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# How Hezbollah holds sway over the Lebanese state

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# Summary

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- Hezbollah is a hybrid actor, enjoying state legitimacy in Lebanon and operating both within and outside the state without being accountable to the state. It has grown in status to be able to influence and control the state in Lebanon from within state institutions as well as outside them.
  - Hezbollah's power in Lebanon is not achieved through sheer coercion; it has consolidated control through elite pacts and by taking advantage of weaknesses in the Lebanese state system and infrastructure.
  - Other ruling parties in Lebanon make use of alliances and exploit some of the same weaknesses, among them lax finance and public contract legislation and measures, for their own benefit. But unlike other parties, Hezbollah is able to exert its upper hand over its political allies to extend its influence indirectly.
  - Hezbollah stands out among all political actors in Lebanon in having de facto control over Lebanon's border with Syria. It also stands out for the extent of its use of the Port of Beirut to transport drugs, weapons and explosive material both in and out of Lebanon without any state oversight of its operations or inspections of the hangars it controls.
  - Various ministerial statements have since 2008 enshrined Hezbollah's exceptional right to possess and use weapons in the name of national defence, without delineating Hezbollah's duties or responsibilities in return; this enables it to use force at its own discretion under the pretext of national security. Hezbollah diverges greatly from other political parties in Lebanon in that its own security apparatus plays a central role in the group's ability to hold sway over Lebanese state institutions, whether military or civilian.
  - Having hybrid status is ideal for Hezbollah. It can rule Lebanon without facing the prospect of civil war or international sanctions on the country. This status also lets it function as the de facto authority in Lebanon without having to address the needs of the Lebanese people.
  - Although Hezbollah uses the rhetoric of reform, its ministers and parliamentarians have not sought to implement reforms in the state system, thereby contributing to maintaining the status quo that benefits them.
  - Western policies that attempt to reverse Hezbollah's influence in Lebanon by focusing on curbing the activities of the organization itself – such as through sanctions – are not sufficient. Wholesale reform of the state is a complicated and long-term endeavour that must be Lebanese-led, but any Western policy aimed at stabilizing Lebanon must support working towards this ambition.

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# 01

# Introduction

**For Hezbollah, having hybrid rather than ‘full’ state status is ideal for maintaining its objective of possessing and exercising power without responsibility to the Lebanese people.**

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It is sometimes assumed that non-state actors aspire to take over the state. The Lebanese group Hezbollah, however, follows a different trajectory in which having hybrid status rather than ‘full’ state status is optimal for the group’s objective of possessing and exercising power. This is because while Hezbollah has the military capability and coercive power to take over the Lebanese state, and while the latter regards Hezbollah as legitimate, the group has neither wide international legitimacy nor domestic legitimacy beyond its Lebanese loyalists; nor, too, does it hold ‘ideational power’ over Lebanese non-constituents – that is to say, it does not have the power to persuade non-followers to embrace its ideas. It therefore draws on hybrid tactics to acquire and sustain power in Lebanon. Since its inception in 1982, in the aftermath of Israel’s invasion of Lebanon, Hezbollah has risen to become the most influential political party in Lebanon and to hold sway over the Lebanese state.

As a non-state actor, Hezbollah had to abandon its early objective of replacing the Lebanese state with an ‘Islamic state’ (as per its 1985 manifesto), as it became clear that in a multi-confessional country where no religious grouping or sect is the majority,<sup>1</sup> there cannot be an absolute ‘winner’ representing one sect that is able to fully impose its ideology or authority beyond its core constituents.

Hezbollah spent years as an ‘outsider’ in Lebanese politics, focusing its activities in the 1980s and 1990s on social issues among its constituents and military operations to liberate the country from Israeli occupation. Social outreach to the Shia community was the first step in a process that the group presented as returning dignity to this community following years of government neglect, since southern Lebanon, where a large proportion of Shia reside, had often fallen short of the Lebanese state’s urban and rural development programmes. It achieved domestic legitimacy beyond the Shia community on the basis of its

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<sup>1</sup> Lebanon has 18 recognized religious sects, and the political system is based on power-sharing between the main Christian and Muslim sects.



military operations against the Israeli occupation in Lebanon.<sup>2</sup> But its status as a non-state actor meant that Hezbollah had limited power that came with an expiry date, in the form of an eventual Israeli withdrawal from Lebanon (as took place in 2000): critically, Hezbollah had to anticipate how to retain relevance the day after. It concluded that access to power in Lebanon is not achieved through sheer coercion, but through elite pacts and through taking advantage of weaknesses in the Lebanese state system and infrastructure. But Hezbollah equally did not want to acquire power by becoming an ordinary member of Lebanon's elite political class. In order to retain power but not lose its exceptionality, it needed to straddle both sides of the state/non-state demarcation line. It had to become a hybrid actor.

Hezbollah's hybridity can be defined as a status in which it is regarded as an actor from outside the Lebanese state, that does not take orders from the state, but that is granted legitimacy by the state on the basis of playing a supporting role in the defence of the state from external threats. Hybrid status therefore came to mean that Hezbollah acquired power without responsibility. This in turn allowed Hezbollah to have de facto public authority in Lebanon, whether alongside the state, in competition with the state, or in collaboration with the state.

While there has been significant focus on Hezbollah through the conceptual frameworks of its so-called 'Lebanonization', or of its being a 'state within the state',<sup>3</sup> this paper instead shows that Hezbollah has grown in stature to be able to influence and control the state in Lebanon from within state institutions as well as outside them. A lot of Hezbollah's actions *vis-à-vis* state institutions (like siphoning off state resources) are also done by other political parties in Lebanon. Unlike other parties, however, Hezbollah has always projected an image of itself as being 'above' corruption;<sup>4</sup> it has cultivated influence and control over the state through a long-term, systematic approach that differs from the short-term approaches usually used by other parties; and it has managed to acquire sufficient control to become the strongest political actor in Lebanon, playing the role of power broker and agenda setter that Syria used to enjoy in Lebanon before 2011. This paper focuses on the methods that Hezbollah uses, and the factors it takes advantage of to hold sway over the Lebanese state.

The paper is mainly based on findings from field trips conducted by the author in Lebanon between 2005 and 2020, involving site visits in Beirut and southern Lebanon and face-to-face and online research interviews, as well as informal conversations with a wide variety of actors and stakeholders including members of political groups, the civil service, the military and the media. Information obtained from any one source was cross-checked with data gathered from other sources. The citations in the paper refer to the most recent main source relevant to the information cited.

<sup>2</sup> Jaber, H. (1997), *Hezbollah: Born with a vengeance*, New York: Columbia University Press.

<sup>3</sup> Khatib, L. (2011), 'Hizbullah's political strategy', *Survival*, 53(2): pp. 61–76, doi:10.1080/00396338.2011.571011.

<sup>4</sup> In 2019, Hezbollah and members of its March 8 coalition (the Free Patriotic Movement and Marada) suspected their political opponent Fouad Siniora (of the Future Movement) of wasting \$11 billion in extra budgetary spending while Siniora was prime minister, between 2005 and 2009. See Macaron, J. (2019), 'Politicization of the anti-corruption campaign in Lebanon', *Al Monitor*, 22 March 2019, <https://www.al-monitor.com/pulse/originals/2019/03/lebanon-anti-corruption-hezbollah-sunni-hariri.html>.

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# 02 Influence through state institutions

**Hezbollah, like other parties in Lebanon, makes use of formal state institutions and instruments, as well as political alliances, to build and maintain influence.**

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One way Hezbollah influences the state is by having formal representation at ministerial, parliamentary and municipal levels. Hezbollah moved from a position that was antagonistic to the state, as set out in its 1985 manifesto, to fielding candidates in municipal and parliamentary elections in the 1990s after the end of the Lebanese civil war, and later going on to hold ministerial posts. The acquisition of government seats not only puts Hezbollah – like other ruling political parties in Lebanon – in a formal position of power, but also allows it to have de facto authority over state institutions and thus benefit from their resources and direct their activities in line with its interests.

Unlike other parties, however, Hezbollah also relies on its March 8 allies – over which it has the political upper hand – to extend its influence indirectly. The March 8 Alliance between Hezbollah and the Christian Free Patriotic Movement (FPM), together with other smaller parties, was formed after the assassination of former prime minister Rafic Hariri in 2005. Many in Lebanon blamed Hezbollah and the regime of Bashar al-Assad for Hariri's death, and large protests had ensued against Syria's presence in Lebanon. Hezbollah led the formation of the March 8 Alliance in order to strengthen its position in the face of these protests, on the basis that aligning itself with the (weaker) Christian parties would afford it a sense of domestic political legitimacy while maintaining its dominance over its allies. A coalition of parties opposed to the Hezbollah-led alliance responded by declaring the formation of the March 14 Alliance; this group is led by the Future Movement (headed by Rafic Hariri's son Saad Hariri), but in reality the Future Movement does not have the power to greatly influence the behaviour of other major parties in the alliance (the Lebanese Forces, the Kataeb Party and the Progressive Socialist Party). This means that while Hezbollah is able to set

the direction for the March 8 Alliance, the Future Movement is unable to do so for March 14. For all ruling political actors in Lebanon, power is exercised primarily through informal rather than formal means, even within state institutions. All such political parties exert their influence directly through the presence of their members and supporters in state institutions. In the case of Hezbollah, its ability to rely on March 8 allies within state institutions to behave in ways that serve its political, security and economic interests also allows the group to extend its reach beyond the presence of its members and supporters in those institutions – and thus without being directly responsible for the actions of those institutions.

