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THE WAR NEXT DOOR: SYRIA AND THE EROSION OF STABILITY IN LEBANON, JORDAN AND TURKEY

Julien Barnes-Dacey

SUMMARY

- As attempts to resolve the Syrian war have continuously faltered, significant attention has been channelled towards preventing regional contagion, specifically in Jordan, Lebanon and Turkey.
- These countries have all seen violent spillover on their territory and taken in large numbers of refugees. However, despite the continued instability, they have all avoided the effects of wider implosion.
- But these countries remain very vulnerable. They all face the challenge posed by the Islamic State - as evidenced by the Istanbul airport attack - and, perhaps more importantly, the challenge of maintaining the fragile political balance that maintains the status quo.
- While Jordan and Lebanon have managed the situation far better than expected, the regional trend is not in their favour. In Turkey the challenges are growing more acute with the Syria war also reigniting its conflict with the Kurds.
- Only a resolution to the Syria conflict can lower the regional temperature, and focus must not be diverted from that goal. European states also need to stay focused on strengthening regional resilience mechanisms, and stepping up support to the inclusive political consensus that is essential for holding these states together.

More than five years after the outbreak of the Syrian civil war, the impact of the conflict has been devastating – not just for Syria, but for the wider region as well. Across June, a series of devastating new attacks by Islamic State (ISIS) affiliated groups have once again sharpened attention on the risk of escalation spilling over. In Turkey, an attack on Istanbul airport left at least 41 dead; multiple suicide attacks hit a Christian village in North-Eastern Lebanon, killing five people; and a further five intelligence officers were shot dead in Jordan.

As attempts to resolve the Syrian war have continuously faltered over the last five years, significant energy has been channelled towards preventing regional contagion. This has particularly held true for European states, who see prevention as a critical means by which to address the huge refugee flows into Europe and the increasing threat of terrorism. Recognising their limited leverage over the warring parties in Syria, European states have concentrated on stabilisation efforts to support the country's immediate neighbours: Jordan, Lebanon and Turkey.

Despite the recent attacks, a greater regional implosion has so far been avoided. While strain on all three countries is immense, none appear at risk of near-term meltdown. Lebanon and Jordan have managed the flows of refugees and militants out of Syria far better than anticipated. In many ways, both countries are actually more stable today than they were three years ago, when a spiralling Syrian war risked enveloping everything in its path, including its neighbours.

These countries are nonetheless still very vulnerable: not just in terms of their predictable overstretch when responding to the broad challenges posed by ISIS as it responds to losses in

Syria and Iraq, but also in terms of the destabilising impact that the crisis is having on fragile local politics, challenging delicate consensuses that have enabled successful resilience strategies. These challenges are growing particularly acute in Turkey which, despite being a NATO member and the world's 17th largest economy, is heading in a worrying direction. In addition to the growing ISIS threat, marked by the Istanbul airport bombing, the Syrian conflict has reignited Turkey's brutal conflict with the Kurds, which is now the country's most serious domestic and foreign policy challenge.

In this context, European states need to stay focused on the urgent need to continue supporting efforts to strengthen local resilience mechanisms. Ultimately, only the resolution of the Syrian conflict can lower the regional temperature. The recent ceasefire efforts show that some degree of de-escalation is possible with a strong diplomatic push – and this needs an increase in European support. Those advocating European military escalation in this theatre should think carefully about the possible ramifications such action could have on regional stability.

This should also be accompanied by a far greater display of immediate material support to important regional partners. In part, this should involve an increase in financial assistance with a focus on sustainable economic development in order to facilitate the longer-term management of the challenges at hand. The recent London Syria Conference marked a positive move in this direction, raising over \$11 billion in pledges and foregrounding the importance of refugee integration through greater access to education facilities and the labour market. But the fact that the regional response plan remains so critically underfunded, and that key United Nations agencies were forced to cut support services to refugees last year, highlights the still-underwhelming international response. European backing on this front needs to be deepened and widened, accompanied by equal attention paid to strengthening security sector ties in a bid to thwart the threat posed by ISIS. The ISIS-orchestrated bombings in Brussels in March 2016 pointed to dangerous gaps in effective cooperation and information flows between Turkey and Europe. This requires urgent attention, both in terms of helping regional states confront the challenge and preventing the threat from moving into Europe.¹

Critically, however, this approach should be accompanied by a greater European commitment to supporting the political consensus that is essential to holding these fragile states together. This consensus is fraying in the face of new challenges; it needs increased European political attention if future efforts to prevent a wider fallout are to be successfully maintained.

¹ Jim Brunsten, Anne-Sylvaine Chassany, and Sam Jones, "Europe's failure to share intelligence hampers terror fight", the *Financial Times*, 4 April 2016, available at <http://www.ft.com/cms/s/0/f9baf7e8-f975-11e5-b3f6-11d5706b613b.html#axzz4Cy2axKKf>.

Spillover

The Syrian war has posed three direct spillover challenges to its immediate neighbours. The first has been an outward flow of refugees as the intense level of violence in Syria has triggered internal and external displacement. On this, all three countries initially maintained a generous open door policy. The second impact has been the spread of militancy, in terms of both fighters and weapons. This has largely been into Syria from neighbouring states, but there has also been some movement in the other direction due to the transnational ambitions of groups such as ISIS, as well as involvement from neighbouring countries' domestic actors in the Syrian war. The third impact has been economic – this includes the cost of managing the refugee burden, but more broadly restrictions on regional trade routes, the fall in regional investor confidence, and a sharp decline in tourism. These challenges have intensified pre-existing vulnerabilities in each of the three countries, not only in terms of economic and security capacity but equally in terms of political rifts resulting from domestic power struggles. Not only has the Syrian conflict fuelled a wave of potentially destabilising outward flows, but it has also provoked new political contestation across the region.

Regional resilience

Lebanon

Lebanon's story is perhaps the most surprising. When the war in Syria first erupted, many assumed that Lebanon would quickly descend into conflict, given the close links between the two countries. The countries' political divisions break down along similar lines: Lebanon's dominant Hezbollah-led and mostly Shia alliance – the March 8 coalition – supports Assad, whilst the Sunni-dominated March 14 coalition supports the opposition. These two sides had been battling each other for control of the Lebanese state long before the outbreak of war in Syria, with Hezbollah seizing military control of West Beirut in 2008. Given their intimate ties to Syrian groups and their shared regional patrons, it seemed likely that the Syria conflict would expand into Lebanon.

