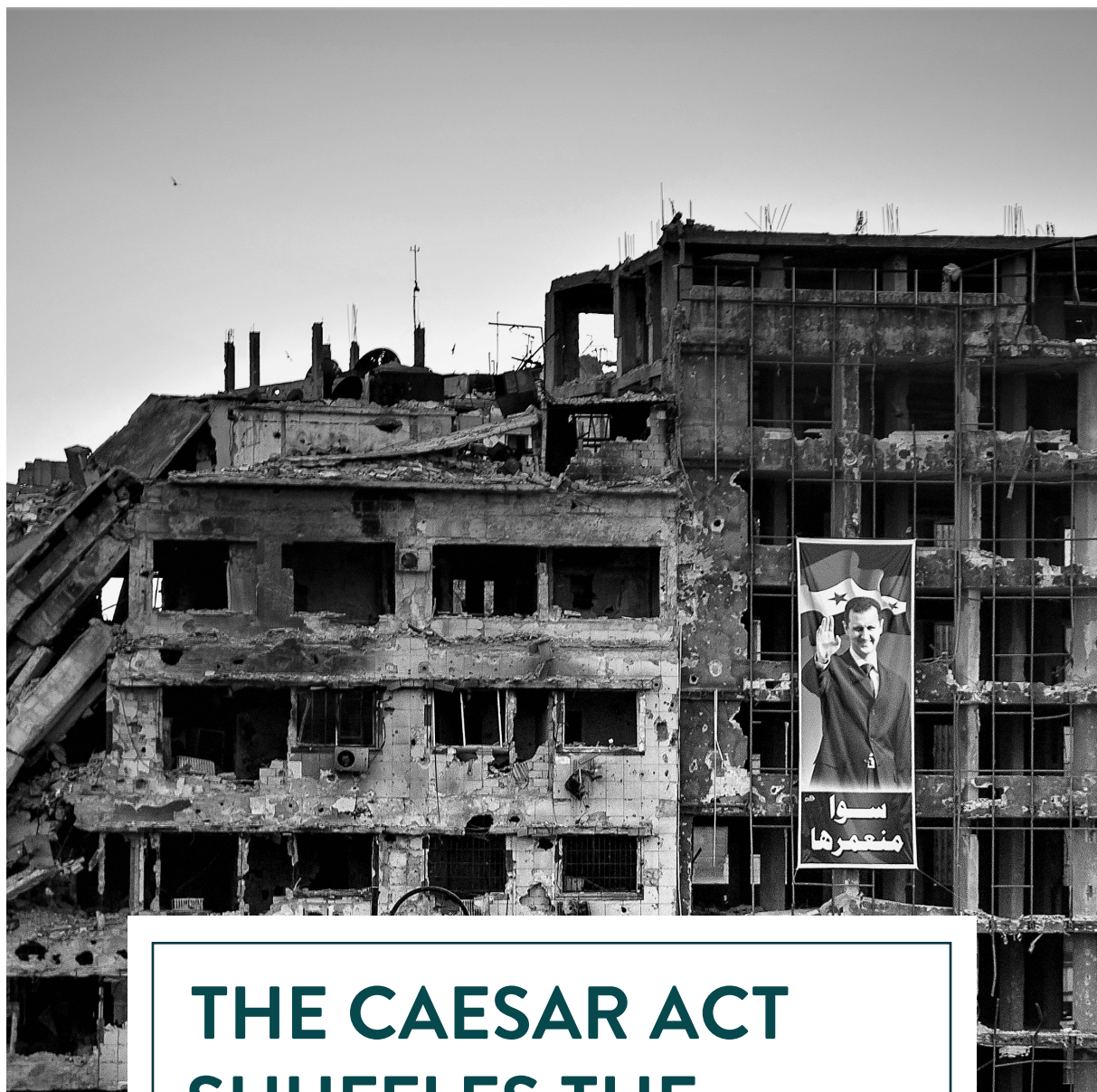




CENTRO STUDI  
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# THE CAESAR ACT SHUFFLES THE CARDS OF SYRIAN RECONSTRUCTION GAME

