

## MAJALAT POSITION PAPER

### European Union’s response to the Lebanese Protests - October 2019

Lebanon has witnessed, since 17 October 2019, first of kind countrywide non-sectarian protests in response to the government’s failure to find solutions to a multidimensional crisis that has been facing the country for years. The protests were triggered by the announcement of the new tax on WhatsApp and other call internet services, accompanied by a looming currency crisis and a shortage in gaz, fuel and wheat supplies. In the light of the protests, the government has presented a list of reforms that was rejected by the citizens as it doesn’t present actual remedial solutions and there is a lack of trust in the ruling class and its practices and policies that lead to this deteriorated situation<sup>1</sup>. Consequently, the protesters have asked the dissolution of the current government and the nomination of independent and expert representatives – outside the ruling parties and their affiliations- in order to adopt policies assuring socioeconomic and political rights of the Lebanese citizens and assure transparency mechanisms in their implementation and monitoring. Due to continuous protests and road blockages, the prime minister has resigned on the 29<sup>th</sup> of October 2019.

The European Union has declared that Lebanon is in need for the implementation of “much needed and long awaited structural and transformative reforms”<sup>2</sup> and affirmed its commitment to the stability of the country and the region, in addition to expressing its “support to the reform objectives that Prime Minister Hariri and the Government have outlined”<sup>3</sup>. **However, we find that this commitment should not be at the expense of the presentation of policy alternatives that promote rights based sustainable development. Also, the position withheld by the Union does not contribute to the achievement of the socioeconomic demands of the Lebanese citizens and is not aligned with the efforts made by this partner to maintain a proper dialogue with the Lebanese civil society.**

#### Shortfalls in supporting the reforms

- The EU “remains fully committed to the objectives agreed at the 2018 CEDRE conference”<sup>4</sup>. However, CEDRE is a set of projects lacking a vision that aims at enhancing productive as well as social sectors and expending the national economy. It is focusing on assuring revenues by offering project and measures conditioned loans such as the construction of several infrastructure projects (such as dams) without impact assessment on the environment in the concerned regions. Thus, there is a need in engaging in a multi-stakeholder dialogue around its modalities and impacts in

<sup>1</sup> [bit.ly/36I5Xy](https://bit.ly/36I5Xy)

<sup>2</sup> Declaration by the High Representative on behalf of the EU on the latest developments in Lebanon, 25 October 2019 17:37 <https://www.consilium.europa.eu/en/press/press-releases/2019/10/25/declaration-by-the-high-representative-on-behalf-of-the-eu-on-lebanon/>

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*



order to acclimate the proposed investments and plans to the people’s rights, needs and aspirations. On the long run, supporting investment and spending policies should necessitate systemic changes in order to assure inclusive social security schemes and fair redistributive systems.

- While the EU “expects an inclusive dialogue on reforms”<sup>5</sup> yet it has not consulted with the civil society that has majoritarily expressed its discontent on the proposed reforms , particularly that the EU tried to advance dialogue in the priorities of the Country Roadmap for the Engagement with the Civil Society (2014-2017)<sup>6</sup> and in the ongoing review process of the second format.
- While the manifestations and the protests and Lebanon has known aggressions and violations against protestors and media that were documented by organisations (reference to Sky....) the EU is called to support the protection of the enabling environment of the Lebanese civil society within its partnership in regards to freedom of expression, opinion and online activism, in order to ensure effective participation in policy spaces concerning economic and social reforms.

### **Towards an effective partnership in the light of the new government**

Upon the resignation of the Prime Minister Hariri and the dissolution of the current government, a new cabinet will be chosen is imperative to call for the non-adoption of the Hariri reforms in the future government and to opt for the policy alternatives that promote sustainable development for Lebanon. In this context, the European Union is called in its partnership with Lebanon to support and promote the protection and fulfillment of an inclusive human rights approach in its interventions, particularly in regards to :

#### **A- Democratic Transition**

- Supporting the creation of a new government of highly credible and independent experts.
- Supporting the creation of a participatory mechanism including civil society, independent experts, workers trade unions and syndicates to stop the reproduction of the old class by parliamentarians.
- Supporting the adoption of a fair democratic electoral law that guarantees transparency and proper representation of all and the organization of elections according to this law.

#### **B- Fighting corruption**

- Supporting the establishment of the National Anti-Corruption Commission in reference to the United Nations Convention against Corruption.
- Supporting the creation of a mechanism that monitors the conflict of interest on governmental and parliamentary levels
- Supporting the activation of the law on the Protection of Whistleblowers
- Supporting the implementation of the law of illicit enrichment
- Supporting the implementation of the law on access to information

<sup>5</sup> *Ibid*

<sup>6</sup> [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-lebanon\\_roadmap\\_for\\_engagement\\_with\\_civil\\_society.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eu-lebanon_roadmap_for_engagement_with_civil_society.pdf)

**C- Administrative/Political Reforms**

- Supporting the approval and implementation of the law of public tenders
- Supporting the adoption of the expanded administrative decentralization law according to sustainable development criteria

**D- Economic and Financial Reforms**

- Supporting the reform of the monetary policy and discontinue the supporting provided by the Central Bank (i.e. public money and depositors' money) to bank's profits whether through tools to maintain high interest rates or financial engineering or limited supporting for the real estate sector (which led to the sharp increase in prices).
- Supporting the restructuring of the tax system and supporting progressive taxation on income by supporting the following measures:
  - Taxing banks deposits as per categories (1% of depositors own 55% of deposits)
  - Fighting tax evasion
  - Reconsidering tax incentives on large multinationals and corporations
  - Reconsidering taxes on property: Reconsidering the exemption of religious endowments and imposing progressive taxes in accordance with social spending
  - Taxing the exploitation of marine and river properties
  - Reconsidering customs exemptions and customs evasion
- Supporting the restructuring of public sector by supporting the following measures:
  - Canceling or merging funds
  - Abolition of free private education and education grants for the public sector; and investing in the quality of public education
  - Regulate hospitalization spending by consolidating guarantor institutions and health spending in favor of a comprehensive and universal social protection system
  - Address the distribution of employment in the public sector (Lebanon has the highest proportion of military personnel per capita in the world with the highest percentage of deans per capita in the world (while the armed forces are unable to protect and control land, sea and air borders) .In addition to having the highest rate of teachers in the public sector per students and the highest hospitalization expenditure in comparison to health expenditure in the world.
- Supporting the abolition of monopolies (in the basic sectors of oil, medicine, erosion and in other markets where each company has a monopoly of not more than three) and strengthening customs levy, especially on some consumer goods
- Supporting the restructuring of wages in the public sector as 7% of employees form 50% of total wages and additional compensations exceed 50 times the basic salary.
- Supporting of the debt restructuring as a first priority by negotiating with lending banks, as most of Lebanon's deficit is internal

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