

Levant Security

Project Summary Report

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About the Project

In 2006 the Stanley Foundation launched a new project on Levant Security as a part of the foundation's larger US and Middle East Security initiative. The foundation's work on Middle East security dates back to the early 1990s and has become more focused on subregional scenarios—the Gulf and the Levant—in the past five years.

The primary objective of the Levant Security project was to explore how multilateral initiatives could encourage stability and security in the Levant, particularly after the summer 2006 conflict between Israel and Hezbollah and in the face of increasingly negative attitudes between populations in the Middle East and the West.

Three states—Lebanon, Syria, and Jordan—served as the focal points. The issues facing Israel, Palestine, and the larger Middle East Peace Process were inevitably discussed given the interrelated dynamics of the Levant security environment. However, the Israeli-Palestinian conflict was not a central part of the project given the fact that it is the subject of many programs already being conducted by other US and international organizations.

Exploratory Workshops

The nucleus of the project consisted of three small, private, international workshops held from December 2006 through June 2007. Each workshop followed a roundtable, nonattribution format. The first workshop explored the wider issues of the Levant region and determined the topics for subsequent efforts. This explains why the second and third workshops each concentrated on a single country—Syria and Lebanon, respectively.

The Report

The first three sections of this report cover the principal findings and recommendations from each of the three international workshops. The content was derived from the roundtable discussions as interpreted by Stanley Foundation program officer Kathy Gockel. Additional analysis is kept to a minimum. The final section, Moving Forward, is a brief summary of the Stanley Foundation's analysis of the current state of affairs through September 2007 and the implications for future multilateral engagement policies toward the Levant.

Please note that workshop participants and collaborating organizations neither reviewed nor approved the content of this report. Therefore, it should not be assumed that every participant subscribes to all of the recommendations, observations, and conclusions.

Executive Summary

The Levant Security project was launched in 2006 as part of the Stanley Foundation's larger US and Middle East Security initiative. The overall objective was to explore how multilateral initiatives could encourage longer-term stability and security in key Levant states—Lebanon, Syria, and Jordan. The nucleus of the project consisted of three small, private, international workshops held over a period of six months—from December 2006 to June 2007. The first workshop explored the wider issues of the Levant region and drove the selection of topics for the two subsequent workshops that focused on Syria and Lebanon.

Levant Security: Finding a Common Vision Workshop 1—December 2006

The aim of this initial workshop was to determine if Europe and the United States could agree on a common vision for multilateral policy approaches to assist the Levant. Overall, there are shared interests that can translate into an effective vision. However, future cooperative approaches first need to recognize the shortcomings of previous efforts that have undermined the regional credibility of Western efforts. Specific ideas include:

- Acknowledging that external powers cannot solve the problems.
- Directing future efforts toward improving the context for negotiations in an effort to facilitate peaceful outcomes.
- Ensuring that policy decisions place more priority on the impact policies will have on the Levant states. For example, recent democratization efforts have become synonymous with regime change, giving democracy and democracy promotion a negative connotation in the region.
- Considering subregional dynamics that may require challenging US and European assumptions. For example, the type of government that Levant citizens may prefer may not be a Western-style democracy.
- Applying policies consistently across the Levant and larger region as past inconsistencies have decreased the legitimacy of the West's overall policy efforts.
- Analyzing the pros and cons of existing agreements, policies, and mechanisms before developing new ones, particularly in regard to UN resolutions.
- Establishing priorities and developing concrete objectives and initiatives that focus on mid- to longer-term impacts and ensuring this focus is maintained during crises so that policies remain more proactive than reactive.

Recommendations

- Look for positive trends from within the subregion and larger Middle East that can be supported.

Future cooperative approaches first need to recognize the shortcomings of previous efforts that have undermined the regional credibility of Western efforts.

Establish mechanisms within the region for citizens to observe how democracies from around the world function, including those outside of Europe and the United States.

- Initiate efforts to gain a better understanding of facts on the ground.
- Identify different groups of regional actors that are viewed as having a positive impact on the Levant and determine measures to bolster their efforts. Focus on groups beyond the elites.
- Utilize multilateral approaches that include Middle Eastern states and regional organizations to mitigate negative connotations of Western support for internal actors' efforts.
- Consider and address the importance and impact of demographics on security.
 - Recognize the significance of the “next generation” in the Levant and the negative atmosphere in which it is coming of age.
 - Develop policies and programs to address their impressions, interests, and concerns—including education, employment, and how the ongoing conflicts are impacting their choices.
 - Acknowledge, study, and address the Iraqi refugee situation in the sub-region, particularly the security and economic impacts on Syria and Jordan.
- Rebuild the “value” of democracy and Western support.
 - Inform and educate regional publics about transatlantic efforts to assist the region, including why these policies/programs were developed and their ultimate impact.
 - Establish mechanisms within the region for citizens to observe how democracies from around the world function, including those outside of Europe and the United States. Particular emphasis should be paid to methods for handling differences of opinion and for dealing with leaders who do not pay attention to public opinion.
- Leverage “openings” for regional and international involvement in critical issues.
 - Revisit existing UN resolutions and determine the means to make them more effective and legitimate. Critical to this is a more unified view from New York regarding the mandate of and support for the United Nations Interim Force in Lebanon (UNIFIL).
 - Recognize that Jordanian, Syrian, and Lebanese government control and policies have less impact on the periphery of each state. This opens the door for other actors to gain a foothold.
 - Implement strategies and policies that support civil society to mitigate and counteract the influence of extremist organizations.