## Use of ministries

Like other ruling political parties in Lebanon, Hezbollah uses ministerial representation to serve its interests, but since 2008 the group's influence in government has extended beyond the presence of the two Hezbollah ministers in any given cabinet.<sup>5</sup> From 2008 until 2019, the group effectively had veto power in the Lebanese cabinet, as its members and supporters held a third plus one of all ministerial posts. In the aftermath of the mass anti-government protests that broke out on 17 October 2019, Lebanon saw for the first time the formation of a supposedly technocratic cabinet of 20 ministers.<sup>6</sup> In reality, however, this administration, formed in January 2020, was entirely under the de facto control of Hezbollah, as its political opponents refused to join the cabinet following disagreements among members of the March 14 Alliance over how to respond to the October 17 revolution.

Having control over certain ministries allows Hezbollah – like Lebanon's other ruling political parties – to direct ministry resources in ways that benefit its own constituents. The agriculture portfolio, for instance, was held by a Hezbollah minister from 2009 until 2014. In 2011 the party's then minister of agriculture, Hussein al-Hajj Hassan, was accused by Antoine Howayek, president of the Farmers Syndicate, of 'selectively distributing' the benefits of the government's new measures aimed at improving agricultural infrastructure. According to Howayek, many areas where agriculture is a dominant activity but which happen not to be populated by Hezbollah's constituents – Jezzine, Aley, Hasbaya, Keserwan and Zahle – had fallen off the minister's radar.<sup>7</sup>

Control of ministries is also a source of revenue for Hezbollah, as is the case for other parties. From late 2009 to early 2014, for instance, the Office of the Minister of State for Administrative Reform (OMSAR) was headed by Mohamad Fneish, a long-time senior Hezbollah official. Under Fneish, OMSAR – one of the

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<sup>5</sup> For a cabinet to be considered legitimate in line with Lebanese political norms, it must represent all of Lebanon's major sects. The number of ministers constituting a cabinet is not fixed, and cabinets do not have set quotas for the different sects.

<sup>6</sup> The October 2019 protests quickly escalated from demands for economic reform to calls for the government to resign because of the latter's perceived incompetence and corruption.

<sup>7</sup> See Qiblawi, T. (2011), 'Hajj Hassan unveils loan for farmers, blasts neglect', *Daily Star*, 8 April 2011, <https://www.dailystar.com.lb/Business/Lebanon/2011/Apr-08/135984-hajj-hassan-unveils-loan-deal-for-farmers-blasts-neglect.ashx>; and Khraiche, D. (2011), 'Howayek: Agriculture ministry failing farmers', *Daily Star*, 13 June 2011, <https://www.dailystar.com.lb/Business/Lebanon/2011/Jun-13/141105-agriculture-ministry-failing-farmers-howayek.ashx>.



government's designated anti-corruption authorities – handled the tendering for solid waste management plants to be built, with funding from the European Union (EU), in northern Lebanon.<sup>8</sup> Several years later, an investigative report published by the Turkish news outlet TRT World alleged that many of Lebanon's EU-funded waste management projects were bogus, and that EU funds had been embezzled.<sup>9</sup> Lebanon's public tenders are not transparent or subject to measures of accountability, and Hezbollah's apparent use of tenders to divert funds to companies affiliated with it is not unique to the party.

## That Lebanon's ruling political parties treat state institutions as a source of income is one of the reasons the country scores poorly in global rankings on corruption.

In the context of its intervention in the civil war in Syria, and the high number of wounded fighters incurred as a result, Hezbollah has sought to gain control of Lebanon's Ministry of Public Health by having one of its affiliates appointed as minister. The health minister in the government formed in 2020 (which became the caretaker administration after the government resigned following the explosion at Beirut Port in August) is Hamad Hassan, who was nominated for this role by Hezbollah. Hezbollah is insisting on being assigned both the Ministry of Public Health and the Ministry of Finance in the next cabinet, which would grant it direct control over two key sectors that are tightly linked to its interests. Tactics like these are not uncommon among other political parties in Lebanon. In negotiations over the formation of the government in 2018 (which fell in 2019), the Future Movement lobbied (unsuccessfully) for the social affairs portfolio to go to one of its members. At the time of writing, too, the FPM was attempting to claim the energy ministry in the forthcoming cabinet. In the case of the Ministry of Social Affairs, such lobbying can be linked to the flow of international funds (chiefly meant to support refugees), as a result of which the ministry is seen as a lucrative resource for cash-strapped parties.<sup>10</sup> In the case of the Ministry of Energy, the natural gas reserves in the eastern Mediterranean are regarded as a future revenue stream for Lebanon and therefore a potential opportunity for parties seeking to act as brokers in the gas trade. That Lebanon's ruling political parties treat state institutions as a source of income is one of the reasons the country scores poorly in global rankings on corruption.<sup>11</sup>

<sup>8</sup> Jay, M. (2019), 'Growing Link between Lebanon's Cancer Surge and EU Abetted Corruption', *International Policy Digest*, 11 May 2019, <https://intpolicydigest.org/growing-link-between-lebanon-s-cancer-surge-and-eu-abetted-corruption>.

<sup>9</sup> Jay, M. (2020), 'Exclusive: Mogherini under fire over stink in Lebanon from EU cash', *TRT World*, 22 January 2020, <https://www.trtworld.com/magazine/exclusive-mogherini-under-fire-over-stink-in-lebanon-from-eu-cash-33136>.

<sup>10</sup> Research interview carried out as part of the Chatham House Hybrid Armed Actors in the Middle East and North Africa project (hereafter, references to interviews carried out as part of this project are referred to as 'Research interview(s)') with former civil servant, Lebanon, 2020.

<sup>11</sup> Transparency International's Corruption Perceptions Index 2020, for example, ranked Lebanon 149th out of 180 countries assessed: see Transparency International (2021), 'Our work in Lebanon', <https://www.transparency.org/en/countries/lebanon>. The Corruption Perceptions Index aggregates corruption scores from several named sources, including the World Bank's Country Policy and Institutional Assessment (CIPA). One of the questions asked in the methodology used by CIPA concerns 'state capture by narrow vested interests'. For the documentation on methodology, see on Transparency International (2021), 'Corruption Perceptions Index', <https://www.transparency.org/en/cpi/2020/index/lbn>.

While corruption within state institutions in Lebanon is pervasive, and most of the country's ruling political parties engage in it in some way, Hezbollah stands out because of its involvement in global illicit activities.<sup>12</sup> Ministerial control can help cover up such activities. For example, having control over the Ministry of Finance would help safeguard Hezbollah's involvement in money laundering against state scrutiny, particularly in relation to cash flowing to Hezbollah from the Shia diaspora – a source of funding not enjoyed by other political parties in Lebanon.<sup>13</sup> According to a leaked 2010 document from the research group Stratfor, published by WikiLeaks, one of the reasons Hezbollah insisted on having control of the Ministry of Agriculture is because the group had (at the time) been increasingly relying on ammonium nitrate (commonly used in fertilizers) for the manufacture of explosives as it was struggling to purchase and obtain military-grade explosives. It was reported in the document that Hezbollah was purchasing fertilizer from Syria through the ministry, and that the then agriculture minister, Hussein al-Hajj Hassan, 'allegedly sells fertilizer shipments from Syria to Hezbollah agents, who in turn forward them to Hezbollah warehouses'.<sup>14</sup> According to an eyewitness interviewed by the author of this paper in Lebanon, Hezbollah's influence over the Ministry of Agriculture has also facilitated its trade in illicit drugs, with transport paperwork being falsified to declare illegal goods as seeds for use in agriculture.<sup>15</sup>

## Use of the civil service

Hezbollah cultivates its influence within state institutions not just at the ministerial level, but also through the civil service. Other political parties use the civil service to award public sector jobs to their constituents, but Hezbollah does this more systematically. Although the number of places for the Shia community in the Lebanese civil service is limited by quotas, Hezbollah helps Shia candidates in preparation for the Civil Service Board entrance examinations; and also, by one account, uses its influence in parliament and in government to put pressure on the board – be this to reduce the pass mark, should Shia candidates otherwise fail the exams, or to leak examination questions in advance, so the party can better prepare its own candidates.<sup>16</sup>

Hezbollah's influence through the civil service is another channel for generating revenue, as is the case with other parties in Lebanon. The director-general of each ministry has access to dedicated funds that can be deployed without the minister's signature. This allows Hezbollah, like other parties in the Lebanese government,

<sup>12</sup> The US government has been tracking Hezbollah-connected illicit financial activity and sanctioning individuals and companies accordingly. See for example United States Department of Justice (2019), 'Lebanese Businessman Tied by Treasury Department to Hezbollah is Sentenced to Prison for Money Laundering Scheme Involving the Evasion of U.S. Sanctions', press release, 8 August 2019, <https://www.justice.gov/opa/pr/lebanese-businessman-tied-treasury-department-hezbollah-sentenced-prison-money-laundering>. See also analysis such as Lob, E. (2014), *Is Hezbollah Confronting a Crisis of Popular Legitimacy?*, Middle East Brief N°78, Massachusetts: Crown Center for Middle East Studies, <https://www.brandeis.edu/crown/publications/middle-east-briefs/pdfs/1-100/meb78.pdf>.

<sup>13</sup> Freeman, M. (2011), 'The sources of terrorist financing: theory and typology', *Studies in Conflict & Terrorism*, 34(6): pp. 461–475, doi:10.1080/1057610X.2011.571193.

<sup>14</sup> WikiLeaks (2013), 'Hezbollah Searches for an Alternative Explosive', 15 November 2013, [https://wikileaks.org/gifiles/docs/13/1336443\\_hezbollah-searches-for-an-alternative-explosive-.html](https://wikileaks.org/gifiles/docs/13/1336443_hezbollah-searches-for-an-alternative-explosive-.html).

<sup>15</sup> Research interview with former civil servant, Lebanon, 2020.

