

Hezbollah's War in the Service of Iran— Consequences for Lebanon

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Hezbollah's war against Israel is taking a heavy toll on Lebanon. While it is too early to fully assess the economic damage, the consequences of the war are evident as a result of the direct physical damage along with the damage to the Lebanese economy, estimated by the World Bank at approximately \$8.5 billion. This has intensified criticism of Hezbollah, from both its opponents and even some Shiite supporters in Lebanon, as Iran promises to rehabilitate the country in order to maintain its influence. At the same time, Hezbollah's weakening creates an opportunity for Lebanon to break free from its grip and that of Iran. Thus, it is crucial for the United States and the West, as well as the Gulf countries, to provide economic aid to stabilize Lebanon "on the day after" the war and strengthen its alignment with the West.

As the war between Hezbollah and Israel continues, the toll on Lebanon is steadily increasing. Despite Israel's efforts to focus on targeting Hezbollah and avoid damage to civil infrastructure and institutions, the destruction in the combat areas has grown, alongside significant indirect economic losses. This situation creates a difficult reality for all of Lebanon's residents, who have already been suffering from the country's economic collapse for the past five years. In his speech at the Arab-Islamic summit in Riyadh on November 11, Lebanon's caretaker prime minister, Najib Mikati, claimed that Lebanon is facing an unprecedented crisis that threatens its future. He mentioned the 1.2 million displaced people (about 20% of Lebanon's population) who have been forced to leave their homes in the combat areas and asserted that no country can cope alone with the scale of damage inflicted on Lebanon.

At this early stage, it is still difficult to assess the extent of the damage to Lebanon due to the ongoing war. Official sources in Lebanon have provided various figures. In an interview with Bloomberg on October 25, Lebanon's economy minister claimed that the cost of the damage so far is about \$20 billion, while Prime Minister Mikati stated at the conference in Riyadh that the cost of the war is \$8.5 billion. A similar figure was presented by the World Bank, which on November 14

published an initial estimate of the war's cost until October 27. According to this report, the damage to Lebanon's economy amounted to \$5.1 billion, and the cost of rebuilding approximately 100,000 buildings alone is \$3.4 billion. On November 11, the Kuwaiti newspaper *Al Anba* quoted a study by the Lebanese research institute Information International, stating that an estimated 193,000 housing units were damaged, of which about 40,000 were completely destroyed, with most damage occurring in villages near the border with Israel. The total cost of rebuilding, which would take up to four years, is estimated at \$4.25 billion.

According to the World Bank, the war has cut Lebanon's real GDP growth by at least 6.6% in 2024, whereas there has been a sharp and sustained contraction of over 34% of GDP in the past five years. Forecasts for the coming years also predict impaired growth. BMI-Fitch Solutions estimated on September 25 that next year will see a contraction of at least 5%. While Lebanon is in a poor position due to the economic crisis of the past few years, it has limited recovery capacity, and even before the war, it struggled to meet the International Monetary Fund's demand for reforms required in exchange for requested loans. Meanwhile, it has been reported that the FATF (Financial Action Task Force) placed Lebanon on the gray list as a country under special examination until 2026 due to concerns about funding terrorism and a lack of judicial independence. Its placement on the blacklist would further complicate Western efforts to provide aid.

The World Bank report states that the number of displaced people inside Lebanon is 875,000. Most are housed in crowded shelters that have been opened in public buildings (such as schools), but solutions have not been found for all, and some are living on the streets. In some neighborhoods, Christian and Sunni residents have prohibited displaced Shiites from entering, leading to violent clashes. The distress of the displaced has increased as winter approaches, with shortages of basic needs (heating, food, medical services) in the shelters as well. Furthermore, the children have been removed from their educational frameworks, and the adults are unable to work and are in need of aid.

In addition, the war has accelerated emigration from Lebanon. Paradoxically, many in Lebanon currently view living in Syria as more comfortable. An article in the *Economist* on November 10 claims that about 500,000 people have recently gone to Syria from Lebanon, two-thirds of whom are Syrian refugees returning to their homeland and the rest are Shiite Lebanese fleeing the war. Hezbollah has promised that it will care for the needs of the displaced Shiites at the end of the war, but it is unclear whether it will be able to fulfill this promise due to the loss of its economic and financial assets during the war, and it may try to shift

responsibility for this onto the impoverished Lebanese government or its patron, Iran.

Regarding the war's incidental damage to civilians, the number appears to be relatively small. Although daily reports from the Lebanese Ministry of Health show that since October 8, 2023, about 3,500 people have been killed and 15,000 injured, these figures also include Hezbollah terrorists. According to the IDF Spokesperson's Unit, about 2,500 terrorists have been killed in the war and about 5,000 have been injured. Thus, the number of non-combatant casualties is relatively small, especially when compared to the Second Lebanon War, during which about 300–450 civilians were killed in about a month of fighting. In the current war, which has lasted over 13 months, roughly 1,000 civilians have been killed. Even with these figures, the Lebanese health system is struggling to adequately address the crisis due to shortages of medical staff, equipment, and medication. Furthermore, the operations of two of the largest hospitals in the country, in Beirut and on Mount Lebanon, which Hezbollah used to conceal operatives and combat infrastructure, have been disrupted by IDF strikes intended to eliminate the organization's assets.

