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## **Israel's Dilemma over Syrian Reconstruction**

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**In the coming years, Syria will focus on tending to its war wounds while continuing to serve as a springboard for strategic threats posed by Iran and its proxies against Israel. It is in Israel's interest that Syria rebuild its infrastructure, experience economic recovery, and benefit from a stable central government. However, there is inherent tension in Israel's position. On the one hand, Israel might want to support reconstruction efforts led by Western and Arab states on condition that Iran's influence is removed, or at least circumscribed. On the other hand, without the assistance of the Arab states or the West, Syria will be destabilized and the likelihood of renewed outbreaks of violence and the resurgence of Salafi jihadist elements increases, a situation that will be exploited by Iran to deepen its entrenchment in the country. As such, Syria would become even more dependent on Iran. To preserve its own interests, Israel should offer unconditioned indirect support in conjunction with Sunni Arab states or Western countries. In other words, it must move beyond thinking in terms of Iran's influence in Syria as a "zero sum game."**

In 2018, the Assad regime essentially completed its victory in Syria and shifted its focus from fighting to efforts to rebuild the country. International institutions estimate the damage in Syria during the war years at about \$350-400 billion, which includes severe physical damage to infrastructures, economic collapse, and loss of revenues. The physical damage can be repaired with outside help, even if the process takes many years. But much more time - dozens of years at least - will elapse before other elements of the damage can be repaired: the loss of future productivity and product, the exodus of the middle and upper classes, and the lack of education for the younger generation. Syria also faces significant social challenges: above all, painfully deep inter-community tensions, corruption, nepotism, and the growth of a new economic elite composed of President Assad's close associates, who operate like a mafia.

### **Internal Challenges**

Today President Assad and the forces supporting him control about 70 percent of Syrian territory, including most of the urban territory and over half the population. In urban cities along the country's "spine" – Damascus, Homs, and Hama – the level of governance is relatively high. In eastern Syria and Aleppo (which has completely lost its

pre-2011 status as an economic hub), the government has had more trouble implementing civil governance, although the regime maintains military control. In the Idlib enclave, the rebels' last stronghold, the regime has no hold. The Kurdish area east of the Euphrates also has some features of self-governance, but that is at risk following President Trump's decision to withdraw the US forces, especially because Turkey is determined to prevent Kurdish autonomy in the area.

In spite of the lessons of war, the Assad regime has not started a comprehensive civilian reconstruction program. The regime is focused on improving the situation in the urban centers it controls, but any activity beyond these centers is limited. Assad is also allegedly boosting his influence through contacts with local mafia leaders. The regime will presumably continue to use force against civilians in order to establish its rule and prevent further uprisings. In addition, despite its limited resources, the regime will likely forfeit Western aid if it is conditioned on adopting Western (and democratic) government practices. Instead, the regime is trying to encourage private foreign investment.

The regime's approach to returning refugees is influenced by two conflicting considerations. On the one hand, the regime understands that their return is critical to rebuilding Syria, since they will play an important part in post-war economic and social development. The absence of the refugees, particularly the elites with essential capital and assets, will delay reconstruction considerably. On the other hand, the regime is suspicious of a population that wants to replace it. From its perspective, the departure of this population served as a political and demographic purge that helped stabilize the country. Consequently, the regime is currently complicating the repatriation process, and working to limit the refugees' potential impact.

### **Without Western Aid, the Regime's Dependence on Iran Increases**

President Assad's conduct is evidence that following the war, he wants to reinforce the dictatorial nature of his regime and maintain close ties with the allies that supported him, particularly Iran and Russia. At this stage, the regime is maneuvering between Russia and Iran with a preference for Russia, because it is concerned about excessive Iranian intervention. Thus, for example, it has entrusted the country's oil infrastructures to Russia. Similarly, it first gave control of the phosphates industry to Iran, only to allow Russian involvement to increase gradually. But Iran remains the leader in rebuilding Syrian electrical infrastructures and it is eager to use reconstruction efforts in general to further its presence in Syria - militarily, economically, socially, politically, and in education.

Russia is trying to consolidate its influence in Syria while promoting strategic and economic interests that will enable it to influence the regime in the future. It is providing aid to rebuild the Syrian army, working to shape and lead the political process, and

laboring to control Syria's natural resources and the means to transport them - specifically by building gas pipelines, expanding the port of Tartus, laying railway lines from the phosphate fields to the port, and setting up a maritime trading route to the port of Novosibirsk. The main Russian constraint is its lack of suitable financial independence. Against this background, Russian businesses have conditioned their reconstruction support on obtaining competitive advantages and immediate profits.

