



# Lebanon Forms New Government Amid Economic Crisis, Ongoing Protests

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On January 21, Lebanese Prime Minister Hassan Diab announced the formation of a new Lebanese government, 85 days after nationwide protests triggered the [resignation](#) of former Prime Minister Saad Hariri. The new cabinet is comprised entirely of parties allied with the March 8 political bloc—headed by the Christian Free Patriotic Movement (FPM), Hezbollah, and the Amal Movement—leading some to describe it as [one-sided](#). The new government faces significant challenges, including ongoing protests and an escalating economic crisis. However, the political composition of the new government—and the perceived influence of Hezbollah in its formation—may reduce the willingness of some international donors to provide financial assistance absent significant economic reforms.

## The New Government

**What is the political composition of the new government?** [Lebanese press](#) has described the political breakdown of the cabinet as follows:

- **FPM** (Christian): 6 seats. Ministries: Defense, Foreign Affairs, Energy, Justice, Economy, Displaced Persons.
- **Diab pick** (Selected by the prime minister. No listed party affiliation, mostly Sunni): 4 seats. Ministries: Interior, Telecommunications, Environment, Education.
- **Hezbollah** (Shi'a): 2 seats. Ministries: Health, Industry.
- **Amal Movement** (Shi'a): 2 seats. Ministries: Finance, Agriculture & Culture.
- **Marada** (Christian): 2 seats. Ministries: Labor, Public Works.
- **Lebanese Democratic Party** (Druze): 2 seats. Ministries: Social Affairs & Tourism, Information.
- **Tashnag** (Armenian Orthodox): 1 seat. Ministry: Youth and Sports.

**What is Hezbollah's role?** Hezbollah held three ministries in the outgoing government (Health, Youth and Sports, and Parliamentary Affairs). In the new cabinet, Hezbollah has retained the Health Ministry and gained the Industry Ministry—a post it last held in [2018](#). Hezbollah also reportedly played a significant role in the selection of incoming Prime Minister Diab.

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**Who is not represented in this government?** All 20 ministers in the new government are affiliated with the March 8 political bloc. March 8 favors friendly ties with Iran and Syria, in contrast to the rival March 14 bloc, which maintains closer ties to the United States, France, and Saudi Arabia. Parties affiliated with March 14, which opposed Diab's nomination to the premiership, reportedly told the new prime minister that they would **not take part** in the new government.

- March 14 parties absent from the new government include the Future Movement (Sunni) led by former Prime Minister Hariri, the Lebanese Forces (Christian), Kata'eb (Christian), and the Progressive Socialist Party (Druze), which at times has fluctuated between the two blocs.
- While the outgoing government had a March 8 majority (reflecting the results of the 2018 parliamentary elections), it also included 11 ministers (out of 30) affiliated with March 14. Out of the 128 seats in Lebanon's parliament, 68 currently are held by March 8, 47 are held by March 14, and 13 MPs are not formally members of a bloc.

**What is the sectarian composition of the new government?** While the new government excludes the political opposition (March 14), it does include most of Lebanon's primary religious sects. As with Lebanon's parliament, the new cabinet is evenly split between Christians and Muslims and includes:

- 4 Sunni, 4 Shi'a;
- 2 Druze (Druze are classified as Muslim for the purposes of seat allocation, although they do not consider themselves as such); and
- 10 Christians (4 Maronite, 3 Greek Orthodox, 2 Greek Catholic, 1 Armenian Orthodox).

**What distinguishes this cabinet from the previous government?** Prime Minister Diab's cabinet will be the **first** Lebanese government since 2005 composed entirely of parties from a single political bloc. The new cabinet is significantly smaller than the outgoing government—20 ministers, a reduction of 10 seats—resulting in the combination of some ministerial portfolios. The new cabinet also includes the highest percentage of female ministers to date (six out of twenty), as well as Lebanon's first female defense minister.

**Does the new cabinet address protestor demands?** The ongoing protest movement, which began in October 2019 and led to the resignation of the previous government, called for a variety of reforms including the formation of a technocratic government, the **removal of all political elites**, and a change to Lebanon's confessional system (in which power is divided based on sectarian affiliation). In a partial concession to protestor demands, the new government contains few career politicians; more than half of the new ministers are university professors or administrators. However, observers have noted that many ministers have connections to established political parties (in some cases they formerly served as policy advisors). Many protestors have **rejected** the new government, and **clashes** between some protestors and security forces continue.

**How has the U.S. government reacted?** When asked whether the United States would work with the new Lebanese government, Secretary of State Michael Pompeo **responded**, "We'll have to take a look at it. I don't know the answer to that yet [...] We've been very clear about the requirements for the United States to engage. Lebanon has a terrible financial crisis that lays in front of it in just the weeks ahead. We're prepared to engage, provide support, but only to a government that's committed to reform." Regarding whether the United States would support the provision of international financial assistance to Lebanon, Pompeo **stated** that only a Lebanese government "capable and committed to undertaking real and tangible reforms will restore investor confidence and unlock international assistance."

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## Outlook

Economic concerns are likely to dominate the new government's agenda. Lebanon has a debt burden of about \$88 billion, roughly **160 percent** of the country's GDP, and debt servicing consumes **almost half** of all government revenue. Since protests began in October 2019, inflation has approached **30 percent**, and the Lebanese pound has depreciated roughly 40 percent against the dollar, leading banks to ration dollar withdrawals. Importers also have struggled to **purchase** critical goods like fuel, medicine, and food. Lebanese leaders currently are **debating** whether to repay a \$1.2 billion Eurobond maturing in early March, or to use limited foreign exchange reserves to **finance** imports.

The 2018 CEDRE donor conference pledged more than \$11 billion in loans and grants for Lebanon, but the funds are contingent on economic reform measures which have not been enacted. U.S. officials have stated that Lebanon will not receive a "**bailout**" unless it implements reform. Newly appointed Finance Minister Ghazi Wazni has **stated** that one of the priorities of the new government would be to secure up to \$5 billion in soft loans from the international community to finance the import of wheat, medicine, and fuel oil.

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