RSEP

The Lebanon crisis from international political economy perspective

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Abstract

For the past four decades now, Lebanon has experienced several upheavals in its political and economic dispensation which has had significant adverse effects on the lives of people. Currently, the World Bank mentions that it is facing a much worst situation since the end of its Civil war. The issue of the Lebanon crisis has caught the eyes of international political actors because of its dire consequences and momentum. This crisis is a consequence of the years of mismanagement of the state's economy, political differences, sectarian challenges etc. The life of the people living in Lebanon is a testament to the impact of this crisis. Due to its historic precedence, Lebanon has been entangled with diverse state actors as well as non-state actors such as Iran, Saudi Arabia, Hezbollah. The paper, through an international political economy—IPE being the interaction between politics and economy in the international space—looks at how the crisis is affecting and being affected. This kind of inquiry is significant because the crisis is mostly looked at from domestic and internal causes. The paper makes plain the bidirectional relationship between IPE and the crisis, that is, the effect of the crisis on IPE and the effect of IPE on the crisis.

1. Introduction

According to the World Bank's 2020 fall report on Lebanon, the economic crisis bedeviling the state was phrased as 'deliberate'. This is because the economic crisis of Lebanon has been a result of long mismanagement, corruption, cronyism, and political gridlocks springing from sectarian leadership that stymied the progress of the state. Consequently, when mention is made of crisis, as far as Lebanon is concerned it encapsulates diverse issues ranging from political schisms, economic mismanagement, whooping level of corruption, sectarianism amongst others. And so, the breakdown of the state, which is depicted in the standard of living of the Lebanese people is consequent to this aforementioned cluster of challenges. This crisis is likely to be ranked top 10 and possibly 3 among the most severe episodes globally since the mid-19th century (World Bank, 2021) and the worst of Lebanon's since the civil war (Sanders, 2020).

Lebanon finds itself in the middle of the struggle between Iran and Saudi Arabia, a cold war type of situation—Iran showing support to the Shiite groups such as Hezbollah and Saudi Arabia also influencing the Sunni sect, which is one of the significant groups of people in the state. Aside from that, it also finds itself in the issues of the struggle of the Palestinian people, as such, Israel and the United States have taken a peculiar interest in its (Lebanon) political dispensation, not to also mention Syria, Kuwait, Qatar, amongst others, who are also actors influencing the Lebanon state.

From an international political economy perspective (IPE), which is the aim of this paper, the crisis could be assessed extensively, depending on how IPE has affected the crisis in Lebanon and how the crisis in Lebanon has affected IPE. The paper is divided mainly into two parts, the first part deals with the causes of the crisis. That is, it traces back to the historical background of the state, which in a Cause-and-Effect analysis, it will be considered as the Cause phase—the series of events that have given rise to the breakdown of the state thus 'the

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