

Energy Intelligence

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Lebanon: Syria Spillover Threat: Existential? Or Just Economic?

Feature Stories

By Tom Pepper, London

As the dust settles on Qusair and the Syrian regime turns its attention to the rebel stronghold of Aleppo further north, boosted by open support from its Lebanese Shiite ally Hezbollah, Lebanese analysts and politicians are assessing the potentially existential threat the Syrian conflict is posing to its political institutions. Already, elections scheduled for June have been postponed, while Hezbollah itself is having to navigate uncharted territory in both Lebanon and the wider region as its involvement in the conflict deepens.

"Lebanon's political institutions are resilient and have been able to weather storms in the past, but Syria takes things up a notch," says Sami Atallah, executive director of the Beirut-based Lebanese Center for Policy Studies. "It is probably the most serious crisis facing the country over the last two decades, so it is hard to say at present that, yes, these institutions will be able to survive it."

Security incidents inside Lebanon itself are mounting day by day, compounding the sense of crisis. The latest, on Jun. 11, saw rockets fired from Syria landing in the northeast Lebanese border town of Hermel, killing one man, according to the local *Daily Star*. A roadside bomb exploded a day earlier in Taanayel, 45 kilometers from Beirut in the Bekaa Valley, damaging vehicles. Lebanese security forces have had their hands full in villages and towns bordering Syria and in other areas where sectarian tensions remain high. In Tripoli on the north coast, rival Sunni and minority Alawite groups have fought running street battles in the Old Souk area, killing up to five people and wounding more than 50 in recent weeks ([EC May24'13](#)). The Lebanese army on Jun. 7 urged "citizens to be wary of the plots aimed at taking Lebanon backward and dragging it into a futile war."

State policies and authority are being directly challenged. "The recent decision by Parliament to postpone planned elections in June is a sign of failure. ... I do think what's happening in Syria does affect the political environment in Lebanon, and we will have to see how political parties will react," says Atallah. "On the structural side, we see the state being challenged. Some political movements and parties such as Hezbollah openly state that they can go to Syria and fight, while other political parties in Lebanon say no. Does this tear at the fabric of the state?"

The previous government led by former Prime Minister Najib Mikati said it would not get involved in Syria. But war in Syria is now delaying the formation of a new government in Lebanon and the political parties themselves may favor postponement of elections: They have come to no agreement on an election law, Hezbollah is fully focused on Syria, and the Future Movement led by Sunni leader Saad Hariri and favored by Saudi Arabia might find containing Islamist groups within its fold harder as it bids for the position of prime minister in a new government.

With events in Syria unfurling at a rapid pace and outside the control of all protagonists -- including foreign backers on both sides -- it is hard to see how Lebanon can avoid further internal strife. Hezbollah leader Hassan Nasrallah last month explicitly committed the Shiite militant group to greater involvement in Syria, equating any fall of the al-Assad regime to its own demise and future Israeli dominance in Lebanon ([EC May31'13](#)).

Looking ahead for signs of compromise, it is difficult to see other Lebanese political groups having much influence over Hezbollah. Former Prime Minister Fouad Siniora attempted in late May to reach out to Shiite political leaders, including Amal party leader and parliamentary speaker Nabih Berri, but results aren't evident, and Atallah says Berri and others probably don't have much sway with Hezbollah. But Atallah also argues that Hezbollah "would prove pragmatic in any regional settlement involving Russia and Iran" and that "interpreting the [Syrian] conflict as a Sunni-Shia war conceals important facts." Just as the Saudis and the Qataris are "not on the same page" with regard to their support for Sunni groups, "Hezbollah should not be seen as defending Asad but rather its own position."

Economic Impact

Political parties on all sides are reminded of the destruction wrought on the country by the civil war from 1975-90, which destroyed communities and led to economic collapse. Few have any desire to repeat the process, and some are warning of the economic fallout from the current crisis. "I'm not pessimistic. The upcoming Geneva conference, which looks set for July, may help to resolve the issues in Syria which are affecting Lebanon," says a senior adviser to the Lebanese parliament affiliated to the Amal party. "There is not an existential threat to the country, but maybe in economic terms there are challenges ahead."

Not having a new government in place will likely slow decision-making on key economic programs. Already, Lebanon's energy costs have soared. Gas deliveries to the Beddawi power plant in the north stopped amid the chaos and the country is instead paying up to \$1.9 billion per year for gasoil. State Electricite du Liban's deficit is increasing and may soon hit \$2.1 billion ([WGI Mar.27'13](#)). An offshore bid round aimed at foreign oil

and gas companies may also be delayed: The Petroleum Administration was explicitly set up as an independent oversight body to avoid political delays, but only the government can sign contracts -- and it doesn't currently exist ([IOD May2'13](#)).

Compass Points

- **SIGNIFICANCE:** Hezbollah's explicit declaration of support for the Assad regime and involvement in fighting in Syria have heightened sectarian tensions in Lebanon and undermined the state's authority.
- **CONNECTION:** Syrian spillover also poses a threat to Iraq's political stability and is unsettling Turkey, with its Kurdish and Shiite Alevi minorities ([EC May31'13](#)).
- **NEXT:** Much faith is being placed in the Geneva conference sponsored jointly by the US and Russia, but with the tide apparently turning in Assad's favor and the Syrian opposition divided, a political solution may remain elusive.