The Belt and Road Initiative in Lebanon: A Promising Initiative in a Complex Society

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**Abstract**

The study aims to investigate Lebanese-Chinese relations within the framework of the Belt and Road Initiative. Lebanon formally joined the effort in 2017; this paper emphasizes Lebanon’s geostrategic importance. The paper presents an assessment of the investment risks in Lebanon, which is considered an economically unstable country with a volatile security situation, with many internal and external political hurdles. The paper refers to the obstacles and challenges that the Chinese investor may face in Lebanese society. The study employs qualitative descriptive analysis to address the status of Chinese investment in Lebanon and the consequences of this partnership; the paper examines previous research related to the Belt and Road Initiative and the Lebanese political, security, and economic situation literature. Due to the deteriorating security situation, external intervention, and the economic crisis, the results reveal that Lebanon is not a top investment priority for China, which is a big impediment to China entering into economic cooperation with Lebanon. The findings of this study suggest that the Lebanese government should adopt an anti-corruption policy to build confidence for the Chinese investor, reduce unnecessary public spending, and hold a national dialogue to build confidence among the Lebanese parties.

**Keywords**: Sino-Lebanese Relations, Belt and Road Initiative, Risk Assessment, Lebanese Politics

**JEL Classification Code**: F15, F68, N15, N35, O53

1. Introduction

For a long time, China has been Lebanon’s most important trading partner. Chinese goods, which are of outstanding quality and affordable to all residents, are a key source of revenue in the Lebanese market. Lebanon, on the other hand, became a strategic partner of the Belt and Road Initiative in 2017, transforming the relationship into a long-term partnership. The geography of Lebanon, as well as its open and flexible economy, make it a vital partner for China in the eastern Mediterranean. There is a growing impression that China has recently increased its cooperation with the Arab world, with Lebanon playing a crucial role. When it comes to foreign meddling in Lebanon’s internal affairs, China is neither interfering nor pushing its political ideology on the country. The declared objective is to establish commercial ties with the MENA region and to achieve its declared goals (Baije, 2018). Lebanon is therefore a highly prized strategic country on China’s map, and it has a prominent role within the Belt and Road Initiative.

The Lebanese economy, unlike that of other Arab oil-producing countries, cannot be compared to those of other Arab countries. Because of its strategic location in the Middle East, Europe, and North Africa, Lebanon is a perfect partner for China in achieving its geopolitical objectives. As a result, this alliance benefits China’s fundamental interests. Lebanon and China have inescapable economic links that cannot be broken. China is likely to discover a Mediterranean alternative to Lebanon. This economic link, however, cannot be replaced.

This long-standing connection with the Chinese cannot be eluded or damaged by Lebanese leaders. Since 2006, the Chinese forces of the United Nations Interim Force in Lebanon (UNIFIL) have been participating in maintaining...
peace and security in southern Lebanon. As a result, China has contributed to Lebanon’s sense of security in addition to its economic contributions (Xinhua, 2020). China places a higher value on Lebanon as a result of the reconstruction of Syria and the significant role it has played in this process.

A high-level Chinese delegation recently presented a number of infrastructure projects for Lebanon as part of the Belt and Road Initiative (Belt & Road News, 2019). The Lebanese side, on the other hand, has been waiting for a positive or negative response to this day. Outside of Lebanon, Beirut has a diverse set of allegiances, making cooperative initiatives with the Chinese problematic. The problems that the Chinese-Lebanese partnership faces in the Belt and Road Initiative are the subject of this essay. These difficulties are discussed in this article, which includes a study of Lebanon’s shaky economy, an unstable security situation that discourages foreign investment, and extensive corruption that contradicts China’s approach.

China has never stopped providing economic and humanitarian aid to Lebanon, particularly in the situation of Syrian refugees. According to the vice-chairman of the CPPCC, China is willing to develop ties with Lebanon and boost economic ties in the near future. China’s strategy with Lebanon is centered on strengthening bilateral economic, technical, and scientific cooperation. China and Lebanon have had diplomatic relations since before the establishment of the Chinese republic in 1971. There have been numerous achievements. There have been numerous incidents between Lebanon and China throughout their history (Xinhua, 2018). Because of China’s peaceful policies and the openness, technology, and communications that have brought the distances closer, China is no longer an unclear country for Lebanon (Rahman et al., 2020).