Meanwhile, efforts to resolve the political crisis in Lebanon remain frozen. As a result, there has been no president since the end of October 2022, and a temporary transitional government has been in power since May 2022. Hezbollah played a central role in creating the crisis and preventing an agreed solution, but its main ally and representative in the ceasefire talks, Nabih Berri, the speaker of parliament from the Shiite Amal Party, has remained loyal to Hezbollah during the war and continues to align with the organization's position. Berri, who has the authority to convene the Lebanese parliament to elect a president, is seeking to postpone this until "the day after" the war while simultaneously allowing the members of parliament representing Hezbollah and their families to seek refuge in the parliament building.

The war has increased awareness of Hezbollah's responsibility for Lebanon's dire situation and its role in serving Iranian interests, leading to intensified criticism from all sectors of Lebanese society. This criticism has grown particularly following the heavy blows suffered by the organization, including the assassination of its leader, Hassan Nasrallah. The harshest criticism come from Hezbollah's well-known opponents among the Christian population, notably Samir Geagea, the leader of the Lebanese Forces Party. Geagea has described Hezbollah as a terrorist organization similar to ISIS, operating in the service of Iran, and hinted at the possibility of a political coup and another civil war (as quoted by a military official

in *Al Akhbar* on October 29). In an interview with *Politico* on October 30, he stated that Lebanon now has the opportunity to liberate itself from Iran's grip and asserted that Hezbollah will have no choice but to disarm; ultimately, he believes that the Shiites will recognize that Hezbollah is leading Lebanon to catastrophe. Similarly, in an interview with *Nida Al Watan* on November 11, the Maronite Patriarch Bechara al-Rahi also blamed Hezbollah for Lebanon's plight. He considers Hezbollah the war's biggest loser and has called for disarming the organization and transferring its weapons to the Lebanese army.

These critics were also recently joined by Hezbollah's former partner Gebran Bassil, head of the Free Patriotic Movement Party, which had formed an alliance with Hezbollah in 2006. In an interview with the *Al Arabiya* network on October 22, Bassil made it clear that his party is no longer allied with Hezbollah and disagrees with its decision to go to war to support the Gaza Strip. According to Bassil, Hezbollah made a mistake in acting for Iran's benefit based on the idea of the "convergence of the arenas" and has placed Lebanon in real danger, which could deteriorate into a civil war that will lead to its partition. The leader of the Druze community, Walid Jumblatt, who had previously refrained from taking a clear stance, has also criticized Hezbollah and its patron Iran. After a conversation with Prime Minister Mikati and Speaker of the Parliament Berri, Jumblatt asserted that Lebanon's fate must not be tied to that of the Gaza Strip (LBCI, October 7), and in an interview with *Al Akhbar* on November 12, he stated that Nasrallah's death would change the political system, affirming his opposition to Lebanon becoming a battleground between Iran and Israel. He has also refused to meet with Iranian officials.

New voices against Hezbollah are also emerging within the Shiite community, which has borne the brunt of the war. Shiite influencers on social media networks have repeatedly accused Iran of betraying the Lebanese Shiites, sacrificing them for its own interests, especially after the displacement from their homes and the widespread destruction of their villages along the border. Shiites have also directed criticism at Hezbollah's leadership, particularly the new secretary-general, Naim Qassem, who continues to speak of victory over Israel while being out of touch with the difficult living conditions faced by the Shiite community during the war. In an article published on the MTV website on November 13, the writer, a Shiite, claimed that Nasrallah had a special position among the Shiites and that it will not be easy to replace him. Since his elimination and Hezbollah's subsequent weakening, some Shiites may consider leaving the organization and returning to the fold of the Lebanese state.

On “the day after” the war, Lebanon’s need for external aid is expected to play a central role in the struggle over the country’s identity, including Hezbollah’s standing. Lebanon’s need for extensive external aid to rebuild from the war and address its severe economic crisis will lead to competition for control of it via economic aid, mainly between the West and moderate Arab countries on one hand and Iran on the other. A conference in Paris on September 24, initiated by French President Emmanuel Macron, raised about a billion dollars—800 million for humanitarian aid and 200 million for support to the Lebanese army. Iran has also announced its intention to aid Lebanon and is trying to influence the US-led efforts to reach an agreement, but has encountered a rigid position from the Lebanese government, which is showing more opposition to Iranian involvement than in the past. For example, Prime Minister Mikati opposed the offer of the speaker of the Iranian Parliament, who visited Lebanon on October 18, to conduct negotiations with France on behalf of Lebanon. In his meeting with Khamenei’s advisor Larijani on November 15, Mikati asked his guest to avoid adopting positions that could create sensitivities in Lebanon and not to favor one Lebanese group (namely, Hezbollah) over others.

From Israel’s perspective, it is important to continue refraining from intervening in Lebanon’s internal political affairs and to leave the handling of the crisis to the US. However, given Israel’s interest in maintaining Lebanon’s ties with the West, reducing Iran’s involvement, and weakening Hezbollah’s influence in the Lebanese system, it should support efforts by its allies in the West and the Gulf countries to assist Lebanon and encourage them to do so. Of particular importance is the continuation of American aid to strengthen the Lebanese army, which is expected to play a central role in the agreement that will end the war, while conditioning this aid on the army’s compliance with the terms of the agreement.

Editors of the series: Anat Kurtz, Eldad Shavit and Judith Rosen