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Nine years of conflict have devastated Syria, disfiguring its social and urban fabric in a catastrophic way. While the battle on the ground seems to have reached its final stages, the apparently economic, but fundamentally political, game about the future of the country and its reconstruction is at its most heated. This is mainly due to the interests of the numerous actors involved, and especially after the shuffling of cards represented by the US Caesar Syria Civilian Protection Act, which came into force on 17 June and is better known simply as the "Caesar Act".

### WHAT DOES THE CAESAR ACT PROVIDE FOR

The act, in addition to being a first step towards the recognition of the human rights violations committed by the regime of Bashar al-Assad, provides for the imposition of **new sanctions** on the Syrian President's regime and on any individual or organization that supports or facilitates the acquisition by him of goods, services or technologies useful to his military activities, to the aeronautical sector, to the Syrian hydrocarbon industry and to the construction sector, also through engineering services, hindering, in fact, the process of reconstruction of the country. These are secondary sanctions, which therefore have **extra-territorial effectiveness**: that is, they are applicable to any entity or individual, regardless of nationality, who has a certain type of commercial activity or support in Damascus, even indirectly. These sanctions consist of denying access both to the financial system and to the US market, which have a global scope; there are also property blocks in the United States or linked in some way to them, travel bans and arrests. The text of the Caesar Act, moreover, explicitly mentions, and for the first time since the beginning of the conflict, the governments of Iran and Russia, as well as the militias related to them, as objects of sanction, because of the decisive support given to Assad from the military, financial and diplomatic point of view, which in fact led him to victory on the field. The capillarity of the sanctions, both in their extra-territorial nature and in their extension in a large number of areas, outlines the Caesar Act as an **American attempt**

***“Caesar Act sanctions have extra-territorial effectiveness: that is, they are applicable to any entity or individual, regardless of nationality, who engages commercially with Damascus, even indirectly”***

**to regain relevance in the Syrian context.** Washington seeks to limit the political advantages that Assad and his allies on the Loyalist front (Iran, Hezbollah, Russia) can derive from the military victory against the armed opposition. The United States, therefore, are using the economic leverage in order to recover a certain weight in the future political order of Syria. This happens, above all, in relation to the question of the reconstruction of the country and its infrastructures: as already mentioned, the sanctions will, in fact, be applied also to any global actor that collaborates with Assad for the reconstruction. In this context, Washington is using the sanctions to pressurise the Syrian President, cutting his funding lines in order to hinder the reconstruction process under his leadership, which, on the contrary, would be geared towards consolidating his power and that of Syrian businessmen close to him, avoiding any political concessions. Some steps in this direction have already been taken by Assad, particularly at legislative level. In 2018, the Syrian Parliament approved Law No. 10, which allows the government to create development zones throughout the country, within which Damascus can expropriate properties, even without compensation if the owners fail to provide the property deeds to the competent authorities within one year. This represents a major stumbling block for refugees who, if they had property in a development zone but could not return to Syria because of their status, would see their property expropriated, without compensation and making the possibility of returning to their place of origin even less tangible. Moreover, most Syrians do not have the possibility to prove their actual ownership over real estate, either because the documents to prove it are often found in Syria, where many Syrians cannot return, or because in many areas of the country (especially the peripheral areas of large urban centres, most affected by the conflict) an informal, and therefore undocumented, ownership system prevails. In this way, the law makes it possible to prevent large communities of opponents from returning to their places of origin, but also to move entire groups, especially in rebel areas, which are systematically dismembered to make room for large luxury infrastructure projects.