Lebanese-Chinese ties are threatened by a worsening political and economic scenario in the country that is critical to China’s Belt and Road Initiative goals. This study is a must-read for anybody interested in Lebanese-Chinese ties because there have been no earlier books, papers, or studies on this topic. Only secondary sources and research that is tangentially relevant to the study subject are used in this work. Despite its tiny size, Lebanon’s unique position has made it a popular tourist destination for both Western and Eastern nations. As a result, when it comes to international relations, Lebanon is not a backwater. According to its current diversity of ethnic and linguistic groups, it may be regarded as an important political, cultural, and social center.

Among the issues examined in this study are those connected to Lebanon’s connection with China in light of the country’s current situation: “Are Chinese investments in Lebanon under the Belt and Road Initiative in jeopardy due to the challenging Lebanese situation?” To help the researcher come up with an answer to this topic, the researcher employed a qualitative descriptive study of existing research on the Belt and Road Initiative and the political, security, and economic conditions in Lebanon. To conclude their study, researchers contribute to this topic and generate new ideas in this bilateral interaction; Sino-Lebanese relations within the Belt and Road Initiative are analyzed, with special emphasis devoted to potential hurdles in Lebanon’s path. This research is based on government and historical records, as well as scientific studies and other secondary sources. Identifying the roots of insecurity, corruption, and external loyalties is essential to solving these problems.

2. The Lebanese Situation

Lebanon’s membership in the Belt and Road Initiative in 2017 paved the way for a Chinese-Arab-Lebanese collaboration. However, such a relationship with a large economic country necessitates the creation of the right economic, political, and security conditions. This article illuminates the gaps that could be a detriment to the proposed cooperation. Because the cooperation existed before 2017, the researcher refers to China as a real partner for Lebanon rather than a potential partner. Because of the increasingly deteriorating social and economic circumstances in Lebanon as a result of regional crises and internal divides, the Chinese government must reevaluate its objectives for Lebanon. Lebanon 2017 is not the same as Lebanon 2020, because the Lebanese infrastructure is no longer adequate, and numerous countries, such as France and Iran, have grown their influence in Lebanon, while the US maintains a rigid stance.

The Chinese desire to work with Lebanon must be accompanied by a new policy that is tailored to the current circumstances in Lebanon. To put it another way, the Chinese government cannot use the same policy as it does with other countries. Lebanon is a one-of-a-kind and exceedingly complicated situation. In addition to the armed Palestinian military presence and those militias inside Lebanon that utilize weapons in tandem with the Lebanese army, such as Hezbollah, Lebanon faces the threat of terrorism and a constant conflict with Israel. Foreign direct investment is not attracted to this volatile situation. Israel and Syria share territorial borders with Lebanon. These borders are dangerous, and there are never-ending disputes over where they should be drawn. Saudi Arabia, Iran, Turkey, Israel, and other countries use Lebanon to resolve their disputes. As a result of this unusual scenario, some Lebanese factions exist that get weapons and finance from other nations, making Lebanon a captive to the interests of others.

In addition to the Syrian crisis, Lebanon’s economy and infrastructure have been damaged by constant wars with Israel and, more recently, confrontations with terrorist groups. Lebanon’s financial and business systems are likewise under the authority’s jurisdiction. This has resulted in increased corruption, governmental debt accumulation,
and poverty rates. The Lebanese system is brimming with corruption, patronage, and sectarian strife. This is the polar opposite of modern management, and it has played a significant role in the current financial crisis (Koury, 1976). China has stated its intention to invest in Lebanon and strengthen the relationship on several occasions, but the government has failed to respond due to external constraints. Lebanon gained independence in 1943, but its regime remained sectarian. Lebanon has become a hub for the ambitions of several regional and far-flung nations. The President of the Republic is a Maronite Christian, the Prime Minister is a Sunni Muslim, and the Speaker of Parliament is a Shiite Muslim, for example (Ibid). In addition, Article 24 of the Lebanese constitution specified that Muslims and Christians had equal representation in Parliament (Lebanese Constitution). This proves that the sectarian strife that is destroying the country is justified. Lebanon is controlled by consensus democracy, which means that power is shared among sects and political groups. However, this system is problematic since it encourages corruption, theft, and non-state logic. Without a real solution, the crisis in Lebanon will continue to worsen. The only remedy appears to be a new, modern system that restructures Lebanese mentality.