- Contemplate future obstacles and scenarios that may arise and develop proactive, coordinated strategies for responding.

Levant Security—Syria: Economics and Engagement Workshop 2—March 2007

Engagement of Syria is crucial if there is to be movement on other issues throughout the Levant. Given the differing views regarding political engagement, it was determined that the economic sector might offer the best opportunity in which to pursue multilateral engagement. This second workshop focused on how this might be done.

Over the long run, helping Syria better connect to the global economy may bolster internal reform. Incremental efforts should focus on decreasing corruption, building stronger rule of law, and strengthening economic institutions that encourages further international trade and investment while also tapping into the entrepreneurial characteristics inherent within Syrian culture.

The risks of strengthening an autocratic regime do exist. But to do nothing or to enact policies with the objective of further isolating Syria will probably result in Syria strengthening its ties to Iran and looking East for future economic and political alliances.

Recommendations

- Stop all activities that were part of the former regime change strategy and issue a formal statement that a stable Syria is in the best interests of the region.
- Direct economic aid to Syria toward the creation of industrial zones and free trade agreements (FTAs).
- Restart EU-Syrian negotiations on the Association Agreement.
- Analyze and bolster elements of the international refugee system to keep Syria's institutions and systems from being overwhelmed by the influx of Iraqi refugees.
- Work with Turkey to determine what role it can play in furthering economic engagement, particularly given Syrian suspicions of the United States.
- Expand support for multilateral people-to-people initiatives that enable Syrians to travel to and study in democratic countries, including those outside Europe and the United States.
- Offer technical assistance to both the private and public sectors on methods to combat corruption with the objective of helping Syria transition to a tax-based system.
- Encourage the private sector, such as international consulting firms, to

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offer education programs to Syria's private sector and citizens on topics such as business management and intellectual property rights protection.

- Recognize that unilateral economic sanctions are not very effective in today's global economy.
- Assist Syria in its bid to join the World Trade Organization. Initial efforts could consist of consultations on how to effectively begin the ascension process.

Levant Security—Lebanon: Will It Be Left Behind?

Workshop 3—June 2007

The fact that Lebanon could become a regional flashpoint, combined with the perception that the situation was not receiving sufficient attention from the international community, resulted in a final workshop on how multilateral efforts might better assist Lebanon. Given the current political stalemate, the discussions centered on how to assist Lebanon in becoming a more stable, democratic, independent state over the longer term. Particular emphasis was placed on efforts beyond those of Lebanon's national government.

Recommendations

- Support the French and Saudi-Iranian initiatives. Initiatives led by French President Sarkozy and Saudi Arabia's King Abdullah are better positioned and more likely to meet with success than other US- or European-led initiatives.
- Identify methods to eliminate "reasons" for Hezbollah to maintain a paramilitary force. Resolving the issues of the Golan Heights and Shebaa farms are important steps. Current UN efforts should be made a higher priority as should efforts to place the land under UN stewardship until this work is finished.
- Develop programs modeled on current EU initiatives to assist local municipalities. Note: While bypassing the Lebanese government is one way of circumventing the political impasse and corruption at the national level, it can also further weaken already frail central government institutions. A balance needs to be struck between offering direct aid to communities and municipalities and strengthening government institutions.
- Identify entry points and develop plans to further advance security sector reform. Longer-term security sector reform strategies and efforts must be developed and supported if Lebanon's military and police are ever to have the capacity to provide national security.
- Evaluate the mandate, role, and troop deployments of UNIFIL. The mandate is too complex and there are concerns that important and positive pre-2006 roles performed by UNIFIL—monitoring, conflict prevention, and mediation—are being lost in the face of UNIFIL's more robust mission and the types of forces that have been deployed. The United Nations and the

A balance needs to be struck between offering direct aid to communities and municipalities and strengthening government institutions.

Lebanese government also need to determine the role UNIFIL will play if attacks occur outside UNIFIL's area of operations.

- Engage youth via ongoing education and citizenship programs. Revitalize and leverage organizations formed during the Cedar Revolution and after Syria's withdrawal. Nongovernmental organizations (NGOs) can liaise with these organizations to institute programs that encourage young Lebanese to enter politics and help create a nonsectarian national identity. University exchanges can also help in these efforts.
- Encourage private sector initiatives to stimulate the economy and community development. Private sector initiatives such as the Partnership for Lebanon help build capacity and discourage further "brain drain."

Moving Forward

The following areas were identified as critical to the development of successful strategies and policies that can assist the Levant's internal reform and security efforts.

The Middle East Peace Process. Negotiations with Syria over the Golan Heights and Shebaa Farms may actually be easier than those between Israel and Palestine given the overtures from President Assad, current hostilities among Palestinian factions, ongoing issues between Israel and Gaza, and the refusal of some international actors to engage with Hamas. Given the military ties among Iran, Syria, and Hezbollah, addressing these issues can help strip some of the legitimacy from factions promoting paramilitary activities and enable Lebanon to begin disentangling itself from Syrian and Iranian influence.

Demographics. The Middle East is faced with a burgeoning youth population coming of age at a time when many within the region feel that the West, particularly the United States, is to blame for perpetuating old and creating new conflicts. These conflicts stymie investment and reconstruction resulting in slower economic growth and the emigration of professionals to other states. In addition, Syria, Jordan, and Lebanon are coping with a large influx of Iraqis. Together these dynamics may destabilize additional states in an already unstable region. International, multilateral efforts need to be quickly mobilized to provide immediate economic support to those states grappling with these issues while plans are also created to address what will likely be a protracted Iraqi refugee situation.

