Lebanon and the Uprising in Syria: Issue for Congress

Rebecca A. Hopkins
Analyst in Middle Eastern Affairs

February 2, 2012
Summary

As Congress exercises oversight and prepares to consider programs for Lebanon in the coming year, some observers have expressed fear that Syrian instability may negatively affect Lebanon. Syria exerts a strong political influence on Lebanon and Syrian business interests remain prominent in the Lebanese economy. Both Lebanon and Syria have diverse societies where ethnic and sectarian groups compete and cooperate as they seek power within the confines of a rigid political system. Primary concerns about the implications of Syrian unrest include:

- Negative effects on the Lebanese economy;
- Incursions by Syrian forces into Lebanese territory;
- The cross-border transfer of arms to Hezbollah and the Syrian opposition; opportunities for suspected Al Qaeda supporters; and,
- The migration of Syrian dissidents and refugees to Lebanon seeking safe haven.

Continued unrest could exacerbate all of these problems, while complicating sectarian relations in Lebanon, reshaping Hezbollah’s strategic position, and contributing to regional instability. Although Syrian troops withdrew from Lebanon in 2005, Syria continues to exercise influence through its patronage relationships with members of the pro-Syrian and Hezbollah-affiliated March 8 governing coalition. This coalition includes Hezbollah, the Shiite party Amal, the Maronite Christian Free Patriotic Movement, and the Druze-led Progressive Socialist Party (PSP). Its members have mostly supported the Asad regime since unrest in Syria began in early 2011, complicating Lebanese politics and Lebanese-Syrian relations. Despite these complications, many analysts agree that the major political players in Lebanon share a desire to insulate Lebanon from the unrest in Syria and avoid risking domestic conflict by dramatically upsetting the current Lebanese balance of power. However, the fractious nature of Lebanese politics makes discord likely; a small provocation could easily disrupt the tenuous peace. Increased unrest in Syria or dramatic regime change there may incite instability in Lebanon.

These factors also may affect the goals and implementation of U.S. programs in Lebanon, which include strengthening Lebanon’s weak democratic institutions, limiting Iranian and Syrian influence in Lebanon’s political process, and countering transnational threats from Hezbollah and other militant groups through security assistance. Congress may review U.S. priorities and programs and consider the following questions in relation to future U.S. policy in Lebanon:

- What are the rationales for key U.S. foreign assistance programs related to Lebanon’s security forces, border control, and efforts to combat terrorism? How might unrest in Syria and potential spillover effects challenge the assumptions and viability of U.S. programs? How might prolonged unrest or civil war in Syria affect relations among Lebanese groups? How might U.S. assistance limit potential negative effects?
- How are Lebanese political leaders and groups responding to events in Syria? How has the unrest and the potential for regime change affected Hezbollah’s strategic position and outlook? To what extent should U.S. policymakers seek to impose or remove conditions on U.S. assistance to Lebanon in light of events?

For more information on Lebanon, please see CRS Report R40054, Lebanon: Background and U.S. Relations, by Casey L. Addis and contact Christopher Blanchard, Analyst in Middle Eastern Affairs, at extension 7-0428.
Contents

Overview.......................................................................................................................................... 1
Lebanon: Context and Recent Developments.................................................................................. 3
    Government Collapse and New Pro-Syrian Cabinet ................................................................. 3
    Special Tribunal for Lebanon, Hezbollah, and Syria................................................................. 4
Syrian Unrest and Lebanese Political Dynamics....................................................................... 5
    Hezbollah and the March 8 Coalition.................................................................................. 5
    The March 14 Coalition ...................................................................................................... 6
    Lebanese Christians and the Maronite Church.................................................................... 6
Current Effects of the Syrian Unrest on Lebanon ..................................................................... 7
    The Economy ...................................................................................................................... 7
    Border Control .................................................................................................................... 8
    Arms Transfers, Hezbollah Arms, and Militants ................................................................. 9
    Population Movements...................................................................................................... 10
How Might Future Events in Syria Affect Lebanon? ................................................................. 11
    Possible Impact on Lebanon............................................................................................... 11
    Hezbollah and Regional Implications................................................................................. 11
Issues for Congress........................................................................................................................ 13
    U.S. Security Assistance to Lebanon................................................................................... 13
    International Sanctions and U.S. Economic Support to Lebanon ........................................... 15
    Legislation in the 112th Congress....................................................................................... 15
Conclusion..................................................................................................................................... 16

Figures

Figure 1. Lebanon: Map and Key Indicators ................................................................................... 2

Tables

Table 1. Key Political Players in Lebanon....................................................................................... 3
Table 2. U.S. Foreign Assistance to Lebanon, FY2008-FY2012................................................... 14

Contacts

Author Contact Information........................................................................................................... 16
Overview

As Congress exercises oversight and prepares to consider programs for Lebanon in the coming year, uncertainty about Syria’s future is now raising questions about how unrest there may affect the security and stability of Lebanon. While many analysts posit that the government of Syrian President Bashar Al Asad will fall, specific outcomes and timelines remain subject to debate. Lebanese concerns center on the potential for conflict or regime change in Syria to disrupt Lebanon’s security directly and to reshape the context in which Lebanon’s fragile sectarian political balance has endured since the end of the Lebanese civil war in 1990.

A complex relationship exists between Lebanon and Syria as a result of geography, history, and networks of political, economic, and social ties that bind the countries’ populations. Over time, Lebanese leaders have sought to manage the influence of their larger and more powerful neighbor while maintaining domestic stability and preserving strong bilateral economic ties. Syrian leaders have sought to influence developments in Lebanon in order to prevent forces hostile to the Syrian government from consolidating a position of strength there. This approach has often led to direct Syrian intervention in Lebanese affairs. At present, Syria continues to exert a great deal of influence in Lebanon through its patronage relationships with Hezbollah and the Hezbollah-affiliated, pro-Syrian March 8 governing coalition. The outsized role that Syria plays in Lebanon’s affairs and its role as a lifeline for Hezbollah further raises the stakes of the unrest for both Lebanon and Israel. Hezbollah and the Asad government have warned that third-party intervention in Syria’s crisis could lead to regional conflagration, widely interpreted as a message for Israel.