The Lebanese Civil War (1975–1990) caused an economic crisis, and many Arab and foreign investors pulled out of the country; issues persist in Lebanon even today, although the civil war ended 30 years ago. A large number of projects have been relocated to Cairo, Amman, and other Arab capitals (Ibid). The truth is that Lebanon’s democracy is a ruse that serves as a cover for a long-standing hierarchy. Without returning to the civic state that has become a mirage, the feudal group and the clergy will determine Lebanon’s fate. Economic corruption, which has grown ingrained in the Lebanese system, has a negative impact on foreign investment and fosters distrust in government institutions. (Ushakova & Shatila, 2021). Therefore, it is necessary to address the Chinese foreign investment in Lebanon under a corrupt system, especially since China is a country of order and law. Economic corruption and insecurity have led many foreign investors to leave for other more stable areas.

The Lebanese government is attempting to attract international investment and encourage ex-pats to come to Lebanon and invest. The Investment Development Authority of Lebanon (IDAL) was founded in 1994 to attract international investment and establish a favorable economic and legal environment for them (Invest in Lebanon). This institution is overseen by the Prime Minister. Lebanon is known for its lack of restrictions on the flow of capital, which attracts foreign investors, and competent government organizations establish economic incentives for entrepreneurs. On the other hand, Lebanon’s dangerous security environment and widespread corruption have a negative impact on foreign direct investment, as well as questions about the judicial system’s integrity. Lebanon, for example, was placed 123rd out of 189 countries in terms of company productivity in 2016. These metrics highlight Lebanon’s precarious economic situation (World Bank Group, 2016). There is no doubt that the laws for foreign investment are necessary, but their implementation requires a strong system and close control.

Revenues between China and Lebanon increased from 40 billion in 2010 to roughly 58 billion in 2017, before declining to 50 billion in 2019.

Lebanon’s unique geographical location, human and social qualities make it a year-round magnet for international investment, but only if it follows a modern plan to combat corruption and security breakdown. Lebanon’s political geography has a negative impact on it, and it cannot be detached from its brutal conflict-ridden surroundings. Lebanon’s neutrality in regional conflicts and distance from them may help to restore monetary and economic stability, as well as create a conducive atmosphere for international investment. This might result in national peace and an unprecedented level of social wellbeing. All Lebanon requires is a well-thought-out strategy implemented by a trustworthy administration. Because of the flood of displaced Syrians and the disruption of trade, the Syrian conflict has had a negative impact on Lebanon. Lebanon would most certainly restore some of its lost economic capacity after the crisis is over. To summarise, the Lebanese economy is in crisis, and an immediate plan is required to address the looming monetary, political, and economic degradation, as well as to prevent the exodus of Chinese investors and other foreigners.

3. Troubled Economic Situation in Lebanon

The investor is not a citizen of any particular country but is drawn to it because of its security and economic stability. Unfortunately, Lebanon is in the midst of a major economic crisis, a depreciating national currency, and a lack of trust in the financial sector. As a result, the Lebanese economy cannot be classified as a desirable location for foreign investment. Lebanon’s economic dilemma has a long history and is not new (Jreisat & Bawazir, 2021). The Lebanese public debt is accumulating year after year due to wrong financial strategies, haphazard economic policies, and widespread corruption. The successive governments did not set policies to develop the national economy but borrowed money from states and organizations. After the end of the civil war, the public debt increased dramatically due to the borrowing strategy to finance reconstruction. Leveraging is not a solution. It has exacerbated the national economic crisis.

