement led to a remarkably swift transition from conflict to peace. But the more peaceful Lebanon had no accompanying economic development

policy, only large-scale investments whose proceeds went into the pockets of the political elite. The Taif Agreement contained plans for administrative decentralisation, the eradication of sectarianism, sustainable development, and equal rights of citizens. None of these saw the light of day.

In September 2020, President Michel Aoun was asked to describe what would happen if Lebanon failed to form a new government. "We would descend into hell", was his blunt response. And, indeed, for the Lebanese people, 2020 unleashed "hell". Many months later, no government has emerged because the parties entrusted to form it continue to squabble over ministerial positions. In reality, this squabbling is nothing but a distraction from the more fundamental point, which is that a functional government that would win the support of people and the international community would need to be genuinely committed to reform. The current leaders are incapable of and uninterested in reform because real change would lead to their ousting and even jailing. This is the deliberate disaster that the people of Lebanon are experiencing.

Alongside the current pressures of covid-19, the collapse of the banking sector that began in 2019 locked many people out of their bank accounts and created economic hardship, while the explosion in Beirut port in August claimed the lives of 200 people, wounded 6,000 others, and made around 300,000 people homeless. A combination of corruption and negligence had led to the storing of 2,750 tonnes of ammonium nitrate in the port – a disaster waiting to happen. But, predictably enough, despite the undeniable devastation, the incident has led to no accountability or change.

The current political stalemate has left a disempowered interim government unable to move things forward in a meaningful way. The story of demands for a reformist government started with the October 2019 uprisings, when protesters who were angry about economic collapse and corruption demanded the resignation of the then prime minister, Saad Hariri, and his administration. Hariri relented and stood down, but the protests continued amid popular demand for the formation of a government that would fight corruption, enact reforms, and be free of partisan influence and manipulation. No such government was forthcoming. Instead, the majority in parliament – represented by the Hizbullah and Aoun blocs – named a government headed by Hassan Diab, a university professor and former minister. But, from the start, this government was incapable of addressing people's grievances because any true effort in that regard would have upset the political forces that backed it. The government was doomed to failure and rightly resigned following the port explosion, staying on only in a caretaker capacity.

#### The international community becomes involved

The first major international player to pay attention to Lebanon's plight was Macron, who met with

leading establishment politicians and urged them to form an independent government within 14 days following the explosion – as the protesters had demanded. Seemingly miraculously, the parliament nominated Lebanon's ambassador to Germany, Mustapha Adib, to form a government. But, again, infighting over seats and quarrels over the interpretation of the constitutional powers prevented Adib from forming a government – and he resigned. That was in October 2020, after which parliament tasked Hariri with forming a government. But, at the time of writing, he had declared that he would be unable to do so and had stood down from his role once again, which has coincided with a further fall in the value of the currency. Hariri and Aoun are bickering in public: Hariri claims he presented a proposal to form a government but that the president said he could not agree to its terms; hours later, Aoun declared that a compromise was possible but that Hariri had been unwilling.

Meanwhile, the EU was quick to respond to public demands that no aid should find its way into leaders' pockets. The day after the explosion, demonstrations and campaigning by Lebanese people – not just in Lebanon but all over the world – urged the international community to send support to ordinary citizens and local institutions rather than the state, where funds would disappear or be mismanaged. Since that time, the EU has repeatedly stated that it will provide no aid to Lebanon without there being an agreement to form a reformist government.

Indeed, just days after the explosion, the EU joined the World Bank and the United Nations in issuing a Rapid Damage and Needs Assessment <u>report</u> that made clear that Lebanon would have to implement a credible reform agenda if it wanted to access international assistance. The report outlined four sets of policy and institutional reforms to help the country recover. These were: macroeconomic stabilisation, including measures to restore confidence in Lebanon's fiscal institutions; governance measures to foster an independent and transparent judiciary; initiatives to establish a functional operating environment for the private sector, including those to enhance the competition framework and thereby create a market free from the effects of grand corruption; and a social protection system that would guarantee human security. But, despite sustained international attempts and pressure in the last year, the political class has not taken the key step needed – of establishing a reformist government – that could unlock this much-needed international support. In so doing, Lebanon's politicians have prevented aid and development funding from flowing into Lebanon.

