Caught in the Crossfire

27 JULY 2025

Neele Seifert



During my recent visit to Lebanon and Syria, shortly after the brief but intense direct war between Israel and Iran, one image captured the surreal atmosphere: people dancing in Beirut's nightclubs or smoking shisha in Damascus's open-air cafes, even as missiles streaked across the sky.

Of course, people saw the conflict—missiles aren't easy to ignore. Yet most greeted it with a shrug or a grim schadenfreude, encapsulated by the Syrian proverb, "سن الكلب في جلد الخنزير" (San el-kalb fi jild el-khinzīr) —"Let the fang of the dog sink into the hide of the pig." In other words, let these two despised powers weaken one another, as long as they don't drag us in.

What mattered far more to Syrians and Lebanese was whether the fighting would spill over—and how to survive the crises already devastating their countries.

Watching Missiles, Worrying About Groceries

In Syria, everyday life is a struggle for the basics. UN agencies estimate that over 90% of Syrians live below the poverty line. On my walks through Damascus, Homs, and other places, the conversations weren't about geopolitics but bread lines, blackout schedules, and water trucks. The Syrian pound trades near 13,065 per USD, and citizens spend the majority of their meagre incomes on food and fuel.

The Assad regime's collapse in December 2024 ushered in a new transitional administration led by former opposition figure **Ahmed al-Sharaa** (often spelled Scha'a). Sharaa's leadership is Islamist-leaning, reflecting the rebel coalitions that ousted Assad, but he has moved rapidly to establish some order. In speeches to the nation, Sharaa pledged "an inclusive political transition," promising a national conference, a government representing all groups, and eventual elections. He has also promised transitional justice for war crimes and vowed to implement "the rule of law for all...protecting minorities' rights."

Many hoped his inclusive and liberal rhetoric might bring protection for minorities and a break from Assad's authoritarianism. Instead, early signs have sown doubt and fear. In July, armed Bedouin militias attacked Druze villages in Suwayda Province. Some of the fighters even wore ISIS patches. Sharaa's government condemned "outlaw groups" and promised investigations but took no effective action to protect the community. For many Druze, this echoed Assad-era neglect. Sharaa's Islamist roots raise questions: will civil liberties be upheld, or will religious hardliners dictate policy? Minorities—Alawites, Christians, Kurds—watch nervously, unsure whether Sharaa's promise of "an inclusive transition" will hold.

Economically, there is a glimmer of hope with sanctions being eased, suggesting gradual stabilization. Yet, Syria badly needs political and security stability to attract the foreign investment essential for rebuilding. Without credible guarantees for property rights or minority protections, investors remain on the sidelines.

Above all, Syrians are simply tired. After fourteen years of war and a heavily suppressive dictatorship, a new leadership was meant to deliver relief. However, as many different people described the current situation: "We are happy that Assad is gone, but the situation is not yet better." Especially when talking to people who are part of minorities, even before the events in Suwayda, they were just full of fear. And with Israel from time to time also attacking Assad's Military infrastructure in Syria, one Syrian commentator put it that Syrians were "caught in a terrible contradiction:

relieved when Assad's military assets are destroyed, yet heartbroken to see our country bombed again and again."

Iran's Military Setback and the End of Blank Checks

While the Iran-Israel conflict lasted just 12 days, its strategic reverberations will last far longer. Israeli airstrikes severely degraded parts of Iran's air defences and missile command networks. Facilities tied to Iran's nuclear program were also heavily affected, delaying any rapid "bomb rush".

In December 2024, Tehran announced that it would double its defence budget to $46 billion. With this bill just being approved in its general outlines by the parliament, those funds must go toward rebuilding conventional and strategic assets. Proxies such as Hezbollah and Syria's militias will likely see sharply reduced support.

Hezbollah's Quiet Front: The War Hezbollah Was Built For, But Didn't Join

Perhaps the most telling moment of the recent Iran-Israel conflict was Hezbollah's decision not to enter the fray militarily. While its rhetoric intensified, fully aligning with Iran, it conspicuously refrained from direct military engagement. This calculated restraint reveals more about Hezbollah's current limitations than its ideological commitments; as of June 2025, Hezbollah is focused on its survival.

Hezbollah's surprising inaction stems from several factors. Domestically, there's significant opposition, with Lebanese leaders emphasizing neutrality and rejecting the idea of Hezbollah unilaterally launching a war. Operationally, the group faces limitations; ongoing Israeli strikes have severely hampered its capabilities, making a new front impractical. Furthermore, Iranian support has been strained, curtailing financial and logistical aid since the November 2024 ceasefire. Instead of fighting, Hezbollah focused on its media presence, bolstering solidarity with Iran. This strategic pivot highlights a pragmatic calculation to prioritize survival and reveals growing fragmentation within the "Axis of Resistance."

Economic Crisis Overshadows Everything in Lebanon

Lebanon's new leadership— President Aoun and Prime Minister Salam, installed in early 2025, has vowed to revive the shattered economy. Still, the looming Iran-Israel war forced them into security decisions as well. Both U.S. and European officials have made clear that post-war reconstruction aid is contingent on dealing with Hezbollah. The Prime Minister and President (with Parliament Speaker Berri) have formed a committee to negotiate a proposed U.S. roadmap: in exchange for an Israeli troop pullback from Southern Lebanon (where Israel is still operating), the plan calls for Lebanese disarmament of Hezbollah's weapons.

Lebanon's economy is still in free fall after years of banking collapse. Reconstruction needs from the recent conflict are estimated at around $11 billion, far beyond Beirut's means. The World Bank reports Lebanon's output is still contracting (real GDP was projected to shrink ~7% in 2024), while inflation, though down from its 2023 peak, remains in the mid-teens. In practical terms, everyday costs remain crushing, and about 50% of Lebanese live in poverty.

With parliamentary elections in May 2026, Lebanon's caretakers are under pressure to implement IMF-backed reforms, including fuel subsidy cuts and banking sector overhauls. But political divisions and especially the short time until the next elections make meaningful action unlikely before the vote.

A War Watched, Not Fought

In Lebanon and Syria, the Iran-Israel conflict was observed more than experienced. A region exhausted by crises hoped and continues to wish to remain on the sidelines. Yet the war did shift balances: Iran's proxies face budget cuts; Hezbollah's aura of invincibility is dented; and Syria's new government stands under the microscope to prove it can protect minorities, stabilize the economy, and keep foreign powers at bay.

EPIS