<sup>16</sup> Research interview with civil servant, Lebanon, 2020.

to access funds regardless of who is minister at any given time. The parties in government, including Hezbollah, acquire such funds through having ministries give grants to NGOs (some of which may be bogus) affiliated with them. The Ministry of Social Affairs, for example, funds Al Mabarrat Charity Association, which came under Hezbollah's control following the death of its founder, and whose assets have been frozen in Lebanese banks since 2016 as a result of US sanctions.<sup>17</sup> Shortfalls in funding from Iran since 2018, as a result of the Trump administration's 'maximum pressure' sanctions strategy on Tehran, and the heavy casualties among Hezbollah's fighters in Syria (as well as, to a lesser degree, the cost of its involvement in Iraq and Yemen), left Hezbollah unable to maintain its customary level of social services to its own community through its usual channels. In these circumstances, Hezbollah is reported to have used its influence over the director-general of the Ministry of Social Affairs, Judge Abdullah Ahmad (a Hezbollah member), to persuade him to allocate more budget, resources and services to make up for Hezbollah's funding gap.<sup>18</sup>

## Use of other state institutions and decrees

Cabinet decrees regarding 'public benefit associations' are a mechanism by which Hezbollah and other Lebanese parties are able to import customs-exempt goods.<sup>19</sup> However, Hezbollah also uses these decrees to create a cover for some of its security activities. Once designated a public benefit association, an organization is eligible for aid from government and municipalities and is exempt from all taxes and fees as well as from customs on all purchases. One of Hezbollah's organizations to have been granted a decree is Jihad al-Binaa Association (date of decree: 25 October 2000). Jihad al-Binaa is directed by Hezbollah's Executive Council, and includes various entities dealing with construction, agriculture, water, roads, industry and environmental protection, in addition to a technical department. It operates in partnership with many Lebanese government entities, especially through municipalities and unions of municipalities in Shia-majority areas. Hezbollah uses its influence to compel municipalities and state institutions to work with the association, especially when it comes to agricultural planting projects, water and sanitation, and vocational training for farmers. In 2014, the Ministry of Agriculture, then under Hussein al-Hajj Hassan, signed an official cooperation protocol with Jihad al-Binaa to provide a wide range of agricultural activities and training. This way of working allows Hezbollah to take credit for any project undertaken by the ministry through Jihad al-Binaa.<sup>20</sup>

Jihad al-Binaa has additionally been able to import construction materials (among other goods) to Lebanon without paying customs duties, and has used its ties with the Ministry of Transport and Public Works as a means to expand Hezbollah's security infrastructure. Jihad al-Binaa covertly uses public money to expand Hezbollah's underground infrastructure and security facilities.<sup>21</sup> In 2005, Jihad al-Binaa registered a private sector company, Arch Consulting, that played a major role in developing Hezbollah's technological capacities by cooperating with a company named Compu-House that sells computer software and

<sup>17</sup> Lebanese Ministry of Social Affairs (undated), 'List of civil society organizations contracted to the Ministry of Social Affairs and working for the care and protection of minors at risk' [in Arabic], [http://www.socialaffairs.gov.lb/admin/Uploads/149\\_0.pdf](http://www.socialaffairs.gov.lb/admin/Uploads/149_0.pdf).

<sup>18</sup> Research interview with former employee at the Lebanese Ministry of Social Affairs, Lebanon, 2020. *Nida al-Watan* newspaper published an investigation of these allegations. Mitri, G. (2019), 'Fact-based: A director general above the law' [in Arabic], *Nida al-Watan*, 21 November 2019, <https://www.nidaalwatan.com/article/9505-بالواقف-مدير-عام-فوق-القانون>.

<sup>19</sup> The cabinet issues these decrees to named organizations on the recommendation of the Ministry of Social Affairs.

<sup>20</sup> Research interview with former civil servant, Lebanon, 2020.

<sup>21</sup> Research interviews with former civil servant, Lebanon, 2020.

imports technological devices. Compu-House's founder and owner is the former director general of Jihad al-Binaa, Sultan Khalifa Asaad.<sup>22</sup> The US Department of the Treasury sanctioned Arch Consulting and designated Asaad in September 2020.<sup>23</sup>

The Martyr Foundation is another Hezbollah organization designated as a public benefit association (date of decree: 17 August 1995) that gains from working closely with a ministry. Through its receipt of funding from the Ministry of Public Health, it has effectively been able to acquire state-subsidized medical equipment, pharmaceuticals and ambulances. During the initial phase of the COVID-19 pandemic – at a time of rising public concern about the inadequacy of provision within Lebanon's public hospitals – Hezbollah directed considerable media attention to its own possession of ambulances and medical equipment. But Hezbollah neglected to mention that its own resources had been acquired through the state mechanism. In this way, Hezbollah benefited from the Lebanese state materially, as well as through the public's perception of state institutional weakness, which in turn made Hezbollah appear like a necessary complement to the state.<sup>24</sup>

## Hezbollah's involvement in the pharmaceutical trade – both licit and illicit – is an important source of revenue for the group. Its activities in this area point to some of the extent of its entanglement in corruption.

Hezbollah's involvement in the pharmaceutical trade – both licit and illicit – is an important source of revenue for the group.<sup>25</sup> Its activities in this area point to some of the extent of its entanglement in corruption. In 2012, a scandal erupted whereby pharmaceutical companies linked to Abdel Latif Fneish, brother of senior Hezbollah official and former minister Mohamad Fneish, were found to be dealing in counterfeit medicines and forging the signature of the then health minister (Ali Hassan Khalil, who is close to the Amal political party, the other main Shia party in Lebanon and a close ally of Hezbollah).<sup>26</sup> Abdel Latif Fneish did turn himself in to the authorities, but he was released on bail in 2014 and the case was closed. In 2021, the Ministry of Public Health (under Hamad Hassan) granted a licence to New Allpharma, owned by Abdel Latif Fneish, to import the Sinopharm COVID-19 vaccine into Lebanon. Other private companies affiliated with political parties not connected with Hezbollah received similar licences, as vaccines against the coronavirus became a new tool of political patronage and potential profiteering in Lebanon.

<sup>22</sup> Ownership is published in the Commercial Register, and in 2019 the US-government-funded media channel al-Hurra covered an ongoing US lawsuit against Hezbollah affiliates in which this information was also mentioned: al-Hurra (2019), 'Lebanese banks in eye of storm of Hezbollah's business' [in Arabic], 10 January 2019, <https://www.alhurra.com/latest/2019/01/10/-32الله-حزب-أعمال-عاصفة-اللبنانية-في-عين-عاصفة-أعمال-حزب-الله-32>.

<sup>23</sup> U.S. Department of the Treasury (2020), 'Treasury Targets Hizballah Executive Council Companies and Official', press release, 17 September 2020, <https://home.treasury.gov/news/press-releases/sm1126>.

<sup>24</sup> Research interview with former civil servant, Lebanon, 2020.

<sup>25</sup> Karam, J. (2019), 'US Treasury: Hezbollah illicit activities involve Lebanon's airport and seaports', *The National*, 13 September 2019, <https://www.thenationalnews.com/world/mena/us-treasury-hezbollah-illicit-activities-involve-lebanons-airport-and-seaports-1.910002>.

<sup>26</sup> *Daily Star* (2013), 'Fneish's brother turns himself in', 16 February 2013, <https://www.dailystar.com.lb/News/Local-News/2013/Feb-16/206666-fneishs-brother-turns-himself-in.ashx>.

Unlike other non-Shia political parties, Hezbollah also sustains influence through Lebanon's municipalities. In Beirut's southern suburbs, all municipalities are exclusively controlled by Hezbollah, or otherwise nominally by Amal. The two groups formed the Union of Municipalities of Beirut Southern Suburbs, which acquires its own funds and can also pool funding from municipalities for projects, often financed by international assistance. The Union is responsible for running the area's municipal police force, which works under the direction of Hezbollah but whose 1,000 members receive salaries from the state. Hezbollah directs the municipal police by appointing a local liaison officer from the group to coordinate with the head of the municipality.<sup>27</sup>

Hezbollah's control of the membership of Supreme Islamic Shia Council – a state institution affiliated with the Presidency of the Council of Ministers and therefore exempted from taxes and customs fees – also allows it to import a wide variety of goods through Beirut's airport and port without paying customs fees.<sup>28</sup>

## Use of allies

Hezbollah has formed two major political alliances – through a mix of coercion and collusion – due to convergence of interests. Since the 1980s, Hezbollah has sought to subdue or crush its opponents, whether Shia or not. (With regard to the former, Hezbollah won battles against its then rival Amal in the 1980s. With regard to the latter, its members or affiliates have over the past decade and a half been linked to a series of assassinations of public figures associated with political groups opposing it, with one Hezbollah member having been found guilty by the Special Tribunal for Lebanon of the assassination of Rafic Hariri in 2005.<sup>29</sup>)

Hezbollah's alliance with Amal is particularly significant because the leader of Amal, Nabih Berri, has been speaker of the Lebanese parliament since 1992. In the context of the severe financial crisis that intensified in Lebanon in 2019, parliament responded to public calls for an audit of the Bank of Lebanon (the Central Bank) with the adoption of a non-binding decision – essentially, a watered-down measure – rather than legislation to require that a forensic audit be conducted. This can be partly attributed to the desire of the political elite to avoid scrutiny of their involvement in the banking sector, including money belonging to Shia individuals close to Hezbollah and Amal in the banking sector.<sup>30</sup> Adopting reform principles but creating layers of procedures to make those principles impossible to implement sustains avoidance of accountability.

Since 2005, Hezbollah has also been in the March 8 Alliance with the Christian parties Marada and the FPM. The alliance with the FPM – the founder of which, Michel Aoun, is the current Lebanese president – has notably given Hezbollah

<sup>27</sup> Research interview with municipality employees, Lebanon, 2020.

<sup>28</sup> Research interview with Beirut port former official, Lebanon, 2020.

<sup>29</sup> UN News (2020), 'Lebanon: UN-backed tribunal sentences Hezbollah militant in Hariri assassination', 11 December 2020, <https://news.un.org/en/story/2020/12/1079892>.