The EU, the World Bank, the UN, and the International Monetary Fund (IMF) continue to promote specific reforms in these areas for Lebanon to pursue if it is to receive international support. The IMF, for instance, is requesting a forensic audit of the central bank, which the Lebanese parliament has failed to commission. This is an important condition for foreign donors because the audit could expose Lebanon's web of financial mismanagement and corruption. The EU, the World Bank, and the UN have responded to Lebanon's governance problems by demanding the establishment of an independent and transparent judiciary, the adoption of a modern public procurement law, and the enactment of an anticorruption strategy. But successive Lebanese governments have avoided these reforms for 30 years – and they are not about to allow transparent oversight now.

Throughout this crisis, international efforts have been spearheaded by Macron. But, at its heart, this was still an elite-to-elite effort, and his approach represents classic French policy on Lebanon. In April 2018, nearly 50 states and international organisations participated in a French-led international CEDRE conference designed to support the development of the Lebanese economy, as part of a comprehensive plan for government-implemented reform. The \$11 billion in loans pledged by wealthy states and international organisations at the conference were conditional on structural reforms – but these never took place. Within a year, Lebanon's economic collapse was well under way, with soaring inflation and rising unemployment, even before the covid-19 pandemic. After the port explosion, Macron bet that Lebanon could engage in real and deep reform to bring an end to the clientelist networks of the political class. Eventually, following his efforts in the wake of the port blast, Macron would deliver a <u>speech</u> attacking Lebanese politicians, saying that they had betrayed their own people and gone back on their pledges of reform.

### Why Lebanon matters

Despite Lebanon's current turmoil, and despite the clear inability of its political class to act, the country remains at the centre of vital strategic interests for the EU.

Firstly, the EU does not want to have to deal with the consequences of another failed state on the Mediterranean. The situation in Lebanon could still deteriorate even more, generating further humanitarian problems, internal conflict, and wider regional instability. Lebanon's links to the sponsoring and financing of terrorism and criminal networks associated with narcotics, human trafficking, and illegal weapons only intensify the risks associated with the emergence of a new failed state in the region.

Secondly, the EU should want a partner in the region that still champions inclusive values and civil liberties. Despite the incomplete nature of its post-civil war transition, Lebanon has historically represented these values. And, with such freedoms under threat across the Middle East today, the EU would do well to focus on supporting a Lebanon that is diverse, cosmopolitan, and inclusive. It is not in Europe's interests to have to deal with yet another repressive, violent regime that imprisons

activists and discriminates against foreigners, including thousands of migrant workers. There is an array of local institutions in Lebanon championing ideals that align with the EU's agenda. The disappearance of this space would be an incomparable loss for the region – one that neither the Lebanese people nor the EU could afford.

Finally, Lebanon is also home to over a million Syrian refugees who need support and sustained humanitarian assistance. Their plight will only worsen if Lebanon's problems continue.

In sum, Europeans should regard Lebanon's stability and prosperity as an important means of advancing EU interests in an unstable region. The EU should resist any temptation to simply limit the damage incurred by the country. Instead, it should move swiftly to sketch out a vision for a Lebanon that is secure and stable, and that positively contributes to advancing European regional interests.

# A people-led alternative

There are plenty of materials for Europeans to work with when creating this new vision. Lebanon's political institutions are corrupt but, for more than two decades (and longer), its people have been mobilising in new and creative ways to articulate their political demands. They have taken the vital debate on how to reform their country out into the public square. Since the August 2020 explosion, people are now mobilising to demand change and to start setting up the institutions that can not only enable but guarantee that reform will take place – that can save Lebanon by changing it.

This movement has its roots in the many years of collective action carried out by activists, business leaders, experts, artists, and youth groups, many of whom became politically galvanised around the time of the Syrian withdrawal. Since 2011, there have been at least three major waves of protest against the elite. The first wave occurred in 2011 under the slogan of *Isqat al-Nizam al-Ta'ifi* (bring down the sectarian regime), inspired by the Arab uprisings in Tunisia and Egypt.

In summer 2015, a second wave of protests broke out when Lebanon experienced exceptionally hot weather, electricity problems, rubbish piling high in the streets, and government deadlock following a second postponement of a parliamentary election. Those protests became known as the *hirak* (movement), similar to the 2020 Algerian activism of the same name. The Lebanese *hirak* initiated a mobilisation strategy for people to confront the corruption of the political system. Through this, they exposed the ineffectiveness of state institutions at carrying out the basic task of collecting the garbage.