A prime example is Marota City, on the outskirts of Damascus, an area with luxurious apartments and shopping areas, which would replace two large areas of Damascus, including Basatin al-Razi, whose inhabitants were traditionally middle-class workers. They were expelled by Decree No. 66, an earlier version of Law No. 10, to make way for a huge project financed by the regime and the private sector linked to it, formed by those entrepreneurs enriched during the conflict. The capital of these entrepreneurs grew dizzyingly also thanks to the **deregulation policies** with which the Assad regime piloted the Syrian economy, favouring its clients, its family and the accumulation of political advantages to the detriment of the lower segments of the population. This economic orientation is among the very motivations that led to the protests of 2011, as a natural generator of enormous inequalities, marginalization and impoverishment. The great inequalities have led the lower-middle segments of the population, long relegated to the margins, to oppose the regime, starting the demonstrations of 2011. The same imprint seems to reappear, even in a more openly hardened version, in Assad's reconstruction plan, aimed at **enriching the big capitalists** who follow him with lucrative real estate projects, with the intention of rewarding them for the support provided during the conflict in the form of funding and militias, but also in order to **marginalize again the lower-middle segments** of the community from every point of view, from economic to purely physical. In fact, the Assad project not only includes the expulsion of these from certain areas, with the legislative guarantee of Law No. 10, but also includes the non-reconstruction of most of the rebel areas, even if more damaged. A primary example of this is Aleppo: although the part of the city most devastated by the conflict is the eastern part, the rebel stronghold, eight of the fifteen priority areas identified by the government for reconstruction are in the western part, which remained loyal to the President. The reconstruction plan for Assad is therefore also a **demographic remodeling** project, aimed at preventing the social cohesion that gave rise to the protests in 2011 from being recreated, so that its legitimacy is not challenged, at least formally. The legitimacy of the latter, however, has been questioned by numerous anti-government demonstrations in the last

period, due above all to the growing socio-economic problems, linked to the devaluation of the Syrian lira, whose value fell by 70% in June, and the narrowness of food and medical goods.

### **THE EXTERNAL ACTORS AND THE RECONSTRUCTION GAME**

Given their delicacy for the balance of Damascus, the internal dynamics presented so far are closely linked to the position of international players. For all the actors involved, **the game of reconstruction is today the new point of venting the regional competition for Syria's future structure, after the exhaustion of the military offensives.**

A complex game, in which the position of Damascus remains absolutely intransigent. In fact, Assad rejects any political compromise, stating that he will not accept European and American funding for reconstruction, where he will only be helped by his external sponsors. However, not only do his aims not coincide with those of the European Union and the United States, actors who, due to their economic weight, would be able to finance a large part of the reconstruction, but they are also not in line with the political objectives of Russia and Iran, which, moreover, do not have the necessary capital for reconstruction. The latter, if carried out in a total and comprehensive manner, would have estimated costs between 250 and 400 billion dollars, and its execution would take at least ten years. A total reconstruction is not, however, the only possibility: some areas or sectors could be privileged, especially if the opportunities for financing were reduced to a few countries with different strategic objectives in Syria.

For example, **the primary objective of Iran is not to stabilize Syria, but rather to maintain its presence in the country**, above all, from the military point of view, so as to continue to utilize the Syrian territory as a strategic hub for the equipment of Hezbollah, in Lebanon, but also to consolidate the so-called axis of resistance, the system of proxies extended from Iraq to Lebanon through Syria. In other words, for Tehran the moment has come to consolidate its position in the country, reaping the profits of the military support supplied to Assad during the