<sup>30</sup> Tamo, O. and Szakola, A. (2020), 'Parliament endorses the audit of the central bank — but not in a legally significant way, experts say', *L'Orient Today*, 28 November 2020, <https://today.lorientjour.com/article/1242776/parliament-endorses-the-audit-of-the-central-bank-but-not-in-a-legally-significant-way-experts-say.html>.



oversight of the Lebanese state through having a key ally on the political front line while Hezbollah pulls the strings in the background.<sup>31</sup> This alliance has allowed Hezbollah to maintain a relatively minimal direct presence in the government, as the flow of services to its constituents and support for its interests can be channelled through its allies, most importantly the FPM. And the FPM, through its alliance with Hezbollah, has been able to increase its support base within the Christian community by controlling more ministerial portfolios than any other Christian party and having the largest parliamentary presence among the Christian groups.

In entering an alliance with the FPM, Hezbollah had to support that party's access to state and other financial resources, thereby consolidating Hezbollah's collusion in the Lebanese system in which political and economic elites conduct deals to sustain their wealth and power.<sup>32</sup>

The alliance has grown in influence since its inception in 2005. In 2018, Hezbollah and its allies gained the majority of parliamentary seats for the first time, winning 72 of the 128 seats, up from 44 for the Hezbollah-led alliance in the last set of elections in 2009. In both 2009 and 2018, Hezbollah candidates won a total of 13 seats. Working with allies thus allows Hezbollah to influence legislation in Lebanon. Even before the Hezbollah-led alliance secured a parliamentary majority, Hezbollah was able to mobilize alliance members to absent themselves from parliament – thus making it inquorate – during sessions at which a matter that was against Hezbollah's interests was due to be discussed. From May 2014, when Michel Suleiman's second presidential term expired, Hezbollah and its allies blocked the parliament and the cabinet for two years by not participating in sessions, in a concerted and ultimately successful effort to impose the election of Michel Aoun to the presidency.

Hezbollah is also able to exert influence through the work of parliamentary committees in which it and its allies are members. These committees review, amend and approve the content of legislation to be voted on by MPs. Hezbollah's MPs and their allies are represented on all parliamentary committees, including the anti-corruption committee, and – like other members of the committees from other parties represented in parliament – are able to push for the indefinite postponement of reviews of legislation as a means of blocking measures that they regard as detrimental to their interests.

For instance, Hezbollah plays a significant role in the parliamentary committee for women and children, where it has blocked legislation intended to raise the age of consent for marriage, seeing the reform as taking power away from religious institutions that currently control personal status laws, such as the Shia Jaafari court.<sup>33</sup>

<sup>31</sup> The alliance between Hezbollah and the FPM was formalized in a memorandum of understanding in 2006.

<sup>32</sup> For a broader discussion on elite power dynamics, see Mansour, R. and Khatib, (2021), *Where is the state in Iraq and Lebanon? Power relations and social control*, Research Paper, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/2021/04/where-state-iraq-and-lebanon>.

<sup>33</sup> Lebanon has no civil personal status law. Each sect follows the rulings or opinions of its own religious court on personal status matters. The court handling these matters for the Shia community is called the Jaafari court.

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# 03 Influence through financial transactions and public contracts

**The vested interests of Lebanon's political elites perpetuate the blurring of lines between licit and illicit activities from which Hezbollah and other parties have long profited.**

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Hezbollah, like other ruling political parties in Lebanon, is able to exploit lax finance and public contract legislation and measures for its own benefit. In a number of cases in this regard, Lebanese political parties may belong to rival alliances but either operate in tacit agreement with one another or turn a blind eye to the others' transgressions. This serves to preserve the system of elite pacts in Lebanon. As such, Hezbollah's growing influence must be seen as partly a product of a political system that fosters cooperation between elites to sustain the status quo that enables their access to power.<sup>34</sup> Hezbollah minimizes entering into formal agreements with parties outside its alliance to reduce the likelihood that its actions can be fully traced, but informal cooperation and collusion among all parties is the norm in Lebanon.

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<sup>34</sup> Mansour and Khatib (2021), *Where is the state in Iraq and Lebanon?*

## Use of public contracts

Lebanon does not have a formal process requiring full transparency in the awarding of public tenders and contracts. This is exploited by the country's ruling parties, including Hezbollah, who use private companies to generate funding through public contracts.

The acquisition of public contracts by Hezbollah affiliates sometimes happens with tacit acceptance by its political rivals. In 2014, the Lebanese state reportedly paid \$3 million to Sama, a company close to Hezbollah, so that the publicly owned Télé Liban could broadcast football World Cup matches; Sama owned the exclusive rights to broadcast BeIN Sports channels, the only ones that were showing the matches.<sup>35</sup> The arrangement was repeated in 2018. Shortly before the 2018 World Cup, Sama hosted a conference at the luxury Phoenicia Hotel in Beirut as part of a purported campaign to fight satellite channel piracy.<sup>36</sup> In addition to senior figures from Sama, the conference was attended by information minister Melhem Riachi (representing President Aoun), telecommunications minister Jamal Jarrah (representing Prime Minister Hariri), Ali Fawaz (representing youth minister Mohamad Fneish), MP Nazih Najem (part of the Future Movement bloc), Rami al-Rayess (media representative of the Progressive Socialist Party), and representatives from the state security agencies. Sama board member Tarek Zeinan gave a speech saying that the company's leadership was very happy that Sama and the Lebanese state were working together to ensure that all in Lebanon could watch the World Cup through Télé Liban for free, and as part of an effort to fight piracy. In reality, however, the awarding of the contract to Sama had not been subject to a public tender because there was no formal Lebanese state requirement for such a tender.

With Lebanon's financial crisis intensifying, and with deeper US sanctions targeting Iran and Hezbollah in 2019, Hezbollah adopted a public anti-corruption rhetoric, particularly against former prime minister Fouad Siniora – whose 2005 government was widely seen as backed by the US, and who is a key figure in Saad Hariri's Future Movement.<sup>37</sup> This anti-corruption rhetoric was directed more widely, too. Hezbollah MP Hassan Fadlallah, for instance, gave a speech in February 2019 in which he said that there are documents held by the Ministry of Finance that, if exposed, would lead to several key government figures ending up in jail.<sup>38</sup> Pointing the finger at other parties for allegedly stealing state resources helped Hezbollah deflect responsibility for the financial crisis enveloping Lebanon, as well as attention from the impact of tighter US sanctions on its funding: Hezbollah's constituents were suffering as a result of the financial crisis, and the sanctions meant that the organization's ability to help was reduced.<sup>39</sup>

<sup>35</sup> Janoubia (2014), 'Sama Company, close to Hezbollah, reaps World Cup gains' [in Arabic], 16 June 2014, <https://janoubia.com/2014/06/16/شركة-سما-القريبة-من-حزب-الله-تحصد-مكاسب>.

<sup>36</sup> Akhbar Beirut via Facebook (2018), 'Sama LLC has launched the exclusive agent for Bein channels in Lebanon, the official carrier of the FIFA world cup matches' [in Arabic], 9 June 2018, <https://www.facebook.com/akhbarbeirut/photos/لبنان-الناقل-الرسمي-bein-أطلقت-شركة-سما-شمم-الوكيل-الحصري-لقنوات-184650932127820/ملباريات-كأس>.

<sup>37</sup> BBC News (2008), 'Profile: Fouad Siniora', 28 May 2008, [http://news.bbc.co.uk/2/hi/middle\\_east/4641865.stm](http://news.bbc.co.uk/2/hi/middle_east/4641865.stm).

<sup>38</sup> Lebanon 24 (2019), 'Fadlallah: There are documents which if exposed would lead key figures to jail' [in Arabic], 12 February 2019, <https://www.lebanon24.com/docs/555569>.

<sup>39</sup> Macaron (2019), 'Politicization of the anti-corruption campaign in Lebanon'.

Notwithstanding its public rhetoric, Hezbollah was increasingly relying on informal partnerships with Christian business figures and government officials to conduct its financial affairs in ways that would get around the sanctions. In September 2020 one such figure, former minister of transport and public works Yusuf Finyanus, was sanctioned by the US on the basis of having ‘directed political and economic favours to Hezbollah, including ensuring Hezbollah-owned companies won government contracts worth millions of dollars and moving money from government ministries to Hezbollah-associated institutions’.<sup>40</sup> According to the US Treasury, Finyanus had siphoned off money to Arch Consulting and Meamar Consulting while he was minister.

## Pointing the finger at other parties for allegedly stealing state resources helped Hezbollah deflect responsibility for the financial crisis enveloping Lebanon, as well as attention from the impact of tighter US sanctions on its funding.

The US Treasury also sanctioned those two Hezbollah-affiliated engineering and construction companies for benefiting the group. Arch Consulting and Meamar Construction were accused of being owned, controlled or directed by Hezbollah and subordinate to the party’s Executive Council. Arch Consulting was actually set up in 2005 as a private company by Jihad al-Binaa to engage in building hospitals, schools, infrastructure and water projects in Lebanon and abroad. The US Treasury said that the two companies won public contracts worth millions of dollars from the Lebanese state (mainly through municipalities that are controlled by Hezbollah in the south of the country, the Beqaa and Hermel) and were siphoning off funds to Hezbollah’s Executive Council.<sup>41</sup> The website of Arch Consulting states that it has implemented projects for various municipalities and international organizations such as UNHCR, the Red Cross and UNRWA.<sup>42</sup>

## Use of state commercial and finance regulations

Part of what enables companies like Sama to operate as they do is Lebanon’s lax rules regarding commercial enterprises, which mean that companies can exist as a complex web that makes detecting interests and transactions difficult. A search through the publicly available Commercial Register reveals three companies using

<sup>40</sup> The US Treasury also sanctioned at this time Ali Hassan Khalil, who was once Lebanon’s finance minister and before that minister of public health, for aiding Hezbollah financially. U.S. Department of the Treasury (2020), ‘Treasury Targets Hizballah’s Enablers in Lebanon’, press release, 8 September 2020, <https://home.treasury.gov/news/press-releases/sm1116>.

