The next chapter of the Syria crises – (obstacles to) reconstruction under the perspective of the current and future trajectory of the conflict

Executive Summary

The reconstruction of Syria will be the new chapter in the Syrian conflict. It is also one of the last remaining opportunities for the European Union to influence developments in Syria and use its financial capacity as leverage on the Syria government and its allies Russia and Iran. While Russian and Iranian firms have secured major deals for reconstruction of the infrastructure and energy sector, these investment projects do not address the need to revive civilian life in Syria. Meaningful and comprehensive reconstruction of Syria requires more than anything the safe and dignified return of the Syrian population, more than half displaced inside the country and abroad. They carry the most important, non-material asset for reconstruction: human capital, social and economic networks and connectivity – their loss exceeds the value of the physical damage. However, return remains for most displaced Syrians unlikely in the foreseeable future given the irreconcilability, absence of reform and hostility of the Syrian regime. While a formal political settlement of the conflict, enforced by Russia, is possible in 2018, the country is expected to remain ridden by conflict, old and new ones, for years to come. Instead of releasing millions into early recovering and even reconstruction in the hope that this may be incentive enough for Syrian refugees to return, European donors should be clear about the political and military realities of Syria today and the dynamics in a ‘post-conflict’ Syria. This is not only necessary for the sake of political and ethical principles, but for a realistic assessment of the sustainability and priority of investing in Syria’s reconstruction instead of supporting durable solutions for refugees in hosting countries. Reconstruction efforts that ignore these facts also risk another, even more violent internal uprising in the next decade.

The dilemma of reconstructing Syria

The fall of Aleppo in December 2016, ultimately turned the tides of the seven years old war in Syria. Since then, forces aligned with the Government of Syria have consolidated control over all urban centers of the country’s west, in addition to the recently retaken city Deir ez Zour and large areas of its corresponding governorate in the east of the country where most of Syria’s oil and gas resources lie. Raqq, the Islamic State’s (IS) former capital, was retaken by the Kurdish YPG-led Syrian Democratic Forces (SDF) in October 2017, is likely to return under Damascus’s control in the mid- to long-term. At the same time, right wing and populist parties in Europe have capitalized on the population’s economic and security concerns over refugees in general and Syrian refugees in particular, and have increased the pressure on governments to address the return of the 2 million Syrian refugees in Europe. Another 6 million refugees are in the neighboring countries Turkey, Lebanon, Jordan and Iraq – many in deteriorating humanitarian conditions and with restricted or no access to basic services or the labor market while political and armed actors increase verbal and physical hostilities against Syrian refugees.

Yet, Syria lies in ruins, while the Syrian government which was declared close to collapse year by year has survived. Debates among NGOs, U.N. and donor governments in the region and in European capitals are therefore dominated these days by the question how to engage in Syria’s reconstruction despite the prevalence of the Assad regime and how to facilitate refugee resettlement. Experts are proposing complex schemes for how the West and international donors can rebuild Syria in spite of Assad or how it can condition its reconstruction money on political concessions from the regime.

While the Syrian regime battered the wave of anti-government protests followed by an armed opposition more effectively than its Arab neighbors, it did so only thanks to the extensive external support it received from Syria’s key allies Iran and Russia and by sharing power and financial assets with dozens of Syrian businessmen and militias. Today, the core of the Syrian regime’s power could not be weaker and the country will see new, potentially worse forms of extremisms and waves of violence. Recent proposals to stabilize the conflict should not distract from the root causes of the current war in Syria that remain.