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conflict, also through the concessions deriving from agreements stipulated with the regime in recent years in key sectors of the Syrian economy, such as energy, which, up to now, have been unprofitable. Tehran does not have the possibility to invest heavily in the country again, especially given the difficult economic situation in which it finds itself due to the "maximum economic pressure" imposed by Washington, consisting of several sets of sanctions, the blockade of Iranian crude oil exports and the withdrawal from the nuclear agreement. The White House, however, places the withdrawal of Iran and its proxies among the conditions for the financing of the reconstruction; Iran, on the contrary, would like to consolidate its military presence in the country in a structured way, but not explicitly dependent on Tehran, therefore, through its proxies on the territory and, possibly, the control of men inserted in the security forces or in the Syrian army. The Iranian or pro-Iranian physical presence is concentrated above all in the areas of the country where its interests are condensed, that is, in the border areas with Iraq and Lebanon in order to reinforce the axis of resistance, and in the southern areas, near the Golan, to increase the pressure on Israel by multiplying its presence along its borders and, therefore, increasing its possibilities of attack and, tangentially, of deterrence.

**Russia, on the other hand, sees reconstruction as a priority, although it does not have the economic possibilities to deal with it.** Reconstruction, as already mentioned, would favor the renewed stability of Syria, maintaining the Russian influence on the country. A stable Syria would not only allow a clear reduction in the Russian contingent in the country, with a relative reduction in operating costs, but would also represent an enormous diplomatic victory for Moscow, which could complete the success from the military point of view with a victory on the political level. In fact, **by stabilizing Syria and taking the reins of reconstruction, Russia would become an obligatory interlocutor for all those interested in resuming relations with Damascus,** thus increasing its influence on the entire Middle East region. The lack of funds, however, does not allow it to be the sole actor in the reconstruction. This is why Russia is exerting pressure on

various external actors, using different types of leverage to obtain economic support that would politically amount to renewed normalisation of the Assad regime and recognition of Moscow as the great hegemonic power in the Syrian context, including from a diplomatic point of view. Among the actors involved by Moscow is, to a lesser extent, China, which despite its presence in the country, for example through the opening of banks, seems little inclined to invest in an unstable area like Syria. More sustained solicitations on the part of Moscow have instead been addressed to the Arab countries of the Gulf, and in particular, the United Arab Emirates, Saudi Arabia and Bahrain, which Russia tries to involve in the reconstruction through the leverage of solidarity between Arab countries and the regional aims of the individual countries, each of which would like to have a certain importance in the future peace agreement, above all, to draw commercial benefits, threatened, however, by the Iranian and Turkish presence. In this context, Moscow seeks to normalize relations between the Arab countries of the Gulf and Assad's Syria within a broader framework, in which reconstruction could be an important weapon for bartering with Assad for a **downsizing of Iranian ascendancy in the country.**

Moscow's attempts were, however, counterbalanced by U.S. pressure in the opposite direction, limiting the Gulf countries' range of action. On the other hand, the leverage used by Moscow to press Washington and Brussels, the only entities with the financial possibilities to rebuild Syria, is that of safeguarding civilians and the need to stabilize Syria to ensure the return of millions of refugees.

The European Union, however, is firmly opposed to reconstruction in the absence of political transition, formally to safeguard the Syrian population. At the same time, **Brussels, as well as Washington, uses the economic game to avoid a further consolidation of Assad's power and limit the political gains deriving from his military victories,** also to avoid a regeneration of the socio-economic bases that led to the conflict, already observable in the direction taken by Assad in conceiving the reconstruction. Moving in this direction, in May 2013, the European Union imposed sanctions, then made even more restrictive in 2019, in the form of travel bans, freezing of assets and restrictions on exports of goods and

technologies, on 269 people and 69 entities, including the Syrian Central Bank, responsible for supporting the Assad regime and violently repressing the Syrian population. The EU has also reached the consensus of all its members to provide support to the Syrian population with projects that can be placed on a smaller scale, e.g. through targeted humanitarian aid including infrastructural assistance, which is in line with the diplomatic position of individual states, but which, due to limited scope, financial investment and size, cannot be included in the definition of reconstruction as an ordered, comprehensive, broad and long-term project. In this sense, reference was made to the possibility for the EU to take an **incremental approach**, i.e. a gradual increase in Brussels' participation in certain areas, especially in cooperation with other international organisations such as the World Bank, in the face of concrete and measurable progress in the country in the form of reforms aimed at increased inclusiveness of institutions and pluralism.