<sup>41</sup> U.S. Department of the Treasury (2020), ‘Treasury Targets Hizballah Executive Council Companies and Official’.  
<sup>42</sup> See the Arch Consulting website: <https://www.archconsulting.com.lb/client.php>. See also Al Arabiya (2020), ‘Hezbollah in Lebanon ... Bids and projects that generate billions’ [in Arabic], 18 September 2020, <https://www.alarabiya.net/arab-and-world/2020/09/18/واجهتان-ومسؤول-واجهتان>.

the name Sama, all linked to Mohamad Fawzi Mansour.<sup>43</sup> One of the companies, Sama Group SARL, lists Fadi Adel Jamaledine as its lawyer.<sup>44</sup> Jamaledine is also listed in the Commercial Register as a board member and shareholder of three companies (Sol Blanc, Al Mansouri Real Estate, V69 Real Estate) whose head of the board of directors is Saleh Ali Assi, who is sanctioned by the US Department of Treasury.<sup>45</sup>

The second of the companies is Sama SAL,<sup>46</sup> which made an agreement with the Lebanon's Syndicate of Owners of Restaurants, Cafes, Night-Clubs and Pastries whereby these venues paid a fee in return for screening the World Cup in 2018.<sup>47</sup> A company called Al Kabida Invest Holding owns 390 shares in Sama SAL. Al Kabida Invest Holding also owns 9,000 shares in the third Sama company, registered as Sama Holding SAL.<sup>48</sup> Al Kabida Invest Holding also founded and owns 780 shares in a company called Trisat Communications Company Limited SAL. Trisat in turn owns 40 shares in Al Kabida Invest Holding, and its general director is Mohamad Fawzi Mansour. Trisat lists Fadi Ali Harkous as its authorized supervisor. Harkous is also the authorized supervisor of New Allpharma SARL, the pharmaceutical company tied to the Fneish family that was involved in the counterfeit medicines scandal in 2012.<sup>49</sup>

Hezbollah's engagement in money laundering as a source of revenue is well documented.<sup>50</sup> The weakness of the Lebanese state has enabled this through poor monitoring and regulation of commercial and financial enterprises, as well as the country's long-standing banking secrecy legislation. The US Treasury has been tracking Hezbollah's illicit financial activity in Lebanon and globally, resulting in the closure of a number of banks in Lebanon (such as the Lebanese Canadian Bank) proved to have facilitated such activity.<sup>51</sup> Hezbollah has been able to cover its tracks in Lebanon partly through having senior representation within state authorities that are meant to safeguard against corruption, such as in the ministerial task force for anti-corruption and in the Central Inspection authority that is meant to oversee commercial enterprises.<sup>52</sup>

Hezbollah also makes indirect use of Lebanon's free-trade zones.<sup>53</sup> Expatriate businesspeople who may be engaged in illicit activities (such as money laundering or trade in conflict diamonds) outside the country are able to register several businesses in Lebanon under their name or under the names of close relatives

<sup>43</sup> Republic of Lebanon Ministry of Justice Commercial Register (undated), 'Sama Group SARL', <http://cr.justice.gov.lb/search/result.aspx?id=1000110664>.

<sup>44</sup> Ibid.

<sup>45</sup> U.S. Department of the Treasury (2019), 'Treasury Designates Prominent Lebanon and DRC-Based Hizballah Money Launderers', press release, 13 December 2019, <https://home.treasury.gov/news/press-releases/sm856>.

<sup>46</sup> Republic of Lebanon Ministry of Justice Commercial Register (undated), 'SAMA SAL', <http://cr.justice.gov.lb/search/result.aspx?id=2000108535>.

<sup>47</sup> Syndicate of Owners of Restaurants, Cafes, Night-Clubs and Pastries in Lebanon (2018), 'Cooperation Agreement' [in Arabic], <http://syndicatercnp.com/emails/docs/Syndicate-BelIn-Sports-may2018.pdf>.

<sup>48</sup> Republic of Lebanon Ministry of Justice Commercial Register (undated), 'SAMA HOLDING SAL', <http://cr.justice.gov.lb/search/result.aspx?id=1000123706>.

<sup>49</sup> All this information is publicly available through the Commercial Register.

<sup>50</sup> See U.S. Department of the Treasury (2016), 'Treasury Sanctions Key Hizballah Money Laundering Network', press release, 28 January 2016, <https://www.treasury.gov/press-center/press-releases/Pages/jl0331.aspx>.

<sup>51</sup> Badran, T. (2019), 'Hezbollah isn't broke. So why is everyone claiming otherwise?', Foundation for Defense of Democracies, 31 May 2019, <https://www.fdd.org/analysis/2019/05/31/hezbollah-isnt-broke-so-why-is-everyone-claiming-otherwise>.

<sup>52</sup> Research interviews with Lebanese civil servants, Lebanon, 2020.

<sup>53</sup> Karam (2019), 'US Treasury: Hezbollah illicit activities involve Lebanon's airport and seaports'.



(a spouse or a child, for instance) or affiliates. These companies operate in a wide array of fields – from construction, real estate and engineering, to tourism, entertainment and leisure, jewellery, general commerce and art – and make use of Lebanon’s free-trade zones for importing, storing and re-exporting goods. Sometimes, official records registering such companies are vague in their descriptions of what the companies do, which gives companies great flexibility in operating without being tracked.<sup>54</sup>

Another illustration of Hezbollah’s taking advantage of the murkiness of Lebanese regulations is its association al-Qard al-Hassan, founded in 1982. As international sanctions targeting Hezbollah increased and as the financial crisis in Lebanon intensified in 2019, Hezbollah and its affiliates largely stopped using Lebanese banks, relying instead on al-Qard al-Hassan for their financial transactions. After operating informally for five years, the association was formally registered as an NGO at the Ministry of Interior in 1987, but it operates as a microcredit lending agency and a de facto bank that allows Hezbollah to pay its constituents and transfer money. As it is not classed as a bank or a financial institution, it does not fall under the banking laws surrounding cash and lending transactions (*naqd wa tasleef*) and has no ties to the Bank of Lebanon. Al-Qard al-Hassan is a major source of gold and foreign currencies for Hezbollah,<sup>55</sup> and is used as a vehicle to channel cash funds in US dollars outside of the Lebanese banking system.<sup>56</sup>

The examples given above illustrate that Hezbollah, like other political elites in Lebanon, takes advantage of the weak infrastructure of the Lebanese state to further its interests, and that the line between licit and illicit activities is often blurred. This makes it harder to isolate institutions involved in corruption for targeting through sanctions, for instance. The vested interests of other political parties in Lebanon also remove or at least reduce local incentives for reforming the system, as true reform would uncover their involvement in profiteering and corruption. It must be noted, however, that no other party in Lebanon effectively has its own financial vehicle, as in the case of al-Qard al-Hassan, which has allowed Hezbollah’s constituents to have an alternative to the formal banking system which is in ongoing crisis in Lebanon.

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<sup>54</sup> The Commercial Register contains records of such companies and individuals.

<sup>55</sup> Megaphone via YouTube (2021), ‘Al-Qard al-Hasan: cooperative or empire?’, 16 January 2021, [https://www.youtube.com/watch?v=RndEvVBk\\_h0](https://www.youtube.com/watch?v=RndEvVBk_h0).

<sup>56</sup> On 11 May 2021 the US Department of the Treasury designated seven individuals linked to Hezbollah and al-Qard al-Hassan, describing the latter as an organization that ‘masquerades as a non-governmental organization (NGO) under the cover of a Ministry of Interior-granted NGO license, providing services characteristic of a bank in support of Hizballah while evading proper licensing and regulatory supervisions. By hoarding currency that is desperately needed by the Lebanese economy, AQAH allows Hizballah to build its own support base and compromise the stability of the Lebanese state.’ See U.S. Department of the Treasury (2021), Treasury Targets Hizballah Finance Official and Shadow Bankers in Lebanon, press release, 11 May 2021, <https://home.treasury.gov/news/press-releases/jy0170>.

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# 04 Influence through land border control and the Port of Beirut

**Hezbollah's influence over the Port of Beirut and over the Lebanon–Syria border is closely linked to the weakness of the state and to endemic corruption in Lebanon.**

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The explosion at the Port of Beirut on 4 August 2020, in which large quantities of ammonium nitrate mixed with other chemicals devastated the port and its surrounding residential areas, killing and injuring hundreds of people, has intensified domestic and international attention concerning Hezbollah's involvement in the port and in the war in Syria in support of the regime of Bashar al-Assad. The group has a well-documented record of using ammonium nitrate to make explosives, and the chemical is a component of the barrel bombs used by the Assad regime in the Syrian conflict.<sup>57</sup> Hezbollah's influence over the port and over Lebanon's border with Syria is tightly linked to the weakness of the Lebanese state and to endemic corruption in Lebanon.<sup>58</sup>

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<sup>57</sup> Dershowitz, T. and Dresik, G. (2020), 'Hezbollah's history with ammonium nitrate: the danger to Europe', Foundation for Defense of Democracies, 25 September 2020, <https://www.fdd.org/analysis/2020/09/25/hezbollah-ammonium-nitrate-europe>.

<sup>58</sup> Katerji, O. (2020), 'The Beirut Blast Is Lebanon's Chernobyl: Negligence and corruption have caused a devastating disaster', *Foreign Policy*, 5 August 2020, <https://foreignpolicy.com/2020/08/05/beirut-explosion-blast-lebanon-ammonium-nitrate-chernobyl-corruption>.