In the early years of the conflict, domestic tensions built quickly. Despite the Lebanese government's official policy of disassociation from the conflict, Lebanese Sunni and Shia groups provided material and military assistance to opposing camps in Syria. For a time, all sides publicly supported the principle that the fight should be kept within Syria, but it was not long before the forces unleashed by the conflict spiralled out of control.

The situation began to worsen in May 2012 with the eruption of violence in the northern city of Tripoli, when security forces linked to Hezbollah arrested a prominent anti-Assad figure. This was followed by a series of political clashes and violent attacks, including assassinations of key political and security figures. A number of devastating bombings in 2013 and 2014 left hundreds dead and wounded – attacks

that were purported to mostly be by Sunni militant groups in retaliation for Hezbollah's intensified military backing of the Assad regime. The overall picture was that of a country being sucked into the vortex.

The violence came alongside a huge influx of refugees. More than one million had arrived in Lebanon by the end of 2014 – equal to 25 percent of Lebanon's population – which pushed the country to end its open door policy in January 2015.² With the refugee population dispersed across the entire country, rather than housed in camps as has partially occurred elsewhere in the region, the management and response to the influx has been considerably complicated, with significant additional strains on the already over-stretched state resources. The growing burden of the refugee population, accompanied by the downturn in regional trade and tourism, hit Lebanon's economy hard. According to the World Bank, Lebanon's losses equal \$13.1 billion since 2012.³

With political, security, and economic problems pushing the country to the precipice, many anticipated violent collapse. But key Lebanese actors, acutely aware of the threat facing the country, appear to have pulled back from the brink. The memory of the country's own devastating civil war is still vivid and this was an important moderating factor, as was the desire to maintain the elite consensus that has cemented powerful and lucrative patronage networks for factional leaders.

Driven to action by the bombings of 2014, the country's leadership doubled down on security efforts. Efforts spearheaded by the Lebanese Armed Forces (LAF), in coordination with Hezbollah- and Sunni-controlled security agencies as well as international partners (such as UK support for border control mechanisms), have been largely successful.⁴ They were accompanied by a Hezbollah push within Syria to seize control of areas on the Lebanese border in a bid to prevent infiltration by Syrian militants. Although Hezbollah has since extended its activities in Syria – including deployments in Damascus and Aleppo – border control remains a priority for the group, as shown by their prioritisation of the battles for Qusayr, Qalamoun and Zabadani on the Syrian side of the Lebanese border. While clashes continue along the border, this strategy has restored a measure of security to Lebanon. The notable exception was a devastating bomb blast in southern Beirut in November 2015 that left 43 people dead.

On the political front, meanwhile, the different parties appear to have essentially agreed to freeze the domestic struggle: the parliament unilaterally extended its own mandate on two occasions and failed to elect a new president since 2014. The price for this freeze has been a hollowing out of the state, which in the long term will have grave consequences, given the increased sense of disconnect between government and population – exacerbated by sectarian divides. The lack of a "Syrian Regional Refugee Response", UNHCR, available at <http://data.unhcr.org/syrianrefugees/country.php?id=122>.

³ "LONDON CONFERENCE – LEBANON STATEMENT OF INTENT", *gov.uk*, 4 February 2016, available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/498026/Supporting_Syria_the_Region_London_2016_-_Lebanon_Statement.pdf.

⁴ Nicholas Noe, "The Islamic State effect: Lebanon's new security symbiosis", European Council on Foreign Relations, 28 August 2014, available at http://www.ecfr.eu/article/commentary_the_islamic_state_effect_lebanons_new_security_symbiosis302.

functioning executive has caused electricity and water shortages, a rubbish collection crisis, and other failures of key state functions and decision-making abilities.

Nonetheless, the freeze on the domestic struggle has arguably helped the country to maintain an immediate calm and avoid being sucked into the Syria maelstrom. This approach was until recently also backed by the key regional sponsors of the rival Lebanese political forces: Saudi Arabia and Iran. They appear to have reached the unlikely agreement that it was not worth extending their confrontation – which has played out with such devastating impact in Syria – to Lebanon.

A surge in international financial support – up to \$1.25 billion in 2015, from \$134 million in 2012⁵ – has, while still insufficient, helped Lebanon manage some of the economic fallout of the Syria crisis. The World Bank estimated GDP growth of 1.5 percent in 2015⁶: its strongest since 2010.

Jordan

Like Lebanon, Jordan has faced intense pressure from the Syrian war – but out of all Syria's neighbours, it has also been the most effective at preventing destabilising spillover. Amman was quick to reinforce control over its northern border, checking the flow of people and arms.

From the outset of the conflict Jordan has sought influence over militant activities in Southern Syria. Through the dispersal of finances and equipment, the activities of the rebel Southern Front have, to a large extent, been controlled by the internationally-backed Military Operations Centre (MOC) in Amman. At times, this has meant holding back rebel advances on Damascus and prioritising the fight against ISIS over that against the regime, both of which have partly been driven with Jordan's security in mind.⁷ There have been no large-scale attacks in Jordan by fighters linked to the Syrian war, or any large scale attacks by ISIS – even though an estimated 2,000 Jordanians are fighting with ISIS in Syria.⁸ The recent ISIS-linked attack that killed five intelligence officers near Amman and a growing ISIS presence in southern Syria have raised new concerns, but Jordanian security capabilities remain strong. The recent attack by and large remains the exception that proves the rule.

Despite its firm control of the border, Jordan initially maintained an open door policy for Syrians fleeing the conflict. This has resulted in 651,000 Syrians currently taking refuge in the country⁹ according to the UN, or 1.3 million according

⁵ "Syrian Arab Republic - Civil Unrest 2015", Financial Tracking Service, available at https://fts.unocha.org/pageloader.aspx?page=search-reporting_display&CO=cq020315114512dM6JYqToXc.

⁶ "Lebanon Country Profile", the World Bank, available at <http://www.worldbank.org/en/country/lebanon>.

⁷ Phil Sands and Suha Maayeh, "Far from Raqqa and Fallujah, Syria rebels open new front against ISIL in the south", the *National*, 28 May 2016, available at <http://www.thenational.ae/world/middle-east/far-from-raqqa-and-fallujah-syria-rebels-open-new-front-against-isil-in-the-south>.

