

The Guardian

Budding business: how cannabis could transform Lebanon

Report proposes legalising billion-dollar cannabis industry to rescue ailing economy

Richard Hall in Brital

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Syrian refugees work in a field of cannabis plants in the village of Yammoune in Lebanon's Bekaa Valley. Photograph: Patrick Baz/AFP/Getty Images

The town of Brital, in Lebanon's Bekaa Valley, is a jarring contrast of poverty and ostentatious wealth. Busted-up old vans drive on potholed roads next to gleaming Bentleys and Range Rovers with no number plates and blacked-out windows. Unemployment is rife, and yet the landscape is dotted by large gated mansions.

The town is home to some of Lebanon's most powerful cannabis-growing families, who cultivate their crop openly in the fields nearby and possess a vast arsenal of weapons that has put them out of the reach of the law. Over the years, it has gained a reputation for being a no-go zone. But if economists and consultants are to have their way, Brital and the entire area will be transformed by the creation of a billion-dollar legal cannabis industry.

The Lebanese government will soon study proposals to legalise cannabis cultivation to export for medicinal purposes. The plan is part of a package of reforms proposed by McKinsey & Company - a global consultancy firm hired to come up with a five-year plan to rescue the ailing economy.

The decision to recruit outside help came in the wake of increasingly dire predictions about the country's finances. Lebanon is the third most indebted country in the world, with a debt-to-GDP ratio of 153%. The civil war in neighbouring Syria made a bad situation even worse: economic growth has dropped from 9% before the conflict to about 2% today.

In a 1,000-page report handed this month to the Lebanese president, Michel Aoun, McKinsey's team of consultants recommended boosting tourism, creating a banking hub and investing in avocado production.

But it was the proposition to legalise cannabis cultivation that caught the most attention. The idea was given added weight when Raed Khoury, the caretaker economy minister, endorsed the plan.

"The quality [of cannabis] we have is one of the best in the world," Khoury told Bloomberg, adding that the industry could be worth \$1bn (£760m) to Lebanon.

Most cannabis production in Lebanon is controlled by a collection of powerful clans in the Bekaa. The wealth they have accumulated over the years has made them a power unto themselves - armed to the teeth and willing to challenge the police and army when their livelihood is threatened.

Unsurprisingly, perhaps, they are sympathetic to calls for legalisation.

"They totally agree with it. It's a serious step towards reforming the Lebanese economy," says Qassem Tlaiss, a resident of Brital who acts as a representative of the powerful Bekaa clans known to farm cannabis.



Despite the military presence, the Bekaa Valley is one of the most fertile strips of land in the Middle East. Photograph: Giles Clarke/Getty Images

Tlaiss, who is not involved in cannabis production himself, says the region has been neglected by the government for decades, leaving people with little choice but to seek employment in the drug trade.

He blames the battle between farmers and the authorities for impoverishing the region further. The government makes periodic attempts to destroy the crop, which sometimes

results in gunfights.

About 42,000 arrest warrants are outstanding for the district of Baalbek-Hermel - mostly for offences linked to the drug trade. Tlaiss heads a committee set up by the Bekaa clans to call for a general amnesty for the region.

“This is one of the reasons why the region is so poor. No one can work because there are so many arrest warrants out against us. Anyone who is suspected of anything cannot find a job,” he says.

Cannabis has been grown in the Bekaa Valley since at least Ottoman times. The industry reached its peak during the chaos of the country’s 1975-1990 civil war, when an estimated 2,000 tonnes a year was leaving by illegal ports on the coast.

The Syrian war, which erupted in 2011 just over the border, is today contributing to another boom for the growers. Farmers say their trade has grown by 50% since 2012, as Lebanese authorities have turned their attention to border security.

Today they bring in an estimated \$175m-\$200m a year, exporting to the Gulf, Europe, Africa and North America. Lebanon is the third largest exporter of cannabis resin in the world, according to the UN Office on Drugs and Crime.

It is unclear whether McKinsey’s plan calls for the government to work with established farmers in the Bekaa, or build an entirely new industry. Previous proposals put to Tlaiss by Lebanese officials suggested granting licenses to existing growers.

But while the expertise is there, the Bekaa has long been a complex web of competing interests, and the Lebanese state figures low down in the pecking order.



Syrian refugees collect cannabis plants in a field in the village of Yammoune in Lebanon’s Bekaa Valley. Photograph: Patrick Baz/AFP/Getty Images

Tlaiss says the plan will face stiff opposition from Hezbollah, the Shia political party and militant group whose military strength rivals that of the Lebanese army, and for whom the Bekaa is a base of support and operations.

“Hezbollah is against it. They want to keep this region poor so they can attract young men to

fight for them,” he says. “They are holding the joints of Lebanese politics and they can do whatever they want.”

Lebanon held its first elections in nine years in May, but it has still not formed a government. Decision-making here - especially involving big reform efforts - requires consensus among the country’s rival sects, which is rare.

“If you look at the history of reform attempts in Lebanon, it has been looked at from a purely political angle,” says Nassib Ghobril, the chief economist at Lebanon’s Byblos Bank. “If a reform is implemented and one side takes credit for it, it will be considered as a loss to their opponents. It’s a zero-sum game.”

And when things are agreed upon, rampant corruption tends to limit their effectiveness. Lebanon is ranked 143rd in the world in Transparency International’s index on corruption.

Walid Jumblatt, an MP who is the most vocal advocate for cannabis legalisation in the Lebanese parliament, questions the necessity of bringing in McKinsey. “I’m not going to read this bullshit report. I proposed this idea a long time ago. We did not need to pay a million dollars and a half to achieve a conclusion that we can legalise cannabis.”

Despite his reservations about the report, he still supports the idea. “It could be done, in theory. It could be one factor of improvement and development for the abandoned areas of Baalbek and Hermel.”

McKinsey declined to comment for this article.

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