Regional Power Structures. The power balance is shifting. Within the region, the power of the Gulf states is increasing relative to that of the Levant states due to increased demand for energy and the rise of Iran and Saudi Arabia. Shifts in trading patterns and bilateral relations have resulted in external actors such as Turkey, Russia, China, and India gaining more influence. The emergence of these new power dynamics decreases the West's influence while simultaneously offering openings for new multilateral initiatives and interlocutors to help resolve critical regional issues.

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US Policy. A strategic rebalancing of policy is critical if the United States wants to retain and rebuild its regional influence. First, political and economic solutions need to be given more importance since the issues cannot be resolved solely through security measures. Second, the current US isolation strategy needs to be reconsidered as it is contributing to rivalry dynamics, making it difficult for the United States to legitimately broker resolutions to issues, and may ultimately result in the United States isolating itself from future influence in critical states.

Finding a Common Vision—Workshop 1

Recognizing the increasingly negative perceptions of US and even Western policies in the Middle East following the invasion of Iraq and the Israeli-Hezbollah conflict, the aim of the initial workshop was to determine if even the European Union and the United States could agree on a common vision for multilateral policy approaches to assist the Levant.

“Levant Security: Finding a Common Vision” was convened by the Stanley Foundation in cooperation with Chatham House, formerly the Royal Institute of International Affairs. The meeting took place in the United Kingdom on December 11-12, 2006. Participants included government officials, policy experts, and academics from Europe and North America.

Setting the Scene: Current Dynamics

Major shocks to the Middle East over the past four years including the invasion of Iraq, the Israeli-Hezbollah conflict, and the elections in Palestine shifted the power balance throughout the region. Additional factors contributing to these power shifts include the rise of Islamist groups, a lack of strong regional institutions, and the formation of rival camps in the region—one led by the United States and the other by Iran.

The United States is still considered the most powerful external actor in the Middle East and Levant. Iran is rising to become the most powerful internal actor. Overall, many see Iran’s influence increasing as that of the United States declines. Iran’s regional allies include Syria, Hezbollah (Lebanon), Hamas (Palestine and Syria), and Islamic elements in each of the Levant countries. US allies include Israel, Jordan, Egypt, the Siniora government in Lebanon, and the Gulf Cooperation Council (GCC) states. However, the legitimacy of many of the United States’ Middle Eastern allies was compromised to some extent due to their close relationships with the United States and their leaders’ criticisms of Hezbollah during the conflict with Israel.

Country-Specific Perceptions

Lebanon is fragmented and susceptible to internal conflict, especially since the summer 2006 war between Hezbollah and Israel. Hezbollah’s Nasrallah emerged from the conflict as a key leader in the Middle East and has helped the Shiites challenge the current government. Western powers continue to support the Siniora government. Together these activities have resulted in political gridlock that does not show signs of abating. The ongoing political crises and the view that the country is a proxy battleground for the Iranian-US rivalry make it a potential flashpoint that could erupt into a civil war.

Syria is in a much stronger position than it was before the Israeli-Hezbollah conflict thanks to its alliances and the weakened governments in Lebanon and Israel. Even given its stronger position, President Assad states that he wants to engage with Israel and the United States, which may offer an opening for peace negotiations and the means for decreasing subregional rivalries.

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The Bush administration's concerns regarding Syria's motives and alliances make rapprochement unlikely. Yet regime change is also not recommended given the tense situations in the Palestinian territories and Lebanon. The fact that the most probable replacement for the Assad regime will be an Islamist party should also be reason enough to put current US thoughts of regime change to rest.

Given the low odds of political engagement, first steps toward multilateral engagement could focus on the economic sector as Syria's economy and economic institutions are still considered weak and are coming under pressure from an influx of Iraqi refugees.

The US and European governments need to acknowledge that they cannot impose peace in the Levant, particularly given the suspicions of Western motives.

Jordan is viewed as the most predictable, stable actor in the subregion, especially in terms of decision making. However, there is a growing gap between the regime and the people. A major destabilizing force is demographics, particularly the refugee situation that includes both new (Iraqi) and existing (Palestinian) populations. The refugee situation is putting pressure on state institutions while simultaneously raising the cost of living. The possible annexation of Jordan with the West Bank is also a major concern.

Palestine does not have one viable interlocutor and more fracturing will most likely occur before the leadership consolidates. There is concern that EU and US support for a Palestinian leader or leadership "regime" will actually hurt the legitimacy of that leader or regime. Therefore, efforts would be better directed toward improving the context for more fruitful negotiations to take place rather than selecting who/what organization should lead.

Israel is seen as more isolated in the region and uncertain as to how to deal with its neighbors. Its leadership has been weakened by the outcomes of the conflict with Hezbollah. The fact that the government now welcomes external participation in critical issues is an important step forward which opens the door for multilateral efforts to encourage the resumption of peace negotiations.

Conclusions

There was agreement that Europe and the United States have shared interests that can translate into an effective vision for assisting the states of the Levant. The majority view was that future cooperative approaches first need to recognize the shortcomings of previous strategies and policies that have undermined the credibility of Western efforts and those of the regional allies. Some specific ideas mentioned as important include:

- The US and European governments need to acknowledge that they cannot impose peace in the Levant, particularly given the suspicions of Western motives. What they can do is improve the context to encourage peaceful outcomes. Policies need to be directed by this vision.
- Past policies may have been ineffective due to the fact that they reflected the interests of the "West" instead of focusing on how they would impact the Levant states. For example, recent democratization efforts have

become synonymous with regime change. This has given democracy and democracy promotion a negative connotation in the region.