## Use of border control

Hezbollah stands out among all political actors in Lebanon in having de facto control over Lebanon's border with Syria. This control is exercised through collusion with state authorities. Since the time of the Syrian military occupation of Lebanon, which began in 1976, in the early stages of the Lebanese civil war, and finally ended in 2005, Lebanon and Syria have had a 'special relationship' that has made the border between the two countries highly porous. Weak state oversight over border dynamics, corruption within the Customs Administration and other state institutions, and vested interests by members of the country's elites who are involved in licit and illicit trade, have all contributed to the Lebanese–Syrian border being managed largely notionally. As Hezbollah uses Syrian territory to train and deploy fighters, and as a conduit for weapons flowing from Iran, as well as to smuggle drugs, goods and arms in both directions, the group has long strived to exert control over the border. Its involvement in the Syrian conflict has meant that it has intensified its cross-border activities, and it currently has de facto authority over the entire border.

### Hezbollah's de facto control over Lebanon's border with Syria is exercised through collusion with state authorities.

Hezbollah's involvement in cross-border smuggling, including of narcotics, is an important source of revenue for the group, but the extent of its engagement in goods smuggling has increased over the past two years as both Lebanon and Syria have been hit by severe economic crises. In 2020, Hezbollah's smuggling of goods subsidized by the Lebanese state for sale in Syria attracted significant public attention.<sup>59</sup> Hezbollah's engagement in the smuggling of subsidized wheat and fuel can be linked to the economic pressure that the group and its main sponsor Iran have been facing as a result of both US sanctions on Iran and Hezbollah's intervention in the war in Syria.<sup>60</sup> Hezbollah smuggles diesel oil and gasoline from Lebanon to Syria through collaboration with Maher al-Assad and his Fourth Brigade. State-subsidized diesel oil is sold on the Lebanese market at an average price of LBP 9,000. Hezbollah and the Fourth Brigade sell it in Syria at an average price of LBP 15,000.<sup>61</sup>

Hezbollah secures the routes for the trucks from the Lebanese stations towards the Lebanon–Syria border without necessarily going via the Lebanese official border crossings. Once on Syrian territory, Hezbollah's operatives, in collaboration with Fourth Brigade soldiers, would escort the trucks to their final destinations. On average, Hezbollah generates around \$300 million per month by trafficking

<sup>59</sup> Rabah, M. (2020), 'Hezbollah is smuggling in broad daylight as a political strategy – it won't work', Al Arabiya, 5 May 2020, <https://english.alarabiya.net/en/views/news/middle-east/2020/05/20/Hezbollah-is-smuggling-in-broad-daylight-as-a-political-strategy-it-won-t-work>.

<sup>60</sup> Ezzi, M. (2020), *Lebanese Hezbollah's Experience in Syria*, Research Project Report, Fiesole: European University Institute, [https://cadmus.eui.eu/bitstream/handle/1814/66546/MED\\_WPCS\\_2020\\_4.pdf?sequence=1&isAllowed=y](https://cadmus.eui.eu/bitstream/handle/1814/66546/MED_WPCS_2020_4.pdf?sequence=1&isAllowed=y).

<sup>61</sup> Research interview with Syrian armed group member, via Signal app, 2020.

diesel fuel across the border with Syria.<sup>62</sup> The angle to focus on in this context is that Hezbollah gains access to state-subsidized goods by means of its influence within state institutions. One eyewitness mentioned that fuel trucks heading to Syria in 2020 had been intercepted by Lebanese residents in the border town of Anjar, in the Beqaa Valley, at which time the drivers produced documents apparently authorized by the Ministry of Energy to show that they had formal permission to transport the subsidized fuel out of Lebanon.<sup>63</sup>

Hezbollah uses smuggling not just as a source of revenue but also as political currency. After forming an alliance with Hezbollah, the FPM started to expand across Lebanon, especially in Christian areas, by opening new businesses (from small grocery shops to bakeries, clothing shops, mobile phone and computer shops, to home furniture retailers and construction material suppliers), thereby creating new jobs particularly for young people in their areas. The items sold in these shops were cheaper than elsewhere, as their supply came through the smuggling routes controlled by Hezbollah. Hezbollah also supported the FPM in opening new offices providing social support services to the latter's local constituents, along the lines of Hezbollah's own social services model. This allowed the FPM to develop capacity for local service delivery that it had not previously had, which in turn helped boost the number of seats it won in the 2018 parliamentary elections.<sup>64</sup>

## Use of the Port of Beirut

Since 1993, the Port of Beirut has been run by what is designated a 'Transitional Commission' (a new one was formed in 2002) that handles all financial matters of the port without coming under any scrutiny or monitoring by the government. None of the Ministry of Finance, the Central Tenders Board (whose feedback on tenders is non-binding), the Court of Audits or the Central Inspection authority has any powers to inspect the commission's activities – despite the fact that the Transitional Commission uses public funds – as the commission is neither a public nor a private entity and therefore its governance is opaque.<sup>65</sup> Over the years, Hezbollah's involvement in the port grew through its connections with political elites and parties represented in the Transitional Commission (among them cronies affiliated with Amal and, from 2005 onwards, with the FPM). Hezbollah also had strong links with key ministers with sway over the port, such as Yusuf Finyanus (who held the transport and public works portfolio from 2016 until January 2020).<sup>66</sup>

At the operational level, Hezbollah, like other political elites in Lebanon, benefits from existing corruption throughout state entities linked to the Port of Beirut to generate revenue and import and export illicit goods. Unnamed sources cited by

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<sup>62</sup> Research interview with military officer, Lebanon, 2020. See also Ezzi (2020), *Lebanese Hezbollah's Experience in Syria*.

<sup>63</sup> Research interview with local resident from the Beqaa Valley, Lebanon, 2020.

<sup>64</sup> Research interview with former civil servant, Lebanon, 2020.

<sup>65</sup> Al-Sayid, M. (2020), 'Port of Beirut, Lebanon's Black Box' [in Arabic], *Idaat*, 5 August 2020, <https://www.ida2at.com/beirut-port-lebanon-black-box>.

<sup>66</sup> Leenders, R. (2020), 'How institutional failure, political squabbling and greed set the stage for blowing up Beirut', Arab Reform Initiative, 16 September 2020, <https://www.arab-reform.net/publication/timebomb-at-the-port-how-institutional-failure-political-squabbling-and-greed-set-the-stage-for-blowing-up-beirut>.

*Al Arab* in 2020 claimed that, as a consequence of corruption, the Lebanese state receives only \$800 million in customs fees annually from the port, rather than, according to these same sources, the estimated \$3 billion that it should legitimately earn through customs revenue; the sources allege that the state shares the missing revenue with Hezbollah, thereby providing another income stream for the group.<sup>67</sup>

In 2013, *Al Joumhouria* published an investigation detailing how corruption operates with regard to imports and exports at the Port of Beirut.<sup>68</sup> The description applies to operations by all actors engaged in corruption at the port, and is not limited to Hezbollah and its allies. The report quoted a customs officer who had been asked about the process of importing televisions made in China in a way that would make them exempt from customs fees. By the officer's account: 'The company must declare that these are 'computer screens' rather than 'televisions', because computer screens are exempt from customs duties, unlike TVs which have a 5 per cent customs rate. In addition, bribes must be paid, which is a well-calculated bribe that takes into account the rate that should have been paid as customs and VAT.' It was estimated that importing televisions in this way would have at the time cost just \$12,000, compared with \$27,000 if done through legal means.<sup>69</sup>

The *Al Joumhouria* report added that customs officials were complicit not only in facilitating evading inspection of goods and registering imports as exempt, but also in collaborating with business owners and the administration of the Commercial Register in the process of 're-exporting' goods (using fake documents). All these officials can register a shipment from Lebanon as being, for example, re-exported televisions, when the shipment could in reality contain anything of little value. The commercial entity re-exporting the supposed televisions can claim back from the Ministry of Finance the customs fees and VAT it supposedly paid on their import, while in reality selling the goods on the Lebanese market.<sup>70</sup>

Where Hezbollah differs from its rivals is in the extent of its use of the Port of Beirut to transport drugs, weapons and explosive material both in and out of Lebanon without any state oversight of its operations or inspections of the hangars it uses. Sometimes, illicit goods enter Lebanon through the port for transport to Syria by land. At other times, materials used to make explosives are stored at the port and temporarily gathered to be prepared for shipment abroad.<sup>71</sup> In 2019, the US Treasury added high-ranking Hezbollah official Wafiq Safa to the sanctions list, stating:

As the head of Hizballah's security apparatus, Safa has exploited Lebanon's ports and border crossings to smuggle contraband and facilitate travel on behalf of Hizballah. For example, Hizballah leveraged Safa to facilitate the passage of items, including illegal drugs and weapons, into the port of Beirut, Lebanon. Hizballah

<sup>67</sup> *Al Arab* (2020), 'Hezbollah key player in the bleeding of the Lebanese treasury' [in Arabic], 11 March 2020, <https://alarab.co.uk/الاراب-لبنان/خزينة-لبنان-في-نزيف-رئيسي-في-ضلع-رئيسي>. It is possible that other groups not linked to Hezbollah may also be profiting from such a scenario.

<sup>68</sup> Botros, P. (2013), 'Port of Beirut ... Hangars of corruption and basins under the grip of the political parties' [in Arabic], *Al Joumhouria*, 25 October 2013, <https://www.aljournhouria.com/ar/news/100722/مرفأ-بيروت-عنابر-فساد-واحواض-في-قبضة-احزاب>.

<sup>69</sup> *Ibid.*

<sup>70</sup> *Ibid.*

<sup>71</sup> Research interview with Beirut port former official, Lebanon, 2020.



specifically routed certain shipments through Safa to avoid scrutiny. Additionally, as of 2018, Hizballah facilitated favors at the Beirut airport. Safa also facilitated travel for Hizballah associates through a border crossing.<sup>72</sup>

Imposing sanctions on Safa did not curb Hezbollah's control over the Port of Beirut. Hezbollah's involvement in importing and exporting ammonium nitrate – the main chemical found to have caused the explosion – through the port has raised questions about its link to the ammonium nitrate in the blast.