⁸ "Foreign Fighters: An Updated Assessment of the Flow of Foreign Fighters into Syria and Iraq", the Soufan Group, December 2015, available at http://soufangroup.com/wp-content/uploads/2015/12/TSG_ForeignFightersUpdate3.pdf.

⁹ "Syria Regional Refugee Response", UNHCR, available at <http://data.unhcr.org/syrianrefugees/country.php?id=107>.

to the Jordanian government¹⁰ – the latter of which has some history of putting forth a higher estimate to leverage greater international support. The approximate cost is \$2.5 billion per year, according to the World Bank.¹¹ But this policy began to shift as early as 2013¹² with the shutting of a number of border crossings, and most refugees are no longer given free access to the country. Today, there are an estimated 60,000 Syrians camped on the Syrian side of the border.¹³

On the political front, the situation has remained relatively calm. Initial protests and calls for reform that emerged at the time of the Arab uprisings in 2011 faded away amidst deepening fears around regional instability, and concerns that further change could have a “Pandora’s Box” effect on the stability of the country.¹⁴ As the Syrian war has intensified, King Abdullah of Jordan has solidified domestic support, thanks to his perceived success in insulating Jordan from the crisis. King Abdullah has used this as an opportunity to roll back some of the political forces challenging him – notably the Muslim Brotherhood, whose political wing the Islamic Action Front (IAF) have long been the main vehicle of opposition activism in the country. It has now found itself squeezed by internal challenges into the position of granting official recognition to an offshoot – the Muslim Brotherhood Society (MBS). Today the King feels confident enough to formalise greater executive powers, gaining parliamentary approval for enhanced authority over the security services, in reversal of the trend in the early years of the Arab uprisings, when he was under some domestic pressure to increase parliament’s authority.¹⁵

The economic impact of the Syrian war has not been as severe as feared. If anything, the biggest economic hit was driven by the increase in energy prices, particularly that of gas from Egypt.¹⁶ There were large-scale protests in Amman in November 2012 when the government cut energy subsidies. Indeed, even though the refugee influx has posed new challenges, trade routes to Iraq and Syria have been cut, and tourism has dwindled, the situation has also brought opportunities for a country long dependent on external financial support. This has helped cover the cracks of more structural economic problems. International financial assistance, whether through direct budget support or humanitarian aid, is estimated to balance the costs of the refugee influx.¹⁷ US

10 Khetam Malkawi, “Jordan world’s 8th refugee welcoming country”, the *Jordan Times*, 23 May 2016, available at <http://www.jordantimes.com/news/local/jordan-world%E2%80%99s-8th-refugee-welcoming-country>.

11 “By the Numbers: The Cost of War & Peace in the Middle East”, the World Bank, 4 February 2016, available at <http://www.worldbank.org/en/news/feature/2016/02/03/by-the-numbers-the-cost-of-war-and-peace-in-mena>.

12 “Jordan: Syrians Blocked, Stranded in Desert”, Human Rights Watch, 3 June 2015, available at <https://www.hrw.org/news/2015/06/03/jordan-syrians-blocked-stranded-desert>.

13 “Jordan: Syria Crisis Factsheet”, European Commission, June 2016, available at http://ec.europa.eu/echo/files/aid/countries/factsheets/jordan_syrian_crisis_en.pdf.

14 Julien Barnes-Dacey, “Jordanian Tremors: Elusive Consensus, Deepening Discontent”, European Council on Foreign Relations, November 2012, available at http://www.ecfr.eu/page/-/ECFR68_JORDAN_MEMO_AW.pdf.

15 Areej Abuqudairi, “Jordan King given further exclusive powers”, *Al Jazeera*, 30 August 2014, available at <http://www.aljazeera.com/news/middleeast/2014/08/jordan-king-given-further-exclusive-powers-2014826123814316219.html>.

16 “Impact of energy crisis most evident in rising public debt – report”, the *Jordan Times*, 12 July 2015, available at <http://www.jordantimes.com/news/local/impact-energy-crisis-most-evident-rising-public-debt-%E2%80%94-report>.

17 Kirk H. Sowell, “Jordan is Sliding Toward Insolvency”, Carnegie Endowment for International Peace, 17 March 2016, available at <http://carnegieendowment.org/sada/?fa=63061>.

support alone has increased to over \$1 billion a year from \$400 million in 2011.¹⁸ The World Bank estimated real GDP growth of 3 percent in 2016.¹⁹

Turkey

If Lebanon and Jordan have so far been more resilient than expected, Turkey is moving in the opposite direction. It may not be at risk of implosion but the destabilisation associated with the Syrian conflict – and the strains of President Recep Tayyip Erdoğan’s domestic struggle to consolidate his authority – means that Ankara faces deepening challenges. Turkey is now threatened by an apparently well-entrenched ISIS network and engulfed in an increasingly bloody conflict with its Kurdish population – both of which have been exacerbated by the situation in Syria.

It took Ankara much longer than Beirut or Amman to agree to secure control of its border with Syria. Instead, Ankara long allowed its border to remain in unregulated use as the main conduit for support to the anti-Assad armed Syrian opposition. This involved turning a blind eye to the flow of militants and arms across the border. Unlike in Jordan, attempts to coordinate these efforts through a central and internationally backed Military Operations Centre (MOC) faltered, as regional states and private backers pursued competing agendas. This has come at a considerable price, particularly in terms of the militancy threat now facing the country from the increasingly visible cross-border networks established over the past five years.

It was only after a series of ISIS-linked bombings in mid-2015 that Turkey began implementing firmer border controls and became more active in the anti-ISIS military coalition – even granting the US access to the Incirlik and Diyarbakır air bases in July 2015. Despite these measures, a bomb blast hit Ankara in October 2015, killing 102 people. Istanbul has already been hit three times in 2016, including the devastating airport attack – all of which were linked to ISIS. European and US officials still point to a swathe of territory controlled by ISIS on the Syrian side of the border – the Manbij pocket – from which they claim that ISIS is still able to access Turkey and launch attacks in Europe.

