

# Lebanon and Israel Are Set to Negotiate: What's at Stake?

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Brief Analysis

**Although Hezbollah and its allies might use the upcoming talks as a mere stalling tactic, negotiators will still have opportunities to exploit the group's domestic vulnerabilities.**

**A**fter seven years of international efforts to resolve their maritime border dispute, Lebanon and Israel seem close to agreeing on a framework to negotiate the issue in order to accelerate offshore oil and gas exploration. According to a senior Israeli official quoted by Reuters, talks are set to take place in Naqura, Lebanon, in the coming weeks.

## WHAT WILL THEY TALK ABOUT?

**S**ince 2012, the United States has been mediating a dispute over a 330-square-mile triangle of territory in the East Mediterranean. The area in question became more crucial after natural gas was discovered off the coasts of Israel and Cyprus in 2009.

So far, U.S. diplomacy has succeeded in getting each party to make some concessions. Lebanon finally accepted Washington as a mediator despite Hezbollah's objections, while Israel accepted a number of Beirut's terms. Despite escalating tensions and talk of war, Hezbollah and Israel do not seem to want another major conflict in Lebanon at the moment, so maritime negotiations might provide welcome breathing room for both.

David Satterfield, the acting assistant secretary of the State Department's Bureau of Near Eastern Affairs, reportedly brought a positive response to Beirut earlier this month: Israel is now willing to discuss the land and sea frontiers together, and the talks can be held under UN auspices so long as U.S. representatives are allowed to participate. A territorial swap has already been proposed to settle key land border disputes, though the talks will not include the Shebaa Farms area, which the UN regards as part of the Golan Heights and therefore a Syrian issue (none of the

parties wants to involve the Assad regime at this point).

Although Hezbollah leader Hassan Nasrallah recently warned against accepting U.S. mediation, the leadership eventually gave its blessing. The current plan is for parliamentary speaker and key political ally Nabih Berri to lead the talks while Hezbollah officials observe carefully from afar. Indeed, Nasrallah has been quick to restrict the parameters of the discussion in advance: “The U.S. wants to blackmail the negotiations on border demarcation in order to open the issue of Hezbollah’s precision rockets arsenal,” he claimed on May 31, warning Satterfield to focus solely on demarcation issues.

## WHY DID HEZBOLLAH CHANGE ITS MIND?

**G**iven that Iran gained further leverage over Lebanon’s political and security decisions after last year’s parliamentary elections, Beirut would not be able to move forward on these negotiations without the blessing of Hezbollah, Tehran’s chief regional proxy. So why did the group suddenly decide to accept the talks? A number of factors help explain its decision:

**Relieving economic pressure.** The Lebanese public understands that Hezbollah has now moved from the opposition wing, where it could largely avoid the responsibilities of governing, to the establishment, where it holds both the authority and the burden of shaping all national decisions. Meanwhile, the country has been sinking into a deep economic crisis, with little hope that it will be resolved anytime soon. With Hezbollah facing its own financial crisis (<https://www.washingtoninstitute.org/policy-analysis/view/u.s.-sanctions-are-hurting-hezbollah>) due to U.S. sanctions on its Iranian patron, many citizens are blaming the group for their economic problems. Thus, Hezbollah cannot afford to be seen as standing in the way of potentially lucrative energy deals that could help alleviate the country’s financial pains. In addition, the group now has access to most of Lebanon’s significant ministries, so it would be able to tap any oil and gas profits that materialize down the road.

**Averting a major war.** Although Hezbollah has stuck with its traditionally fiery rhetoric against Israel, the group is well aware that it cannot afford to go to war right now. Funding fighter salaries and logistical needs during such a conflict would be difficult, not to mention paying for reconstruction afterward. Unlike in the 2006 war, the international community might not rush to help Lebanon with rebuilding now that the government is controlled by Hezbollah. Fighting Israel again would also cost the group much of its arsenal, and perhaps even its fragile control over Lebanon’s institutions.