On the basis of the considerations made so far, it is clear that all actors, regardless of their current level of involvement in the Syrian question, must necessarily come to terms with the issue of reconstruction in calibrating their action towards Syria. In this context, **the Caesar Act is likely to be an important turning point, with implications that will become visible in the medium and long term, on various levels and probably for all actors involved.** In fact, if the pressure that the United States has exerted in the past on various third countries to avoid the possibility of a softening of the positions towards Assad has already effectively limited their scope of action, the sanctions contained in the Caesar Act will have a more widespread effectiveness, especially in discouraging third parties from having any commercial link with Syria for fear of being subject to sanctions. It is clear that this, especially given the specific mention of the reconstruction in the text of the Act and given the political game that revolves around this issue, is a fact that becomes inescapable for any external actor.

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## RUSSIA AND IRAN BETWEEN SANCTIONS AND SYRIAN NOUVEAUX RICHES

If they were to block or severely limit the engagement of external actors in reconstruction, US sanctions will make Syria a heavier burden for Russia and Iran, which will see this weight add to the falls in oil prices, the economic effects of the Covid-19 pandemic and the sanctions to which they are already subject. However, the increase in the economic cost of support for Damascus will probably not lead them to abandon it, especially given the enormous investments made during the conflict and the reconquest of two thirds of Syrian territory. This was evident from the statements made by the governments of the two countries, which described the sanctions as illegitimate, explicitly confirming their willingness to continue the support of the Syrian regime. Behind this determination lie, however, different needs: if Moscow has every interest in stabilizing Syria, Tehran, on the contrary, has as a priority to root its referents within the institutions and the economic and social fabric, in a way functional to its regional strategy.

It is equally probable, however, that **the external sponsors will not save Assad unconditionally**, above all because it seems to become more and more evident a **disconnection between his figure and the Syrian regime as an entity** formed by many different personalities, each with different responsibilities for the survival of the regime itself: within this microcosm, during the conflict the monopoly of the Syrian economy was concentrated in the hands of some figures, **new great businessmen** who are now among the few holders of the necessary liquidity to continue the financing of the regime itself. Without the economic support of these figures, Assad would hardly be able to implement his plans, in the face of a lack of funds, probably destined to be exacerbated by the imposition of the new sanctions. These *nouveaux riches*, however, condition their economic support to obtaining advantages, both in terms of a growth of their status and power, and through new profitable opportunities, such as those deriving from large infrastructure projects like the one in Marota City, for example.

The growing importance of these personalities within the Syrian regime makes them indispensable players also for external sponsors, at the moment, perhaps more than Assad himself: in accordance with their interests in Syria, Moscow and Tehran have adopted different postures to control or take advantage of these "bankers" of the regime. Iran is very close to some of these personalities, first of all Samer Foz, one of the major beneficiaries of the Marota City project, which has always favored Iranian revenues in its business, also helping Tehran to circumvent U.S. sanctions. For example, Samer Foz is involved in smuggling Iranian oil into Syria through the Lebanese company Sandro Overseas SAL, in a manner similar to that used by another exponent of the Syrian *nouveaux riches*, Baraa Katerji. A real network for the smuggling of Iranian oil into Syria seems to have configured, through the support of the Syrian Ministry for Oil and small Lebanese companies little known and founded *ad hoc*. The Iranian smuggling networks are tied by a double thread to those of Hezbollah, involved both in the illegal traffic of hydrocarbons and drugs, another sector in which Samer Foz presumably plays an important role, thanks to his influence around the port of Latakia, used as a hub to facilitate these activities. These exponents of the new Syrian oligarchy could continue and intensify their ties with Iran, also through profitable contracts for the latter, enhancing, in parallel, the illicit activities, also through Hezbollah, to the benefit of both sides. Furthermore, they enjoy local networks well rooted in specific areas of Syria, which often coincide with those of interest to Tehran: if Foz, as mentioned above, is well inserted in the surroundings of Latakia and can facilitate the maintenance of an outlet to the Mediterranean, Katerji enjoys considerable influence in Aleppo, another area where Iran is concentrating its efforts to cultivate local contacts. **Tehran has been able to exploit the local level to strengthen its ties with Syria on various levels**, now no longer limited to Assad, in a move that will make it difficult to observe a cancellation of the Iranian presence from Syrian territory.