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<sup>72</sup> U.S. Department of the Treasury (2019), 'Treasury Targets Iranian-Backed Hizballah Officials for Exploiting Lebanon's Political and Financial System', 9 July 2019, <https://home.treasury.gov/news/press-releases/sm724>.

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# 05 Influence over military and security institutions

**Lebanon's security formula of 'the army, the people and the resistance' gives Hezbollah legitimacy within the state without the accountability required of a state institution.**

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Since 2008, Hezbollah has benefited from the state's security 'formula', articulated as 'the army, the people and the resistance'. In Lebanon – unlike the Popular Mobilization Forces in Iraq, or the National Defence Forces in Syria – Hezbollah is not regarded as an auxiliary military force: the Lebanese constitution does not make provision for such forces. Instead, since 2008, various ministerial statements have enshrined Hezbollah's status as the only legitimately armed entity other than the Lebanese Armed Forces, but without delineating its duties or responsibilities in return for this exceptional right to possess and use weapons in the name of national defence. In other words, the ministerial statements have given Hezbollah a free pass to use force at its own discretion under the pretext of national security.

## **Use of the Lebanese Armed Forces**

The 1989 Taif Agreement, which formally ended Lebanon's civil war, stated that all Lebanese and non-Lebanese militias in the country would be disbanded. It also stated that the national army would be strengthened, and that: 'The armed forces intelligence shall be reorganized to serve military objectives

exclusively.<sup>73</sup> However, as Lebanon at the time was still under Israeli occupation, a further clause in the agreement stated that Lebanon would be '[t]aking all the steps necessary to liberate all Lebanese territories from the Israeli occupation, to spread state sovereignty over all the territories ...'. Although the agreement did not explicitly refer to Hezbollah or use the word 'resistance' – which Hezbollah came to later adopt as its own (exclusive) alternative name – the Lebanese government used the clause concerning Israeli occupation to give Hezbollah exceptional status on the basis of its playing a major role in liberating Lebanon from Israel.

Over the years, and following Israel's withdrawal from southern Lebanon in 2000, both the Lebanese government and Hezbollah argued that continued Israeli occupation of disputed territories along Lebanon's southern border (some residents say the territories, Shebaa Farms, are Syrian, but the Lebanese government and Hezbollah maintain they are Lebanese) permits Hezbollah's retention of its weapons on the basis that they are necessary to protect and liberate Lebanon from Israel.<sup>74</sup>

**Hezbollah's use of weapons to intimidate its opponents paved the way for it to entrench – by force – its special status within the Lebanese state and thus increase its political influence. Since 2008, Hezbollah has regularly invoked the 'army, people, resistance' formula to justify its actions.**

In May 2008, however, an internal political dispute in Lebanon saw Hezbollah use its weapons against fellow Lebanese citizens. The Lebanese government at the time tried to dismiss the pro-Hezbollah head of airport security, Wafik Choucair, and dismantle Hezbollah's telecommunications network, which operated without any state oversight. In response, Hezbollah forced a military takeover of Beirut, leading to a government crisis that was resolved with the formation of a new national unity administration in which Hezbollah and its allies had veto rights for the first time.

The ministerial statement of this new cabinet referred to a formula previously unseen in government documents, that of Lebanon's security architecture being composed of 'the army, the people and the resistance' to defend Lebanon from any aggression.<sup>75</sup> This statement amounted to a de facto change in the constitution. The same security formula was repeated in the ministerial statement of the next – also Hezbollah-dominated – cabinet formed in 2009, with the additional undertaking that the government would 'work on uniting the position of the Lebanese through agreeing on a comprehensive national defence strategy'.<sup>76</sup>

<sup>73</sup> An English-language version of the Taif Accords is published via UN Peacemaker: <https://peacemaker.un.org/lebanon-taifaccords89>.

<sup>74</sup> UN Security Council Resolution 1701 (2006) calls for, inter alia, 'delineation of the international borders of Lebanon, especially in those areas where the border is disputed or uncertain, including by dealing with the Shebaa Farms area', but this has yet to be implemented.

<sup>75</sup> The text of the statement is available at <https://www.lebanese-forces.com/2008/08/04/15782>.

<sup>76</sup> The text of the statement is available at <http://www.pcm.gov.lb/arabic/subpg.aspx?pageid=3630>.

Hezbollah's use of weapons to intimidate its opponents paved the way for it to entrench – by force – its special status within the Lebanese state and thus increase its political influence. Since 2008, Hezbollah has regularly invoked the 'army, people, resistance' formula to justify its actions. For example, following Hezbollah's involvement in the Syrian conflict, the group has used the formula to argue that it has strengthened Lebanon against what it calls 'takfiri' jihadist threats<sup>77</sup> as well as Israeli threats. This was vividly seen in the battle of Arsal in 2017, in which Hezbollah presented its intervention alongside the Lebanese Armed Forces against jihadists who had crossed into Lebanon from Syria as a 'victory'. According to Iran's Tasnim news agency, as translated and cited by the Middle East Institute: 'The battle of Arsal demonstrated the extent of Hezbollah's influence and power in the Beirut government's institutions and Lebanon's political, military and security organizations.' The same article noted that 'a golden triangle entitled 'Army, Nation and Resistance' has emerged that encourages Hezbollah to keep its weapons'.<sup>78</sup>

The benefit of the formula for Hezbollah is that it gives the group legitimacy within the state yet without the accountability that it would be subject to were it to become a state institution. It also allows the group to broaden the remit of its permitted actions under the pretext of protecting Lebanon from 'any aggression' as per the ministerial statements. For example, its justification that its military involvement in Syria aims to defend Lebanon from jihadists contradicts Lebanon's explicit policy of dissociation regarding the Syrian conflict. The formula also makes a clear distinction between the army and 'the resistance', thereby negating the possibility of imposing security sector reform measures like disarmament, demobilization and reintegration on Hezbollah. This makes the hybridity of Lebanon's security architecture a fixed aspect of the state, with Hezbollah being the clear winner.

While the state initially adopted the security formula under Hezbollah's coercion, the group's growing power since 2008, relative to its political opponents, and its alliance with the FPM served to consolidate Hezbollah's influence within the state. Today, Hezbollah is the dominant force in Lebanese politics. The FPM's retention of power – not least through holding a large number of seats in the current parliament – is to a large extent dependent on Hezbollah maintaining its own status and dominance over its opponents, which in essence means holding on to the 'army, people, resistance' security formula.

One of the problems of this hybridity is that for Hezbollah to retain its special status, it is necessary for the Lebanese Armed Forces to remain weak and incapable of taking on the role of national defence on their own. Hezbollah periodically boasts about its role in aiding the army against external threats. Particularly between the end of the Lebanese civil war in 1990 and the withdrawal of Syrian forces in 2005, the Assad regime facilitated Hezbollah's free operation in Lebanon in coordination with the Lebanese Armed Forces. The Syrian occupation contributed to keeping the Lebanese army weak and inadequately

<sup>77</sup> Hezbollah uses the word 'takfiri' to refer to Sunni extremist jihadist terrorist groups such as ISIS and Al-Qaeda.  
<sup>78</sup> Majidyar, A. (2017), 'Tehran celebrates Arsal "victory" as sign of Hezbollah's growing power', Middle East Institute, 11 August 2017, <https://mei.edu/publications/tehran-celebrates-arsal-victory-sign-hezbollahs-growing-power>.

equipped to deter or respond to a conflict with Israel. This allowed Hezbollah not only to justify maintaining its weapons in the name of defence, but also to gain the upper hand militarily and to gradually expand its operations and military infrastructure while being recognized as a national resistance movement against Israeli occupation. Hezbollah continues to coordinate on a regular basis with the Lebanese Armed Forces command to ensure synergy and facilitation of Hezbollah's operations; notably, during the Syrian war, Hezbollah crosses the border daily, unchecked by the military.

Hezbollah also trains candidates for the military academy from the Shia community. Many such individuals joined as junior officers and were promoted to key positions under Syrian patronage. The political influence that Hezbollah has in Lebanon's government allows the group's leadership to push for specific military appointments – especially in Beirut's southern suburb, in the south of the country and in the Beqaa region – that will facilitate Hezbollah's military activities.<sup>79</sup>

## Influence through security institutions

Unlike other Lebanese political parties, Hezbollah has de facto control over the military intelligence through Shia officers serving there. Lebanon's military intelligence has become one of the state's vehicles of repression. As the mass protests that began in October 2019 essentially challenged the political status quo in Lebanon (of which Hezbollah and the FPM are key actors), the military intelligence arrested and interrogated a number of activists involved in the protests.<sup>80</sup> Some October 17 activists and other figures vocal against Hezbollah have been tried before military tribunals or have been threatened with trial in the military courts.<sup>81</sup>

Hezbollah has also infiltrated the state security apparatus in the name of cooperation and fairness. For example, the position of director-general of the General Security was formerly assigned to a Maronite Christian by convention; Hezbollah successfully lobbied for the post to go instead to a Shia, and since July 2011 the General Security has been under de facto Hezbollah oversight with the appointment of General Abbas Ibrahim as its director-general. This position is key to Hezbollah, as the group's operatives have falsified identity documents to travel internationally unnoticed. The General Security also constitutes a major source of intelligence for Hezbollah, including counterintelligence to guard against infiltration by spies.<sup>82</sup>

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<sup>79</sup> Research interview with Lebanese army officer, Lebanon, 2020.

<sup>80</sup> Ibid.

<sup>81</sup> Human Rights Watch (2020), 'Lebanon's Military Courts Have No Business Trying Civilians', 5 February 2020, <https://www.hrw.org/news/2020/02/05/lebanons-military-courts-have-no-business-trying-civilians>.