- Future efforts should take subregional dynamics into account. This may require challenging US and European assumptions about what type of government people in the Levant actually prefer.
- Inconsistent application of policies across the Levant and larger Middle East has decreased the legitimacy of the West's overall policy efforts. The most significant example was the encouragement of democratic elections in the Palestinian territories and the subsequent refusal to accept the outcome. While there will always be dilemmas over policy priorities, such as maintaining stability versus supporting Western values and balancing the threats of nonstate actors with the need to maintain rule of law, consistency in policy application is required if these policies are to be considered credible.
- Existing agreements and policies need to be analyzed and even strengthened to improve implementation prior to the development of new ones. This is particularly true of existing UN resolutions. The establishment of better cooperative mechanisms may be enough to change the outcomes of existing efforts, thereby eliminating the need for new initiatives.
- Priorities focusing on mid- to longer-term impacts need to be established and concrete objectives and initiatives must be developed and supported. Crises will always emerge, but focus on shared objectives should be maintained so that policies are more proactive than reactive.

Recommendations

- Look for positive trends from within the subregion and larger Middle East that can be supported.
 - Initiate efforts to gain a better understanding of facts on the ground.
 - Identify different groups of regional actors that are viewed as having a positive impact on the Levant and determine measures to bolster their efforts. The focus should be on groups beyond the elites such as civil society leaders, NGOs, and Islamist groups that are not championing violence or anti-Western rhetoric.
 - Recognize that bolstering the efforts of regional actors needs to be done in a manner that does not delegitimize their efforts, especially given the current negative perceptions of Western motives. Multilateral approaches with support from Middle Eastern states and regional organizations can assist in mitigating negative connotations.
- Consider and address the importance and impact of demographics on security.
 - Recognize the significance of the “next generation” in the Levant and the current negative atmosphere in which it is coming of age. Develop policies

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and programs to address their impressions, interests, and concerns including education, employment, and how the ongoing conflicts are impacting their choices.

- Acknowledge, study, and address the Iraqi refugee situation in the subregion, particularly the security and economic impacts on Syria and Jordan.
- Rebuild the “value” of democracy and Western support.
 - Inform and educate regional publics about transatlantic efforts to assist the region, including why these policies/programs were developed and their ultimate impact.
 - Establish mechanisms within the region for citizens to observe how democracies from around the world function, including those outside of Europe and the United States. Particular emphasis should be paid to methods for handling differences of opinion and for dealing with leaders who do not pay attention to public opinion.
- Leverage “openings” for regional and international involvement in critical issues.
 - Revisit existing UN resolutions and determine the means to make them more effective and legitimate. Critical to this is a more unified view from New York regarding the mandate of and support for the UNIFIL.
 - Recognize that Jordanian, Syrian, and Lebanese government control and policies have less impact on the periphery of each state. This opens the door for other actors to gain a foothold.
 - Implement strategies and policies that support civil society to mitigate and counteract the influence of extremist organizations.
 - Contemplate future obstacles and scenarios that may arise and develop proactive, coordinated strategies for responding.

Recognize the significance of the “next generation” in the Levant and the current negative atmosphere in which it is coming of age.

Syria: Economics and Engagement—Workshop 2

As pointed out by key international policy experts and by the outcomes of the UK workshop, engagement of Syria is crucial if there is to be movement on other issues throughout the Levant. Given the differing views regarding engagement at the political level and an increasingly more difficult environment in Syria for US NGOs it was determined that the most feasible sector for multilateral engagement might be in the realm of economics.

To further investigate this approach, the project's second workshop, "Levant Security—Syria: Economics and Engagement," was convened by the Stanley Foundation in collaboration with the Center for American Progress. The workshop was held in Washington, DC, on March 26-27, 2007. Participants included government officials, policy experts, and academics from the Levant, Europe, and the United States.

Although the primary aim of the workshop was to examine the opportunities and challenges associated with multilateral economic engagement, the workshop discussion inevitably turned to security and political issues since critical questions revolved around whether economic engagement could be separated from or even precede movement in these other areas.

The Syrian Political and Economic Environment

It was agreed that the top priorities of the Assad regime are regime survival and stability. US strategies to isolate Syria and encourage regime change have helped fuel Syria's growing alliance with Iran and its continued use of Lebanon as a means to keep pressure on Israel.

Yet the Assad regime has also stated a willingness to change Syria's economic system and a desire to change the political system by 2025. Political reform does not show much movement, but Syrian economic reform has already started. In 2006 the Syrian government passed a five-year plan to assist the country's movement toward a social-market economy.

This movement on the economic front is being driven by a number of economic stressors which ensure that current regime policies cannot be sustained over the mid-to-longer term. Among these stressors are declining oil resources, an influx of Iraqi refugees, rampant corruption, and the need to create employment opportunities for a large youth population. The Assad regime's easy access to the Lebanese financial system was also limited after the Hariri assassination.

The outcomes to date include a relaxation of Syria's foreign currency laws. Private stock exchanges and foreign currency markets are now operating. Treasury bills have been issued for the first time. In addition, some markets are being opened up to imports and Syrians can now purchase goods from India, China, and other countries that were previously produced by the United States.