If Tehran has been able to benefit from the existence of these personalities to take root in Syria, **Moscow's interests, linked to the stabilization of the country, make**

**its relationship with the great Syrian businessmen more complicated.** In fact, the Kremlin would like to discipline them, reducing their personal aims, often far from peaceful development in the country, given the profits obtained from the war economy. Many of these businessmen, moreover, would see great losses in the case of more inclusive economic reforms, which would shift the orientation of the Syrian economy in the opposite direction to that which would allow it to maintain its acquired power, closer to consociativism; for this reason, they would use their power and influence over Assad in order to steer its decisions, further inhibiting the political concessions already stubbornly denied by the President. This is diametrically opposed to Russian interests which, as already mentioned, are aimed at stabilizing the country and recognizing Moscow as a great hegemonic power in Syria, also through reconstruction. It is not to be excluded, therefore, that Moscow seeks new referents in the Syrian context, possibly exploiting the internal tensions within the new oligarchy to get closer to those elements less opposed to the reforms, so as to put Assad in a corner, in case the latter continues to refuse any political concession. In the meantime, given the limited investment possibilities by other foreign players, Russia will try to secure other concessions in the most lucrative areas of the Syrian economy, such as those already obtained in the energy and mining sectors, perhaps even stimulating a new injection of liquidity to the Damascus regime despite the economic difficulties of the Kremlin. In fact, for the latter, **the stabilization, at least partial and temporary, of Syria could represent a more stringent priority than economic limitations**, especially given the purely geopolitical, rather than economic, nature of the issue.

### **GULF, CHINA, EU IN THE FACE OF NEW US SANCTIONS**

On the other hand, the actions of actors who would have shown a softer attitude towards Assad, possibly participating in the reconstruction in exchange for trade agreements and political influence, such as the United Arab Emirates and other Gulf countries, are now being discouraged by US sanctions and the need not to alienate

Washington's support in the wider regional context. For these actors, however, the Caesar Act obstacle is also an incentive to seek alternative avenues. While subjecting to US sanctions is a very tight limit for the Gulf countries, especially as Iran is likely to continue to consolidate in Syria, circumventing them would be very risky because it would represent a direct challenge to the United States, which is crucial for the security and economy of most of these countries. However, the interests of the Gulf in Syria do not coincide perfectly with those of the United States: if curbing the Iranian presence is a common objective, avoiding excessive Turkish consolidation in the country, an important intention for the Gulf, is not among Washington's priorities. This divergence could put the Gulf monarchies in a position to **diversify their contacts** and, in the specific case of Syria, it would greatly **encourage a deepening of the dialogue with Moscow** which, in this way, would see its weight in the region grow further. China, on the other hand, in the face of an interest already little decided in Syria, evident also from the withdrawal of key companies like Huawei from the country, could renounce, at least for the moment, to play an important role in the reconstruction: Beijing traditionally has no interest in investing in such unstable areas, especially if Russia and Iran have already extended their hand in the key sectors of the Syrian economy, first and foremost in the energy sector, guaranteeing themselves the right of access to the natural resources of the country. Moreover, given the number of open dossiers in which tensions with the White House are poured into, Beijing could decide not to create new ones, all the more so through risky investments.

