



Bridge over Troubled Waters: Jordan's Position in the Middle East

Jordan is stuck between a rock and a hard place, surrounded by regional instability and domestic challenges. While Jordan is a resource-poor state with instability on all sides, its ability to maneuver in the region has given it significant political clout despite its limited state capacity. Unlike regional powers that maneuver to shape the region according to their interests, a smaller power such as Jordan must engage in maneuvering out of necessity. It has done so throughout its history.

Brief Points

- Jordan is dependent on the USA for financial and military support but also on Russia as an actor in Syria, Jordan's neighbor. Maintaining both relationships is made challenging by the current political climate.
- Jordan is one of the world's largest refugee host states and is highly aid dependent. Global economic challenges and donor fatigue have had detrimental effects on the country.
- Jordan's method of dealing with its challenges is to function as regional go-between and to work within a wide set of shifting alliances that can seem contradictory.
- Transactionalism as a regional approach may have more value for key regional powers but be detrimental for smaller states in a fluctuating environment. Jordan thus seeks to strengthen regional organizations that may offer greater stability.

Jordan's Standing

Jordan's position in the Middle East, which has always been difficult, has become more challenging as the kingdom is surrounded by conflict. Jordan borders Israel and the occupied Palestinian territories to the west and Syria and Iraq to the north and east, respectively. Bordering ongoing conflicts leads to mass migration flows into Jordan. Recently, large-scale militarized drug-smuggling from Syria into Jordan has added to the troubles, and the Jordanian army has engaged in serious fighting with the smugglers along the northern border. To the south lies Saudi Arabia, a vastly richer and more powerful state than Jordan, and which is engaged in a series of regional power-plays (in Yemen, Lebanon and allegedly against Jordan). Jordan's relationship with all these states is precarious.

Economically, Jordan has never been well-positioned. It is a resource-scarce country whose only significant natural resource is potash (a chemical used in fertilizer). According to the World Bank, it has a GDP of \$45 billion, ranking it at about 90th place globally. The COVID-19 pandemic and inflation have stressed an already weak economy. The kingdom suffered economically from the COVID-19 pandemic, in part because it depends heavily on tourism. Some of the resulting economic losses have been recovered, but far from enough. The economy contracted 1.6% in 2020 and grew only 2.2% in 2021. Youth unemployment stands at 50% and unemployment overall at 23.3%. This leaves the kingdom vulnerable to domestic unrest. The government is hampered from improving the economic situation due to public debt, which is approximately 90% of its GDP. Increasing global fuel prices have forced the government to take unpopular measures that will hurt the vulnerable population. In August 2022, the price of fuel was increased for a fifth time that year in response to pressure from the IMF to cut state subsidies. Food prices are also rising. The price of bread is typically mentioned by demonstrators. Research on food security and conflict shows that such price hikes increase the risk of unrest.¹

Jordan's role as a major refugee host state compounds its economic challenges. The Palestinians are the most significant refugee group, and they essentially define the state since they are such a sizeable and longstanding part of the

population. Palestinian refugees came to Jordan in two major waves, the first in 1947–1949 and the second in 1967. In 2022, there were 2,337,780 Palestinian refugees in Jordan, according to UNRWA. The various wars in Iraq sent thousands of Iraqis fleeing to Jordan, but most of them later returned to Iraq. Syrian refugees, who began arriving in Jordan at the start of the Syrian civil war in 2011 currently number 676,606, according to UNHCR. The UNHCR numbers account only for Syrian refugees registered by the agency. The actual number is much higher and currently estimated to stand at 1.4 million. Taken together, the Iraqi, Syrian and Palestinian refugees number over 3 million, heavily straining Jordan's social fabric and economic situation. Jordan ranks second in the world in the number of refugees it hosts. Turkey is number one, but when refugee numbers are considered as a percentage of the host country's population, Jordan, with a population of 11 million, far outranks Turkey (population 85 million). In Jordan the refugee population is close to 30% of the total whilst in Turkey it is 4% of the total.