Finally, the 2019 "October revolution" involved a new wave of mass protests driven by widespread anti-regime sentiment. The protests' slogan of *Kellon yaaneh kellon* (all means all of them) indicated for the first time a nationwide willingness to hold all politicians accountable for the country's

debilitating corruption. The unifying nature of this framing was especially important in a country where politics is so heavily shaped by segregation by region and sect. "All of them", therefore, transcended sect and party politics to communicate to the world that it was the coalescence of sectarian leaders that had created the catastrophe in Lebanon.

Across these different protest movements, a number of shared grievances against the corrupt political class have emerged. They come with three main demands: firstly, economic reform, employment opportunities, and a life of dignity; secondly, legal and judicial reform to prevent corruption, enable greater accountability, and return stolen public funds; and, finally, equitable access to high-quality health and education services.

Economic reform demands articulated over the years include calls for Lebanon's debt to be restructured, as well as opposition to the privatisation of public services. Elsewhere, anticorruption activists have for years campaigned for access to information and e-government services – but the government has implemented nothing, despite receiving EU and UN funding for such efforts. On public services, activists have for decades demanded education reform, but Lebanon's public universities and schools remain underfunded and inadequate. Similarly, the privatisation of the health sector has left countless people to die in front of hospitals because they cannot afford treatment.

Underpinning these three big demands is a call for a new social contract whereby citizens can participate freely in the political system. For many years after 1990, activists and civil society leaders organised to try to remove references to sect from people's identity cards. This would have been an important symbolic step towards creating a relationship between people and the state without their sect or a sectarian leader acting as mediator. Equally, women's rights organisations campaigned (unsuccessfully) for a civil status law to loosen the grip of 19 religious courts on women's rights to marry, divorce, and inherit, to name but a few examples. Under the current system, people are not free to participate equally but face discrimination depending on the sect, gender, and class they are born into.

In classic authoritarian fashion, the country's leaders have for years largely ignored the protests, using co-option, sectarian mobilisation, and violence to suppress demands for reform. Co-option by politicians happens when they take the demands of protesters, claim them as their own, but then fail to act on them. For example, in the 2011 protests against the sectarian system, sectarian leaders fell over themselves to declare that they agreed with demonstrations' aims – but no civil status law came into being. Leaders still deploy sectarian discourse, pitting their followers against demonstrators and demonising the latter as allegedly threatening the peaceful coexistence of Christians and Muslims. Furthermore, such propaganda is coupled with efforts to ensure that protesters are assaulted or even

assassinated.

Worn down by exhaustion, state violence, and arrests, most of these different waves of protest eventually subsided. The demonstrations that began in 2019 were hit particularly hard in early 2020 by the country's economic crisis and the covid-19 pandemic. Still, five days after the port explosion, a new mass gathering took place in Beirut and, in an unprecedented scene, protesters set up <u>gallows</u> with puppets of politicians hanging from them. The regime responded with police violence.

Now, a close look at Lebanon since August 2020 reveals a picture of meaningful local mobilisation by citizens on the ground. New organisations, local groups, and political entities have sprung into existence and are aiming to work around the broken state. Amid death and destruction, people came together in this spirit of active citizenship to sweep streets, hold funerals, write petitions, fundraise, volunteer in hospitals, rebuild homes, and confront the political class. People began to organise and rally so that aid would go directly to homes, schools, people in need, and civil society associations or independent political groups. This was a movement focused on what people wanted, not only what they were rejecting. It created solidarity mechanisms that could channel aid to where it was most needed.

In so doing, their activities are helping to stabilise the country and open up ways in which reform in Lebanon could finally take place. There has been a historic transformation towards increased active citizenship, with the Lebanese people moving from the message of "all of them means all of them" to that of "all of us means all of us." The focus on "us" is intended to signal that the people of Lebanon deserve better and are working together to save the country. For many activists, the time for proving that "all of them" are corrupt has passed; they believe that now is the time to show that "all of us" can oust them, but the Lebanese must first be able to stand on their own feet.

