

# LERC RESEARCH PAPER SERIES

## **BILATERAL RELATIONS** LEBANESE EXPATRIATES IN THE GULF STATES (SITUATION REPORT -1)

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## HIGHLIGHTS:

- The Gulf States have in the past threatened Lebanon by using their influence to hold to ransom Lebanon's economy or to threaten the status of Lebanese expatriates, as a means to exert pressure. In 2003, for instance, following the airing of a program by New TV satellite station that was critical of the Kingdom of Saudi Arabia (KSA), the Kingdom indicated to Lebanon that the economic well-being of Lebanese expatriates working and residing in the Kingdom were at risk;
- The deterioration in regional and bilateral relations between Lebanon and the Gulf States began to schism in 2009 and has since then escalated due to Hezbollah's interference in the Syrian crisis. This deterioration has caused grave uncertainty, concerning potential economic sanctions, of the looming threat of deporting Lebanese expatriates, and fears of shutting down Lebanese businesses. Also, concerns existed regarding the banning of Lebanese citizens from entering the job market in the Gulf Cooperation Council (GCC) states, fear of GCC investors and governments withdrawing deposits from Lebanese banks, as well as imposing a travel ban to Lebanon. Distress also arose over the possibility of the GCC member states recalling their diplomats;
- July 2015, United Arab Emirates (UAE) Ambassador Hamad Saeed al-Shamsi stated that dozens of Lebanese nationals who were deported from the UAE in March of that year were carrying out "illegitimate activities in the Gulf nation;"
- March 2015, hundreds of Lebanese were deported from the UAE. Although no official reason was given by the Gulf state for the deportation of Lebanese families; the majority of those affected were Shiites;
- March 2015, Lebanese Prime Minister Tammam Salam held talks with the UAE Vice-president and Dubai's ruler Sheikh Mohammed bin Rashed al-Maktoum over the UAE's decision to deport around 90 Lebanese citizens from the country. Following their meeting, Sheikh Al-Maktoum vowed to follow up on the matter with his country's authorities, stressing that there existed no official decision to target the Lebanese living in the UAE. He noted that all measures taken against some Lebanese expatriates were merely security-related concerns and did not exceed this limit;
- January 2015, The UAE summoned Lebanon's ambassador to Abu Dhabi over remarks made by Hezbollah Secretary-general Hassan Nasrallah regarding Bahrain's violent crackdown on dissent and plans to alter the country's demographic balance;
- The UAE's decision in January 2015 came a few days after Bahrain summoned the Lebanese ambassador to Manama over Nasrallah's "unacceptable" statements, accusing the latter of "interfering in the internal affairs of Bahrain;"
- Reports surfaced in March 2013 indicating that the GCC was planning to deport 2,000 Lebanese expatriates over their ties with Hezbollah;
- In February 2013, 125 Lebanese expatriates (mostly Shiites) in the UAE were informed that they had to leave the country within one week or risk having their properties expropriated;
- In March 2011, a GCC diplomat serving in London said that the GCC had received from Bahraini, French, and U.S. intelligence reports confirming that members of Hezbollah and Iran's Islamic Revolutionary Guards were among those participating in the demonstrations taking place in Bahrain and in the eastern region of Saudi Arabia; and
- Between May and October of 2009, 45 Lebanese Shiites had either been denied re-entry visas or had been asked to leave the UAE, for "security-related" reasons.





## SITUATION UPDATE:

- February 2016, the government of Saudi Arabia announced that it was suspending a US\$3 billion aid package to arm the Lebanese military; this fund was earmarked to purchase military equipment from France. A further US\$1 billion was also canceled, which was supposed to have been allocated to equip the Lebanese Internal Security Forces. The announcement stated that the punitive measures were a response to Lebanon's failure to condemn the attack on the Saudi Embassy in Tehran in January of this year. This reaction seemed to have been in retaliation to Iran's accusation that Saudi Arabia carried out airstrikes against the Iranian embassy in Yemen's capital, Sana'a, although witnesses said the compound was intact. Other reasons for this cancellation is said to have been the hostile position taken by Lebanon against the Kingdom, resulting from the increasing domination of Hezbollah's influence on the State apparatus, as well as the various positions taken by the Lebanese Minister of Foreign Affairs. Saudi's action is seen as an attempt to exert pressure on the Lebanese government to restrain Hezbollah and to demonstrate more solidarity with all decisions taken collectively by the Arab League;
- February 2016, up to 90 Lebanese expatriates working in Saudi Arabia were said to have been sacked and deported, as part of the Gulf states' punitive campaign against Lebanon, over what Riyadh views as the country's increasing pro-Hezbollah and anti-Saudi stance;
- February 2016, Saudi Arabia, the UAE, and Bahrain warned their citizens against travel to Lebanon, in new escalatory measures against the Lebanese government;
- February 2016, Kuwait and Qatar have become the latest Arab Gulf countries — following Saudi Arabia, the UAE, and Bahrain — to call on their citizens to leave Lebanon or avoid travelling there unless absolutely necessary; and
- February 2016, the Saudi Ahli commercial bank decided to close its branches in Lebanon after years of operation in the country. The reasons behind the decision remain vague despite circulating reports that Saudi Arabia took this action to express its displeasure with Lebanon's foreign policy.