For its part, the international community is prepared to help rebuild Syria only on the condition that the regime introduces political, economic, and social reforms – conditions that the regime will not accept. Therefore significant reconstruction (as opposed to humanitarian) aid is not expected from Western countries. Indeed, in June 2018, the European Union placed sanctions on aid to the Assad regime. These sanctions delay and restrict Western participation in reconstruction ventures, and thus perpetuate and even increase the regime's dependence on Iran and Russia. In parallel, Arab countries are coming to terms with Assad's continued rule and adopting a more pragmatic line while renewing diplomatic ties with Syria, but are making economic aid conditional on a reduction of Iran's presence and influence in the country. The Sunni Gulf States, for example, are worried that if they fail to assist Syrian reconstruction, Iran will take over, as happened in Iraq.

### **Implications for Israel**

Although the regime prefers to treat its war wounds and has difficulty obtaining the resources to rebuild the Syrian army, Israel must recognize that the military buildup process in Syria could be swift, and could occur even without any civilian reconstruction efforts or the establishment of civil governance. The aid for rebuilding military power comes from Russia and Iran, and may be a response to Israel's repeated attacks on Syrian territory.

In other words, even if Syria and Syrian society continue to living among ruins, that will not necessarily deter the construction of an improved air defense system, a surface-to-surface missile arsenal, and a large ground force. Syria will also continue to serve as a platform for strategic threats posed by Iranian precision surface-to-surface missile systems, collection systems, and the presence of Iranian proxy forces – the Quds force, Hezbollah, and Shiite militias – along the border with Israel. Syria's weakness makes it dependent on forces hostile to Israel, particularly Iran. The greater Iran's role in the construction of Syria, the more likely it is to exploit the regime's weak position and its wartime debts to Iran to utilize Syrian territory to establish long distance military infrastructures. Still, Iran's financial weakness (which US sanctions will continue to influence) may restrict its ability to complete this strategy.

Israel has an interest in a reconstruction process that meets Syria's citizens' needs and promotes the country's stabilization. The more Syria stabilizes and focuses on reconstruction, the more it can be expected to restrict Iran's attempts to cultivate its influence and military presence. For Israel, it is preferable that Syria have an effective central government that will be responsible for all reconstruction processes – and any military or terrorist activity within its territory.

Israel can leverage the interests it shares with the pragmatic Arab states to block Iranian influence in the area and help set up an inter-Arab and international task force to rebuild Syria. Through the Gulf States, Israel can offer a unique aid package comprising their monetary resources and Israeli technology and know-how - for example, in civilian technologies, water purification, and advanced agriculture - on condition that Iranian involvement and influence are minimized. More precisely, such a package would need to include four different conditions: (1) that the regime not pursue any regional and international initiatives to reclaim the Golan Heights; (2) that reconstruction resources are be allocated to southern Syria and the Syrian Golan Heights - an area that is expected to be otherwise economically neglected; (3) that the regime limit Iran's influence and expel its proxies from the Golan Heights border; and (4) that the regime give preference to Russia when pursuing economic recovery projects, in tandem with Russia's commitment to block Iranian involvement.

The Trump administration declared that one of the US objectives in Syria was the departure of Iranian forces and its proxies from Syrian territory and a reduction of its influence there. Israel should act in coordination with the US to make reconstruction conditional on these terms. The United States wields unparalleled influence in the world's most important financial bodies, the International Monetary Fund and the World Bank, and these institutions will necessarily be involved in the Syrian reconstruction project.

Syrian reconstruction poses a deep dilemma for Israel. On the one hand, Israel has an interest in supporting efforts led by Western and Arab states that condition the assistance on Iran's removal from the country. However, if this objective is not achieved, and Western and Arab states do not help with reconstruction, it will be hard for the regime to achieve a new order, establish governance, and begin the physical, economic, and social recovery process. Without reconstruction, the probability that there will be a resurgence of violence - and with it, Salafi jihadist sentiments - increases. Iran would no doubt exploit such instability to widen its influence. Consequently, Israel should adopt an approach of indirect reconstruction support in conjunction with Sunni Arab countries or Western countries even without any assurances that Syria will remove all Iranian

influences. In other words, it must abandon the concept of that Iran's influence in Syria is a "zero sum game."

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