

Bassam El-Hachem

Crisis and Hope: A Report from Lebanon

Speed: Bassam El-Hachem is a sociologist, who is a Professor at the University of Lebanon. His is also a political activist. And I remember him from about 30 years ago—joint activities in France and in America. So it is truly good to hear from him now.

Bassam El-Hachem: Ms. Helga Zepp-LaRouche, my friends from the Schiller Institute. I cordially greet you from Byblos, in Lebanon, and it is precisely on Lebanon that I focus my remarks.

This country is going through economic and social crises today, illustrating, in my opinion, very faith-



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fully, in miniature, the global problematic of our videoconference. Among them is the crisis linked to the unprecedented popular uprising which started last October 17 and, to this day, invincibly continues its course, despite even the present confinement.

Since these will be brief remarks, I will limit it to the bare essentials of this crisis.

Indicators of the Crisis

1. A financial and economic collapse is taking shape in a public debt which is close to the astronomical figure of 90 billion US dollars and corresponds to 160 - 170% of the national GDP, cou-

pled with a very heavy debt service, equivalent to 10 - 11% of GDP, of a budget deficit amounting, in 2019, to 16% of GDP, but also coupled with a serious deficit in the balance of payments.

2. Living conditions are in continuous decline, resulting from a deterioration in the purchasing power of incomes following an endemic stagnation of wages, going hand in hand with: a) an increase in taxes on imported products (i.e. on almost 80% of consumer products in the country) and, as of summer 2019, the beginning of an amputation of the pay of public service and armed forces retirees and, b) unemployment rates in the order of 30 to 33% of the Lebanese resident workforce, especially among young people, and

3. There is a scandalous dilapidation of infrastructure and the services that provides, from electricity that is always far from being assured 24 hours a day, to drinking water that hardly flows every day in the taps, to transportation infrastructures.

Causes Behind the Crisis

1. We have a fundamentally corrupt power structure, the main coordinates of which have not changed since the beginning of the 1990s, except for some minor adjustments made since 2005.

2. We have an economic and financial policy, which is fundamentally *rentier* in nature, that has been in force since then, favoring indebtedness and attracting capital to be placed in Treasury bills, at annual interest rates reaching at one point the very worrying threshold of 40-45%. This resulted in an increase of the debts of the State, accumulation of private fortunes resulting from such embezzlement, to the detriment of the public interest, and a subsequent ruin of agriculture and industry, from which potential investors were diverted to the advantage of banking investments.

3. The war in Syria and its harmful effects on the Lebanese economy, with the influx into Lebanon of this huge mass of its nationals fleeing the war, exerting overwhelming pressures on the Lebanese workforce and the market of local products and, on the other hand, an unprecedented closing up of the land routes, irreplaceable for the transport of Lebanese production, both industrial and agricultural, to Jordan and all the Arab Gulf countries, and in particular the Iraqi market.

Obstacles Blocking the Way Out of the Crisis

1. A systematic policy of the United States with economic and financial sanctions, coming to relay the gunboats of long ago, in the privileged service of Israel, which strangle the country of the Cedars;

2. Pressures similarly exerted by the same superpower, to force this country to modify the course of its land and sea borders with Israel and occupied Palestine, which has an impact on delaying Lebanon's progress in its oil and gas exploration in the Mediterranean as much as possible;

3. The USA also prohibits us, by proxies, any resumption of the dialogue with the Syrian government, which held out—with the help of its friends and allies, in particular Russia, Iran and the Lebanese Hezbollah—which hinders any solution to our economic problems (those notably linked to the transit of our goods through the Syrian territory, as to the desired return as soon as possible, of the 1.5 million Syrian refugees in Lebanon, because of the war at home, since 2011).

Glimmers of Hope

Glimmers of hope for a way out, however, are on the horizon, but without outside help, Lebanon alone will find it difficult to take advantage of them.

Namely:

1. A possible recovery of public money robbed by criminals that we no longer ignore and deposited in foreign accounts, whose amount is something like 160 to 200 billion dollars;

2. Neutralization of regional factors by a just settlement of the Palestinian cause and the Syrian question, an essential condition for excluding regional interference from the Lebanese scene;

3. A restructuring of our economy so as to favor, to the detriment of the rent system, the productive sectors of the physical economy, namely agriculture, industry and technology.

Of all this, however, nothing is likely to be possible except in the context of a refoundation of relations between nations, on the basis of a win-win equation and a new, more balanced financial and economic order, referring to the end of the dangerous hegemonism that the United States practices to the extreme, and giving, in its place, to all nations, large and small, a voice in the management of world affairs. So is it not to reflect on such an alternative that we are, today, united?