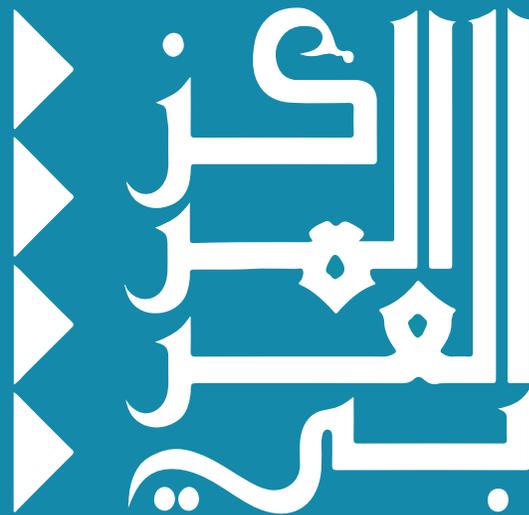


Hariri Comes to Washington in the Shadow of Hezbollah's Wars

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On July 25, US President Donald Trump received Lebanese Prime Minister Saad Hariri at the White House. The first official meeting between the two leaders comes days after two crucial developments that might have significant impact on Lebanese politics. On July 21, Hezbollah launched an offensive against extremist groups--the Islamic State in Iraq and the Levant (ISIL) and Jabhat Fath al-Sham (formerly Jabhat al-Nusra)--that hold strategic areas in the mountainous Lebanese-Syrian border; and on July 20, US congressional members circulated anticipated bills that aim to expand US sanctions on Hezbollah.

Hariri hopes to achieve two main objectives in Washington: 1) to mitigate the impact on the Lebanese economy of potential new US sanctions on Hezbollah; and 2) to preserve the US military aid program to the Lebanese Armed Forces (LAF) from looming federal budget cuts. The most important challenge for Hariri remains the same every time he visits Washington: how to reconcile being critical of Hezbollah with accepting the reality of its leverage on Lebanese institutions. While the highlight was the joint press conference between Trump and Hariri in the Rose Garden, Lebanon continues to be a low priority for US policy in the Middle East.

Perhaps Saad Hariri does not remember well his last visit to the Oval Office when he was prime minister in January 2011. As his meeting was underway with President Barak Obama, eleven ministers from the Hezbollah-led coalition in his cabinet simultaneously announced their

resignation, forcing the collapse of his government. In addition, Hariri grew disappointed with US policy as it did not condemn enough his ouster from power; he did not return to Washington until four years later in April 2015. Furthermore, it is said that in recent years, Hariri closed all contracts with US lobbying firms and refrained from attempting to influence US policy in Lebanon, a move that was partly due to his financial woes. Since the end of last year, the political environments have drastically changed in both Washington and Beirut. Trump and Hariri came to power at the same time; but the first is haunted by the investigation of potential collusion of his presidential campaign with Russia, and the second is plagued by Hezbollah's role in the Syrian war.

The Battle of Arsal and the Fate of Syrian Refugees

Indeed, Hariri's visit is overshadowed by Hezbollah's ongoing operation against ISIL and Fath al-Sham (that renounced its affiliation with al-Qaeda) last year in Jroud Aarsal near the Lebanese-Syrian border. Meanwhile, the LAF is protecting civilians and preventing possible infiltration of extremists from the outskirts to the Sunni town of Aarsal. The first phase of the operation is nearly complete, ending al-Qaeda's haven in Lebanon, while the second phase will be shifting focus to ISIL. On July 27, a ceasefire between Hezbollah and Jabhat Fath al-Sham was announced to begin the transfer of the latter's fighters from the area to Syria. The LAF is coordinating military tactics with both

Hezbollah and the Syrian regime in a battle that will restore normalcy to the Damascus-Beirut highway, which will most probably further strengthen Hezbollah's influence in Lebanon.