The violence of the ‘de-escalation zones’

The discussion over the return of Syrian refugees gained increasing dynamic with the announcement of the so-called ‘de-escalation zones’ in May 2017 by Russia – a plan to stabilize the current military situation and improve the humanitarian situation in Syria supported by the guarantor states Turkey and Iran, and Russia. The proposal calls for a ceasefire between the armed opposition and the Government of Syria along the frontlines of the four primary non-government controlled areas in southern Syria, Eastern Ghouta, northern Homs and Idlib province monitored by forces of the guarantor states. Prisoner exchange and increased humanitarian access and civilian passage between government and non-government held areas are further components of the proposal. In return, the moderate armed groups must isolate the al-Qaeda affiliate Hayat Tahrir al Sham (HTS - al Qaeda affiliate and formerly al Nusra Front) within the respective areas. According to Russian President Putin the ‘de-escalation zones’ would create “the necessary conditions […] for […] the return of Syrians to a peaceful life and their homes”.

However, none of the proposal’s conditions has been fully implemented so far. Despite reports about the conflict in Syria
loosing intensity, conflict activity has increased since August 2017, especially along the frontlines of the ‘de-escalation zones’ and levels of violence have returned to those of December 2016. Violations of the ceasefire in the form of airstrikes and shelling by the Government of Syria and ambushes by armed groups in Dana, Quneitra, Idlib and the Rastana-Houla pocket occur on a daily basis; the situation in besieged Eastern Ghouta is particularly concerning where over the last months at least two infants died of malnutrition. Monitoring forces have been difficult to mobilize. While Iranian forces have been deemed as unacceptable (especially by Jordan), Turkey supported by Free Syrian Army (FSA) launched under the pretext of the ‘de-escalation zones’ a ground offensive into Idlib province in early October. However, the Turkish intervention is rather motivated by Ankara’s concerns about the Kurdish presence in Afrin than monitoring the ceasefire. The Turkish invasion comes six months after the end of the dreadful Euphrates Shield operations that pushed back the ISIS in northern Aleppo, but primarily aimed at avoiding a connection between the eastern and western flank of the YPG-held territories in Syria. Similarly, the recent (bloodless) intervention in northwest Syria has been focused on the areas bordering Afrin and the established surveillance towers point towards the YPG rather than the crucial frontline between Government of Syria forces and armed groups in Idlib. But a further extension of Turkey’s role is likely. Moscow needs Ankara to mediate in Idlib, and whip the moderate armed opposition in line and unit the groups with the Turkey-based political opposition to eventually agree to a formal settlement of the conflict at the Astana talks.

**Russia’s integrated political and military role in Syria & rivalry with Iran**

The most significant, and largely unnoticed deployment of ground forces has come from Russia itself. In contrast to President Putin’s announcement of a withdrawal of Russian troops from Syria in March 2016 and January 2017 and most recently in December 2017, Russia has significantly expanded its military presence in Syria through its Military Police. The force which is composed of Chechen and Ingush Sunni Muslims and was first deployed to Aleppo in January 2017 to patrol the city after the surrender of the armed groups, but also in an attempt to win “hearts and minds” and some of its acceptance among Syria’s majority-Sunni population. After this first mission, Russian Military Police was deployed to three of the four ‘de-escalation zones’ over the following months amounting to four Russian battalions that are now in Syria. But long before Russia’s military intervention on behalf of the Syrian regime in September 2015, Iran has provided from the onset of the armed conflict in Syria extensive and integrated support for the Syrian regime. Teheran has advised Syrian intelligence services and provided training, military supplies but most importantly manpower in the form of Islamic Revolutionary Guard Corps, Hezbollah, in addition to a whole range of Afghani and Iraqi Shiites militias – some set up and trained only for their mission in Syria. The latest offensive in the eastern Deir ez Zour has been largely accomplished by these Iran-backed forces which may eventually link with Shia militias in Iraq and establish the aspired land line between Iran and the Mediterranean.