Ankara’s position is complicated by the fact that it is also waging an intensifying war against the militant Kurdistan Workers’ Party (PKK) – a group listed as a terrorist organisation by the European Union. Violence erupted in the south-east of the country in July 2015 following an ISIS bombing in the southern city of Suruç, a predominantly Kurdish town, which left 32 dead and collapsed a two-year peace process. Kurds blamed Ankara for having turned a blind eye to the ISIS threat, sparking demonstrations and a PKK revenge attack which killed a Turkish soldier, provoking further escalation. Kurds were blamed for suicide attacks in Ankara in 2016 that killed 66 people. To date, as many as 1,000 people have been killed in the fighting – including nearly 600 Turk-

18 “U.S. plans to boost aid to Jordan to \$1 billion per year”, *Reuters*, 3 February 2015, available at <http://www.reuters.com/article/us-jordan-aid-idUSKBN0L72ET20150203>.

19 “Jordan: Country Overview”, the World Bank, available at <http://www.worldbank.org/en/country/jordan/overview>.

ish security personnel – and a further 355,000 displaced as of March 2016.

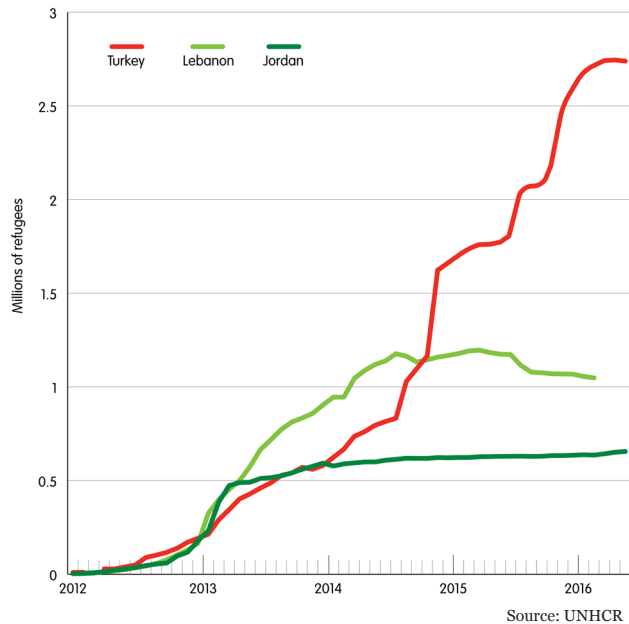
While the Turkish-Kurdish war is a domestic issue that dates back decades, the war in Syria has played an instrumental role in its latest round of violence. The rise of Syrian Kurds, who have carved out an autonomous zone known as Rojava on Turkey's border in north-east Syria, stokes Ankara's concern. The zone is dominated by the Democratic Union Party (PYD) and its armed offshoot the People's Protection Units (YPG), which are directly linked to the PKK, and enjoy Western and Russian support in the fight against ISIS. The rise of Syria's Kurds has heightened fears in Ankara about Kurdish political ambitions and militancy in Turkey. At times, Ankara has been accused of supporting extremist Sunni groups in Syria to fight the Kurds.

If the Syrian war has had an increasing security impact on Turkey, the economic cost, while heavy, has been more manageable given the country's size.

There are now at least 2.7 million refugees in Turkey, making the country the single largest international recipient of Syrians – though not per capita, which is a position held by Lebanon. While Ankara says that it has spent €7 billion of its own resources accommodating refugees and providing access to education and healthcare, the refugee influx is reported to have had some positive impact on the economy.²⁰ With Syria's industrial heartland located in the northern city of Aleppo, much of it simply relocated across the border following the outbreak of conflict, creating a surge of economic activity in Turkey's south. By 2014, the approximately \$2 billion worth of trade between the two countries was estimated to have reached pre-war levels after a downturn in 2012.²¹ The economy could be further boosted by the EU-Turkey deal on refugees, which will see the country receive €6 billion in total. The World Bank estimates GDP growth of 3.5 percent in 2016.²²

Moreover, while Turkey followed regional neighbours in eventually closing its borders with Syria, this was largely on the basis of security and political concerns rather than economic costs. Following a series of bombings in the south of the country linked to ISIS infiltration, Ankara began imposing restrictions on border crossings in 2015.²³ Further steps to tighten control, culminating in the border's effective closure in early 2016, were driven as much by an intention to force international support for the establishment of a no-fly zone in Syria, aimed to weaken Assad, as it was to alleviate Turkey's security concerns or refugee burden. The move left

Refugee numbers in Jordan, Lebanon and Turkey, 2012-2016



an estimated 165,000 Syrians trapped on the Syrian side²⁴ and as many as 60 Syrians have subsequently been killed by Turkish border guards as they sought to cross the border.²⁵

If anything, the biggest economic cost to Turkey from the Syria crisis has come about as a result of Turkey's active participation in the conflict. Its shooting down of a Russian fighter jet which had crossed into its airspace in November 2015 led to Russian retaliation in the form of sanctions, which could cost Turkey €10 billion.²⁶ The deteriorating relationship with Moscow has contributed to a sharp decline in tourism revenues, with the loss of around 95 percent of the 4.5 million annual Russian visitors.²⁷

The spat with Russia reflects a broader challenge facing Turkey: despite the EU deal, the country is increasingly isolated internationally, due in large part to its Syria policies. Turkey's security policies in particular – its perceived tolerance of more extremist armed militants in Syria and its escalating war with the Kurds – have left it far more isolated than Lebanon and Jordan. Even Ankara's recent greater commitment to the anti-ISIS coalition is proving problematic given deep differences: notably, Ankara's anger over US reliance on Syrian Kurds.

20 "Syrian refugee entrepreneurs boost Turkey's economy", the *Financial Times*, 16 May 2016, available at <http://www.ft.com/cms/s/0/93e3d794-1826-11e6-b197-a4af20d5575e.html#axzz4Amu2z1my>.

21 Zülfiyar Doğan, "Despite ongoing war, is trade between Turkey, Syria rebounding?", *Al Monitor* 11 November 2015, available at <http://www.al-monitor.com/pulse/originals/2015/11/turkey-syria-trade-level-increase-despite-civil-war.html>.

22 "Turkey: Country Profile", the World Bank, available at <http://data.worldbank.org/country/turkey>.

23 Orhan Coskun, "Drones and ditches as Turkey tightens border after Islamic State bombing", *Reuters*, 23 July 2015, available at <http://www.reuters.com/article/us-mideast-crisis-turkey-idUSKCN0PX15J20150723>.