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The government is also trying to impose taxes to increase revenues. However, the private sector is balking at taxation due to the extensive corruption already in the system—it does not want to be subjected to two sets of payments.

If reform continues, it may lead to changes in the relationship between government and the private sector especially as business people are starting to enter politics. Yet even given these changes, regime hard-liners are still more powerful than reformers. These hard-liners tend to be close to Iran, reject cooperation with the United States, and are delaying reform for as long as possible.

Questions also remain as to whether or not the Syrian public actually buys into the regime’s statements on reforms. This raises important policy questions about how multilateral efforts can support reform in a manner that benefits more than just Syria’s elites especially given the rampant corruption both in the country and larger region.

Current International Policies Toward Syria European and US Approaches

Europe. Europe remains Syria’s main trading partner although imports and exports have decreased over the past seven years. Central to European policy efforts is the assumption that the Assad regime will continue to institute reforms that help Syria transform into a more open society. Therefore, policies encourage internal reform efforts. One example is Germany’s assistance with the development of Syria’s current five-year economic plan.

EU policy also takes into consideration the larger context of Syria’s role in the Levant as reflected in its policy positioning statement of wanting “a strong, democratic, stable, and prosperous Syria, well-integrated in its region.” Currently, Syria is part of the EU’s Barcelona Process that focuses on political, security, economic, human rights, and societal issues. Syria was also part of the EU’s Association Agreement effort that designates areas of cooperation between the EU and Mediterranean partners to create a free trade area around the Middle East over the next decade. However, negotiations broke down after the Hariri assassination and Syria is now the only country that has not signed the agreement.

United States. The United States does not have a positioning statement such as that of the EU and this creates some confusion as to what exactly the United States is trying to achieve. US efforts tend to focus on pressuring the Assad regime into halting its support for terrorist organizations and instituting democratic reforms that are seen by many as promoting regime change.

Economic engagement between the two countries is also stifled by economic sanctions that severely limit US companies’ ability to trade with Syria. Interestingly, even given the economic sanctions, trade has recently increased due to the purchase of goods such as foodstuffs that are not part of the sanctions.

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Non-Western Approaches

Overall, Syrian ties with states outside the “West” have both increased and strengthened. As Syrian trade with Europe and the Gulf Arab states decreases, trade with other states including Iran, Turkey, Russia, China, and India increases.

Iran. Iran’s political, security, and economic influence has increased substantially. In addition to supporting Syria’s positions internationally, Iran is currently investing between \$1 billion and \$3 billion in the Syrian economy with the bulk of it being in the automotive industry. Iran Air also uses Damascus as a transit point on its Tehran-Caracas route. There are also concerns that Shiitization is increasing, but experts disagree on the viability of this claim.

Turkey. Turkish-Syrian relations have improved. Some territorial disputes have been resolved and the two states have signed an FTA that has made Turkey an important trading partner. These steps could lead to even closer relations in the future.

Russia. Russia continues to have considerable economic and political influence. It has written off substantial Syrian debt and is a major investor in the country. Arms transfers also continue between the two states. As oil prices rise and energy security concerns increase, President Putin is increasingly assertive on the world stage and will continue to have a stronger voice at the multilateral table as long as oil prices remain high.

Asia. China and India are entering the Syrian market. However the extent of their trade and other activities was not discussed.

Gulf Arab States. Gulf Arab investment is decreasing due to lower investment by Saudi Arabia. An increase in investment by other GCC states is said to be counteracting some of the Saudi falloff. Overall, Arab influence on the Assad regime is perceived as weakening at the same time that Syria’s relationship with Iran is growing stronger.

United Nations. Numerous UN efforts under way in Syria and the Levant region are supported by Europe, the United States, and other states. One of the most important is the agreement that ended the Israeli-Hezbollah conflict in Lebanon and bolstered the role of UNIFIL. The monitoring of the Syrian border is of considerable importance in light of allegations that arms shipments across the Syrian-Lebanese boarder are helping Hezbollah rearm; this is adding to the already tense relations within Lebanon and with Israel.

Challenges to Multilateral Cooperation

The biggest challenge to greater cooperative strategies is the United States’ refusal to engage more directly with Syria. (It should be noted that the United States’ use of isolation strategies and bilateral policies is not new. For example, Syria was put on the state sponsor of terrorism list in 1979.)

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On the economic front, there is a strong likelihood that US policies will not change significantly in the short to midterm. The “tangle” of legal restrictions inherent with the use of economic sanctions means that significant political will is required to lift the sanctions. Factors contributing to the maintenance of the status quo include a lack of significant interest on the part of the US private sector to call for change, US public opinion regarding terrorism/homeland security, and the current US presidential election cycle in which homeland security is playing a large role. Since these sanctions make it extremely difficult and expensive for US companies to do business with Syria, the influence of the US private sector is quite low. And, as these sanctions are unilateral in nature, the United States may be sanctioning itself out of economic influence in Syria as the influence of other countries continues to grow.

Even if counterterrorism agendas become more aligned and the United States removes sanctions, it may still be difficult to find common approaches even between the United States and the EU. As previously noted, US policy tends to view Syria as a “discrete” actor rather than setting Syrian activities within the larger geopolitical and economic dynamics of the Levant. EU strategies, in contrast, tend to be more holistic with the objective of promoting longer-term reform across sectors. Of course, the EU is not monolithic. Individual European states still handle their own foreign relations, which offer opportunities for individual European states, the United States, and others to work multilaterally outside of the EU.

