

## Cash Cabal:

### How Hezbollah Profits from Lebanon's Financial Crisis

by [Samara Azzi \(/experts/samara-azzi\)](/experts/samara-azzi), [Hanin Ghaddar \(/experts/hanin-ghaddar\)](/experts/hanin-ghaddar)

Jun 22, 2023

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In March 2020, Lebanon opted for a “hard default” on \$32 billion in sovereign debt, allowing the government to avoid negotiating with its Eurobond holders and investors. Beirut thereafter showed little interest in addressing the consequences of default, and the country’s economic meltdown worsened. As usual, the Lebanese people were the casualties, suffering amid what the World Bank has called a “deliberate depression.” This official negligence has cleared the way for a proliferating cash economy—which in turn has spawned a currency exchange scheme involving the central bank, foreign exchange agents, and Lebanese politicians. Hezbollah specifically has profited in areas ranging from real estate to solar energy, pharmaceuticals, and the illicit Captagon trade.

In this Policy Note, authors Samara Azzi and Hanin Ghaddar—a venture capitalist and a former Lebanese journalist—skillfully diagram the corrupt status quo and explain why entrenched actors want to avoid systemic change. But as the study makes clear, the future health of the Lebanese economy requires an overhaul, and the international community must now press for deep reforms and personal accountability. ❖

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