The unrest in Syria and the possibility for spillover into Lebanon affect the current policy priorities of the United States, which include preserving regional peace, strengthening Lebanon’s weak democratic institutions, limiting Iranian and Syrian influence in Lebanon’s political process, and countering transnational threats from Hezbollah and other militant groups. Since 2006, Congress has authorized and appropriated hundreds of millions of dollars for Lebanon, with parallel goals of supporting the implementation of United Nations Security Council resolutions; reducing sectarianism and unifying national institutions; providing military equipment and basic supplies to the Lebanese Armed Forces (LAF); and providing support to the Internal Security Forces (ISF) for training, equipment and vehicles, community policing assistance, and communications. These programs began in the wake of the withdrawal of Syrian military forces in 2005 and the Israel-Hezbollah war of July and August 2006. Over the last five years, U.S. programs have steadily improved the capabilities of nonsectarian security forces in Lebanon, while Lebanese politics have remained deadlocked by competition between rival camps defined

---

1 For more information on Lebanon, see CRS Report R40054, Lebanon: Background and U.S. Relations, by Casey L. Addis. For more information on the situation in Syria, see CRS Report RL33487, Unrest in Syria and U.S. Sanctions Against the Asad Regime, by Jeremy M. Sharp and Christopher M. Blanchard.

2 Syria is an important interlocutor between Hezbollah and its main patron, Iran. Iranian weapons transit through Syria to Hezbollah caches in Lebanon. For more information on Hezbollah, see CRS Report R41446, Hezbollah: Background and Issues for Congress, by Casey L. Addis and Christopher M. Blanchard.

3 Syrian forces were stationed in Lebanon during the Lebanese civil war, ostensibly as part of an Arab League peacekeeping force. They remained in Lebanon until forced to withdraw in April 2005. This withdrawal came as a result of international pressure fueled by a popular outcry in Lebanon over alleged Syrian complicity in the murder of former Lebanese Prime Minister Rafiq Hariri.
in part by their differing perspectives toward the assertive Asad government and the future of its Hezbollah allies. The prospect of political change in Syria is now challenging core assumptions that have guided the decisions of leaders in Lebanon, Syria, the United States, Israel and other regional powers. This report reviews recent developments in light of those assumptions and analyzes issues of potential concern to Congress as Members exercise oversight and prepare to consider new appropriations and authorization requests from the Obama Administration.

Figure 1. Lebanon: Map and Key Indicators

Population: 4.14 million (July 2011 estimate)
Major cities: Beirut (capital), 1.909 million (2009), Tripoli/Trablus (210,000), Zahle (60,000), Sidon/Saida (50,000), Tyre/Sur (20,000), Byblos/Jbeil (10,000)
Literacy: 87.4% (total population)
Land area: 10,400 sq km (0.7 the size of Connecticut)
Land borders: Israel (79 km), Syria (375 km)
Religion: Muslim 59.7% (Shia, Sunni, Druze, Isma‘ilite, Alawite or Nusayri), Christian 39% (Maronite Catholic, Greek Orthodox, Melkite Catholic, Armenian Orthodox, Syrian Catholic, Armenian Catholic, Syriac Orthodox, Roman Catholic, Chaldean, Assyrian, Coptic, Protestant), other 1.3%. Note: 17 religious sects recognized.

Industries: Banking, tourism, food processing, jewelry, and textiles
Key exports: Jewelry, base metals, chemicals, miscellaneous consumer goods
Export partners: Syria (26.8%), UAE (13.5%), Saudi Arabia (6.4%)
Key imports: Petroleum products, medicinal products, consumer goods
Import partners: U.S. (10.4%), Syria (10.3%), Italy (7.6%), China (7.5%)

Lebanon: Context and Recent Developments

Lebanon has largely escaped the protests and prolonged unrest that much of the region, including Syria, has faced since early 2011. Two primary factors distinguish Lebanon from other regional states and may explain this dynamic: the absence of a strong, repressive, and autocratic government and a long history of civil war ingrained in collective memory. At the same time, two main issues contributed to Syria-related domestic political wrangling in Lebanon in 2011:

- The collapse of the government on January 12, 2011, and the subsequent nomination of Prime Minister Najib Miqati, who was backed by Hezbollah and is widely viewed as pro-Syria; and,
- developments pertaining to the Special Tribunal for Lebanon.

Table 1. Key Political Players in Lebanon

<table>
<thead>
<tr>
<th>Political Leader(s)</th>
<th>Political Affiliation</th>
<th>Coalition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michel Suleiman (President)</td>
<td>Independent (Maronite)</td>
<td>March 8</td>
</tr>
<tr>
<td>Najib Miqati (Prime Minister)</td>
<td>Independent (Sunni)</td>
<td>March 8</td>
</tr>
<tr>
<td>Nabih Berri (Parliament Speaker)</td>
<td>Amal (Shiite)</td>
<td>March 8</td>
</tr>
<tr>
<td>Sayyid Hassan Nasrallah, Naim Qassem</td>
<td>Hezbollah (Shiite)</td>
<td>March 8</td>
</tr>
<tr>
<td>Michel Aoun</td>
<td>Free Patriotic Movement (Maronite)</td>
<td>March 8</td>
</tr>
<tr>
<td>Bechara Rai (Patriarch)</td>
<td>Maronite Patriarchate</td>
<td>N/A</td>
</tr>
<tr>
<td>Walid Jumblatt</td>
<td>Progressive Socialist Party (PSP) (Druze)</td>
<td>March 8</td>
</tr>
<tr>
<td>Saad Hariri</td>
<td>Future Movement (Sunni)</td>
<td>March 14</td>
</tr>
<tr>
<td>Amine Gemayel</td>
<td>Kataeb (Phalanges) Party (Maronite, other Christian sects)</td>
<td>March 14</td>
</tr>
<tr>
<td>Samir Geagea</td>
<td>Lebanese Forces (Maronite, other Christian sects)</td>
<td>March 14</td>
</tr>
</tbody>
</table>