The number of refugees is unlikely to be reduced in the foreseeable future. Israel blocks the right of return for Palestinian refugees, and the ongoing war in Syria, as well as that regime's dismal human rights record, prevents Syrian refugees from returning home. They cannot be forcibly returned because of the non-refoulement principal. Jordan thus carries an extremely heavy burden and is heavily dependent on foreign aid to help finance the costs of hosting the refugees. However, both UNRWA and the UNHCR are chronically underfunded. The weakest portions of Jordanian society are therefore at the mercy of the international donor community, which must prioritize among international crises, such as the wars in Ukraine, Yemen and Syria. Further, the donor community must also contend with rising prices for food and energy. These factors put Jordan's stability at risk. UNHCR's budget for Jordan is currently underfunded with a \$24 million deficit.²

Regional Challenges

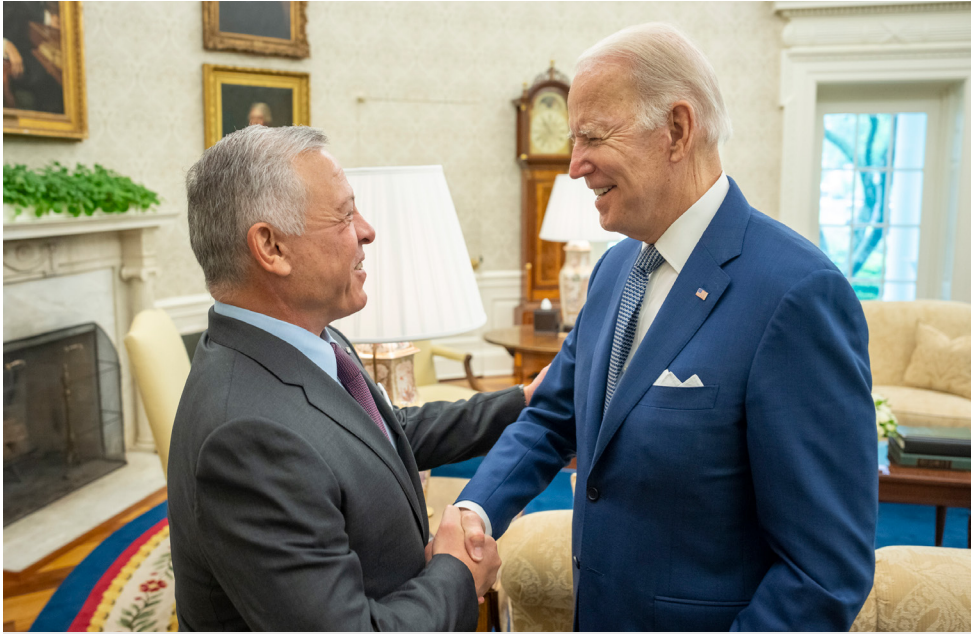
When it comes to regional politics, Jordan's two greatest assets are its ability to function as a bridge between the various states in the region and its role as the custodian of the Haram al-Sharif (Temple Mount) in Jerusalem. The Hashemite family began acting as custodians of

the site in the 1920s and this role has been reaffirmed multiple times over the years. A serious challenge to this status therefore constitutes a threat to the legitimacy of the royal family.

The kingdom's most important role vis-à-vis external actors is as a vital ally in the US war on terror. Jordan is thus a host to military bases for multiple Western allies, including Norway. The stability of the regime is central to this role and Jordan has avidly and successfully promoted its stability. As a result, the US has provided considerable support to Jordan, seeing it as an asset in an unstable region. This reputation for stability has also enabled Jordan to serve as a hub for international organizations working in Syria and Iraq. Although Jordan has these political assets, it cannot take them for granted. It must maintain both its maneuverability and its domestic stability. This is not easy.

Until the Abraham Accords were signed in 2020, normalizing relations between Israel and a number of Arab states, including the UAE and Bahrain, the only Arab countries with open diplomatic and economic dialogue with Israel were Jordan and Egypt. Other Arab states had unofficial contact, but Israel's relationship with Jordan gave the kingdom an advantage, making it a necessary go-between for the US and Israel. Jordan's semi-monopoly in the diplomatic sphere was strengthened by its role as custodian of the Haram al-Sharif in Jerusalem. Now that many more Arab countries have normalized relations with Israel, Jordan's special position has been challenged. Officially, Saudi Arabia still opposes normalization with Israel, but it clearly acquiesced to the signing of the Abraham Accords by the UAE and Bahrain.