Adopting a multilateral approach similar to the European Union’s policy position of “a strong, democratic, stable, and prosperous Syria, well-integrated in its region” may limit the number of states that will engage with the strategy as it may be too “Western” for Russia, China, and the Gulf states to support. Even so, depending upon the specific strategies and tactics chosen, there appear to be elements of the statement that might resonate with a variety of actors—particularly the policy statement’s emphasis on stability, prosperity, and integration into the region.

Conclusions

Given the geopolitical and economic dynamics within Syria and the larger Levant, engagement within international *multilateral frameworks* seems pragmatic while also offering states that are wary of one another, such as the United States and Syria, mechanisms that avoid direct negotiations.

There are strong feelings on many sides that the international community should at least test President Assad on his offer to engage on political and security issues such as negotiations over the Golan Heights and Shebaa Farms. A successful outcome would help disentangle some of the intertwined relationships that make the Levant so conflict-prone.

Even if the United States will not engage, it should at least formally state that it is not interested in pursuing regime change. Syria is currently stable and this is not the time to advocate significant political change in yet another Middle Eastern state, particularly one that borders Iraq, Lebanon, and Israel.

The key question is how to convince an autocratic regime that creating a more open society is in its best interest. Expecting Syria to move on political or security issues in exchange for economic assistance is not a viable strategy as President Assad has stated that he will not trade on security issues for economic benefit.

Given this context, economic engagement offers the most opportunity as it need not depend upon movement on the security and political fronts. Economic reforms can take place without democracy. Ongoing governmental stability is also a crucial factor in attracting foreign investment. These considerations, combined with Syria's current economic reforms and widening trade relations, make efforts to help Syria liberalize its economy a subject that could generate common interest between Syria and a variety of states, including the United States.

Incremental efforts should focus on decreasing corruption, building stronger rule of law, and strengthening economic institutions that encourage international trade and investment while also tapping into the entrepreneurial characteristics inherent within Syrian culture.

Over the long run, helping Syria better connect to the global economy should bolster internal reform. The risks of strengthening an autocratic regime do exist. However, doing nothing or enacting policies with the objective of further isolating Syria will probably result in Syria drawing closer to Iran and looking East for future economic and political alliances.

Recommendations

- Stop all activities that were part of the former regime change strategy and formally state that a stable Syria is in the best interests of the region.
- Direct economic aid to Syria toward the creation of industrial zones and FTAs.
- Restart EU-Syrian negotiations on the Association Agreement.
- Analyze and bolster elements of the international refugee system to keep Syria's institutions and systems from being overwhelmed by the influx of Iraqi refugees.
- Work with Turkey to determine what role it can play in advancing economic engagement, particularly given Syrian suspicions of the United States.
- Expand support for multilateral people-to-people initiatives that enable Syrians to travel to and study in democratic countries, including those outside Europe and the United States.
- Offer technical assistance to both the private and public sectors on methods to combat corruption with the objective of helping Syria transition to a tax-based system.

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- Encourage the private sector, such as international consulting firms, to offer education programs to Syria's private sector and citizens on topics such as business management and intellectual property rights protection.
- Recognize that unilateral economic sanctions are not very effective in today's global economy.
- Assist Syria in its bid to join the World Trade Organization. Initial efforts could consist of consultations on how to effectively begin the ascension process.

Lebanon: Will It Be Left Behind?—Workshop 3

A little over a year ago Lebanon was on the verge of an economic and political resurgence. Today the escalation in violence and sectarianism could result in a return to civil war. Efforts on the part of the international community to address longstanding issues impacting Lebanon's stability and security appear to be on the back burner due to conflicts and crises in other parts of the Middle East.

The fact that Lebanon could easily become a regional flashpoint, combined with the perception that the situation was not getting sufficient attention, encouraged the Stanley Foundation to convene its final workshop on how multilateral efforts might better assist Lebanon given its current political environment.

This third and final workshop of the project, "Levant Security: Lebanon—Will It Be Left Behind?" took place in St. Michaels, Maryland, on June 14-15, 2007. Participants included policy and security analysts, journalists, and former government representatives from the Levant, Europe, and North America.

The goal was to determine what challenges and policies were most critical if Lebanon was to make progress toward becoming a democratic, stable, and independent state over the next ten years.

Critical Challenges

The following three challenges were deemed the most serious threats to Lebanon's stability and security:

- Negative foreign intervention. Lebanon is viewed as a proxy for external interests and even as a "card to play" by external powers to gain leverage in other Middle East negotiations (e.g., US-Syria negotiations over Iraq).
- Factionalism. Internal and external actors' competing strategic visions for Lebanon have fragmented the political process, making any kind of coordination or commitment difficult to maintain. Factionalism is also closely tied to the country's lack of a national identity, without which it will be very hard to unite the agendas and concerns of the Lebanese people.
- Weak state institutions. Foreign interests, combined with Lebanon's political factionalism and the lack of a national identity, make it difficult to build a strong state without crushing important community identities. A stronger institutional framework is necessary if Lebanon is to function and effectively serve all of its citizens.

Current International Policy Initiatives

Political Efforts

France's new president and foreign minister are initiating efforts to mediate the political conflict among Lebanese factions. There are also talks of a Saudi-Iranian effort to help manage Sunni-Shia differences. Finally, the United Nations continues to define the geographical territory

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of Shebaa Farms in an effort to peacefully resolve the issues surrounding “ownership” and “occupation.”