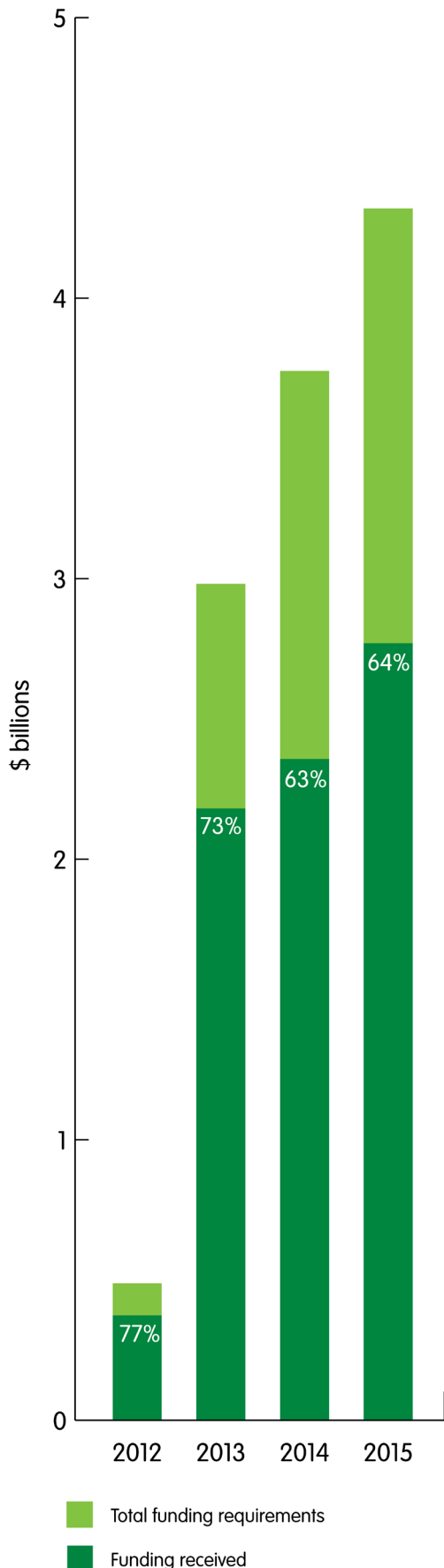
24 Gerry Simpson, "Dispatches: ISIS Advance Traps 165,000 Syrians at Closed Turkish Border", Human Rights Watch, 27 May 2016, available at <https://www.hrw.org/news/2016/05/27/dispatches-isis-advance-traps-165000-syrians-closed-turkish-border>.

25 "Turkish troops fire on fleeing Syrians, killing 11", *Al Arabiya*, 19 June 2016, available at <http://english.alarabiya.net/en/News/middle-east/2016/06/19/Turkish-troops-fire-on-fleeing-Syrians-eight-killed.html>.

26 Selin Girit, "Turkey faces big losses as Russia sanctions bite", *BBC News*, 2 January 2016, available at <http://www.bbc.com/news/world-europe-35209987>.

27 Mark Lowen, "Turkey tourism: an industry in crisis", *BBC News*, 17 June 2016, available at <http://www.bbc.com/news/world-europe-36549880>.

Actual and required funding for Syria regional refugee resilience plan



Source: Financial Tracking Service

Trigger points

Syria's immediate neighbours face four main challenges that could unravel the delicate balance just about holding things together at present, and threaten wider regional instability.

Burnout

The first danger is overstretch in state capabilities, particularly in terms of the refugee burden, but also the security situation. On one level this is a question of simple budgetary shortfalls. Lebanon and Jordan are especially vulnerable, despite international financial injections. In Lebanon public debt stands at 138 percent of GDP, instead of the projected 122 percent without the impact of the Syrian crisis.²⁸ Jordan's absolute debt has doubled since 2011, and while this is less directly linked to the Syria crisis, it points to the country's acute financial vulnerability.²⁹ Both countries depend on foreign aid, and if that dries up the situation could become perilous. Here, the continued failure of international funding appeals to meet their targets – the 2015 Syria regional refugee and resilience plan appeal only secured 64 percent of the required \$4.3 billion³⁰ – points to the dangers at hand. This manifests in developments such as the cutting of World Food Programme assistance to Syrian refugees.³¹ A financial inability to provide for its own population and meet the demands of the refugee population would provoke a dangerous volatility.

In the short term, however, the greater challenge may not be an absolute lack of money, but more efficiently managing the resources available to ensure that the areas most impacted by these crises, particularly in terms of refugee numbers, are adequately resourced. In Lebanon, the unregulated flows of refugees into some of the country's poorest areas is a grave challenge. In Jordan, more than 76 percent of refugees are concentrated in the northern governorates of Amman, Irbid and Mafrqa,³² where the pressures are likely to be most acute.

The risk facing these two countries on this front – Turkey less so given its greater economic resources – is that local state capacities are pushed to breaking point, whether it be in terms of health and education facilities, or access to clean water. The situation is most dangerous in Lebanon, where the state has been hollowed out by political paralysis. European officials point to the inability of the Lebanese government to present a clear vision of their needs and implement an effective response strategy – compared with Jordan which is much clearer in outlining its needs. Without a near term reversal

²⁸ "LONDON CONFERENCE – LEBANON STATEMENT OF INTENT", gov.uk, 4 February 2016, available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/498026/Supporting_Syria_the_Region_London_2016_-_Lebanon_Statement.pdf.

²⁹ Kirk H. Sowell, "Jordan is Sliding Toward Insolvency", Carnegie Endowment for International Peace, 17 March 2016, available at <http://carnegieendowment.org/sada/?fa=63061>.

³⁰ "Total Funding to the Syrian Crisis 2015", Financial Tracking Service, available at <https://fts.unocha.org/pageloader.aspx?page=special-syriancrisis&year=2015>.

³¹ "WFP Forced To Make Deeper Cuts In Food Assistance For Syrian Refugees Due To Lack Of Funding", World Food Organisation, 1 July 2015, available at <https://www.wfp.org/news/news-release/wfp-forced-make-deeper-cuts-food-assistance-syrian-refugees-due-lack-funding>.