Examples of this popular mobilisation abound across sectarian, class, and regional divides. The first major type of group to emerge is those institutions that focus on relief and humanitarian aid. The <u>Offrejoie</u> organisation is a prime example of this. Since the explosion, Offrejoie has coordinated 6,000 volunteers to rebuild homes. In contrast to the absent government and weak state institutions, the organisation mobilised resources and people across sectarian divides to rebuild parts of Beirut in the explosion's aftermath. Another example is Beit El Baraka (the house of blessing), which has rebuilt 3,100 homes. Beit El Baraka also opened a free supermarket and has helped families with their medical needs. Meanwhile, Nusaned (we help) rushed not only to rebuild shops and homes but to work with restaurant owners to restore the social and cultural fabric. Many of these organisations existed before the explosion but have since expanded their services to the areas struck by disaster. For instance, through the famous Donner Sang Compter, Lebanon's blood bank, hundreds of thousands of

volunteers now share a mission to make blood donation a national cause.

A second major type of group to emerge is made up of advocacy and human rights institutions, such as the Beirut Bar Association (BBA) and SEEDS for Legal Initiatives and Legal Agenda. These organisations have worked to defend the rights of the families of victims of the blast and state violence, and of marginalised groups in devasted areas. The BBA is now leading a pro bono lawsuit on behalf of the families of the victims while the official, government-led investigation stalls. A coalition of NGOs is <u>demanding</u> that the UN Human Rights Council conduct an investigation into the explosion. There is great weariness of, and distrust in, the local judiciary. The Samir Kassir Foundation, named after a journalist who was assassinated in 2006, defends freedom of expression and information, and promotes investigative journalism.

These types of movement and organisation are not mutually exclusive – they use a mix of tactics. A case in point is Khaddit Beirut (Beirut's shake-up), which was co-founded by activists – including the author of this paper – on 5 August, the day after the explosion. The group includes business owners, academics, and experts. It has provided medical and educational support, as well as business-recovery assistance. Its members advocate an inclusive recovery and long-term reform of public services infrastructure.

The final category is represented by the emergence of new political parties and platforms – which have in the last year created inclusive institutional mechanisms for political participation, and which seek to demonstrate an alternative to corrupt practices by being transparent with, and accountable to, people. Examples of this include Tahalof Watany (the national alliance), Taqaddom (progress), Minteshreen (to spread out), and Beirut Madinati (Beirut my city), and the recently launched Nahwa el Watan (towards a nation) electoral campaign, among others. These are political platforms that aim to challenge the establishment at the ballot box. Tahalof Watany is not entirely new: in 2018, independent candidates ran under its banner and one member of parliament, Paula Yacoubian, broke through. Once elected, Yacoubian submitted more than 60 reform bills in her short term; this was significantly more draft laws than any other parliamentarian in decades. Yacoubian was a model member of parliament in terms of her productivity and ability to reach out to grassroots communities in her district. She resigned after the explosion with a call for a new government. These emerging political groups are now coalescing around a national campaign for the 2022 election in a bid to take as many parliamentary seats as they can.

Indeed, the more new and competent figures who enter parliament next year, the better the chances for the Lebanese people to make progress with reform. In this respect, it will be important for the EU to press for a free and fair election that leads to an empowered parliament able to implement the necessary reforms.

Together, these protest movements have over the years widened the space for collective action, while also pointing to a path for political mobilisation. Different types of activist group are stepping in where the state has failed the people. Now, greater external support for these organisations could help stabilise the country. This movement is currently calling for direct assistance to go to transparent local organisations and for an end to self-defeating international funding of corrupt state institutions. Khaddit Beirut, for example, publicly criticised international donors for their years of funding sectors such as solid waste management, which yielded no results.[1] Fortunately, the aid structure that is now emerging shows that the EU and other donors have listened to such calls.

# An alternative for future institutional reforms: New partnerships and strategies

International donors are not currently providing aid to the government, but they are providing funding at the grassroots.