Russia has limited control over these militias and sees them as a long-term threat to the stability in government-held areas and its political and military role which may also obstruct investment from abroad in reconstruction and its own infrastructure and energy projects in Syria. Therefore, Moscow does not want that these forces to play a role in its construct of the ‘de-escalation zones’ that has to be also acceptable for regional and international actors. The Russian Military Police enables Moscow to (slightly) counter-balance the power of these largely uncontrolled local militias. In addition, Russia rallies for support from a number of Central Asian states, such as Kazakhstan and Kyrgyzstan. Despite the completing military support Russia and Iran have provided in Syria, the strategic approach of the two powers to the conflict and their envisioned post-conflict order are fundamentally different and increasingly opposing. Iran and Russia are pitched against each other as competitors over the modalities of a political settlement, profiteers from Syria’s reconstruction and post-conflict assets and military presence in the country. Russian ‘de-escalation zone’ proposal has also to be seen as complementary to the Astana talks – the Russian led series of talks to politically settle the Syria crisis that has sidelined the UN-led Geneva talks. With the Astana talks, Russia as created a forum in which Moscow can lead negotiation with the main stakeholders in Syria, Iran and Turkey, without Western interference. Overall, Moscow attempts to strengthen and transform its presence in Syria, moving from a purely military posture to that of a mediator driving towards a political settlement. Part of this approach is the recently announced „Congress of Syrian National Dialogue“ in Sochi to bring together 33 political groups, including pro-Government of Syria, opposition, and Kurdish groups to begin discussions on the future political landscape of Syria.

Tehran is increasingly upset by Russia’s approach and deals with the opposition, Turkey, Jordan, Israel and the U.S., which it sees as being made “behind their back”. While Russia pursues eventually a grand power style victory and a peace deal that is also acceptable by the international community and the West, Iran is hardly interested in a settlement, or acceptance by the West and willing to manage Syria similar to Lebanon and Iraq where Teheran has an influence on the government, but more importantly controls paramilitary forces that secure strategic interests on the ground for Teheran.

**New conflicts on the horizon**

After all, the ‘de-escalation zones’ proposal should not be confused with Moscow’s strategic objective to dissolve areas under the control of armed opposition forces and its will to force fighters and the trapped civilian population into surrender at any cost. The proposal is not intended to be
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long-term settlement of the conflict but rather aims at putting further offensives on hold until the areas in the east of the country are retaken from IS and an accommodation with the Kurdish-led SDF is reached. Once attention will return to the country’s west, an escalation of violence is highly likely. Encircled areas, such as Eastern Ghouta and northern Homs will experience a further tightening of the sieges paired with bombardments leading to an erosion of the relation between population, local councils and armed groups, and a collapse of the control system - similarly to Aleppo. Armed groups and civilians will then be subject to a so called ‘reconciliation’ agreement that includes the relocation of fighters and civilians to areas still outside of government control, such as Idleb or northern Aleppo where Turkey is expected to manage the situation.

The effect of the cessation of payments to the main opposition umbrella in the south, the Southern Front, by the U.S.-led Military Operations Command (MOC) in Amman, Jordan, may also change radically the political-military landscape in southern Syria as groups previously affiliated with the Southern Front will seek new funding streams, either via Israel which has strong security objectives in southern Syria, or more radical groups that will attempt to take advantage of the vacuum. A more fragmented armed opposition in the south may then invite an offensive by Government of Syria, especially around Dara’a city and the border crossing to Jordan and facilitate ‘reconciliation’ agreements.

Finally, the greater Idleb province (including parts of northern Hama and west Aleppo) is facing the most precarious situation. The area hosts an estimated two million people under dire humanitarian conditions, among them many who have been ‘evacuated’ to Idleb after the reconciliation of their homes or previous areas of displacement. In addition, the proscribed HTS has taken over large parts of Idleb in August 20. The group is not part of the ceasefire and ‘de-escalation’ agreement. Turkey’s task in Idleb is to establish a new armed opposition umbrella that adheres to Ankara, is separated from HTS and can be pressured into a political settlement in Astana. As an internationally designated terrorist group, HTS is then a legitimate target for the Government of Syria and its allies. Turkey may extend its military presence in Idleb and establish a buffer zones along its border with Syria to shield tens of thousands of civilians that will attempt to cross into Turkey once fighting escalates. The impact of a military offensive on this ‘open-air prison’ will be catastrophically.