³² Svein Erik Stave and Solveig Hillesund, "Impact of Syrian refugees", International Labour Organisation, available at <https://data.unhcr.org/syrianrefugees/download.php?id=8697>.

of the current trend and a more effective governing system with greater capacity, Lebanon risks a wider unravelling. As elsewhere in the region, governance failure risks providing a fertile breeding ground for extremist ideologies.

The immediate challenge is meeting the needs of local governance and alleviating the tensions rising from unmet expectations. These are both on the part of refugees and of local populations, who are growing resentful of the resources and opportunities that refugees are perceived to be drawing away from them. Tied to this is the growing reality that Syrian refugees are taking some low-end jobs from local nationals. According to the International Labour Organisation (ILO), Syrian refugees may have played a role in pushing up the level of unemployment in Jordan from 14.5 percent in 2011 to 22.1 percent in 2014, with Syrians seen to be crowding out young Jordanians whose unemployment levels increased from 19 to 35 percent.³³ Meanwhile, in Lebanon, local unemployment is said to have doubled to 20 percent as a direct result of the Syrian crisis.³⁴ In Turkey a similar story is said to be unfolding in a more localised fashion.³⁵ Continued movement in this direction is a recipe for trouble and likely to feed inter-communal tensions, some of which are already manifesting themselves at a low level, containing within them the seeds of potential wider violence. The kindling of such tensions also puts national governments under considerable domestic political pressure.

The flip side to this is the attempt by some governments to respond to the challenge by restricting the rights granted to refugees, notably in terms of access to legal employment. In all three countries different strands of this approach are already being implemented, marginalising refugees, pushing them further into the informal sector, and storing up corresponding tensions related to their inability to make ends meet. This is even the case in Turkey, where the recent EU deal was supposed to open up employment opportunities. Instead, restrictions remain in place.³⁶

The fraying political consensus

The second key risk facing the region, particularly Lebanon, to some extent Turkey and to a lesser extent Jordan, is the degree to which the political consensus that has underpinned resilience strategies is being challenged. In Lebanon, several signs point to some negative movement in this direction. To the backdrop of deepening strains due to the paralysis of the system, recent municipal elections — the first vote to be held in the country in six years — saw a hard-line result. Ashraf Rifi, a former justice minister who resigned earlier this year demanding a stronger domestic stand against Hezbollah, defeated a Sunni alliance in the northern city of Tripoli that

33 Svein Erik Stave and Solveig Hillesund, "Impact of Syrian refugees", International Labour Organisation, available at <https://data.unhcr.org/syrianrefugees/download.php?id=8697>.

34 "ILO Response to Syrian Refugee Crisis in Lebanon" International Labour Organisation, available at <http://www.ilo.org/beirut/areasofwork/syrian-refugee-crisis/lebanon/lang--en/index.htm>.

35 Mehmet Cetingulec, "Syrian refugees aggravate Turkey's unemployment problem", *Al Monitor*, 9 July 2014, available at <http://www.al-monitor.com/pulse/originals/2014/07/cetingulec-syrian-refugees-turkey-unemployment-illegal-work.html>.

36 Patrick Kingsley, "Fewer than 0.1% of Syrians in Turkey in line for work permits", *The Guardian*, 11 April 2016, available at <https://www.theguardian.com/world/2016/apr/11/fewer-than-01-of-syrians-in-turkey-in-line-for-work-permits>.

was backed by former prime ministers Saad al-Hariri and Najib Mikati. The latter two have to date largely supported the delicate political balancing act that has kept the country afloat. Rifi's success in part represents a failure of leadership and growing disconnect between al-Hariri and the country's Sunni base, with the community's long-time leader now spending most of his time out of the country due to security concerns. Even though turnout in the election was low, the result points to the possibility of a more assertive turn among elements of the country's Sunni population.³⁷

Meanwhile, there are also fears that Hezbollah may be willing to take a more confrontational domestic stance in response to attempts by Lebanese financial institutions to abide by new US legislation - the Hezbollah International Financing Prevention Act - which threatens to place sanctions on foreign entities doing business with Hezbollah or affiliates. A bomb blast at a BLOM Bank building in central Beirut on 12 July 2016, detonated in the evening and with the apparent intention of not causing fatalities, has been interpreted by some as a warning from Hezbollah about the possible consequences facing those complicit with US attempts to curtail their financial activities. The group has previously demonstrated its willingness to use force in the domestic arena. Given Hezbollah's extensive economic links, this portends immediate dangers in addition to the possible wider negative economic implications of the US legislation. These developments come on the heels of – and may have been encouraged by – developments on the regional level. In February, Saudi Arabia broke with its apparent support of stability following the country's unwillingness to join the Arab League (AL) in condemning Iran for failing to prevent the attack on the Saudi embassy in Tehran in January. Riyadh subsequently cancelled more than €3 billion worth of military support to the Lebanese Armed Forces, successfully pushed for the Gulf Cooperation Council (GCC) and AL to designate Hezbollah a terrorist organisation, and – in a blow to the Lebanese economy – told its citizens to stay away from the country. Continued Saudi pressure on this front (for instance, by withdrawing deposits from the central bank) could prove devastating, raising fears that Lebanon could still become an active front in the broader and still intensifying regional war between Riyadh and Tehran.

It remains to be seen how far domestic and regional actors are prepared to push the boat out, given the risks at hand. The low turnout for municipal elections and al-Hariri's reaction to Saudi positioning – calling on them not to abandon the country³⁸ – points to the possibility of a wider consensus that could lie behind the need to maintain stability. There has also been some recent movement that suggests political forces may now be slowly rallying around the election of Mr. Michel Aoun as president in an attempt to break the longstanding political deadlock and get the country moving again. This will in part depend on Hezbollah playing a con-

37 Tom Perry and Leila Bassam, "Sunni hawk wins Lebanon vote, risking new tensions", *Reuters*, 30 May 2016, available at <http://www.reuters.com/article/us-lebanon-politics-idUSKCN0YL1VI>.

38 Tom Perry and Laila Bassam, "Lebanon's Hariri urges Saudi king not to abandon country", *Reuters*, 22 February 2016, available at <http://www.reuters.com/article/us-mideast-crisis-lebanon-saudi-idUSKCN0VY1NC>.

structive role, both in terms of refraining from resorting to armed force at home, and in terms of supporting the election of a new president, which it has actively blocked for some time as it apparently waited to see the impact of a settlement in Syria on the balance of power. As part of this push to shore up stability, Western states are also influencing domestic and regional forces in favour of stabilising measures – with France said to have encouraged al-Hariri to back Aoun³⁹ and the US discouraging Saudi Arabia from imposing too deep an economic punishment on the country⁴⁰ (despite the impending introduction of its own Hezbollah-targeted legislation, which risks doing as much damage).