## CONCERNS:

Due to the present geopolitical context in the Middle East, the GCC-Lebanon relations are currently influenced mainly by the following concerns: a) national and regional security; b) the Sunni-Shiite conflict; c) the Iran-GCC conflict over their domains of influence in the Middle East; and d) the role of Hezbollah in the regional affairs. These concerns are the causes of divergence in the bilateral relations between the GCC, the individual Gulf States, and Lebanon. Consequently, security measures and national interests have become the main determinants of the GCC-Lebanon relations, especially when dealing with the issue of 'suspicious' Lebanese expatriates.

The key event signaling the deterioration of the relations between the GCC and Lebanon came in a letter addressed to the President of the Republic in March 2013, in which the GCC voiced its "extreme concerns" that Lebanon was failing to abide by its self-avowed disassociation policy toward regional events. "The council," the letter stated, "looks to Lebanon to abide by the policy in words and actions in order to prevent placing Lebanon's security and stability at risk or affect the interests of its people and their security."

There are an estimated 500,000 Lebanese working in the Gulf States who remit to Lebanon an average of 15 percent of total formal direct remittances, excluding indirect remittances whether in cash or in kind. In addition the Lebanese working in the Gulf States heavily contribute to the real estate, service and tourism sectors.

Major concerns as a result of the deterioration of these relations include: Deporting Lebanese working in the GCC; the fear of sanctioning Lebanese from entering the GCC, which would affect the inflow of remittances into Lebanon; concerns about closing Lebanese businesses in the GCC; anxiety about pulling out deposits from Lebanese banks and trepidation about banning GCC citizens from visiting Lebanon. Other concerns included: Banning GCC imports from Lebanon; suspending flights to and from Lebanon; suspending development and military and security aid packages to Lebanon; and eventually in the long-term, calling back the GCC diplomats from the Lebanese territory.



## **ACTIONS:**

Prime Minister Tammam Salam's statement in February 2016 further affirmed that "Lebanon will not forget the Kingdom's role in the Taëf conference that helped end the civil war in Lebanon, its large contributions to the reconstruction process afterwards [...] and its constant monetary, economic and military support in times of peace for its institutions [...], as well as the hundreds of thousands of Lebanese personnel from all sects who were embraced by the Gulf countries."

Hezbollah, on the other hand, dismissed the escalation of the Saudi-Lebanese crisis and related the suspension of the US\$4 billion aid package to Saudi's financial crisis, which is caused by the cost of the year-long war in Yemen and the plunge in oil prices.

The crisis further sharpened the divides between the March 8 alliance, which is led by Hezbollah and supported by Iran, and the March 14 of coalition, which is led by the Future Movement and supported by Saudi Arabia.

Although the banking sector in Lebanon has denied any withdrawal of deposits and is certain that it will not be affected if any withdrawal is to take place, the business leaders are expressing concerns over the schism in these relations and warn to its negative ramifications on the service and tourism sectors of the country.

Prime Minister Salam is said to have planned a visit with a high level delegation to the GCC countries to try and convince the Saudi government to go back on its decision and to lessen the damage done to the bilateral relations with the GCC States.

## **BACKGROUND OF THE CRISIS:**

At the heart of this bilateral crisis between Lebanon and the GCC is the obsessive concern of the GCC States with security and internal social order. The GCC countries heavily depend on foreign labor, be they unskilled, semi-skilled, or highly skilled, to maintain their economic growth and sustain their high standard of living. Because immigrants can and have been used by their countries of origin, by interest groups, and by their host countries to advance political and ideological agendas, they are increasingly seen as carriers of potential threats. Migration and security have become intertwined since 9/11 and its aftermath.

Migration issues are now matters of both international political negotiation and national security policies engaging the attention of heads of states and key ministries involved in defense, internal security, and foreign relations.

Despite the fact that it is unlikely that the GCC would engage in the mass deportation of Lebanese nationals because of the detrimental effects this action will have on various sectors of their economies, and also because of the long and profound relations between Lebanon and the GCC States, Lebanon should pay attention to these bilateral relations, if for no other reason than the fact that it has hundreds of thousands of nationals working in the region. Hence, there is an urgent necessity for Lebanon to wisely adopt a policy that protects its long-term interest with the GCC and to formulate a comprehensive national emigration policy, especially as the Lebanese themselves are one of Lebanon's main natural resources and their earnings and remittances the source of one quarter of its Gross Domestic Product. Lebanon should, therefore, deal wisely with the situation before it metastasises.

## **FOR FURTHER INFORMATION, CONTACT:**

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