Security

UNIFIL was bolstered in the summer of 2006 as part of the agreement to end hostilities between Israel and Hezbollah. UNIFIL’s mandate is to empower Lebanese forces to be able to deploy themselves, not for UNIFIL to impose security. The bolstering of UNIFIL forces has led to a cessation in hostilities and an economic boom in southern Lebanon, but the presence of an international force operating in specific areas and under a complex mandate cannot be a substitute for a political solution to divisive issues such as the Golan Heights and Shebaa Farms. There are also concerns about UNIFIL’s ability and will to operate outside its areas of operation if hostilities erupt elsewhere, such as along the Syrian border. Another concern is that countries will lose the political will to provide troops if UNIFIL forces are attacked.

Also, prior to 2006, UNIFIL provided an effective monitoring and mediation mechanism between Israel and Hezbollah. Both would contact UNIFIL first to verify activities, thereby enabling UNIFIL to play an effective conflict management role. It is no longer evident that UNIFIL is still playing this important role.

The EU, the United States, and the GCC states are also assisting the Lebanese military. The United States has provided munitions and, along with the GCC states, is working to strengthen the institution of the army. EU efforts have focused on security sector reform, training, and border security.

Yet the military has not received weaponry and equipment that would give it the firepower needed to effectively counter violent opposition groups such as Fatah al-Islam and Hezbollah. This is due to low international confidence in the Lebanese army and its ability to stay unified given members’ personal allegiances. There are also concerns that the army is pro-Syrian and that any weapons or training offered could actually help Hezbollah.

Even given these efforts to bolster UNIFIL and the Lebanese Army, the United Nations is investigating claims that arms are still being transferred into Lebanon over the Syrian-Lebanese border.

Aid and Development

Efforts by organizations such as the International Monetary Fund (IMF) and World Bank have encountered problems given the Lebanese government’s current inability to legislate and implement the reforms required for the programs to move forward. Paris III encountered the same problems.

A number of states offered aid via bilateral and multilateral mechanisms. One of the most effective programs consisted of loans and grants to strengthen the Central Bank.

Yet much of the aid and development assistance was directed toward groups rather than to the Lebanese government and institutions in an effort to avoid

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corruption and the redirecting of monies toward private companies owned by Hezbollah.

The projects deemed most successful were smaller grassroots efforts by the EU that focused on local municipalities and used local contractors. The smaller, local nature of these projects aided accountability and transparency, decreased corruption, and produced tangible results. Signage also promoted the funding source that helped create goodwill toward the EU.

A private sector initiative, the Partnership for Lebanon, was launched in 2006 by five US multinational companies to increase education and job training, create jobs, improve infrastructure, and connect Lebanese communities and government through public-private partnerships. Progress to date includes selecting pilot communities to take part in its “connected communities” initiative; providing 500 internships at companies in Lebanon, the United States, and other locations; and updating Lebanon’s information technology infrastructure.

Conclusions

The current political stalemate in Lebanon will continue to make it difficult to effect positive change at the political level. However, even given these constraints, longer-term multilateral initiatives can mitigate rising tensions, strengthen institutions, promote a more unified national identity, and rebuild Lebanon’s private sector with the ultimate objective of moving Lebanon along the path toward a more stable, democratic, independent state.

Recommendations

- Support the French and Saudi-Iranian initiatives.

Initiatives led by French President Sarkozy and Saudi Arabia’s King Abdullah are better positioned and more likely to meet with success than other US- or European-led attempts to mediate the ongoing conflicts and broker a power-sharing deal. Support for these initiatives may also preclude the development of a two-government situation that seems imminent given the present impasse.

- Identify methods to eliminate “reasons” for Hezbollah to maintain a paramilitary force.

Resolving the issue of Shebaa Farms is an important step. Current UN efforts should be made a higher priority as should efforts to place the land under UN stewardship until this work is finished.

- Using the EU initiatives as a model, develop further programs to assist local municipalities.

One caveat is that the United States, United Nations, EU, and other organizations need to answer the question of how aid can also be given through the Lebanese national government to local institutions. While bypassing

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the Lebanese government is one way of circumventing the political impasse and corruption at the national level, it can also further weaken already frail central government institutions. A balance needs to be struck between offering direct aid to communities and municipalities and strengthening government institutions.

- Identify entry points and develop plans to further security sector reform.

Even given its sectarian dynamics, the military is one of the strongest state institutions. Its recent efforts against Fatah al-Islam have met with fairly unified public support. Longer-term security sector reform strategies and efforts must be developed and supported if Lebanon's military and police are ever to have the capacity to provide national security.

- Evaluate the mandate, role, and troop deployments of UNIFIL.

The mandate is too complex and there are concerns that important and positive pre-2006 roles performed by UNIFIL—monitoring, conflict prevention, and mediation—are being lost due to both a shift in mission focus and the types of troops deployed such as special forces for surveillance when lower profile peacekeeping troops are actually needed. These shifts may ultimately lead to unwillingness on the part of the international community to expand or continue support, especially if there is a significant attack on UNIFIL forces. The UN and Lebanese government also need to determine the role UNIFIL should play if attacks occur outside its area of operations, especially in light of possible violence associated with the Hariri tribunal and arms shipments from Syria.

- Engage youth via ongoing education and citizenship programs.