In Turkey, meanwhile, the risks are predominantly related to the ongoing civil war with the Kurds, which threatens to draw the country into an open-ended conflict. Unleashing a wider cycle of violence and political rupture, this scenario could possibly also escalate into a broader regional confrontation that draws Turkey even more directly into Syria, given the threat that Syrian Kurds pose in Ankara's mind. The recent lifting of parliamentary immunity from some legislators, in a move which many believe will be used to disproportionately target members of the pro-Kurdish Peoples' Democratic Party (HDP),⁴¹ as well as the government's crackdown on media and opposition voices, are all indicative of the unsettling political environment hanging over the country. Deepening domestic political polarisation appears to be one of the active policies being pursued by Erdoğan in order to cement the support of his base constituency and allow him to secure enough backing to move ahead with constitutional revisions aimed at putting in place a new presidential system. To the backdrop of ongoing internal divisions within the ruling Justice and Development (AK) party, as evidenced in the May ousting of Ahmet Davutoğlu as prime minister, new questions are being asked of Turkish political stability.

Finally, in Jordan, uncertainty hangs over the possible destabilising impact of the restrictions being imposed on opposition forces, namely the Muslim-Brotherhood affiliated IAF party - particularly in the context of some domestic support for Salafist groups and ISIS, as well as deep-rooted, structural-economic challenges which are breeding wider discontent. King Abdullah retains strong level of domestic and international support, but these vulnerabilities suggest that the situation is not necessarily as secure as many imagine. There are concerns that the narrowing of the domestic political space will result in discord manifesting itself through deepening local radicalisation and an increase of militancy.

39 "Hollande advised Hariri to endorse Aoun for presidency: report" the *Lebanon Daily Star*, 7 June 2016, available at <http://www.dailystar.com.lb/News/Lebanon-News/2016/Jun-07/355697-hollande-advised-hariri-to-nominate-aoun-for-lebanese-president-report.ashx>.

40 Jay Solomon and Dana Ballout, "U.S. Presses Saudi Arabia Not to Further Punish Lebanon Economically", the *Wall Street Journal*, 8 March 2016, available at <http://www.wsj.com/articles/u-s-presses-saudi-arabia-not-to-further-punish-lebanon-economically-1457434983>.

41 "Turkey passes bill to strip politicians of immunity", *Al Jazeera*, 20 May 2016, available at <http://www.aljazeera.com/news/2016/05/turkey-passes-bill-strip-lawmakers-immunity-160520103841992.html>.

Syrian escalation

The third risk hanging over regional states is that the situation in Syria is on the verge of a dangerous new cycle of escalation as the internationally-backed political process hovers on the brink of failure. A surge of intensified fighting near Damascus and Aleppo could provoke massive new refugee outflows (upwards of one million people) towards Lebanon, Jordan and Turkey. These flows might overwhelm their closed border policies, and leave them with dramatically increased and hugely destabilising burdens. Fresh escalation in Syria is also likely to signal increasing polarisation across the region, including the deepening of Hezbollah's military involvement in the conflict. It could also provide new space for the empowerment of more extremist-leaning groups in the south of Syria, leading to intensified security challenges for Jordan such as direct targeting by ISIS.

Thinking in the long term, there are two possible outcomes in Syria that could also pose considerable regional challenges. The first and more likely scenario is the de facto break-up of the country: an outcome which would ask big questions of Turkey in particular, given the Kurdish dimension, but could also have a destabilising impact on Lebanon given the growing sense of Sunni disenfranchisement in the North. The second scenario, unlikely though it may appear, is that one side emerges victorious in Syria. For Lebanon, where the balance between the two sides is so delicately poised, an absolute victory would risk bolstering the ambitions of the victorious side, potentially laying the ground for a bid to extend that victory into Lebanon.

ISIS on the back foot

In recent months there have been meaningful military advances in the anti-ISIS campaign, with the combination of international air power and local ground troops putting the group on the defensive in both Syria and Iraq. The downside to the successful squeezing of ISIS within the territory of its self-declared caliphate is, however, that it may push the group into placing greater focus on securing a wider regional foothold. Some of its fighters have already decamped to Libya. Whether or not this emerges as a deliberate strategy on the part of ISIS to relieve pressure on its core base of operations and create a longer-term survival strategy, or simply indicates return of national fighters to their home countries following setbacks in Syria and Iraq, both consequences could be very dangerous for regional stability. With an estimated 2,000 Jordanians, 2,000 Turks and 1,000 Lebanese already fighting alongside ISIS in Syria and Iraq, the threat is very real, as demonstrated by recent ISIS attacks in all three countries.⁴²

42 "Foreign Fighters: An Updated Assessment of the Flow of Foreign Fighters into Syria and Iraq", the Soufan Group, December 2015, available at http://soufangroup.com/wp-content/uploads/2015/12/TSG_ForeignFightersUpdate3.pdf.

What can Europe do?

Since 2011 the area has witnessed a surge of regional assertiveness that leaves little room for grand displays of European leverage.⁴³ Still, Lebanon and Jordan are two countries where Europe maintains some ongoing influence; this derives from the depth of the challenges facing the two countries and the desperate need to lock in as much external support as possible. European states may have a particularly important role to play in Lebanon, given their willingness to maintain some dialogue with Hezbollah by sanctioning its armed wing, and a less involved US. Although a fiercely independent actor, Turkey has meanwhile demonstrated an ongoing willingness to cut transactional deals. Its pursuit of EU accession talks, and willingness to make migration deals in large part for visa-liberalisation measures, shows that avenues still exist to pursue the European interest.

In this context there are three main areas for Europe to strengthen its support of regional resilience efforts, responding to the challenges outlined above:

Increase capacity support

European member states and EU institutions must look to increase financial support to Syria's three neighbours, recognising the immense pressures they are under and the need for intensified economic backing. The London Conference indicated a positive start, but much more is needed. The initial €5.4 billion secured for 2017-2020 is an underwhelming figure when averaged out across three years. The successive failure to secure the full amount needed for the regional response plan points to the reality that far more is needed.

