

# **“A roadmap for Lebanon: how to prevent it from becoming another Gaza”, an extended version of the Op-ed in Arabian Gulf Business Insight (AGBI), 9 Oct 2024**

The below opinion piece is an extended version of the opinion piece titled “[Lebanon conflict will only exacerbate existing economic crisis](#)” that was published in the Arabian Gulf Business Insight (AGBI) on 9th October 2024.

## **A roadmap for Lebanon: how to prevent it from becoming another Gaza**

**The country is battling core infrastructure damage, collapsed business activity and decimated tourism**

A major humanitarian crisis is unfolding in Lebanon. Israel’s ongoing vast, destructive violence unleashed on Lebanon has exacted a heavy human toll with over 2,300 killed [1], 10,000 wounded, destroyed core infrastructure including public utilities, water, sanitation, power and roads and degraded the public health system. Much of Beirut’s Dahieh and South Lebanon stands in ruin. More than 1.2mn persons are forcibly

displaced – roughly 20% of the population – in a country that is not equipped to handle a major humanitarian crisis; already bearing the burden of hosting the largest number of refugees per capita globally (including an estimated 200,000-250,000 Palestinian refugees). The humanitarian logistical and operational challenges are compounded by a near absence of financial resources. Massive scale of strikes (3,000 over two days) [2], the use of 2000-pound bombs, evacuation orders in the middle of the night, attacks on health facilities and hospitals – all indicate that Israel is following the same playbook of Gaza in the new killing fields of Lebanon.

In addition to the traditional weapons used like bombs and missiles, Israel has introduced a new type of warfare, adding a new layer of complexity and distrust. The detonation of handheld pagers and walkie-talkies in Lebanon ushers in a new class of warfare: the weaponisation of electronic communications. The deployment of AI-based tools creates a new class of warfare, including the use of Machine Learning to inform targeting decisions and an evacuation monitoring tool among others [3]. This opens a Pandora's box threatening trust in digital tools and the digital world from telecommunications to electric vehicles, personal computers and digital networks. Already, international flights are banning pagers and walkie talkies, which could theoretically be extended to any electronic device (be it phones or laptops).

The deaths and destruction heave an additional burden to Lebanon's existing misery and socio-economic-political-environmental polycrisis. October 2024 marks five years since the onset of Lebanon's financial crisis, the deepest in global financial history. The absence of a head of state for two years, and effective functioning and unified government has led to inaction. The banking sector's collapse wiped out lifetime savings for most Lebanese. and the epicentre of the problem; the failure to undertake structural reforms, restructure the banking system and the public sector, combined

with the absence of a social safety net inflicted severe socio-economic costs with poverty levels exceeding 50% of the population [4]. The country was already reeling from a sharp and disorderly devaluation (98%) of the national currency, hyperinflationary conditions, a collapse in public finances, a massive brain drain, and a collapse of GDP from US\$ 54.9bn in 2018 to US\$ 17.9bn in 2023 and falling further in 2024.

The war will only exacerbate the existing crisis: we are witnessing increasing population displacement alongside lower consumption, a collapse of business activity and tourism in the country. War could result in an interruption of schooling adding to the long-term scarring effects and of remittances (increasingly in cash), a major source of income for the impoverished population (remittances represent some 30% of GDP). Should the war deepen and extend for longer, GDP could contract by up to 25%, with a sharp decline in foreign trade, wider budget deficits, along with massive emigration, while inflation would accelerate, and the already-battered pound would become unsustainable with an expansion of the US\$ based cash economy.

In the 12 months of the war on Gaza, more than 80% of civilian infrastructure and more than 70% of civilian homes have been destroyed or severely damaged. Another Gaza scenario on Lebanese grounds, "Lebaza", with massive destruction of civilian infrastructure would result in an immense reconstruction effort and cost for a country that has neither the resources nor the ability to reconstruct. The war in 2006, which had a devastating impact on Lebanon, saw reconstruction costs exceed US\$ 10bn. Promised international funding under Paris II, was only partial: the pre-condition rollout of structural reforms was not undertaken.

### **What should be the priorities for Lebanon?**

Firstly, mobilisation of humanitarian aid. The UN and the caretaker government launched a Flash Appeal for US\$425. Mn.

