

Hezbollah's Grip on Lebanon Is Weakening. Here's How Washington Can Help.

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Articles & Testimony

Instead of continuing to work with corrupt Lebanese state institutions, the United States should pursue opportunities with the business community and civil society, whose members are eager to separate themselves from the group.

In a televised speech last week, Hezbollah's leader, Hassan Nasrallah, outlined a detailed plan for how a militia under U.S. sanctions will send tankers of U.S.-sanctioned fuel to be distributed by a U.S.-sanctioned company. Hezbollah is planning to use a subsidiary firm to sell Iranian fuel in Lebanon amid severe shortages of fuel and diesel. This violation of U.S. sanctions could trigger penalties on Lebanon, which is already buckling under a historic economic crisis. Yet Lebanon's brand-new government did not say a word. Not a single minister from the new governing coalition—formed earlier this month after over a year with no government—commented on how the country would address Hezbollah's defiant and arguably illegal plan.

Hezbollah, long designated a terrorist organization by the United States, has been effectively running Lebanon for years. The group maintains a marriage of convenience with the country's political class: Both sides benefit from a status quo in which political elites are protected and Hezbollah can continue regular violence against Israel and regional warfare on behalf of Iran, while ordinary Lebanese people suffer.

None of this is surprising. But what is surprising is that Hezbollah's iron grip on Lebanon's politics and economy is starting to loosen—which gives the Biden administration a chance to change an approach that's long been failing. Even as the country's leaders remain beholden, Hezbollah no longer enjoys the support it once had among Shias. In

particular, many businesspeople are more interested in jobs than in Hezbollah's resistance struggles, while today's youth grew up long after the Lebanese civil war and the subsequent period of Syrian dominance that helped bring Hezbollah to power.

Lebanese politics sadly haven't changed much over the last decade or two—and neither has the U.S. playbook for addressing the country's intermittent crises. Now, however, the Biden administration has an opportunity to take advantage of Hezbollah's weakness and bolster the viable political alternative to the group's rule that Washington has long hoped for. By jettisoning its traditional focus on Lebanon's failed institutions and instead investing in the business leaders, activists and youth who are increasingly frustrated with Hezbollah, the U.S. can empower a new generation of Lebanese Shias who actually do want change—and may finally have the power to make it.

Since its inception, Hezbollah has portrayed itself to its fellow Shias as a protector and a provider. Its popular support was based on three pillars: providing social services, resisting Israel's occupation of southern Lebanon and forging a common Shia identity. Today, Hezbollah's social services network has shrunk because of financial problems caused in part by U.S. sanctions. The idea of resistance has lost its power since Hezbollah intervened in the Syrian war to protect Bashar-al Assad. And Shia identity no longer binds many Lebanese to Hezbollah as strongly, as the community has started to feel more isolated from the region.

In 2019, Lebanese from all sects hit the streets to protest corruption and economic difficulties. Since then, political alternatives to Hezbollah within the Shia community have become more robust. Emerging groups are starting to express significant opposition to Hezbollah: business networks, students who participated in the protests (which Hezbollah opposed, in some cases with physical violence), social media-savvy activists and young professionals with no memory of the post-civil war years that brought Hezbollah into the political fold. These groups' primary concerns are economic and social rather than political or ideological.

Meanwhile, Hezbollah's parallel economy is collapsing. U.S. sanctions on Iran have crippled the flow of cash from Iran to Hezbollah, and the group's involvement in regional military operations—mainly in Syria—have further drained its coffers. This has affected its ability to provide social services, aid and nonmilitary employment opportunities.

There are also signs of a rift between Hezbollah and its traditional supporters. The group is increasingly in conflict with the Amal Movement, a political party that has long allied with Hezbollah. Other allies have been sanctioned by the United States and lost popularity, particularly after the 2019 protests drew attention to their corruption. According to a survey earlier this year, Hezbollah's main Christian ally, the Free Patriotic Movement, has the support of just 15 percent of Lebanese Christians. Within Hezbollah's own ranks, financial difficulties are widening the gap between military and nonmilitary members. Hezbollah is still paying its military personnel in dollars while the rest receive their payments in the Lebanese pound, which has lost around 90 percent of its value.

In light of this weakness, new groups are emerging that could be critical to breaking Lebanon's vicious cycle. Shias, who constitute more than 30 percent of Lebanon's population, are the most important constituency for building an anti-Hezbollah coalition because they form the bulk of the group's support. Lebanon's other groups—notably, Sunnis, Christians and Druze—will likely support a strong Shia alternative to Hezbollah, in part because they increasingly share a frustration with the country's broken politics.