Based on the approach laid out at the London Conference, European support should also be channeled towards longer term development programmes aimed at strengthening sustainable resilience mechanisms: including refugee access to education and jobs, but also local economic development that benefits the host communities, as opposed to more humanitarian response measures with narrow and limited impact. European assistance should be channeled towards the key zones where the pressures are most acute, with northern Jordan and Lebanon constituting the regions of greatest need.

Recognising that refugees are not going to return home anytime soon, host countries should be encouraged to see that the integration of the refugee population – at least in terms of near-term opportunities like employment – as being in their best interests. It could secure maximum economic and political benefits, including stability for their countries. Clearly, this approach will only be sustainable if it offers economic empowerment – including local jobs – to the host communities as well, so European actors should therefore be equally focused on national economic development opportunities. In this context, initiatives that would benefit refugees, local workers and the economy at large, such as the

proposed industrial trade zones in Jordan with preferential access to European markets, should be encouraged. To succeed in terms of overcoming the lack of investor confidence, European governments will need to demonstrate considerably increased backing than is currently the case. Moreover, a European approach that attempts to encourage refugee integration will only gain traction if Europe is prepared to do more in terms of genuine burden-sharing: both through increased economic support but also through willingness to take in larger numbers of Syrian refugees.

Beyond economic support, European states must also continue to offer strong security sector support, with France and the UK having a privileged role in this sphere in both Lebanon and Jordan. In Lebanon the need to continue strengthening the LAF and border control facilities will at times necessitate holding one's nose and cooperating with local security agencies directly affiliated with Hezbollah. At the same time, recent ISIS-linked attacks in all three countries, as well as attacks in Europe, highlight the need to strengthen intelligence-sharing ties.

Encourage inclusive governance

Europe's first goal must be to support the efforts of regional states in managing the pressures of the Syrian crisis, offering backing where necessary. At the same time, European states should not lose sight of the centrality of political consensus as the key ingredient to preventing dangerous contagion. They should continue to encourage movement behind this goal – keeping to this firm and high-level message. To be clear, Europe cannot dictate political terms to regional states, but it should not be short-sighted about negative political developments.

In this light, European states must think carefully about cutting short term migration deals with Turkey, avoiding turning a blind eye to the authoritarianism of the Erdoğan government and the war being waged against the Kurds, which risk storing up longer-term destabilising forces. It would be a mistake for Europe to dampen down the terms of the migration deal in order to ensure it is passed, particularly when it comes to the necessary changes to Turkish anti-terrorism legislation, given these laws are being used as a green light to go after opposition voices, Kurds, academics, and journalists. The European Commission and German Chancellor Angela Merkel should continue to press home this point, and note that Erdoğan's pursuit of visa-liberalisation does not leave Europe with an entirely empty hand.

European states should also look to take advantage of openings to support the launch of a new political process between Ankara and Turkish Kurds, keeping it as a very prominent talking point in future engagement with Erdoğan. This should be combined with support for and active outreach towards the realisation of a quiet PYD-Ankara dialogue that aims to address the Syria-related concerns feeding Ankara's unease. Even as European governments join the US in backing the PYD's anti-ISIS advance in Syria, it should

43 Julien Barnes-Dacy, "Responding to an assertive Gulf", European Council on Foreign Relations, 24 June 2015, available at http://www.ecfr.eu/publications/summary/responding_to_an_assertive_gulf.

acknowledge and work towards addressing some of Ankara's concerns on this front, including looking to restrict PYD movement into non-Kurdish territories along the Turkish border in northern Syria.

In Jordan, which remains an indispensable regional ally, European states should encourage King Abdullah to be cautious about closing down avenues of popular representation such as the IAF, while stressing the importance of the legitimacy of upcoming national elections and the legitimacy of the representative powers granted to the parliament and government.

Lebanon remains a more tricky case. The imperative of getting domestic actors to rally around an effective and functioning government – which would benefit hugely from the election of a new president – should not necessarily mean pushing the system too hard towards a possibly dangerous state of political contestation. In some respects, Europe should be guided by the mantra that, “if it ain't broke, don't fix it”. As part of this, the European message should be one of prioritising governance over politics; highlighting the real risk of state implosion; and a loss of the respective interests of all of the key actors if a workable solution that keeps the state functioning is not achieved. Towards this end, European governments should maintain an intense mediating dialogue with all of the key domestic actors, including Hezbollah, which remains a critical stabilisation actor within Lebanon despite its negative role in Syria. European states should also use their channels of communication with regional powers such as Iran and Saudi Arabia to help press home the importance of ensuring Lebanon is not drawn into the regional maelstrom.

Across all three countries, European governments should communicate the point that security-led rather than governance-first approaches will not be conducive to stability, despite the obvious need in some cases for intensified security measures. The danger in key spots such as south-east Turkey or Aarsal in north-eastern Lebanon, where the respective governments have effectively sought to impose security lock-downs, is that this approach fails to address underlying governance deficiencies, fuelling rather than stemming local resentment and instability. A sustainable regional resilience model requires the cementing of inclusive governance models.

Tread carefully in Syria

A new round of escalation in Syria could prove deeply destabilising to the region. As such, European states should be cautious about what they encourage and materially support in the next phase of the conflict. They should be aware that backing any new military operations is likely to come at a high price for the surrounding states.

Instead, Europe needs to put renewed energy into salvaging the current political process before it passes the point of no return. In the end, a negotiated solution in Syria is the only method of charting a path towards a truly sustainable

regional stability; European states must work with that goal in mind. A start would be a better recognition of shared European interests, a more unified position based on a realistic reading of what is possible, and an increase in diplomatic activities that do not merely rely on the US and Russia delivering a final settlement. It also represents the best hope towards encouraging a concerted push against ISIS by all parties, with the aim of effectively squeezing the group from all sides rather than leaving gaps which it can still use to move across the region.

About the author

Julien Barnes-Dacey is a senior policy fellow with the Middle East programme at the European Council on Foreign Relations, where he focuses on the Syria conflict and broader regional dynamics. His recent publications for ECFR include *Syrian Diplomacy Renewed and Responding to an Assertive Gulf*. He has been based across the Middle East, including in Syria from 2007 to 2010.

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london@ecfr.eu