As far as the European Union is concerned, the Caesar Act is apparently in line with Brussels' position at the moment, but it **places substantial limits on policy options for the reconstruction of Syria** in the medium and long term. American sanctions, in fact, reduce the political power of European sanctions because, even if the European Union decides to adopt a softer stance towards Assad and the Syrian regime, perhaps raising some of the sanctions imposed in 2019, US domination of the global financial system would make it impossible to invest in the country without incurring the sanctions of the Caesar Act. This has

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great value for reconstruction, as the economic game played by the European Union, as well as the possible incremental approach that Brussels would potentially adopt, are now severely hampered by US sanctions. As a result, **as economic leverage is lost, European pressure on Assad and its sponsors to obtain political concessions loses effectiveness**: the Caesar Act obstructs, at least partially, the possibility of EU action in Syria, both economically and politically. Even if the US sanctions were to achieve their objective, restoring Washington's preeminence in the Syrian arena, this would happen by sidelining European interests and preventing from the outset the incremental approach envisaged by Brussels, putting the latter in the position of having to revise its posture towards the Syrian issue.

#### CAESAR ACT, A DOUBLE-EDGED SWORD?

This, at a local level, has potentially devastating consequences, not so much for Assad and the big businessmen around him, but for the civilian population, those groups that the Caesar Act theoretically aims to protect. **Disrupting the flow of money into Syria could cause a major food crisis**, especially given the food shortages already evident in the country and the devaluation of the Syrian lira, directly linked to the rise in prices, which are crushing the population already harassed by nine years of civil war. The most immediate results could include new waves of **protests** against the corruption and inefficiency of the Assad regime, which would make even more evident its illegitimacy in the eyes of the Syrians, but also **emigration** to other countries, first and foremost the neighboring ones, given the food shortages. If the first scenario, that of the protests, would put further pressure on Assad, the second would not be totally unfavorable to him, because it would be equivalent to the marginalization of the lower middle classes of the population that the regime itself would want to cut off through reconstruction, especially if Assad managed to satisfy the needs of its supporters to the detriment of its opponents, forcing the latter to leave Syria. Neighboring countries, already suffering from the high number of Syrian

refugees received, could suffer a new blow, especially Lebanon, whose stability, already compromised, could further deteriorate due to the sanctions of the Caesar Act, which severely affect the banking sector. Furthermore, also in the local dimension, the sanctions imposed on Assad and the great Syrian businessmen could result precisely to the benefit of the latter, whose hands are widely extended in the system of informal payments called *hawala* and, alongside those of Hezbollah and the Iranian regime, in the **networks of the black market**, through which they have created much of their wealth. In the first ambit, that of *hawala*, the new Syrian oligarchs play the role of intermediaries, facilitating the services of low-cost financial assistance through informal, untraceable payments. Over the years, *hawala* networks have become the main means for smuggling and money laundering, but also for Syrians' remittances abroad, although the scarcity of available information does not allow to fully assess their scope. **The Caesar Act could broaden the field of use of this system in the daily life of Syrians**, which allows to circumvent the U.S. sanctions, further enriching the new oligarchy. As far as illicit traffic is concerned, the failure to fix the borders between Syria and Lebanon, especially in the Wadi Khaled area, in the North, already strongly involved in smuggling, and the considerable influence of these entrepreneurs in various key areas of the country, such as Latakia for Samer Foz and Raqqa for the Katerji brothers, could be to the advantage of illegal activities. These could be a **preferential channel for the trade of oil, medicines and basic necessities**, with inflated prices that would further enrich the new oligarchs, as well as the Hezbollah networks, to the disadvantage of ordinary Syrian citizens, 80% of whom already live in poverty according to the United Nations.