Government Collapse and New Pro-Syrian Cabinet

Miqati’s nomination in January 2011 shifted power away from the Sunni-led, anti-Syria Future Movement, angering many Sunnis. Miqati was unable to form a government for nearly five months, partially because of sectarian contention. Political uncertainty culminated in a public demonstration in March 2011 in Beirut in which protesters called for an end to the confessional system and reportedly echoed the popular regional chant, “the people want the fall of the regime!” Clashes in the northern Lebanese city of Tripoli in June 2011, chiefly between Sunnis and Alawites, also underscored the delicate sectarian balance.
After a lengthy political impasse, Miqati announced a new cabinet on June 13, 2011. The pro-Syria, Hezbollah-led March 8 coalition dominated the cabinet, filling 18 of the 30 seats. Hezbollah continues to hold 2 of these 18 seats, in line with its cabinet representation prior to the shift from former Prime Minister Saad Hariri. Additional members from the March 8 coalition filled the remaining 16 of the allotted 18 seats. Independents filled the other 12; none of the seats were allotted to the predominantly Sunni, anti-Syria March 14 coalition. Walid Jumblatt, head of the Druze-led Progressive Socialist Party, switched his allegiance from the March 14 to the March 8 alliance, providing March 8 with crucial support to break the political stalemate.

While domestic political infighting played a significant role in the governmental gridlock, many analysts believe that the instability in Syria factored into Miqati’s inability to form a government. Some political players apparently wanted to wait and see how the Syrian uprising would affect Lebanon before forming a cabinet; others hoped to limit the influence that the unrest might have on Lebanon. Some Lebanese politicians suggest that Syria increased its interference in the hopes of engineering a cabinet dominated by its supporters.

**Special Tribunal for Lebanon, Hezbollah, and Syria**

On June 30, the Special Tribunal for Lebanon (STL) indicted four members of Hezbollah on charges of assassinating former Prime Minister Rafiq Hariri on February 14, 2005. Hezbollah, which had launched a public relations campaign to discredit the STL, disavowed the allegations and refused to turn over the named individuals. The group’s leader, Sayyid Hassan Nasrallah, announced that, “[The STL] cannot find or arrest the accused in 30 days or 60 days, 30 years or 300 years.” On February 1, the STL Trial Chamber announced its intention to try the four accused in absentia because of their disappearance and an inability to find them. The STL credited the Lebanese government’s “multiple attempts …to find the accused at their last known residences, places of employment, family homes and other locations.”

Many observers had expressed concern that the STL could derail the already tenuous government of Prime Minister Miqati, particularly given Lebanon’s financial responsibility to pay dues to the STL and Hezbollah’s objection to contributing these funds. However, Miqati announced on November 30 that Lebanon would adhere to its financial obligations to the STL, and his subsequent payment of these dues did not lead to the government’s collapse. Reportedly, Syrian

---

4 The March 8 coalition was named after demonstrations that occurred on March 8, 2005, during which hundreds of thousands of pro-Syria, Hezbollah-supported Lebanese protested the resignation of the pro-Syria Prime Minister Omar Karami on February 28, 2005. The coalition includes Hezbollah, the Shiite party Amal, the Maronite Christian Free Patriotic Movement, and the Druze-led Progressive Socialist Party (PSP). For more information, see: Patricia Karam, “On the Issues: Lebanon,” United States Institute of Peace, March 2007.

5 The March 14 coalition was named after the anti-Syria protests that took place on March 14, 2005, marking the one month anniversary of former Prime Minister Rafiq Hariri’s assassination. Between 800,000 and one million Lebanese protested in Beirut. Led by Saad Hariri’s Future Movement, the March 14 coalition includes the Kataeb (Phalange) Party and the Lebanese Forces. For more information, see: Patricia Karam, “On the Issues: Lebanon,” United States Institute of Peace, March 2007.


9 Special Tribunal for Lebanon, Decision to Hold Trial in Absentia, Case STL-11-01, February 1, 2012.

10 Lebanon was required to pay 49%, or $32 million, towards the costs of the STL. See: Lucy Fielder, “Tribunal Crisis Grows,” Al-Ahram Weekly, October 13-19, 2011.
President Bashar Al Asad instructed Hezbollah to allow Miqati to make the payment in order to maintain the continuity of the pro-Syria Lebanese government.\textsuperscript{11}

The debate over the STL underscores the inherent sectarian divides in Lebanon. The Sunni community views the STL as integral to holding Hariri’s killers accountable, while Hezbollah and the Shiite community decry the STL as part of a conspiracy to weaken Hezbollah and remove it as an obstacle to U.S. and Israeli policy in the Middle East. The Druze community vacillates between the two positions. The Christian community is split; some leaders support the STL while others deride its legitimacy, reflecting “deeper angst within the community as it struggles to contend with its waning power.”\textsuperscript{12} As a result, many analysts were concerned that the STL would ignite sectarian tensions and foster domestic instability, particularly given the disagreements within March 8 over the payments.\textsuperscript{13} Concerns about the possible impact of the unrest in Syria on Lebanon may have tempered the effects.

**Syrian Unrest and Lebanese Political Dynamics**

The Lebanese government has stated that its official policy on the Syrian uprising is one of neutrality.\textsuperscript{14} Although Lebanon sat on the United Nations Security Council in 2011, Lebanon did not vote in favor of resolutions criticizing the Syrian regime. Lebanon abstained from voting on the October 2011 U.N. Security Council resolution condemning Syria’s brutal crackdown. Nawaf Salam, Lebanon’s Special Envoy to the U.N., stated that “Lebanon is committed to defend the sovereignty of (Syria) and the unity of its people...but in order to protect Lebanon’s unity and stability, it abstains from voting.”\textsuperscript{15} Similarly, Lebanon did not vote for Syria’s suspension from the Arab League or opt to send delegates with the Arab League observer mission to Syria.