Saudi Arabia, Jordan's wealthy and powerful neighbor to its south, has had a complicated relationship with Jordan since the creation of both states. It has increasingly challenged Jordan's position in the region. These challenges illustrate well the Jordanian regime's political balancing act in the region and as an ally of the USA. For one, Saudi Arabia has been rumored to want to take over Jordan's custodianship of the Haram al-Sharif. Second, it was accused of playing a significant role in the thwarted Jordanian palace coup in April 2021. Although details are murky, the allegation was that the king's half-brother Prince Hamzah had plotted to take power. He was arrested along with over a dozen



His Majesty King Abdullah II of Jordan and US President Joe Biden, 2022. Photo: Office of the President of the United States

high-ranking officials, several of whom had ties to Saudi Arabia. Despite the allegations of Saudi involvement, US president Joe Biden expressed clear support for Jordan's King Abdullah II. This illustrates the value the US places on the stability of the Jordanian regime and offers the most extreme example of tensions between the two Arab kingdoms.

Despite the tensions, the two kingdoms are deeply financially intertwined. The Saudis are in fact the largest investors in Jordan, and according to the Saudi Press Agency, they have invested an estimated \$14 billion in approximately 900 projects across Jordan. About 430,000 Jordanians work in Saudi Arabia, sending millions of dollars in remittances back home. In the first four months of 2022, remittances totaled \$1.1 billion. Given their deep financial ties and the Saudi challenge, the Jordanian leadership prioritized quickly mending the Jordanian-Saudi relationship, despite the alleged Saudi role in the attempted coup. When Saudi Crown Prince Mohammed bin Salman visited Jordan in June 2022, King Abdullah II awarded him the al-Hussein Bin Ali Medal, Jordan's highest civilian medal. In August 2020, Jordan's Crown Prince Hussein became engaged to a Saudi citizen, an example of the use of personal bonds to maintain ties between the two countries.

At an institutional level, Jordan actively works to increase regional cooperation, participating in the expanded Gulf Cooperation Council (GCC), most recently in a GCC+ meeting in September 2022 that included Egypt, Iraq, Jordan and Yemen. Because of its weak economic position, Jordan works to maintain good ties with the Gulf states, which are comparatively strong economically. Jordan's economic weakness is also reflected in its dependence on aid, which has been a feature of the kingdom from its beginning. Currently the US is the key donor. Jordan's need both for aid and to engage in a political balancing act is illustrated by its loss of aid in the 1990s, after Jordan and the US had a falling out over the Gulf War. The Jordanian government has sought long-lasting commitments, and secured a major victory in September 2022 when the US and Jordan signed a memorandum of understanding (MOU) committing the USA to provide \$10.15 billion in aid over the next seven years.

Current tensions between the USA and Saudi Arabia could affect Jordan, which needs to maintain good relations with both countries. Concern that instability could result from fluctuations in the bilateral relationship between the USA and Saudi Arabia may be a factor in Jordan's effort to strengthen regional cooperation. In recent years,

a central Jordanian aim has been cooperation with Egypt and Iraq. The three states held four top-level meetings between March 2019 and June 2022. In addition to promoting greater regional stability, such cooperation would bolster Jordan's position as a bridge-builder. The following examples illustrate Jordan's efforts in this regard:

- Despite being resource-poor, Jordan has tried to reestablish itself as an energy hub by being a transfer point for Iraqi oil coming from Basra via Aqaba and for Egyptian gas via Syria to Lebanon, and by ensuring stable provision of electricity to Iraq. These various projects are still in the works.
- Recognizing the need for enhanced food security, Jordan signed a communique with the agricultural ministers of Lebanon, Iraq and Syria to establish a regional center for food security in Amman.
- Jordan has sought to help reduce Iran-Saudi tensions, for instance by hosting a security dialogue among experts from the two countries in December 2021.
- Jordan has tried to be an active player in rehabilitating Syria in the region, as explained below.

The Jordanian relationship with Israel is similarly a balancing act. Since the early days of its independence, Jordan had a secretive relationship with Israel. The relationship developed into a formal, albeit cold, peace in 1994. It has enabled Jordan to leverage its diplomatic clout in the region, but it is fraught with danger. The relationship is unpopular with many in Jordan, and it puts Jordan in a bad light whenever there are tensions in Jerusalem. Thus, while Jordan has a tense political relationship with Israel, especially when it comes to the Haram al-Sharif, it has deepened economic relations with Israel as it has with other states in the region. One example is a 2021 agreement that Jordan will produce electricity for Israel and that Israel will provide clean water to Jordan from an Israeli desalination plant. Jordan and Israel have also started developing a joint industrial park situated in an area that includes territory from both states. This pragmatic approach of engaging in serious cooperation on trade and energy issues, despite being fundamentally at odds over Jerusalem, is typical of the Jordanian regime.