In return for Turkey’s handling of Idleb, Russia may support Turkey against the Kurds. So far Russia is positioning itself as protector of Afrin, but the rapprochement between Turkey and Russia may lead to a future alignment of strategic interests between Ankara, Damascus and Moscow against the Kurds in Syria. The Syrian Kurds, aware of the short-lived support the U.S. that is tied to the fight against the IS, are turning to Damascus knowing this may be the only chance to survive. Two days after Special Presidential Envoy for the Global Coalition to Counter IS Brett McGurk visited the ruins of Raqqa, a joined Government of Syria and Government of Russia delegation led by Syrian security chief Ali Memluk and Russian Deputy Foreign Minister Bogdanov met with PYD/YPG representatives, and reportedly PKK leader Karayılan, in Qamishli (a town within YPG territory in northeast Syria that has been held by the Syrian army throughout the conflict). The parties discussed the future of the YPG as an armed forces as well as the political future of the Kurdish self-administration and the future of US bases in northeast Syria. This has been the first significant sign that Damascus is ready to engage in negotiations with the PYD after statements by Syrian Foreign Minister Walid al-Moallem on 25 September that Kurdish autonomy was “negotiable”.

While these talks between Damascus and the PYD suggests a negotiated re-integration of a semi-autonomous Kurdish self-administration into the Syrian state, Turkey, Russia and the Government of Syria may find common interests against the Kurds in the long-term. Russia understands that Turkey is a key ally in Syria, most importantly for managing the armed and political opposition and later for facilitating reconstruction. Moscow may trade Ankara’s support for the destiny of the Syrian Kurds, who may experience a similar scenario as the Iraqi Kurds, in which government forces rapidly retake territory from the SDF, which is unable to affront the offensive without external, U.S. support. Yet, chaos in the northeast where over half a million displaced people stay will be significant.

The demographics of war & returns for whom, to where and how?

The stability of a ceasefire and a political settlement are among the main conditions for the return of Syrian refugees and for the reconstruction for Syria. Bureaucratic and legal obstacles imposed by the Government of Syria, and personal security concerns are paramount for Syrian refugees and an even more complex to monitor and assess for donor governments. At the opening of a conference in August 2017, President Bashar al-Assad said that Syria had “lost its best youth and its infrastructure,” but had “won a healthier and more homogenous society.” This is why Putin’s statement about providing areas for return in the ‘de-escalation zones’ is misleading and dangerous. The large majority of refugees are not from these largely rural areas now marked as ‘de-escalation zones’, but from areas currently under the control of the government of Syria, such as the country’s main urban centers Homs, Hama, Aleppo and Damascus, and their surrounding villages. Even when their property is still intact, many refugees lack legal documentation of their identity and property which has been lost or destroyed during their escape or in the course of the conflict.

Apart from the massive physical destruction of property in these areas, the regime has “destroyed and falsified property records, confiscated property and reallocated it to pro-regime communities, and prioritized the rehabilitation of areas inhabited by these same communities since the beginning of the conflict in 2011.” An important aspect of this sectarian reshaping policy of Syria’s social fabric have been significant land and
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property purchases by Iran. Since 2011, Teheran has signed off almost every year a new credit line to Damascus worth billions of dollars.\textsuperscript{23} The Government of Syria will never be able to repay this debt in cash. Instead, territory has been an accepted, if not desired, return of investment. Some of these areas have been purchased for religious and ideological reasons, others for financial compensation in the form of land for agriculture as well as strategic areas in urban centers. Refugees from these areas, many of them Sunnis, who are largely perceived as potentially dangerous for the regime’s stability will hardly be able to return to these areas. Moreover, Syrian refugees, especially men and male children and adolescents, face forced conscription with the Syrian Arab Army or militias, or arbitrary detention and arrest for defection or perceived or de facto association with anti-government groups.