**Hezbollah and the March 8 Coalition**

Since the unrest started in Syria, March 8 has largely backed the Asad regime. Both Prime Minister Miqati and Parliament Speaker Nabih Berri, are pro-Syrian politicians, although President Michel Suleiman\textsuperscript{16} is largely viewed as neutral. Hezbollah has been particularly supportive of its patron, reiterating Asad’s claims that foreign agents who aim to destabilize the country have caused the unrest. In a speech given in December 2011, Nasrallah claimed that, “[t]here are some who don’t want civil peace or stability and want to destroy Syria. There are some who want to make up for their defeat and their inevitable loss in any change in the situation in Syria for the benefit of Israel.”\textsuperscript{17} However, by wholly supporting Asad, Hezbollah has found itself in a difficult position. The organization has largely endorsed the other popular uprisings in the Arab world, qualifying them as resistance movements; thus, many in the Arab world, and particularly Sunnis, view Hezbollah’s continued backing for Syria as contradictory. Prime Minister Miqati, who needs to maintain the support of March 8 while still working with other

\textsuperscript{12} Mona Yacoubian, “Lebanon’s Hariri Tribunal Hits Its (Anti?) Climax?” \textit{Foreign Policy}, July 1, 2011.
\textsuperscript{15} “Lebanon’s Stance on U.N. Syria Vote Creates Controversy,” \textit{Naharnet}, October 6, 2011.
\textsuperscript{16} Sometimes transliterated as President Michel Sleiman.
\textsuperscript{17} “Nasrallah Makes Rare Public Appearance, Says Group Better Armed,” \textit{The Daily Star}, December 6, 2011.
prominent political players, including those who are anti-Syria, is also in a political quandary. As a result, he has consistently reiterated his view that Lebanon should remain neutral with regard to the situation in Syria.

Hezbollah’s unwavering support for Syria has created some dissent within the March 8 coalition. Walid Jumblatt, head of the PSP, has notably and increasingly diverged from March 8’s position. Jumblatt, often referred to as the weathervane of Lebanese politics for the frequency with which he shifts his political alliances toward whichever side seems to be gaining dominance, has grown progressively critical of the Asad regime since January 2011 and has called for political reforms in Syria. He has refrained from saying outright that Asad should step down. However, on January 3, 2012, he implored Russia and Iran to reassess their positions on Syria and convince Asad that “fundamental regime change is the only solution for the unrest.” Jumblatt has also urged the Syrian Druze community not to join the attacks carried out by the Syrian army and police forces against the protesters.

The March 14 Coalition

In contrast, the Sunni-dominated, anti-Syria March 14 coalition is staunchly opposed to Asad. March 14 has expressed anger with Syria, accusing the Asad regime of violating Lebanese sovereignty by repeatedly launching incursions into Lebanese territory, and kidnapping Syrian and Lebanese nationals within Lebanon who are connected to the Syrian opposition. The coalition has also criticized the March 8 response to the uprising. March 14 members have been meeting with other regional powers, including Saudi Arabia, to prepare for expected changes in Syria should Asad fall.

The unrest in Syria has potentially provided March 14 with an opportunity to rejuvenate its base, which had lost its cohesion and energy after achieving its primary goal of driving Syrian forces out of the country. Coalition leaders, who suffered significant political losses after losing control of the government in January 2011, have rallied the Sunni-based constituency by expressing solidarity with the largely Sunni opposition movement in Syria and voicing support for the protestors. They have also visited Syrian refugees and publically called for Asad to step down. The downside to this mobilization is its potential to increase sectarian and political tensions in Lebanon, particularly among Christians who may fear an expected regional Sunni Islamist ascendancy and among Hezbollah supporters fearful of losing an important life-line to Iran.

Lebanese Christians and the Maronite Church

For Christians in Lebanon, the uprising in Syria presents a tricky situation. While many in the Christian community do not support the actions of the Asad regime, others fear that Asad’s fall may lead to a Sunni Islamist government that will discriminate against Christians and inspire the Lebanese Sunni community. The difficulties facing the Maronite Church exemplify this conundrum. Traditionally, the Maronite patriarch has aligned with the anti-Syria March 14 coalition. The current head, Archbishop Bechara Rai, is generally considered to have better relations with the Syrian regime and March 8 than his predecessor, Nasrallah Sfeir.

---

In September 2011, Rai suggested that the Syrian government required more time to implement the reforms to which Asad had previously agreed. He later claimed these comments were taken out of context, noting that the patriarchate “cannot relinquish any party and does not want to eliminate or marginalize any party, because Lebanon needs all its citizens, parties, and sects.”

Rai has also reiterated his concern for the Christian population in Syria, many of whom publically support the Asad regime, intimating that the end of Asad’s government could negatively affect the Syrian Christian population. Some states with close ties to Lebanon, including France, registered their dismay at Rai’s comments. Many within the Lebanese Christian community also expressed concern at his remarks, demonstrating an internal split. The March 8 coalition supported Rai’s comments, claiming that “a stable Syrian government is important for Lebanon.”

Though some Christians have joined the Syrian opposition, most Christian leaders in Syria continue to publicly support the Asad regime. This is partially because of Syrian Christians’ prominent government-supported role in the business community, but it also reflects Syrian Christian fears that a Sunni-led and potentially Islamist-dominated government will replace Asad.

Current Effects of the Syrian Unrest on Lebanon

The Economy

Pro-Syrian business interests are deeply influential within the Lebanese economy. The current unrest has significantly affected the Lebanese economy overall; the effects are particularly noticeable in trade relations, the banking industry, and tourism. Within Syria, the unrest has primarily impacted its oil and tourism industries. IMF estimates indicate that the Syrian economy may shrink up to 2% in 2012 as a result of the sanctions, a weakened currency, an expanding recession, and a significant decline in tourism. Some officials have speculated that a weak economy could cause Asad to fall within 6-18 months.