Against that backdrop, Hariri will try in Washington to keep a distance from Hezbollah while reemphasizing the role of the LAF in securing the Lebanese border. Hariri is under political pressure from the Party of God to have the Lebanese government reopen channels with the Syrian regime to discuss ways Syrian refugees can return to their homes, even before the end of the war in their country. A first step was taken last week after a meeting between LAF chief General Joseph Aoun and Syrian ambassador to Lebanon Ali Abdul Karim Ali. Responding to negative campaigns led by pro-Hezbollah media on the eve of the Washington visit, the Hariri-led Future Movement's parliamentary bloc issued a statement on July 24 asserting that the battle of Aarsal will not provide "legitimacy" to Hezbollah's regional wars, calling such recognition a "national sin." The tone of the statement was reminiscent of the pre-2015 period when gloves were off between Hezbollah and the Future Movement during the peak phase of the Syrian war. However, at the end of 2014, both rivals reached an agreement to restore security coordination and prevent the expansion of ISIL in Lebanon. That détente between the Saudi-backed Future Movement and the Iranian-backed Hezbollah ultimately paved the way for Hariri's return to power and the election of General Michel Aoun as president.

The Lebanese government will watch southern Syria closely in the coming weeks to see how the Jordanian government will react and whether it will expand talks with the Syrian regime to secure the return of refugees. However, the major difference is that there is neither a safe zone on the Lebanese border nor Syrian rebels who can potentially secure it. Hariri will want to understand the US view of the fate of Syrian refugees in Lebanon at a time when he, himself, is accused of encouraging those refugees to stay in Lebanon by giving them an incentive to stay, referring to the international aid that continues to flow.

US policy is not clear regarding the fate of Syrian refugees in Lebanon. While in the early phase of the conflict, US officials encouraged Lebanon not to turn over any refugee attempting to cross the border, current US policy advises not forcing any refugee to leave. The red line set by the government so far is not allowing the Syrian refugees to build a camp where Lebanese security agencies can potentially have no access. Recent weeks have witnessed an increasingly tense social and political climate in Lebanon regarding Syrian refugees; the Hariri government will have to decide how to approach that issue once the operation against ISIL has concluded.

Increasing Pressure on LAF and the Lebanese Banking System

The attempts in Congress to pass legislation sanctioning Hezbollah are not new, even though they gained traction after the Lebanese

group's decision to join the Syrian war. The previous US administrations have traditionally tempered the tone of these bills to protect Lebanese institutions from potential sanctions and to allow the executive branch enough leeway in shaping US policy in Lebanon. H.R. 3329 was introduced last week in the House of Representatives, a bill that amends the Hizballah International Financing Prevention Act of 2015 (HIFPA) by increasing pressure on Lebanese banks doing business with Hezbollah. In return, S. 1595 was simultaneously introduced in the Senate.

Last year, the Obama Administration attempted to target Hezbollah's financial assets by enforcing a US law through the Lebanese banking system. The Department of the Treasury has been leading that effort against Hezbollah for years while the State Department has been more cautious and sensitive to Lebanon's complex political scene. While the Obama White House was closer to the State Department on that debate, it is not clear if the Trump Administration will go along with a strong US sanctions bill.

What will follow in the beginning of September are intense talks in the halls of Congress and with the Trump Administration to calibrate the language of the bills. The Lebanese Central Bank has announced its commitment to implement US sanctions but maintains that it will leave the decision up to Lebanese banks to assess the extent to which they are willing to cooperate with US officials. Lebanese commercial banks have strong influence on

Lebanese politics and reflect the country's political system. The term of the current Central Bank governor, Riad Salameh, was extended for the fourth time last May because of the respect he has in Washington; to that end, the Lebanese government is hoping he can convince the Trump Administration that Lebanon is already cooperating enough with US authorities.

