



Lebanon: Protests and Appointment of New Prime Minister-Designate

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On December 19, Lebanese President Michel Aoun appointed Hassan Diab—an engineering professor at the American University of Beirut—as prime minister-designate. Diab will replace former Prime Minister Saad Hariri, who resigned on October 29 following nationwide mass protests. While Diab was backed by a simple majority in Lebanon's parliament, he lacks support from some key constituencies, and may struggle to form a new government. Protestors have opposed Diab's nomination, and security and economic conditions in the country continue to deteriorate. Instability in Lebanon could create opportunities for actors of concern to the United States, including Hezbollah and Iran.

The Protest Movement

What triggered the protests? Protests began on October 17, triggered by a proposed tax on internetenabled voice calls (notably WhatsApp). However, the movement reflects broader dissatisfaction with what protestors describe as government corruption, ineptitude, and economic mismanagement. Demonstrators, who represent a broad economic, political, and sectarian cross-section of Lebanese society, have emphasized that protests are primarily driven by the state's failure to provide sufficient access to basic goods and services, including jobs, education, water, electricity, and garbage disposal. Large-scale protests have persisted nationwide, and the pervasive economic concerns driving them also have largely transcended sectarian divisions.

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Figure 1. Lebanon

Source: CRS.

What are their demands? Protestors lack centralized leadership, and their demands vary. Some have called for specific policy and/or leadership changes, such as early elections, a new electoral law, and the resignation of President Michel Aoun (whose term expires in 2022). Other demands have a less clear path towards implementation, such as a change to Lebanon's confessional system (in which power is divided based on sectarian affiliation), the return of "looted public money," and the removal of the entire political elite.

Hezbollah & Iran

Do protestors oppose Hezbollah? Protestors have called for the removal of all political elites, specifically naming Hezbollah leader Hasan Nasrallah. Protests have occurred in cities considered to be bastions of support for Hezbollah and the allied Amal movement. While some Hezbollah and Amal supporters have clashed with demonstrators, others have joined the protests. Those joining the protests generally have not criticized Hezbollah's military operations or stance against Israel, but rather focused on Lebanon's economic mismanagement, high unemployment, and the lack of consistent access to basic services.

What is Hezbollah's position regarding the protests? Nasrallah opposed the resignation of Hariri's government, warning that it would lead to a power vacuum in the country. Nasrallah also suggested that foreign embassies were financing the protests. Similarly, Iranian Supreme Leader Ayatollah Khamenei has blamed the United States for spreading "insecurity and turmoil" in Lebanon. Hezbollah was part of the ruling coalition in Lebanon's outgoing government, and held three Cabinet seats. In November, supporters of Hezbollah and Amal appeared to escalate physical attacks on protestors.

Economic Crisis

What is the economic situation? In September 2019, Lebanese officials declared what they described as an "economic state of emergency." Lebanon's debt-to-GDP ratio stands at over 150%, and debt servicing consumes almost half of all government revenue. The majority of remaining government revenue is

expended on public sector salaries and transfers to the state-owned electricity company, severely limiting the government's ability to invest in basic infrastructure and public services. Since protests began, a scarcity of dollars in Lebanon has caused the Lebanese pound to depreciate in the black market and led banks to ration dollar withdrawals. Importers also have struggled to purchase critical goods like fuel, medicine, and food. Restrictions on dollar withdrawals and shortages of basic goods, if prolonged or exacerbated, could increase the risk for broader social upheaval.

What has been the international response? At the April 2018 CEDRE conference in Paris, international donors pledged more than \$11 billion in loans and grants for Lebanon, but the funds are contingent on economic reform measures which were not implemented and which cannot be passed until a new government is formed. In late 2019, Hariri requested international funds to help finance imports. However, U.S. officials have stated that Lebanon will not receive a "bailout" unless it implements reform.

Next Steps

Who is Prime Minister-designate Hassan Diab? Diab, a Sunni Muslim, is vice president of the American University of Beirut, where he also teaches engineering. Between 2011 and 2014 he served as education minister in the government of former Prime Minister Najib Mikati. He is not formally affiliated with any political party. Diab received a Ph.D. in computer engineering from the University of Bath in the United Kingdom.

Why has Diab's appointment generated controversy? According to Lebanon's constitution, the country's prime minister must be a Sunni Muslim. However, Diab received only six out of a possible 27 votes from Sunni MPs in support of his nomination, leading to some accusations that he does not represent the Sunni sect. Diab was nominated mostly on the strength of support from non-Sunni elements: Hezbollah, the Amal movement, and the Christian Free Patriotic Movement. 42 MPs abstained from the vote, including Hariri's Future Movement—the largest Sunni bloc in parliament.

What could a new government look like? Protestors have called for the formation of a government of independent technocrats that excludes representatives of political parties. While Hariri endorsed this demand, President Aoun and most Lebanese parties have rejected it. Aoun has called for the formation of a blended "techno-political government," while Hezbollah has called for the formation of a national unity government representing all parties in parliament. Diab may struggle to form a government, as he received only a slight majority (69 out of 128) votes in support of his nomination.

Outlook

While protests have not directly challenged the broader role of Hezbollah in Lebanon, both Hezbollah and Iran appear to view protests as a significant threat to their influence within the country—particularly given concurrent protests in Iraq. Hezbollah supported the appointment of prime minister designate Hassan Diab, and will likely work to ensure that its interests are represented in any new cabinet.

Any efforts by Iranian-backed groups to destabilize Lebanon could place pressure on the Lebanese Armed Forces, which the United States has sought to bolster in the hopes that the institution can serve as a counterweight to Syrian and Iranian influence. In early December, the Trump Administration lifted a hold on \$105 million in FY2019 Foreign Military Financing (FMF) funds allocated for Lebanon. In mid-December, Secretary of State Pompeo intervened to release a hold on \$115 million in Economic Support Funds (ESF) for Lebanon.

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