With the continued unrest in Syria and increased efforts to impose international sanctions, the Lebanese economy has come under increasing scrutiny from the international community. It remains unclear whether Lebanon will participate in the sanctions levied by the Arab League, which the organization has no legal mechanism to enforce. Lebanon voted against the sanctions.

---

26 Oil and gas exports comprise up to a third of state revenues and provide the biggest source of foreign currency. Tourism provides $7.7 billion annually.
27 Syrian officials have indicated that Syria has $18 billion in foreign currency reserves, which could support the regime for up to two years. Most outside analysts disagree with this figure, but a lack of transparency precludes them from doing so conclusively. See: Nada Bakri, “Sanctions Pose Growing Threat to Syria’s Assad,” New York Times, October 10, 2011.
29 The sanctions levied by the Arab League include “travel bans on high-level regime officials, freezing of their bank accounts, blocking the sale of “non-essential” commodities to Syria, halting transactions with the Syrian central bank (continued...)
However, Lebanon’s Economy Minister, Nicolas Nahas, who is Greek Orthodox, has publically announced that the country will adhere to them.  

Lebanon’s hesitation is unsurprising. Syria is Lebanon’s only overland trade route and is integral to Lebanon’s ability to export. In tandem, Lebanon provides Syria with an important trading partner. Bilateral trade between the two totals $560 million. Observers in Lebanon have already noted substantial price increases in many basic goods. Agreeing to impose the sanctions may significantly harm the Lebanese economy and subject it to Syrian reprisals.

The Lebanese banking sector figures prominently in Syrian-Lebanese economic relations. One economist notes that the banking industry would feel the primary effects of the sanctions; Syrian operations comprise 10% of consolidated balance sheets in Lebanese banks and Lebanese banks have loaned more than $1 billion to Syrian individuals and corporations. However, the effects of the sanctions on the banking industry remain unclear. The governor of Lebanon’s Central Bank, Riad Salameh, maintains that the Syrian government has not deposited any funds in the Bank and thus the Bank has not been impacted by the sanctions. Yet the annual report from at least one Lebanese bank, the Bank of Byblos, indicates that deposits have decreased by 20% over the past year.

According to the Lebanese Ministry of Tourism, tourism in Lebanon decreased by 25% in the first seven months of 2011. Approximately 25% of all tourist arrivals in Lebanon travel via Syria. Tourist activity on the Lebanese-Syrian border has decreased between 75%-90%. Greater disruptions are reportedly visible in the northern border crossings than the eastern border.

Border Control

Border security remains a preeminent concern, particularly because the border between Syria and Lebanon is not demarcated in many places. Syria has historically disregarded Lebanese sovereignty, in violation of U.N. Security Resolutions 1559 and 1680. According to one U.S. State Department official, although Syrian officials agreed to participate in a committee to

(...continued)


demarcate the border between the two countries in 2008, they have yet to appoint anyone to serve in an official capacity.38

The Syrian army has entered Lebanese territory numerous times since the beginning of the uprising. A number of individuals have been killed by gunfire that either came from the Syrian side of the border or by Syrian troops who had crossed over the border. Others have been kidnapped by Syrian troops. The U.S. State Department denounced these territorial violations, noting grave concern about Syria’s disregard for Lebanese sovereignty and urging the Lebanese to adhere to their international obligations and protect the security and rights of all, including refugees.39

The Syrian government maintains that the incursions have been integral to neutralizing foreign agents who are entering Syria through Lebanon and inciting unrest within Syria.40 Syrian forces began laying antipersonnel landmines along several sections of the Lebanese border in October 2011.41 Many of these mines are near the Syrian city of Homs, which has witnessed large-scale protests and unrest; this area includes the portion of the Lebanese-Syrian border that is disputed. While Syrian officials have stated that mining the border is meant to decrease arms smuggling, some analysts posit that the forces have laid the mines to prevent refugees from fleeing into Lebanon and members of the opposition from launching attacks against Syria from within Lebanon.42

**Arms Transfers, Hezbollah Arms, and Militants**

Arms transfers across the Lebanese-Syrian border present challenges for both the Asad regime and the Lebanese government. The porous nature of the border facilitates the easy transfer of arms in both directions. Some U.S. officials have noted that arms smuggling is extensive and unlikely to be curtailed in the near future, particularly given the political situation.43

The Syrian government has accused some Lebanese, particularly those in the March 14 coalition, of smuggling weapons across the border to aid the Syrian opposition in the uprising. March 14 has vociferously denied this claim.44 Simultaneously, Hezbollah reportedly has moved many of its long-range missiles from Syria to Lebanon, fearful that Asad’s regime will collapse and the group will be unable to access its stockpile of arms. According to one observer, “there’s so much stuff coming across the border…Hezbollah doesn’t know where to put it.” 45 The effect of the Syrian uprising on Hezbollah’s weapons cache may present Israel with particular concerns. One retired

---

38 Conversation between the author and U.S. Department of State officials, January 2012.
39 To see the text of this statement, see: “Lebanon/Syria: Syrian Incursions into Lebanese Territory,” U.S. Department of State, October 24, 2011.
41 Syria is not a signatory to the 1997 Landmine Ban Treaty
43 Conversation between the author and U.S. Department of State officials, January 2012.
45 Reports indicate that Hezbollah has transferred its long-range Iranian-produced Zelzal, and Fajr 3,4, and 5 missiles from Syria to Lebanon. Hezbollah has traditionally kept its weapons in Syria to shelter them from an Israeli attack. Schenker, David, “Bashar Assad in the Balance,” *Los Angeles Times*, December 14, 2011.
Israeli military official has speculated that if Asad falls, Hezbollah will acquire Syria’s chemical weapons.46