Internationally, **the increased isolation of Syria caused by the Caesar Act does not necessarily translate into a completely negative figure for Russia and Iran**. Although there are a number of objective limitations, both countries may be able to exploit the economic situation to take root even more deeply in the Syrian context. Tehran, already involved in the dynamics of illegal trafficking, also bases its regional strategy on the

foundation and financing of charities and cultural associations. **The provision of social and financial aid allows Iran to guarantee itself a support base in local societies**, as happened in Lebanon with Hezbollah, legitimizing Iran's ascendancy in the country from below. Iran is already moving in this direction, with the opening of new offices of the Iranian Azad University in the country, schools, above all near the border with Iraq, and Iranian cultural centers, within which subsidies and scholarships are also offered. In the same areas Tehran offers material aid, especially in the form of food and medicines, but also money payments for the neediest families. It is clear that the difficult situation of the Syrian economy and the tragic living conditions of Syrian citizens could be exploited by Tehran to increase its grip at the local level, while facilitating these activities through illicit trafficking and links with the new Syrian oligarchs. This last point, specifically, in recent years has guaranteed Iran the acquisition of more than 8,000 properties, expropriated through Law No. 10, then transferred to new owners, not necessarily Syrians, belonging to the Shiite confession. Through the **displacement of Shiite communities in key areas for its own interests**, i.e. those near the Golan, the Lebanese border and the Iraqi border, and through aid and charity programs concentrated in these very areas, Tehran uses a model already known to guarantee itself a lasting support base, which will guarantee the safeguard of its interests even after the end of the military conflict. In this sense, **the sanctions of the Caesar Act could favor Iranian activities**: in the absence of alternatives to procure basic necessities, the most neglected citizens will be more inclined to accept Iranian aid and to recognize Tehran as a force of solidarity, progressively legitimizing its presence. Russia, on the other hand, could take advantage of the slowdown in reconstruction to expand its contacts through soft power instruments, especially by focusing on the already extensive **network of Russian humanitarian aid** in the country, led by the Center for Reconciliation of Syria, a body of the Russian Ministry of Defense to which many Russian humanitarian agencies refer. In addition, Moscow is already opening its own universities, encouraging the study of Russian in order to create a cultural substratum that will allow it, in the long term, to ensure its influence



on various levels of Syrian society. This kind of operation could be encouraged, especially since **sanctions, discouraging any kind of transaction with Syria, are holding back other actors from being present in the country**, restricting the opportunities of supply for the civilian population. If, moreover, Moscow already supplies about 70% of the grain needed to supply Syria, the sanctions will allow it to increase the scope of its role in the country also in this sense. As a result, Moscow's image within Syria could be greatly improved in the eyes of the civilian population. Russia could also use humanitarian aid as a political weapon, both to press Assad to make concessions within the country and to prioritize the help of certain areas strategic for its interests.

In conclusion, therefore, **the Caesar Act represents a shuffling of cards in the Syrian game, without a clear and unambiguous beneficiary**. First, the Act severely restricts the possibilities of financing and procurement of goods, both for the Assad regime and its oligarchs and for the civilian population of Syria. In the absence of other actors ready to take real risks, first and foremost that of alienating the US economic market, the law could achieve diametrically opposite results to those hoped for: **the regime could go even further towards its allies**, Russia and Iran, which would benefit greatly from being the sole economic reference points of the latter. Furthermore, the black market and the *hawala* system will presumably be employed in a preferential way, further increasing the relative weight of the new Syrian oligarchy and Hezbollah, among other militias, to the detriment of the ordinary Syrian citizens, in turn, forced to depend on these last actors, as well as on the Iranian charitable foundations and the Russian humanitarian networks. **If the role of Assad appears shaky, the same cannot be said of that of the great businessmen who act as bankers of the regime**, although these are nominally among the principal targets of the Caesar Act. The latter, rather than stimulating political concessions from Assad, could lead to a new moment of apparent stalemate which, however, perpetuating the instability and postponing the reconstruction to a date to be defined, would increase the long-term political and economic gains of the regime and

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its external sponsors, without, however, stimulating any step towards the stabilization of the country.