Consensual democracy has allowed all sects and parties to engage in power and, as a result, access to public funds,
resulting in corruption and theft. Traditional Lebanese politics are inextricably linked to huge corruption, which has resulted in an economic disaster. Corruption, nepotism, and a rise in party and sectarian loyalty have all resulted from Lebanon’s political system. As a result of allowing the government to pass corruption deals, the Lebanese people are a key contribution to the economic disaster (Hudson, 1976). Some partisan and sectarian groups, as well as businessmen, are plundering the Lebanese purse at the expense of the state (Adwan, 2004). Some donors, such as the World Bank and the International Monetary Fund, rely on Lebanon for aid, although doing so increases Lebanon’s budgetary burden. Dishonest economic policies were to blame for the Great Depression. As a result, Lebanon has lost its appeal as an investment location. Referring to the above figure, it can be noticed that the corruption perception index in Morocco is 53%, in Jordan is 55%, in Palestine is 62%, in Tunisia is 67%, in Lebanon is 68% and in Sudan is 82%.

The ascension of sectarian and partisan organizations to power resulted in the loss of state authority, a weakening of the rule of law, and an increase in thefts. Some NGOs in Lebanon that work to hold people accountable and verify corruption charges are effective, although they rarely result in change. Lebanon urgently requires sound economic policies, a contemporary political structure, and the abolition of negative international relations. The change will not fall from the skies; instead, it will take a national will and a shared vision. For development, peace, and prosperity, a stable economy is essential. Part of Lebanon’s budget goes to armaments, while the poverty rate increases without a fair social policy (Picard, 1988). Sectarian divisions led to obstruction of national political action, the destruction of the judiciary, and the uncontrolled robbery of the state (Kerr, 2005). On an Arab level, Lebanon’s political system is ideal, except that there is no proper implementation of political activity because the state is controlled by parties and sects. As a result, the primary issue is political behavior and a disregard for professional rules.

The Taif Agreement brought an end to the civil war and established a new quo and sharing-based political structure. It did not, however, put an end to economic corruption; rather, it sanctified it. The economic apparatus and formal restoration structures are inextricably linked to political leaders. Because financial institutions and formal reconstruction institutions have issues that are important to political leaders, public funds are available to untrustworthy organizations. The state budget was under the control of the President of the Republic, but after the Taif Agreement, the three presidents now have a role in financial policies (Traboulsi, 2007). The late Lebanese thinker Michel Chiha proposed the separation of economics from politics. However, Lebanese politicians have increased the links between politics and economics (Phares, 1995). The consensual democracy in Lebanon does not include only politics, but also the economy (Barak, 2000). The link between politics and the economy has contributed to more corruption and it has become difficult to hold the corrupt accountable in such a system. The Lebanese system is the result of a historical error. It is more useful to formulate a modern and new system in line with the diverse nature of Lebanese society.

Politics in Lebanon has become a way for warlords and sectarian leaders to plunder more money from the state treasury and to achieve the interests of foreign countries. It was expected that Lebanon would enter the stage of economic progress after the end of the civil war. However, political divisions and rampant corruption led to an exacerbation of the public debt. The great majority of Lebanon’s politicians are involved in economic corruption. The adopted strategy aims to achieve the interests of some groups and not the national interest or the interest of the people (Kravem, 1999). Because the Ministry of Finance is always associated with a political party, the financial policy serves the interests of a select few. Democracy is merely a slogan. In Lebanon, parties and sects are allowed to reign. This strategy disqualifies Lebanon from international investment and categorizes it as a corrupt state. The establishment of state parties is democratic, but prioritizing partisan interests over national interests is wrong. As a result, Lebanon will not thrive in the face of corruption. Due to a lack of finance, many rebuilding and infrastructure projects in Lebanon remain unfinished. Ministers and general managers are appointed by political parties, and economic policies are set by them. Politics and the economy are difficult to disentangle at the moment. Economic growth is supported by a stable political structure. As a result, there must be a difference drawn between political action and economic planning, i.e., political disputes and interests must be kept apart from economic plans. Because bad policies have a negative impact on the economy, the political system and public policy must be reconsidered.