Asad has claimed that al-Qaeda militants are entering Syria via the Syria-Lebanon border and inciting violence in Syria. The Lebanese Defense Minister, Fayez Ghosn, a Hezbollah ally and supporter of the Asad regime, backed these assertions when he announced in December 2011 that Al Qaeda militants were based in the Lebanese border town of Arsal under the pretext of being Syrian dissidents. Although President Michel Suleiman, Prime Minister Miqati, and the Lebanese Interior Minister, Marwan Charbel, have all rejected these claims, the statements have sparked a national political debate about the possibility of Al Qaeda’s presence and what it means both for Syria and Lebanon.47

Population Movements

Many Syrian dissidents are escaping to Lebanon to find safe haven. Parts of Lebanon, particularly in the north near Wadi Khaled, have experienced an influx of refugees fleeing the violence in Syria. Most recently, refugees have come from the cities of Homs and Tal Kalakh. The porous nature of the border, as well as the lack of demarcation, allows for significant movement. By the end of December, nearly 5,000 Syrian refugees had registered with the Office of the U.N. High Commission for Refugees (UNHCR). They have also been residing with host families.48 One U.S. State Department official noted that some wealthy Syrians have enrolled their children in Lebanese schools as a result of the unrest.50

However, reports indicate that dissidents are not necessarily safe in Lebanon; one advocacy group noted in March 2011 that Lebanon had detained some protestors and activists of Syrian origin and that their whereabouts remained unknown.51 Accounts persist that Syrian operatives have entered Lebanese territory and targeted protestors who have fled Syria. The head of internal security in Lebanon has accused the Syrians of kidnapping dissidents within Lebanon.52 Some organizations have accused the Lebanese forces of aiding the Asad regime both by detaining and refusing refugees. Human Rights Watch has called on Lebanon to provide detained refugees with temporary asylum.53

48 Some U.S. officials have expressed surprise that the numbers of refugees are not higher. However, they note that because these numbers are based on voluntary registration and many of the refugees have family on both sides of the border and travel back and forth frequently, the real number of refugees may be much higher. The Lebanese government is reportedly working with UNHCR to coordinate assistance for these refugees.
50 Conversation between the author and U.S. State Department official, January 2012.
How Might Future Events in Syria Affect Lebanon?

Many analysts argue that the Asad regime will fall within the next six to 18 months, and others express skepticism or decline to place an expected time frame on the potential collapse of the regime. Regardless of the time frame, the course of events in Syria and the responses of key actors will determine the broad effects on Lebanon and the region. In all future scenarios, Israel, Iran, and other regional and international actors, including the United States, serve as wildcards. Any could shape developments in both Syria and Lebanon through their interactions with various players.

Possible Impact on Lebanon

The responses of key actors and the potential for a political and security vacuum will largely determine the impact of unrest or change in Syria on Lebanon. Hezbollah and the Sunni communities will figure chiefly in these situations. If Hezbollah feels threatened and increases its militarization, the group may encourage sectarian strife within Lebanon. Conversely, if Hezbollah feels the need to further separate itself from Syria and preserve itself by acting in greater accordance with discrete Lebanese interests, this may stave off political infighting. If heightened sectarianism in Syria deepens the chasm between Amal, Hezbollah, Lebanese Christians, and the Sunni community, both the Lebanese government and society could become destabilized. If members of the Lebanese Sunni community feel emboldened by the rise of a Sunni-led government in Syria, they could overreach, upset the political balance, and prompt a military response from Hezbollah or Christian groups.

While a full-scale civil war in Lebanon is unlikely, the outbreak of some civil conflict is a possibility. Key factors to monitor may include increased flow of refugees, the degree of mobilization and/or radicalization among Syrian and Lebanese Sunnis and Christians, cross-border flows of arms, and the incidence of sectarian clashes. Each of these factors has the potential to shape the responses of key actors and rupture Lebanon’s delicate political balance.

Hezbollah and Regional Implications

Regardless of its dwindling legitimacy among Lebanese Sunnis, Hezbollah will likely remain the most powerful domestic political actor, due to its military capabilities and support among Shiites and some Christians. Nevertheless, as unrest in Syria continues, Hezbollah faces perhaps the most complex set of questions about the future, some of which could prove existential. Hezbollah’s most significant struggle involves its domestic political legitimacy, now tarnished by its staunch support for the Asad regime’s crackdown. That support in turn has been dictated by Hezbollah leaders’ operational concerns about losing a major patron and facilitator and the effects

---

54 For example, see testimony from Special Coordinator of Regional Affairs Frederic Hof, “Confronting Damascus: U.S. Policy Toward the Evolving Situation in Syria,” House Committee on Foreign Affairs, Subcommittee on the Middle East and South Asia, December 14, 2011; Dennis Ross, “Why Syria’s Regime is Doomed,” The Washington Institute for Near East Policy, December 21, 2011.


that could have on the group’s military capabilities and survival. Some analysts posit that if Asad falls, Hezbollah will have to shift the way in which it operates by either becoming bolder or narrowing its scope of operations. This may prove difficult, if, as some observers argue, the priorities of its leadership and rank-and-file supporters are divergent. For example, the International Crisis Group has argued that, “[f]or Hizbollah, the core issue remains the regional balance of power and the struggle against Israel; for its Shiite rank-and-file, sectarian anxiety looms large; should Sunnis dominate a new Syrian regime, they fear being caught between it and Lebanon’s own Sunni community.”

Many analysts agree that regime change in Syria could shift the power dynamic that presently exists between Syria, Israel, and Lebanon, particularly given Hezbollah’s role in the Lebanese government. If Asad feels threatened, he may encourage either Hezbollah or radical Palestinian jihadist elements located in southern Lebanon to attack Israel and deflect from his own domestic difficulties. Asad, who routinely claims that foreign agents have incited the unrest in Syria, may provoke Israel under the guise of seeking revenge. In this situation, Israel would likely respond by attacking or counterattacking Hezbollah, with the minimum goal of neutralizing its rocket threat to northern and central Israel. Hezbollah, cognizant of the damage that it incurred during the 2006 war, might try to avoid direct fighting with Israel. It is likely that the LAF and the ISF would have an easier time subduing an attack by the Palestinian militants than Hezbollah.