Avoiding the uncomfortable: Schemes for reconstruction

While Syrian government officials regularly talk about reconstruction and banned full-throated Western countries from playing any role on the reconstruction\textsuperscript{24} in favor of allied countries\textsuperscript{25}, the four Ws of the reconstruction remain unclear. The main challenge is how to cover the estimated costs of $ 100 billion USD\textsuperscript{26}. While financing remains the very big question mark, other issues such as what sectors and/or projects will be prioritized or what realigned Western agencies will be in charge of handling the effort also loom large.

Despite its official posture, the Syrian government itself seems to lack a strategy, and allies are reluctant to financially commit to the reconstruction without an end of the conflict in sight. At the 10th meeting of the Syrian-Russian joint Committee for Scientific, Technical, Commercial and Economic Cooperation early October in Sochi, Mr Rogozin, Russia’s deputy Prime Minister, said that economic relations between the two countries will witness “an important change after we move to the peaceful stage,” effectively postponing significant developments in these relations to after a political deal.

Russian and Iran firms have secured major deals in Syria. However, these projects are focused on sectors that promise a high return of investment such as the energy sector, natural resources as well as strategic infrastructure.\textsuperscript{27}

The big junk of the ‘real’ reconstruction, such as civilian housing and infrastructure, basic services, and financial stimuli to revive the local economy have not seen contributions from Syria’s key allies. These sectors have a negligible return of investment, and are also at risk to fail if internal stability remains fragile. Neither Russia nor Iran have the financial resources or interest to lift this tasks and take such risks. Despite the posturing of the Syrian regime, at least Russia is aware that reconstruction in Syria needs the financial capacity of the major international institutions and Western donors – according to Putin in the form of a ‘Marshal Plan for Syria’\textsuperscript{28}. In addition, the Russian and Iranian deals in Syria will require subcontractors, probably Western companies, with the capacity and know-how to actually implement these project.

Russia may also court the support and investment of more compliant actors. China is likely to play a major role in funding Syria’s reconstruction in addition to a small military presence.\textsuperscript{29} While investment in Syria enhances China’s “One Belt, One Road” initiative, the Asian power offers “politically unconditioned investments” – in contrast to many Western donors. Yet, Chinese investors have traditionally been hesitant to invest in unstable environments. In order to decrease these political obstacles and hesitations by Chinese and Western donors, Russia is pushing for a political settlement of the conflict.

The Syrian government seems to be aware of donors’ concerns too: The government’s committee in charge of reconstruction, originally headed by the deputy prime minister, has recently been transferred under the leadership of the minister of local administration. This could be an indication that the Syrian government is conducting reconstruction at the local level by creating opportunities for public-private financing within local authorities, selecting the local administrator as head of the reconstruction committee or mandating that local organizations work with the international community.\textsuperscript{30} This may also enable increased Western funding as Damascus is aware that especially Western, international donors could be reluctant to provide financing through the central government and would prefer to promote some form of local autonomy. But the old habits of the Syrian regime die hard: The minister of local administration, Hussein Makhlouf, also happens to be a relative of Bashar Al-Assad and of his maternal cousin Rami Makhlouf.

Outlook

In contrast to early recovery and reconstruction in Afghanistan and Iraq (with all its flaws) where allied forces largely secured the ground and Western government had strong ties to the local government, control and oversight over reconstruction and the safe return of refugees in Syria remain absent.

The current political and military landscape of Syria remains conflicted, complex and entails more violence and human suffering in the foreseeable future. New regional dynamics generated by Saudi Arabia under the proactive leadership of Crown Prince Mohamed bin Salman are also likely to have an impact on Syria. Also, Israel, which has keep a wary eye on Syria since 2011, may consider an increased involvement, especially with new partners in Riyadh at hand. Finally, the stability and capacity of the Syrian regime remains largely unclear. After seven years of war, there is also a risk that once external threats to the regime decrease, internal conflict among the fragmented political, economic and security actors erupts resulting in a potential regime collapse.

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Acronyms

SDF Syrian Democratic Forces
IS Islamic State
YPG People Protection Unit
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Sources


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