The Rapid Damage and Needs Assessment recommended a framework for Reform, Recovery, and Reconstruction (which it dubbed "the 3RF") to assist Lebanon – one based on the principles of transparency, inclusion, and accountability. As well as promoting macroeconomic stabilisation, governance reforms, the business environment, and human security, the 3RF also created a blueprint for a consultative process. This blueprint includes representatives of the private sector and civil society, to ensure accountability and oversight in the delivery of aid. The EU is playing a crucial role in facilitating this consultative process, which is the first of its kind in Lebanon. This process is necessary not only because it could create projects that actually make a difference in devastated communities – but because the process of deliberation and dialogue in and of itself can help restore some trust among communities, donors, and public institutions. Funding by EU member states should be accountable to the people of Lebanon and to European taxpayers. The EU can achieve this by pursuing this participatory approach with the recipients of the funding.

The fact that the EU is funding 3RF indicates an important change in EU policy on Lebanon. Firstly, this is because of the way in which it is inviting people's voices, through the consultative process carried out by local experts and civil society representatives, into the design of recovery interventions. Such interventions include support for rebuilding homes and local businesses, providing healthcare assistance, and funding schools.

Secondly, this approach is following a 'build back better' model that responds to longstanding criticism of Lebanon's post-1990 model. This criticism included charges that post-war reconstruction failed to respect standards required in urban planning or infrastructure for public services, leading to the problems with garbage collection, for example. Elsewhere, post-war reconstruction included highways and bridges – but no support went to schools, hospitals, or trade unions. Now, building back better is about ensuring there is a recovery based on inclusion, dialogue, and sustainable institutions.

Thirdly, the EU has implicitly recognised the role and agency of activists in combating corruption and building state institutions capable of providing public services. Activists' and local communities' agency can rewrite the narrative that Lebanon is doomed by showing that the old political model is ending and its successor is already taking shape. Additionally, the 3RF consultative body includes representatives of government institutions – which is a sign that it acknowledges the need to preserve the role of the state in some form but without propping up the political elite. In all, this is an important nexus of activism and state-building for the future of the country.

Indeed, EU foreign policy chief Josep Borrell's recent visit to Beirut saw him significantly harden the union's position on Lebanon's political elite. Borrell confirmed the EU's view that this is a national crisis caused by power struggles among Lebanese politicians, and he <u>echoed</u> the World Bank's earlier conclusion that Lebanon's crisis is the result of mismanagement and corruption.

This European strategic shift likely has two key drivers. Firstly, Lebanon now has ample history of failed reforms and badly funded projects. From e-government to digitalisation, to municipal waste management, to women's political participation, the list of EU-funded projects with little or nothing to show is long. This is embarrassing not just for the Lebanese people but also for the EU member states funding the projects. As a sign of this shift, European diplomats have not minced their words about who they believe is to blame for Lebanon's crisis. At a meeting Diab convened to speak to potential donors, France's ambassador, Anne Grillo, <u>rebuked</u> the caretaker prime minister by telling him: "The current situation in Lebanon is the result of mismanagement by the successive officials, who are still making mistakes". She stated that the French alone have <u>donated</u> \$100m to support the Lebanese people. Canada's ambassador, Chantal Chastenay, <u>posted</u> a picture of her queueing in a car for gas, a daily scene for anyone living in Lebanon – or, at least, anyone except Lebanon's politicians.

None of the EU-funded projects has helped the EU successfully cultivate partners for reform within the Lebanese political leadership. Worse, donors such as the EU have often contributed to corruption by failing to insist on sufficient accountability, including in terms of questioning what their funds were delivering. A case in point is the Disaster Risk Management Unit, which was funded by the UN Development Programme and was meant to be operational within the Prime Minister's Office, but which proved entirely useless when the port explosion happened. Another example is EU-funded recycling plants, which never became operational.

The second driver for the EU's shift is the lack of popular ownership of donor-funded activity. Citizens have little oversight of what the government receives in terms of foreign funding, and the projects that this funding supports are rarely embedded in local communities. Too often, political participation by communities, civil society organisations, and opposition groups in consultation with the EU has been little more than a symbolic gesture of listening to local voices. It has long been clear that there was no political will or interest in reform among the elite, but the EU continued to give support to state institutions. Moreover, this occurred in a country that went a decade without parliament agreeing on an annual budget and that provided little access to information that ought to be public: parliamentary deliberations and voting records are still secret, meaning that the Lebanese people have almost no way to know about or question EU programmes.