New organizations sprang up during the Cedar Revolution and after Syria's withdrawal. These organizations still exist but have a lower profile. The international community, especially NGOs, can liaise with these organizations to institute programs that encourage young Lebanese to enter politics and help create a nonsectarian national identity. Exchanges of university faculty and students between Lebanon and the United States should also be supported to engage and educate youth who are interested in public policy and international affairs.

- Encourage private sector initiatives to stimulate the economy and community development.

Leverage private sector initiatives such as the Partnership for Lebanon to encourage additional private-public partnerships that help rebuild and strengthen Lebanon's private sector, work force, and communities. These types of efforts bring valuable technology transfer and training in addition to providing opportunities for people to stay in Lebanon rather than emigrating to other areas of the Middle East such as the United Arab Emirates or Qatar.

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Moving Forward

The following areas were identified as critical to the development of successful strategies and policies that can assist the Levant's internal reform and security efforts.

Middle East Peace Process

The Middle East Peace Process continues to be the key issue impacting the Levant's security and stability. New US-led efforts to restart negotiations are a step in the right direction. Yet the preference by some international and regional actors to place Israeli-Palestinian negotiations at a higher level of priority than Israeli-Syrian negotiations is questionable given the interrelated nature of the issues among the Levant states. In fact, negotiations over the Golan Heights and Shebaa Farms may actually be easier than those regarding a two-state solution between Israel and Palestine in light of the overtures from President Assad, current hostilities among Palestinian factions, ongoing issues between Israel and Gaza, and refusal on the part of some international actors to engage with Hamas.

Testing President Assad's willingness to engage with Israel and the United States is also recommended as ignoring his overtures helps strengthen Syria's position in the region while weakening that of the West. The "occupation" of Shebaa Farms also provides legitimacy for Hezbollah's armed resistance. Given the military ties among Iran, Syria, and Hezbollah, addressing these issues should weaken those ties, strip some of the legitimacy from factions promoting paramilitary activities, and enable Lebanon to extricate itself from some of the Syrian and Iranian influence.

Demographics

Serious consideration needs to be given to how demographic trends may impact the Levant's present and future stability. The Middle East is faced with a burgeoning youth population that is coming of age at a time when many within the region blame the West, particularly the United States, for perpetuating old and creating new conflicts. The ongoing conflicts stymie investment and reconstruction thereby negatively impacting job creation. In addition, the combination of violence and lack of economic opportunity create a brain drain from key states in the region such as Lebanon and Iraq; these are the very people needed to help these states stabilize and progress.

In addition, Syria, Jordan, and Lebanon are still dealing with issues regarding Palestinian refugees while at the same time coping with large Iraqi migrations into their states due to the ongoing instability in Iraq. Each of these states is handling this new influx with little to no support from the international community. The impact on the economies, institutions, and social services within these three states is quite severe, especially as all three are already struggling to create economic opportunities for their own citizens. International, multilateral efforts need to be quickly mobilized to provide immediate support to these states while plans are also created to address what will likely be a protracted refugee situation.

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...the West is no longer the only "game in town."

Regional Power Structures

The region's historical power balance is shifting from the Levant to the Gulf thanks to the rapid increase in oil prices and the rise of Iran and Saudi Arabia. Development aid, tourism, and investment from the oil-rich Gulf states are critical to the governments and economies of the Levant. Thus, Gulf influence is on the rise.

The West should encourage and support *regional* efforts to resolve *regional* issues as these approaches are more likely to be seen as more legitimate than solutions offered by external actors. The stability and economic power of the Gulf Arab states place them in a good position to broker such solutions. Recent efforts by Saudi Arabia's King Abdullah have led many to think that he is the best hope for galvanizing regional efforts in the near term.

A shift in trading patterns and bilateral relations has also contributed to another political power shift. Turkey, Russia, China, and India are becoming major players and the West is no longer the only "game in town." A refusal to engage on key political, economic, and security issues will most likely drive regional actors toward other partners.

At the same time, the emergence of these new actors provides an opportunity to work with them and even encourage them to act as interlocutors on specific issues. Turkey, in particular, may prove to be an invaluable partner as it has evolved its foreign policy toward stronger relations with key Middle Eastern states including Iran and Syria while maintaining good relations with the United States and Europe.

US Policy

Security concerns have dominated US policy since 9/11. Given the regional trends and ongoing conflicts, political and economic solutions need to be given more importance since most of the issues cannot be resolved through security measures alone.

This strategic rebalancing of policy is also critical if the United States wants to retain its regional influence. Globalization and energy security issues are causing more states to expand their relations with the Middle East. The current US strategy of isolating groups and states as a counterterrorism measure needs to be reconsidered as the impact of these approaches is often to drive the least desired behavior—driving together those being isolated and creating a rival "power bloc" in the region. These dynamics are making it difficult for the United States to legitimately broker resolutions to issues and may ultimately result in the United States isolating itself from future influence in critical states.

Participant List

Workshop 1: Levant Security—Finding a Common Vision

December 11-12, 2006
Windsor, United Kingdom

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Claire Spencer, Head, Middle East Program, Chatham House

Chair

Daniel Poneman, Principal, Scowcroft Group

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Workshop 2: Levant Security—Syria: Economics and Engagement

March 26-27, 2007
Washington, DC

Organizers

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Mara Rudman, Senior Fellow, Center for American Progress

Workshop 3: Levant Security—Lebanon: Will It Be Left Behind?

June 14-15, 2007
St. Michaels, Maryland

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The Stanley Foundation

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