I've interviewed many Shia businesspeople in Lebanon, Africa and the Gulf who have expressed willingness to work with the international community—and outside Hezbollah's orbit—to provide jobs and loans. They have been giving political and financial support to activist and civil society groups in Shia towns and cities. Their motivation is to establish roots in their communities, but also to spare themselves from sanctions or financial isolation by distancing themselves from Hezbollah. Prior to his assassination earlier this year, Shia political activist and intellectual

Lokman Slim was closely involved with this informal grouping of civil society and business leaders.

This enthusiasm suggests a different political path for Lebanon and an opportunity for the United States and the international community to change their focus. Instead of continuing to work with Lebanese state institutions that are weak, corrupt, and Hezbollah-controlled, the U.S. should divert its focus to invest in this unofficial but increasingly influential group. The eventual goal would be a more structured civil society organization that enjoyed strong relationships with the U.S., Europe and international institutions and focused on creating economic opportunities, empowering new political voices and offering a meaningful alternative to Hezbollah for frustrated Lebanese Shias.

The group should include business leaders, civil society representatives, members of the Lebanese diaspora, activists and other influential Shias. Donor nations including the United States and international institutions like the World Bank and IMF could work with the Lebanese business community to structure, develop, fund and manage the organization. The critical thing is that this would take place outside Lebanon's state institutions and political parties.

To avoid the potential pitfalls of working outside formal government structures, international involvement will be critical. The international community should focus on investing in basic services such as health and education, expanding economic opportunities outside Hezbollah, and protecting journalists and activists. This can be done by supporting private-sector initiatives, grassroots organizations working to provide services in smaller communities and independent media organizations. Creating economic opportunities is especially important today, as the Lebanese private sector has collapsed and the middle class has mostly disappeared. Hezbollah has become the largest employer with the best access to hard currency. Many Shia—Hezbollah's traditional hiring base—are faced with a choice between relying on Hezbollah or starving.

This doesn't mean the U.S. should stop its longstanding policies of providing assistance to the Lebanese Army—especially given increased security concerns—and humanitarian aid. However, the U.S. can reorient those traditional aid channels to match its new focus on civil society rather than on formal institutions. Aid to the military should be structured to make sure pro-Hezbollah elements within the army do not benefit—elements that have reportedly targeted Lebanese activists. The U.S. can make protection of activists a condition of continued military aid. In addition, humanitarian aid should only go through civil society organizations, not politically affiliated NGOs. The United States in recent years has tended to target aid to organizations and charities linked to Lebanon's powerful political elites, rather than genuinely grassroots organizations. Meanwhile, aid to some anti-Hezbollah **civil society initiatives has diminished (<https://www.wsj.com/articles/u-s-strategy-in-lebanon-stirs-fears-1433886517>)** since the U.S. began nuclear negotiations with Iran.

In parallel, the U.S. can continue sanctioning corrupt political leaders. Sanctions— **such as through the Magnitsky Act (<https://www.washingtoninstitute.org/policy-analysis/heres-how-us-can-pressure-lebanons-new-government-tackle-corruption>)**—are a powerful tool to contain corruption when they are part of a broader policy, and the penalties on Hezbollah's allies have already hit the group hard. Finally, if sanctions are lifted on Iran as part of a new nuclear deal, robust mechanisms should be put in place to limit Hezbollah's access to hard currency from its sponsors in Tehran.

Both Hezbollah and Iran have long understood something that the United States and its European allies haven't: soft power. While the West aided Lebanon the old-fashioned way—supporting the political opposition, providing security assistance to the military and funding development programs—Iran was funding the Shia business community, media organizations, education and nontraditional initiatives like cybersecurity training, musicians and a pro-Iran youth group called the Mahdi Scouts. Hezbollah, with Iranian support, created an alternative state and parallel economy that provided services and jobs. Now, as Hezbollah weakens, the United States can use a similar soft-power approach to help Lebanese get access to the economic opportunities they want—and weaken Hezbollah in the

process.

Waiting for Hezbollah and the Lebanese political class to change has proven a waste of time and time again. But Lebanon itself is changing. Washington has an opportunity to take advantage of these changes by investing in the civil society groups that are already emerging as a viable alternative to Hezbollah. Lebanon's people are ready, and the opportunity is ripe.

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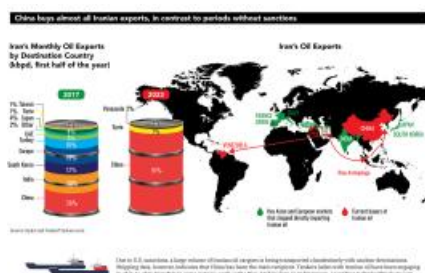
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