### Recommendations

# Impose sanctions on members of the political elite who obstruct reform

The EU should continue to firmly pressure Lebanon's political class towards reform, including by conditioning large-scale structural support on the implementation of real change. Europeans should not expect the Lebanese political elite to negotiate themselves out of power. But they should maintain the demand for reform on a number of key measures such as anticorruption measures, macroeconomic policy, an independent judiciary, and more inclusive healthcare and education systems. But, until this happens, channelling unconditional support into Lebanon today would be throwing good money after bad. Instead, and in parallel, the EU can and should invest in local partners, institutions, and leaders who can deliver on reforms by offering services and challenging the status quo.

The message sent by the Lebanese people, activists, and protesters appears to be getting through. Not only is the EU, together with the UN and World Bank, offering support to local institutions and civil society associations, the UN resident coordinator, Najat Rochdi, has consistently emphasised the need to support the Lebanese people during this disaster. The binary of 'people versus the political class' may not be sustainable, but it is essential in placing responsibility in the hands of those responsible for obstructing reform for so long. Most recently, all 27 EU foreign ministers <u>agreed</u> to move ahead

with sanctions.

To this end, the EU should work towards sanctioning all members of Lebanon's political elite who refuse to prioritise the country's needs and who instead place their private gain above public wellbeing. This effort should be designed to compel them to take action. At present, Aoun and his son-inlaw, Gebran Bassil (who the United States has sanctioned under the Magnitsky Act), claim they have the right to name ministers while the dispute between Aoun and Hariri over forming a new government remains unresolved. The details aside, all this should be evidence enough for the EU that neither side is acting in the interests of the country.

Europeans should align greater use of sanctions with wider international – and specifically regional – efforts to support Lebanon, including those of the UN, World Bank, the IMF, and other international and local organisations with experience and expertise in the country. The EU should work to ensure that there is a shared focus on implementing necessary reforms. EU leadership can inspire other countries to join, including the US and Gulf Arab states. Lebanon cannot afford to be seen as the theatre for wider geopolitical rivalries. Regional and international interests may prevent it from being a haven for peace, but a concerted EU effort can limit the damage and present an alternative worth saving.

#### Provide immediate and sustained local assistance

Importantly, the EU has acknowledged that its top-down approach of the past has not worked. It has now introduced the 3RF model, which is based on a consultative, bottom-up process. The 3RF has begun its work but needs to be given greater substance and to be sustained as a foundation for a new social contract and a community-focused model of recovery. As part of this, Europeans have rightly started to identify local partners that have the willingness and ability to implement stabilisation and reform measures. Given the dire conditions on the ground, this approach should also involve providing an immediate increase in humanitarian assistance and further developing plans to finance, in the future, core public services. The EU continues to fund local institutions and advocate for freedom of expression, gender equality, education, and health services in Lebanon. This is essential to help people get back on their feet. There can be no local agency without dignity. So, if the EU wants to see an end to the old order, it needs to continue to provide such valuable assistance.

But Europeans should also look to focus on strengthening local capacity and creating economic and sustainable development opportunities. This approach should initially provide local support as part of a wider effort to prevent Lebanon's full collapse into a poverty-stricken state and haven for narcotics smuggling and human trafficking. The EU should support and work through local organisations that

can establish genuine consultation mechanisms in priority areas and provide knowledge at the local level, such as schools, hospitals, and media outlets. In this way, the EU can identify key needs and ensure that projects are being implemented transparently and efficiently. These consultation mechanisms and platforms can continue to engage with active local groups (be they humanitarian, political, or expertise-based) and ensure that communities and activists have a say in what is needed. It is equally important for EU member states and diplomats to continue to show solidarity with the Lebanese people and to condemn the political class.

Europeans should also see this as a path to support for wider reform. Empowering reform-minded NGOs and other actors at the local level will help spearhead a broader Lebanese-owned push for change. That being said, the EU will need to dampen local and international expectations of an immediate transformation: while some structural measures may eventually be accepted by the elite to access international financing, it remains highly unlikely that they will accept a deeper transformation of political and economic power. The development of a new and sustainable economic development model will take considerable time to make an impact. State institutions and politicians can also be expected to attack and discredit the leaders of these reformist groups and movements. Historically, many Lebanese political activists, journalists, and opposition members have been targeted, harassed, and assassinated. The prevalence of impunity has allowed the state to shut down certain activities or make it very difficult to sustain work.