The GCC has affirmed support (with the UAE leading with US\$100 Mn) and multilateral humanitarian aid has started flowing.

The needs of the displaced must be addressed, compounded by approaching winter. Food, shelter, medical, protection and schooling must be prioritised to avoid long-term scarring effects from a loss in school years even if a ceasefire were to be announced immediately.

Secondly, international access needs to be maintained through ports, airport and international roads to Syria and hinterland. In the 2006 war, Israel bombed Beirut airport's runways, forcing a complete shutdown until the 33-day war ended. This should not be repeated – there have been reports of multiple explosions near the airport. Road access is critical to ensure trade and mobility (including movement of displaced persons to safer areas).

Thirdly, it is urgent to elect a new President and form a new, empowered national emergency government, capable of building unity and gaining domestic and international confidence to address Lebanon's devastation, reach a ceasefire and plan reconstruction, the cost of which given the growing scale of destruction is likely to exceed US\$25billion.

[1] Source: Lebanon's Ministry of Public Health.

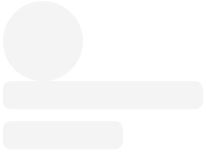
[2] The Israeli military carried out 3000 strikes in Lebanon on Sep 24-25, the deadliest since the 2006 war; to compare, US carried out less than 3000 strikes a year, excluding the first year of attack, in the 20-year US-Afghanistan war

[3]

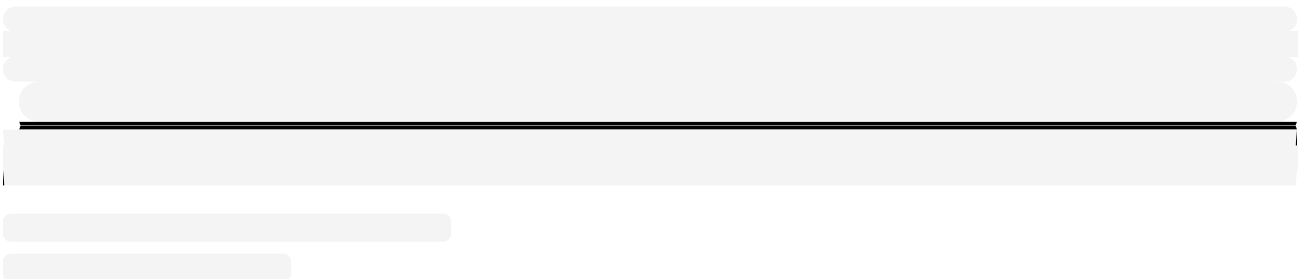
<https://www.hrw.org/news/2024/09/10/gaza-israeli-militarys-digital-tools-risk-civilian-harm>

[4] Lebanon poverty and equity assessment

<https://www.worldbank.org/en/country/lebanon/publication/lebanon-poverty-and-equity-assessment-2024>



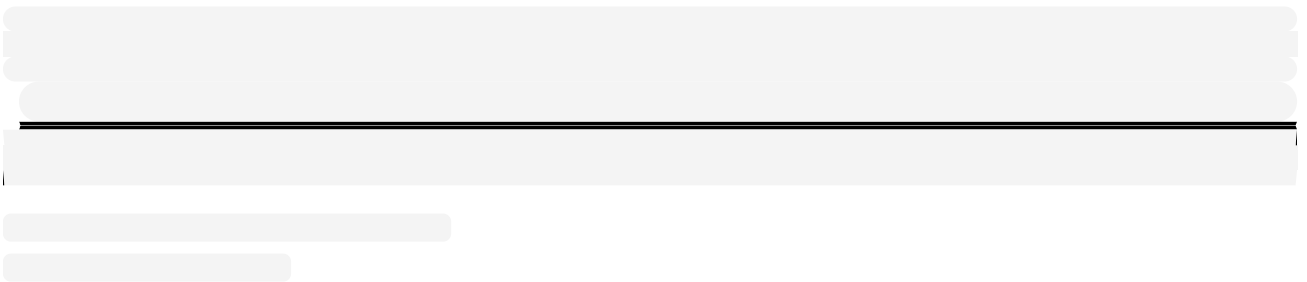
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