At the same time, the Trump Administration made clear its plans to cut foreign aid. The congressional budget justification released in May proposed converting the foreign military financing (FMF) grants to loans, and Lebanon is one of the countries that will be affected if that provision passes in Congress (Lebanon received \$86 million in FMF last year). Furthermore, the Trump Administration has proposed slashing military aid to Lebanon by 82 percent in the 2018 budget plan. If approved, US military aid to Lebanon will decrease from \$103 million to \$19 million, while economic assistance is projected to decrease from \$110 million to \$85 million.

If there is a decision to slash US military aid because of budget concerns, US officials should be reminded that there will be a political impact. If the decision is justified by political reasons, there will be a backlash if the United States continues to lack a clear policy toward Lebanon. The next most important milestone for the debate over the US military aid program will be in August, when General Joseph Aoun is expected to visit Washington and discuss military cooperation between both countries. With Saudi Arabia withdrawing its grants to the

LAF last year and in light of Lebanon's budget constraints, there might be increasing pressure on the Lebanese government to turn to Russia or Iran if the United States halts its program.

Lebanon after Hariri's Visit

It is clear that Hariri's main reason to fly to Washington was to save the US military aid program and to preserve the Lebanese banking system from any backlash. Hezbollah, however, changed the conversation by opening the Aarsal battle. There are conservative voices in Washington arguing that ending US military aid to Lebanon will send a strong message to the increasing ties the LAF has with Hezbollah, and that Lebanese banks must choose between dealing with the US banking system and funding Hezbollah.

One way to recap the debate in Washington is to say: "We have been there before." Every few years, most notably with a new US Congress or administration, we see the same trend again and again: a bill is circulated in Congress, and Lebanese authorities panic and send emissaries to Washington. The Lebanese media begins to speculate what grand strategy Washington might have and the US media predicts Lebanon could face collective punishment. However, when the dust settles, rational voices begin to emerge in the Pentagon to uphold the US military aid program and reports from the US embassy in Beirut remind policy makers in Washington about the fragility and dependence of the Lebanese banking system on the United States. The only two policy tools that safeguard

the residual US influence in Lebanon are the military and the banking system. If the United States withdraws its support from these two national institutions, Lebanon will be hit hard but will somehow survive. However, the page will be turned on US leverage in Lebanon.

It is worth remembering that with the Trump White House, things have not been predictable in the Middle East. What happens in Lebanon will largely depend on US policy toward Iran. While some at the White House are advocating strong rhetoric as well as new sanctions, Washington has largely maintained the status quo vis-à-vis Iran, most notably through the nuclear deal. Furthermore, US policy makers seem not to have an interest in expanding engagement with Lebanon; indeed, no senior US official has visited Beirut since last January.

The next dimension is obviously what Saudi Arabia will decide to do in Lebanon. Hariri briefly visited Jeddah on July 19 and held talks with the newly appointed crown prince, Mohammed bin Salman. It is no secret that Hariri's relationship with the former crown prince, Mohammed bin Nayef, was awkward, to say the least, after Hariri described him as "a butcher" in video leaks from his testimony before a team of international investigators looking into the 2005 killing of his father, former Prime Minister Rafiq Hariri. The removal of bin Nayef might help boost Hariri's political stock in Riyadh; however, it is not clear whether the new crown prince is ready to open a new front against Iran in Lebanon or if Hariri is receptive to an idea that might cost him his premiership.

The shift of alliances among the Lebanese ruling oligarchy in recent months has made the country's politics even more complex to navigate.

Hezbollah will most likely exploit Hariri's expected victory on the Lebanese-Syrian border, and it remains unclear why the LAF decided not to take the lead in that battle. With the United States reluctant to face Hezbollah in Syria, it would be reckless to demand that Lebanese authorities confront the group, whether militarily or politically. It will indeed

be hard for Hariri to strike a balance on Hezbollah as he leads a government the group is part of, and he has no leadership role in the operation against extremist groups on the border with Syria. The measure of success for Hariri's visit is his ability to convince US officials that the status quo is the best Lebanon can do considering the chaotic regional scene. At the end of the day, the Lebanese government has no coherent message to deliver in Washington, and the Trump Administration has no Middle East policy.