<sup>82</sup> Research interview with security officer, Lebanon, 2020.



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# 06

## How holding sway is institutionalized and securitized

**Hezbollah's own security apparatus, through both close monitoring of state and non-state institutions and operational control at the country's borders, is central to its influence.**

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Hezbollah diverges greatly from other political parties in Lebanon in that its own security apparatus plays a central role in enabling the group to hold sway over Lebanese state institutions, whether military or civilian. One component through which Hezbollah does this is its Unit 900, which engages in close monitoring of state and non-state institutions. The unit has agents and delegates among the employees in the Lebanese state's military, security and civil administrations. Unit 900 also monitors Lebanon's universities, schools, theatres, media channels, international airport and seaports, private banks and commercial companies. The unit includes the Sources Department, which is a group of liaison officers, distributed across the country's governorates, who collect information on state institutions through agents within those institutions, as well as through Hezbollah's constituents across Lebanon. In all its operations, Unit 900 effectively carries out the functions of the state intelligence or internal security agencies, except that its role is reversed, monitoring Lebanese state and non-state institutions.<sup>83</sup>

The second component through which Hezbollah holds sway over Lebanese state institutions is operations. According to interviews conducted with military operatives in Lebanon in 2020, Hezbollah's Transportation Unit 112 is responsible for transporting weapons, precision missiles, money and other smuggled goods

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<sup>83</sup> Research interview with security officer, Lebanon, 2020.

to and from Lebanon, as well as for smuggling and money-laundering operations in Africa and the Americas. Unit 112 contains sub-units, namely the Land Crossings Unit 108, and the Airport and Port Unit. These sources stated that Unit 108 is responsible for transporting weapons, money and technology between Syria and Lebanon, including weapons transport through Damascus airport and across the Iraq–Syria border.

At the Port of Beirut, facilities like Hangar 9 and Hangar 12 are under the control of Unit's 112's Airport and Port Unit and are not subject to the authority of the Lebanese state. Through these facilities, as well as through Beirut airport, goods and people enter and leave the country with no official record of their transit.<sup>84</sup>

Another component of influence is what is termed 'liaison'. In these operations, Hezbollah coordinates with state entities through the Liaison and Coordination Unit, also known as Unit 927. This unit, formerly called the Security Committee, has since 1987 been headed by Wafiq Safa. Unit 927's task is to coordinate with state institutions (civil, military, judiciary and security) and political parties, and it makes monthly payments to state officials who help it from within the General Security, the Lebanese Armed Forces and other state institutions. As an example of how it functions, Unit 927 liaison officers can inform airport and port officials of the arrival of a particular shipment at a specified time, enabling the shipment to be removed from all official records; in return for their facilitation, Hezbollah pays most of the state officials involved in such operations through shares of fees collected by the Lebanese Customs and General Security Administration.<sup>85</sup>

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<sup>84</sup> Research interview with Beirut port former official, Lebanon, 2020.

<sup>85</sup> Research interview with security officer, Lebanon, 2020.

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# 07 Conclusion: Will Hezbollah take over the Lebanese state?

**For as long as the current political system exists, it will not be possible to reverse Hezbollah's sway over the Lebanese state. But it is not in Hezbollah's own interest to seize power by force.**

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This paper has shown how Hezbollah has spread its influence throughout the Lebanese state, from the presidency of the republic to representative political institutions and the civil service, as well as Lebanon's military and security institutions. This influence is due to a number of factors: Hezbollah's benefiting from a reliable external patron – Iran – unlike other parties in Lebanon; Hezbollah's capacity in terms of organization, funding, physical resources and numbers of followers, which dwarfs that of other Lebanese parties; Hezbollah's own proactive orchestration and use of a comprehensive, long-term strategy; existing weaknesses in the Lebanese state, which Hezbollah has been able to exploit more systematically than have other political parties; and the presence of a political system based on elite pacts, which removes incentives for implementing measures to promote transparency and accountability. As such, while Hezbollah is a contributing factor to the weakness of the Lebanese state, it is also a product of the political system in Lebanon. For as long as the current political system in Lebanon continues to exist, it will not be possible to reverse Hezbollah's sway over the Lebanese state.

Hezbollah's increased influence raises the question of whether it will remain satisfied with its existing level of power, or instead seek to take over the state in a formal capacity. Hezbollah's military capability is in some ways stronger than that of the Lebanese Armed Forces, while none of the other political actors in Lebanon has a militia that could rival Hezbollah. Over the past three decades, Hezbollah's arsenal and fighter capacity has grown exponentially, with no domestic challenger in sight. In theory, Hezbollah could use its military capability to take over Lebanon and govern it by force. In practice, such a scenario would be wholly unacceptable to Lebanon's non-Shia communities, and would pave the way for unrest. These communities are likely, in the event of a takeover by Hezbollah, to seek external patrons to send them arms and funds, which would spark another civil war in Lebanon. Clearly this outcome is not in Hezbollah's interest.

Being in power through formal domination as a state actor would also subject Hezbollah to domestic scrutiny. While Lebanon's elites escaped such scrutiny for decades, the situation has changed since the mass protests that began in October 2019. As state institutions' weakness is more exposed, and as Lebanon edges closer to bankruptcy, citizens are increasingly pointing the finger at those controlling the state and holding them responsible for the country's woes. Hezbollah is already one of the many political actors blamed by the protesters for corruption and mismanagement of the country. Were Hezbollah to be, or be seen as, the sole state authority, it would be faced with calls for delivering citizens' needs in a state that has no real capacity to meet those needs. As Hezbollah operates through complete lack of transparency, it is also not in its interest to be subject to calls for accountability.

### **Were Hezbollah to be, or be seen as, the sole state authority, it would be faced with calls for delivering citizens' needs in a state that has no real capacity to meet those needs.**

Hezbollah is classed as a terrorist organization by many Western governments. Were it to seize power, Lebanon would be viewed by those countries as a pariah state and foreign aid from them would be cut off. As Lebanon's economy is critically dependent on this external lifeline, it is not in Hezbollah's interest for this flow of aid to stop, especially at a time when the severe economic impact of sanctions on Iran limits the extent to which it can support Hezbollah.

Hezbollah's leader, Hassan Nasrallah, is publicly vocal in rejecting the possibility of Hezbollah taking over Lebanon, even under the pretext of 'reform'. He regularly assures the Lebanese people that his party does not want to stoke sectarian tensions and ignite civil war in the country. In doing so, Nasrallah portrays Hezbollah as a group that is content with its share of power in Lebanon, and which respects the country's elite pacts – framed more palatably as a 'system of consensus'. In this framing, Hezbollah makes efforts to present itself as being free from greed and as post-sectarian.

In reality, despite having abandoned hardline Shia rhetoric for a period of time following its ‘Lebanonization’ in the 1990s, and despite pointing to the alliance with the FPM as evidence that it is not a sectarian organization, Hezbollah’s involvement in the Syrian conflict has told a different story, with Nasrallah openly championing the interests of the Shia in his public speeches. This further underlines that if Hezbollah were to take over the Lebanese state by force, it would not be able to sustain power because it would be seen as imposing one sect’s interests over those of the others.

By contrast, having hybrid status is ideal for Hezbollah. It can wield power in Lebanon without facing the prospect of civil war or international sanctions on the country. It can intimidate its opponents while using its exceptional status, as the only group other than the Lebanese Armed Forces supporting national defence, to retain the same weapons it uses to intimidate them. And it is the de facto authority in Lebanon without having to address the needs of the country’s citizens at large. Even when the 2009 legislative elections resulted in a parliament dominated by groups opposed to Hezbollah, the cabinet formed shortly after retained veto rights for Hezbollah, thus not reflecting voters’ wishes.

The sidelining of citizens’ needs is echoed in Lebanon’s security formula of ‘the army, the resistance and the people’, which keeps the state weak in relation to Hezbollah and does not articulate the rights of ‘the people’. The protests that began in Lebanon in October 2019 highlighted the Lebanese state’s neglect of its responsibilities towards its citizens. The protests came after a period of economic deterioration that Lebanese citizens ultimately recognized as the consequence of the existence of a political system that entrenches elite interests at the expense of the needs of ordinary people. People took to the streets to demand basic rights – public services, political rights and freedom of expression – only for their demands to be largely ignored by those in power. This reinforced the protesters’ understanding that Lebanese leaders were operating as if the Lebanese people did not exist as a key component of the Lebanese state.

This de facto ‘absence’ of Lebanon’s citizens is reflected in the state’s current security architecture. Including ‘the people’ in the security formula lends it an air of legitimacy by implying public acceptance of state policy. But since the formula was first adopted, in 2008, the record of the state as well as Hezbollah has illustrated that the inclusion of ‘the people’ is merely cosmetic. Ordinary citizens have neither a say in the use of this formula by the state, nor as regards Hezbollah’s actions (in Syria for example). Moreover, they have been unable to demand the reform of Lebanon’s security architecture, particularly because Hezbollah and its allies within the government are quick to accuse those who question the legitimacy of Hezbollah’s weapons of treason, as they argue that the weapons are needed for national security. Crucially, despite Hezbollah’s espousal of the rhetoric of reform, its ministers and parliamentarians have not sought to implement reforms in the state system, thus helping to maintain a status quo that benefits them.

The analysis presented in this paper of how Hezbollah holds sway over the Lebanese state has aimed to show that Western policies that attempt to reverse Hezbollah’s influence in Lebanon by focusing on the curbing the activities of the organization itself (such as through sanctions) are not sufficient. Wholesale reform of the Lebanese state is a complicated and long-term endeavour that must be Lebanese led, but any Western policy aimed at stabilizing Lebanon must support working towards this goal.

## About the author

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Cover image: A Hezbollah guard of honour holds Lebanese and Hezbollah flags during a Hezbollah 'victory over Israel' rally in the suburbs of Beirut, on 22 September 2006.

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