**Avoiding international criticism.** Hezbollah does not want to give Europe, Russia, and other actors the impression that it is the only party hampering a solution. In April 2018, a consortium of France’s Total, Italy’s Eni, and Russia’s Novatek was awarded a contract to start exploratory drilling in two blocks off Lebanon’s coast, including the disputed Block 9. The companies are supposed to start drilling in January 2020, so Hezbollah feels pressure to resolve the border disputes before then.

## WHAT’S IN IT FOR BERRI?

**N**abih Berri is the star of this process. Hezbollah chose him to lead the talks because it believes he will never cross the party’s redlines. Yet Berri has his own battle to fight and understands that this is an opportunity for him to strengthen his political position.

Right after Secretary of State Mike Pompeo visited Lebanon this March, the U.S. government reportedly began discussing potential sanctions against Berri’s circle due to his longstanding ties with Hezbollah and Iran. His political colleagues in the Amal Party were mentioned as possible targets, as were his financial backers. Pompeo apparently considered specific sanctions against five of Berri’s associates. Perhaps unsurprisingly, the speaker shifted his position and accepted U.S. mediation two weeks after these reports surfaced. Hezbollah was likely just as eager to keep Berri’s allies free from sanctions, since the group depends on them for business benefits.

Berri likely also hopes to strengthen his position within Lebanon's Shia community. When the current government was formed, Hezbollah told him that the group would be taking over Amal's traditional role of filling half the government jobs and projects legally allotted to the Shia. Without these services in his portfolio, Berri will have trouble maintaining his already shaky support base (as indicated when Amal won far fewer seats than Hezbollah's coalition in last year's elections).

If Berri succeeds in the upcoming border negotiations, however, he will look like the hero who saved the day, helped Lebanon's economy, and got the Israelis to sit at the table and accept Beirut's conditions. In the longer term, this might help compensate for the services he lost to Hezbollah. Most of the infrastructure set up to help big companies and foreign organizations with projects along Lebanon's southern coast is controlled by Berri's business milieu. It might take years before Lebanon reaps profits from oil and gas exploration, but Berri will be the first to gain.

## THE DEVIL IS IN THE DETAILS

**T**he good news is that diplomacy worked amid heightened rumors of war. Yet even if Hezbollah and Israel are truly dedicated to avoiding armed confrontation for now, that does not mean the border talks will be successful.

For one thing, Lebanon refused the suggested six-month timeframe for concluding the negotiations; instead, Berri demanded that they be open ended. This is significant because he has a long and successful record of playing both sides and stalling. It might also be a sign that Hezbollah is not interested in a resolution in of itself, but rather in buying time until it is more prepared to confront Israel. Insisting on a specific timeframe for the talks is therefore essential.

At the same time, there may be opportunities to at least discuss important matters beyond the technical details of border demarcation. On April 26, for example, Defense Minister Elias Bou Saab stated that President Michel Aoun would soon call for a Lebanese dialogue regarding "a national defense strategy to restrict weapons to the hands of the Lebanese Army." On May 22, he told *Asharq al-Awsat* that talks on this matter would begin immediately after resolving other priority issues. These statements could have been made under pressure from visiting U.S. officials and should not be considered a serious plan by the president. Yet negotiators could still use them as a lever to kick off a national defense dialogue—which could in turn bring more domestic pressure to bear on Hezbollah's efforts to expand its arsenal of missiles and other advanced weapons.

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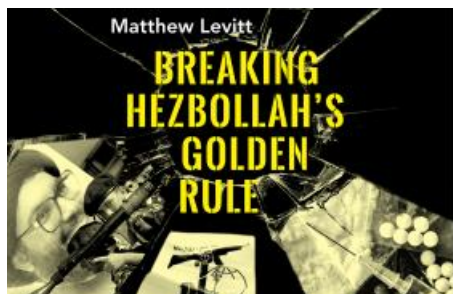


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