Lebanon is located in a security-challenged geographic location, with the enemy Israel to the south and Syria to the north and east, both wrecked by the never-ending war. The topography of Lebanon is unique in that it connects Arab countries in terms of trade and cultural connection, and it is known as the “Gateway to the East.” However, regional security instability makes it a risky environment that is not appealing to foreign investment. The Chinese have declared their desire to invest in Lebanon and establish a strategic partnership, knowing that China has good relations with the Syrian regime and Israel, but the threat of terrorism will be imminent to Chinese interests if there is no end
to it. Consequently, there is a correlation between security stability and foreign investment. Security is a precondition for attracting foreign direct investment to Lebanon.

War with Israel, civil wars, anti-terrorist efforts, political divides that hampered security, and Arab soldiers entering Lebanon to fight Israel are only a few of the conflicts and crises Lebanon has seen. Lebanon’s security situation is still fluid, and it is far from secure. As a result, the Chinese must acknowledge the seriousness of the situation and proceed cautiously. China will be a beneficial investor in Lebanon because it has no regional adversaries and no military campaigns. China is seen as a prospective security partner because there is no internal Lebanese veto against economic involvement with China.

The Belt and Road Initiative’s inclusion of Lebanon challenge the Chinese government to construct projects in a volatile region. International investors are drawn to Lebanon because of its location and business rules, but security remains a concern. Lebanon has seen a number of direct and indirect crises, including the influx of Syrian terrorists during the Syrian crisis and the influence of the Saudi-Iranian rivalry on Lebanon’s politics and security. Lebanon is a small country with an unstable economy and a fractured populace. Aside from the large number of Arab migrants jeopardizing social security, the system is fragmented. Conflicts have arisen as a result of pluralism, subordination, and a lack of national allegiance.

The Taif Agreement brought the warlords to power and ended the civil war. After the civil war, Rafik Hariri and a group of corporate politicians supervised Lebanon’s rehabilitation. The lack of a competent government, on the other hand, hampered various development attempts, such as the installation of electricity. The composition of Lebanon’s parliament and senior positions reflects the country’s political and sectarian divisions. The partial solution is the Taif Agreement, which re-allocated authority among the factions. The best solution is to establish a civic state devoid of religious power. The Syrian army entered Lebanon in 1976 as part of an indirect Syrian mandate, and the Taif Agreement called for keeping on the Syrian forces to maintain security and stability (Kindt, 2009). Syria was a source of peace and security in Lebanon; the crisis intensified once Syrian troops left.

The Lebanese were divided into pro and anti-Syrian. In 2006, Lebanon and Israel fought a war, and in 2007, the Lebanese army battled terrorists in Nahr al-Bared. Between 2011 and 2015, military battles occurred between Jabal Mohsen and Bab al-Tabbaneh in northern Lebanon, which is part of the Sunni - Alawite conflict. In terms of legislation and infrastructure, the French mandate era remains significant in Lebanese history, as they created the principles of the contemporary state (LCPS, 2015). The Palestinian-Israeli conflict has harmed Lebanon since its beginning. In addition, it has attracted considerable numbers of Palestinian refugees to Lebanon (Hudson, 1976). Thus, regional conflicts have depleted Lebanon’s economy and infrastructure.

Several right-wing Christian organizations were incensed by the armed Palestinian presence, resulting in an armed conflict with no international support. The Taif Agreement was essential in bringing a stop to the hostilities and disarming the sides. Government debt has risen and public funds have been squandered as a result of reconstruction. The state debt continues to rise in the absence of a realistic economic plan. Corruption and partial governmental power led to public money pooling and partiality in rehabilitation projects (Baumann, 2010). As a result, Lebanon requires a new economic strategy that is more transparent and unbiased.

Geographically and in terms of population, Lebanon is the country that takes in the most refugees. Because several Arab countries, particularly those in the Gulf Cooperation Council, refused to absorb Syrian refugees, and European countries imposed strict conditions and only accepted a small number, Lebanon received the biggest proportion. In 2014 and 2017, the Lebanese Army fought and defeated ISIS and Al-Nusra Front, respectively. The lack of direct interaction between Lebanon and Syria has resulted in insecurity and economic instability. In Lebanon, democracy does not imply economic success, and the country’s economic predicament has been exacerbated by internal tensions. In addition, certain Lebanese factions still have weaponry, despite the Taif Agreement’s restriction to the Lebanese army, preventing foreign investment. Lebanese expatriates refuse to invest in their country due to the fragile security situation.