#### Enable sustainable reform

To have any prospect of success, Europeans will need to make a significant effort to identify, support, and monitor partner organisations. They will need to work carefully around the channels of corruption and sectarian division that run across the entire country, seeking out partners who provide an inclusive and transparent way of doing things. This will require a smart, calibrated, and cautious European effort that is focused on the quality of institutions rather than the quantity of people mobilised, and that seeks to avoid a new form of donor clientelism. On the ground, people and local organisations will need to feel a greater sense of ownership of reform. The 3RF and the accompanying Lebanon Financing Facility set up by the EU, the UN, and the World Bank are part of an experiment that it is important to operationalise and sustain, given their focus on helping communities know what funding is going where, and what impact to expect from it. The conversations in the 3RF provide a strong foundation for the EU to widen consultations with stakeholders on key priority areas such as the health and education sectors. The EU can further support the effort through greater funding for public engagement mechanisms, including an independent media sector.

As part of this, the EU should also look to better leverage networks and expertise in the private sector, including in the Lebanese diaspora, to ward off the corrupt state and criminal networks that fester in economies dominated by the black market. The EU needs to work with leaders in the private sector that have a history of integrity and high professional standards. It should develop channels for targeted investment that support an inclusive model of recovery.

Even as they work to strengthen local support mechanisms, Europeans should remain wary of creating an NGO republic that contributes to the hollowing out of the Lebanese state. It would never be the preferred option to work through non-government bodies. As far as is possible, Europeans should stay mindful of the need to document and connect local mechanisms to lower-level and better functioning state institutions. Indeed, their goal should be to support local interventions that can eventually work in cooperation with the state, providing a functioning model that, in time, can be integrated into government policies. As this paper has shown, a range of organisations are meeting people's needs in areas ranging from mental healthcare to garbage collection, to the reconstruction of homes, but they also need the state to catch up and learn from them.

To this end, the EU should work through the 3RF and the advocacy of its diplomats to bring together local partners, civil society activists, and private sector representatives to work directly with Lebanese civil servants on key areas of reform. While their political masters will certainly continue to avoid calls for genuine reform, these civil servants include many people working in public schools, hospitals, and key national institutions who are competent and open to reform. The EU should, therefore, set up a network of capable and accountable civil servants who are empowered by European support, can provide a trusted model in ministries and public bodies, and – when the time comes – will be ready and able to assist in scaling up solutions from the local level to the national level. Accountability among civil servants means there are individuals who listen to people's needs and respond accordingly. In the short term, the EU can partner with the Institute of Finance, one of the few quasi-governmental organisations that has done excellent work in leading public sector reform

programmes. It most recently developed a new framework for public procurement that led to the passing of a new law.

#### Promote free and fair elections

Europeans should complement their new approach with a focus on Lebanon's forthcoming parliamentary election. If voters can replace recalcitrant members of parliament with those who wish to be accountable to people and engage with the international community, then real change can follow.

To do this, the EU should work to create some space for reformist candidates. Support for new institutional models and leaders can leverage the work of prospective electoral candidates who would lead future reform processes. Setting up new leadership platforms in the media and at international conferences would, along with other forms of advocacy, help give voters a sense of agency and help new politicians make their case. If these politicians won even a handful of parliamentary seats, this would still create a valuable opening. It takes only ten members of parliament to submit a draft law. And, working with activists, this could be the right channel through which to take on the country's crooked governance system. In the run-up to the election, Europeans should provide training and capacity support to new groups while maintaining high-level pressure on the government to ensure that state institutions play a more transparent role in the recovery from the crisis. The EU needs to strongly advocate freedom of the press, anticorruption measures, and inclusive and representative electoral mechanisms. To that end, the EU can continue to speak with its local civil society partners and to pressure the caretaker government, which is likely to remain de facto in charge for the foreseeable future.

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Lebanon's existing model of governance cannot and should not be saved. The system has proven fundamentally resistant to reform. Europeans and Lebanese alike share an aspiration for a stable and prosperous Lebanon – one that can work with the EU and its member states in pursuit of shared goals. To meet that aspiration, the EU needs to change its strategy to support an alternative recovery process. Without this, Lebanon will never achieve the stability and reform its people need and deserve.

### About the author

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<sup>[1]</sup> Breaking the Cycle, Issue 1: Proposing a New Model (published by Khaddit Beirut).

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