Should Hezbollah or Israel react provocatively, conflict could ignite. Israel maintains a qualitative military edge and could likely defeat Hezbollah, yet the combination of the regional unrest and the war could destabilize Lebanon, increasing the overall danger to Israel. Additionally, such a conflict could significantly harm Lebanon and shift the power dynamics in the Levant.

Asad’s fall may usher in a Syrian government that is less inclined to align with Iran and Hezbollah, particularly if a Sunni-dominated government replaces the current Alawite regime. Burhan Ghalioun, the leader of one prominent Syrian opposition coalition, the Syrian National Council, has noted that a new Syrian government would shift away from Iran, and presumably Hezbollah, and align more closely with the Arab League and the GCC countries. It is not certain that a new Syrian government would take a more accommodating stance toward Israel, particularly in light of the long-standing Israeli-Syrian dispute over the Golan Heights and the Israeli-Palestinian conflict. The calculations and security imperatives that have driven Syrian influence over the affairs of its smaller neighbor Lebanon may also survive a change of regime in Damascus.

57 Conversation between the author and Monica Yacoubian, Senior Advisor, Middle East, Stimson Center, January 2012.
60 According to Ghalioun, “There will be no special relationship with Iran. This is the core issue – the military alliance. Breaking the exceptional relationship means breaking the strategic military alliance. We do not mind economic relations.” Burhan Ghalioun, “Syrian Opposition Leader Interview Transcript,” The Wall Street Journal, December 2, 2011.
Issues for Congress

The unrest in Syria may affect the pursuit and implementation of current policy priorities for the United States, including strengthening Lebanon’s weak democratic institutions, limiting the influence of Iran and Syria in Lebanon’s political process, and countering transnational threats from Hezbollah and other militant groups in Lebanon. Given the current security and political situation in Syria, Members may consider the following questions as they discuss future U.S. security assistance to Lebanon:

- What are the rationales for key U.S. foreign assistance programs related to the security forces, border control, and combating terrorism? How might U.S. programs limit the potential for spillover from Syria into Lebanon?
- How will the Syrian uprising affect key U.S. foreign assistance programs in Lebanon? Will U.S. goals and modes of engagement change?
- To what extent should U.S. policymakers seek to impose further conditions on U.S. aid to Lebanon in light of events to curtail Hezbollah’s political influence?
- Is Lebanon circumventing international sanctions on Syria?
- If a civil war begins in Syria, would it spill over into Lebanon? Would Hezbollah be party to the conflict?
- Is the Syrian uprising weakening Hezbollah within Lebanon?
- What are the potential ramifications of a Syrian or Hezbollah attack on Israel, and what are the possible U.S. responses to such an attack?
- Will the uprising in Syria negatively impact the religions sects/minorities in Lebanon, including the Christian community?

U.S. Security Assistance to Lebanon61

Following Syrian withdrawal from Lebanon in 2005 and the war between Israel and Hezbollah in the summer of 2006, the George W. Bush Administration requested and Congress appropriated a significant increase in U.S. assistance to Lebanon. Since 2006, U.S. assistance to Lebanon has topped $1 billion, particularly with regard to:

- Supporting the implementation of United Nations Security Council resolutions;62
- Reducing sectarianism and unifying national institutions;
- Providing military equipment and basic supplies to the Lebanese Armed Forces (LAF);63

61 For more information, see CRS Report R40485, U.S. Security Assistance to Lebanon, by Casey L. Addis.

62 U.S. assistance promotes implementing UNSCR 1701, which, among other things, calls for Lebanon to exercise sovereignty over its territory in entirety.

63 The mandate of the LAF includes defending Lebanon and its citizens against external aggression, maintaining internal stability and security, confronting threats against the country’s vital interests, engaging in social development activities, and undertaking relief operations in coordination with public and humanitarian institutions. It is responsible for border security, counter-terrorism, and national defense. More information about the LAF is available online at (continued...)
Providing support to the Internal Security Forces (ISF) for training, equipment and vehicles, community policing assistance, corrections reform, and communications, and,

Increasing economic opportunities for the impoverished in Lebanese society. Current U.S. assistance is based on a 5-year (2010-2014), $1.1 billion plan to modernize and equip the LAF.

Table 2. U.S. Foreign Assistance to Lebanon, FY2008-FY2012

<table>
<thead>
<tr>
<th>Acct.</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012 (Request)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESF</td>
<td>$44.64</td>
<td>$67.50</td>
<td>$109.00</td>
<td>$85.73</td>
<td>$100.00</td>
<td>$406.87</td>
</tr>
<tr>
<td>IMET</td>
<td>$1.20</td>
<td>$2.28</td>
<td>$2.50</td>
<td>$2.50</td>
<td>$2.50</td>
<td>$10.98</td>
</tr>
<tr>
<td>I206</td>
<td>$15.10</td>
<td>$49.24</td>
<td>$23.00</td>
<td>$0</td>
<td>Not available</td>
<td></td>
</tr>
<tr>
<td>FMF66</td>
<td>$6.94</td>
<td>$159.70</td>
<td>$100.00</td>
<td>$74.85</td>
<td>$100.00</td>
<td>$441.49</td>
</tr>
<tr>
<td>INCLE</td>
<td>$0.50</td>
<td>$6.00</td>
<td>$20.00</td>
<td>$19.50</td>
<td>$25.00</td>
<td>$71.00</td>
</tr>
<tr>
<td>NADR</td>
<td>$8.50</td>
<td>$4.60</td>
<td>$6.80</td>
<td>$4.80</td>
<td>$4.80</td>
<td>$29.50</td>
</tr>
<tr>
<td>I207</td>
<td>$9.85</td>
<td>$10.00</td>
<td>Not available</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$86.73</td>
<td>$299.32</td>
<td>$261.30</td>
<td>$187.38</td>
<td>232.30</td>
<td>$1,067.03</td>
</tr>
</tbody>
</table>


The Obama Administration and some Members of the 112th Congress have supported the continuation of this assistance. In the short term, some of the continued funding is intended to help secure Lebanon’s borders, which are now an important factor in Syrian-Lebanese relations. Over the long term, U.S. officials hope that building the security apparatus of the Lebanese state will improve internal stability and public confidence in the LAF and ISF, creating political space

(...continued)


64 The ISF, or police force, is responsible for maintaining law and order in Lebanon. In some cases, however, the responsibilities of the ISF may overlap with the responsibilities of the LAF.