5. The Paradoxical Relationship Between Economic Corruption in Lebanon and Foreign Investment

The Lebanese economy is in decline, and the country’s public debt is steadily increasing as a result of economic malfeasance and bad policies. Due to a lack of control and a quota system, public administrations are plagued by corruption. Corruption has resulted in a drop in public sector productivity and the government’s pursuit of a privatization agenda, given that private administrations can achieve achievement that is impossible for Lebanon’s public administration to attain. Party and sectarian leaders, on the other hand, play a significant role in this new system, which has contributed to widespread corruption and the destruction of the national economy. A huge sum of money meant for Lebanon’s reconstruction was stolen in one way or another, and ministries and high-ranking jobs were split among parties and sects. As a result, each sect is protected in public administration, resulting in an increase in partiality.
and a severe impact on the judiciary’s functioning, which has become reliant on parties and sects.

The Lebanese government was good at borrowing from donor countries and international financial institutions, but not so good at formulating new economic strategies and growing the national economy, which contributed to the national currency’s depreciation and the accumulation of public debt. Official stealing has become a technique for several state development councils and agencies, such as the Council of the South and the Council for Development and Reconstruction (Adwan, 2004). Some accounting auditors believe that out of US $ 6 billion, 2.4% was spent on actual projects. In 2001 the United Nations published a “corruption assessment report on Lebanon,” which stated that the Lebanese state wastes more than US $ 1.5 billion annually due to corruption policies, which means about 10% of the annual GDP (UN, 2001). Unfortunately, the loyalty of public officials is to the leader of the party and the sect, and not to the Lebanese state. A UN report indicated that more than 43% of international companies in Lebanon pay bribes, which indicates that this pattern of dealing does not apply only to the Lebanese, but to all those who have business in Lebanon (UN, 2001).

Some international reports indicate that foreign aid to Lebanon has the opposite effect. Instead of contributing to the improvement of Lebanese society, it goes into the pockets of politicians. In Lebanon, economic corruption has resulted in high pricing and poor service quality. In industrialized countries, a politician is hired for a set length of time to combat corruption and achieve economic success. Politicians in Lebanon wield total power, which is legally protected and a major source of corruption. In developed countries, laws have been put in place to prevent corruption, while in Lebanon these laws are still absent (Whitton, 2001). Occasionally, statesmen will break the law to further private interests. Modern laws and an independent court are the most effective deterrents against corruption. More corruption will result if laws and the judiciary are violated, as they are in Lebanon. The Lebanese system has made it necessary for citizens to have a leader to get public services or obtain employment in the public sector. Low public-sector pay and the depreciation of the national currency will enhance corruption and bribery rates (Mills, 2012).

Corruption, favoritism, and a lack of law enforcement result in inefficiency and, as a result, a decline in the quality of public services. As a result, strong governance is necessary for economic success (Finlay, 2016). In Lebanon, service quality is poor and costs are excessive, indicating mismanagement and internal corruption. Economic, social, and security crises are all caused by economic corruption. Furthermore, public debt accumulation is related to corruption. Corruption leads to mistrust between the citizen and the government, and the result may be a popular revolution, as is the case in Lebanon. Therefore, Lebanon will not be on the map of foreign investment if corruption remains without a radical solution. Economic corruption has negative repercussions on the Lebanese interior and the confidence of international partners in the public administration, and the situation of the citizen will be in poor condition (Ushakov, 2021).