Reversing on Syria

In the early stages of the Syrian civil war, Jordan supported the uprising. The war had significant costs for Jordan, however, causing an influx of refugees, severing the important northern trade route and bringing high levels of insecurity as fighting took place just across the border. On the economic side, the trade balance with Syria fell from \$615 million in 2010 to \$94 million in 2020. Jordan also engaged directly in the war against the Islamic State (IS) in Syria. As the war progressed, Iranian, Russian and Syrian forces and their allied militias were stationed along the Syrian-Jordanian border and armed drug smuggling from Syria into Jordan increased.

As the cost of the war grew, along with instability on its northern border and a perception that the Assad regime was winning, Jordan started working to mend diplomatic ties with Syria. In late 2021, President Bashar al-Assad contacted King Abdullah II directly. The two countries then implemented measures to normalize relations. The border was reopened for trade and a process of security cooperation was begun. King Abdullah II reportedly lobbied president Biden “to ease pressure on Damascus.”³ Early in 2022, Jordan worked to establish a gas pipeline from Egypt, through Syria and into Lebanon. As a first step, Jordan established a transfer of electricity to Lebanon through Syria. The pipeline plan is currently on hold, however. According to Jordanian Foreign Minister Safadi, “[T]he agreement has been completed but they are awaiting for US sanctions clearance and Beirut agreeing to World Bank reforms.”⁴ Both are tall orders. In September 2022, Safadi also promoted Jordan as a possible peacemaker in ending the conflict in Syria.

It is important to bear in mind that these developments are occurring in a global context in which Jordan engages in a difficult balancing act. Jordan is a close ally of the US, but, with

respect to the Ukraine war, it does not share Washington’s view of Russia. For Jordan, its relationship to Russia is not determined by events in Ukraine but by the situation in Syria. Seen from Amman, Russia is a stabilizing force in Southern Syria. The Jordanian perception is that, if the Russians leave, there will be heightened tensions and violence along the border. The border region is already extremely tense, and the Jordanian army engages in regular fighting against armed drug-smuggling gangs. Jordan’s reengagement with the Syrian regime should also be understood in this context. Both states claim that they need to cooperate to fight terror and armed drug-smugglers. As part of this cooperation, Jordan “received assurances [from the Syrian regime] that Iran-backed militias would not be in the border area” in 2021. To facilitate trade with Syria, seen as vital to the Jordanian economy, the US administration gave Jordan a waiver from the Caesar Act, which had blocked trade with Syria. The US action has been called an “orange light” for Jordanian contact with the Assad regime.⁵ The waiver, however, was only partial and was not adequate to enable the Egypt–Jordan–Syria–Lebanon gas transfer discussed above. Development on this front is at a standstill.

Conclusion

Jordan stands at a crossroads. It is surrounded by instability and faces serious domestic economic problems. It is one of the largest refugee host states in the world at a time when many donor states are increasingly averse to contributing substantial funds. This donor fatigue is due to competing crises demanding attention, such as the war in Ukraine, as well as increased prices globally. The Jordanian regime’s tried-and-true method for dealing with its vulnerable regional position is to engage diplomatically with a wide set of actors, which requires walking a tight-rope.

Jordan engages with both Russia and the USA at a time when the global climate pressures states to choose sides. The regime has opted to reengage with the Syrian regime and to create a structure of regional cooperative arrangements by which Jordan can function as a diplomatic linchpin or a transactional hub. Jordan has both taken a tough stance against Saudi Arabia actions (the alleged involvement in the attempted coup; the custodial challenge) and worked to secure more economic cooperation with the kingdom. Such a balancing act is not easy. Jordan can therefore boast of far more attempts than concrete successes. It is the cumulative effect of these efforts that position Jordan as a regional actor despite its many limitations. ■

Notes

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3. Phillips, Christopher (2021) Syria war: Will detente with Jordan bring Assad back into the Arab fold? *Middle East Eye*, 8 November.
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5. Ersan, Mohammad (2021) Jordan and Syria put politics aside and begin rebuilding diplomatic links, *Middle East Eye*, 22 September; Al Sharif, Osama (2021) Why Washington has provided King Abdullah with political cover to engage the Assad regime, *Middle East Institute*, 5 October.

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THE PROJECT

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