65 Economic opportunities will primarily benefit those in areas where per capita income is less than $4 a day.

66 New requirements necessitate that the Defense Security Cooperation Agency (DSCA) must inform the Department of State and Congress of all Lebanon cases using FY2011 FMF. The Department of State must then inform Congress before providing DSCA with authorization. This regulation does not apply to pre-FY2011 FMF.
for the Lebanese government to address more complex, politically sensitive issues ranging from political reform to developing a national defense strategy.\textsuperscript{67}

U.S. State Department officials have praised the cooperation between the United States, the LAF, and the ISF.\textsuperscript{68} Some officials have suggested that U.S. assistance to strengthen the LAF and the ISF will prevent outside actors from destabilizing the internal political situation in Lebanon and minimize the possibility for domestic political upheaval. However, some State Department officials note that the unrest in Syria, as well as Syrian intransigence in demarcating the border between Syria and Lebanon, have slowed the implementation of U.S. assistance plans.\textsuperscript{69}

### International Sanctions and U.S. Economic Support to Lebanon

Lebanon’s economy has previously demonstrated resilience in the face of external shocks. Traditionally, economic recovery has occurred quickly when the country is politically stable. However, the economy is currently constrained by spiraling fiscal debt, an inhospitable business environment, and problems with the infrastructure. Enforcement of new U.S., EU, and Arab League sanctions against Syria may exacerbate these issues.

U.S. economic assistance may be able to counteract some of these difficulties, but may also be subject to concerns about the role of Hezbollah and its allies in the Lebanese government. Current Economic Support Fund (ESF) program priorities focus in part on promoting economic opportunity and stabilization among the impoverished areas of the country. Plans for FY2012 assistance include improving the competitiveness of some agribusiness and tourism operations, facilitating a pro-business environment, and providing Lebanese entrepreneurs with greater financial access. The United States also plans to supplement EU and UN efforts to support the Ministry of Agriculture with complementary assistance to developing the private sector.

### Legislation in the 112\textsuperscript{th} Congress

Developments in Syria, and any changes they create in Hezbollah’s strategic position, may inform future debates about the scope and conditions of U.S. assistance. As a result of increasing Hezbollah participation in the Lebanese government in 2011, some Members of Congress have questioned the advisability of funding U.S.-sponsored initiatives in Lebanon at the current level, particularly in an era of pressing budgetary constraints.

In June 2011, Representatives Berman, Issa, Boustany, and Rahall proposed H.R. 2215, the Hezbollah Anti-Terrorism Act (HATA), which is designed to limit certain types of assistance to the LAF while Hezbollah is part of the governing coalition in Lebanon; the bill did not preclude supporting those programs that foster democracy and rule of law, educational funding, or LAF training through International Military Education and Training (IMET). Representative Berman later offered HATA as an amendment to H.R. 2583, the Foreign Relations Authorization Act. While some Members support these initiatives, others suggest that the best way to weaken Hezbollah is to continue to assist the LAF and provide a military and security counterweight.

\textsuperscript{67} For more information, see CRS Report R40485, \textit{U.S. Security Assistance to Lebanon}, by Casey L. Addis.

\textsuperscript{68} For more information, see testimony from then Acting Assistant Secretary Jeffrey Feltman, “Recent Developments in Lebanon,” House Committee on Foreign Affairs, Subcommittee on Middle East and South Asia, March 24, 2009.

\textsuperscript{69} Conversation between the author and U.S. State Department officials, January 2012.
In December 2011, P.L. 112-74, the Consolidated Appropriations Act of 2012, provided that the $100 million in Foreign Military Financing (FMF) funds appropriated in FY2012 for the LAF may not be allocated to the LAF if it is controlled by a foreign terrorist organization (FTO); Hezbollah is so designated. LAF command rests with General Jean Kahwaji. Fayez Ghosn of the March 8 aligned Marada Movement currently serves as Defense Minister.

Conclusion

Continued unrest in Syria leaves the future of Asad’s regime uncertain, and the extent of the impact on Lebanon is still being determined. This ambiguity raises a wide range of questions for the goals and implementation of U.S. policy priorities in Lebanon. As the Obama Administration and Congress review U.S. policy priorities in this shifting landscape, issues that Members may encounter include:

- Whether and how U.S. assistance programs in Lebanon are being affected by developments in Syria and what, if any, changes in assistance program goals or implementation may be necessary in light of changing conditions;
- Whether events in Syria and Lebanon create new concerns regarding the protection of religious minorities, particularly in light of proposed H.R. 440, which provides for the establishment of a special envoy to promote the religious freedom of religious minorities in the Near East and South Central Asia;
- How U.S. support for the LAF, the ISF, and Lebanon’s security apparatus can best minimize risks posed by Hezbollah as its strategic alliance with Syria remains in question;
- How might the United States engage with Lebanon to better protect Israel in light of continuing regional unrest; and,
- How might U.S. assistance and trade and investment policy most effectively shield the Lebanese economy from the effects of political unrest?

Author Contact Information

Rebecca A. Hopkins
Analyst in Middle Eastern Affairs