6. External Interventions that may Hinder Foreign Investment

Lebanon is vulnerable to foreign intervention due to its small size and lack of a strong economy. By receiving financial, military, and political aid, sectarian and party differences have solidified the subordination of Lebanese groups to other countries. As a result, every Lebanese group perceives itself as threatened, and instead of focusing on national loyalty, they expand their regional or international reach. No indication of Chinese meddling in the Lebanese conflict has been made in history. China operates according to the principle of respecting the sovereignty of international partners. However, interventions from other countries may negatively affect the Lebanese-Chinese partnership. Lebanon was an arena for the Palestinian-Israeli, Syrian-Israeli, and Saudi-Iranian conflicts, in addition to the internationally supported civil war. Many countries, including France, Saudi Arabia, Iran, Syria, the United States, Turkey, and others, have interests in Lebanon that are pursued through internal organizations. The declaration of Lebanese independence is merely a slogan. Every Lebanese group has a connection to the outside world, whether it is religious, political, economic, or ethnic (Zahar, 2005). Although Lebanon was under French mandate as a result of the Sykes-Picot Agreement, France continued to have a significant role in Lebanese affairs. (Meier, 2017). France is a major political supporter of Lebanon, and it always organizes conferences to bring funding to the Lebanese treasury, and it has contributed to the success of the Doha conference in partnership with Qatar.

Iran wields significant influence in Lebanon by backing Shiites, particularly Hezbollah, an Iranian military force based in Lebanon. Many nations have placed it on their terrorist watch lists, causing economic and social problems in Lebanon. Iran gains from its influence in Lebanon because of the Middle East’s power balance and the threat to Israeli security (Tholens, 2017).

In Lebanon, the Kingdom of Saudi Arabia plays a significant influence. During the Taif conference, Saudi Arabia sponsored an end to the Lebanese civil war, and it played a part in Lebanon’s reconstruction. The Saudi-Iranian crisis, on the other hand, had a devastating influence on Lebanon’s interior (Rougier, 2011). There are extensive commercial relationships and long-standing political interests in Syria. Therefore, Syria cannot be separated from the politics and economy in Lebanon. In 2008, diplomatic
relations were established and ambassadors exchanged. Because of the relationships that various Lebanese groups have with certain countries, Lebanon remains subordinate to them. This circumstance will put Chinese investment at a disadvantage. China normally forms alliances with sovereign countries that make their own decisions, but the Lebanese case is unique and complicated (Aldulaimi, 2021).

7. Conclusion and Recommendations

The success of Chinese investment in Lebanon as part of the Belt and Road Initiative is far from certain. The paper mentioned a number of issues that Chinese investors face, including security and economic concerns, as well as perilous geopolitics. As a result, China is currently taking the risk of investing in the Levant. The researcher proposes that the Lebanese-Chinese collaboration be maintained, but with changes to the Chinese policy in place. China has solid relations with Israel and Syria, according to the publication, but Chinese investors will be helpless in the face of terrorist groups and global sanctions. Lebanon is at the center of international politics, and the Middle East is a violent and sensitive region. Many nations have intervened in Lebanon, according to the report, and China cannot rely on a collaboration with the Lebanese government because the decision in Lebanon is linked to an international agreement.

Corruption is still hindering the country from reaching its full potential. Almost every aspect of the output function is affected by the effect, whether explicitly or implicitly. The findings show that corruption lowers global living standards, increases government budget inefficiencies, slashes spending, reduces human resource efficiency, and stymies economic development. The effect of corruption will offset attempts to increase the factors of input quality. Hence, there are significant benefits from measures to combat corruption. The incremental gain of eradicating corruption is heavily weighted in all such legislative actions. Corruption would not only limit new ventures, but it would also reduce the per capita stock of equity as economic progress slowed. The negative relationship between corruption and spending is a powerful motivator for policymakers to combat corruption. Private investors seek returns and determine when the best returns from the least-variable investment are expected. These returns are certainly influenced by corruption.

By increasing dialogue between Lebanese religious groups, confidence-building is vital to reduce sectarian anxieties and bloodshed. The building of bridges and a rise in cultural confidence will be critical for inter-confessional dialogue. The simple reality that the major characters communicate together is the most important component of dialogue. Even if they don’t agree on much at first, their shared presence plays an important function. These dialogues can be viewed as an effective “defensive network” for the personal connections formed to reduce the length and intensity of violent breakouts.

Lebanon needs a strong economic partner and massive Chinese investments, but it may not be ready to conclude this partnership at present due to the great pressures on the Lebanese side. Due to the deteriorating security situation, external intervention, and the economic crisis, the results reveal that Lebanon is not a top investment priority for China, which is a big impediment to China entering into economic cooperation with Lebanon.

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