Field Report from Lebanon

Adapted from the broadcast audio segment; use the audio player to listen to the story in its entirety.

Everywhere in downtown Beirut there is new construction. Gleaming new buildings rise from the ashes of decades of conflict. The money behind the cranes, concrete and steel comes largely from ex-pat Lebanese and the Gulf. Saudi Arabia has long been a major investor in Lebanon and buys good will and influence with its money.

But in Dahiya, or the southern suburbs of Beirut, the building boom comes courtesy of the partnership of Nasrallah and Ahmadenijad.

In May of 2007, Hezbollah launched a new firm called Waad. Its mission is to rebuild the roughly 280 buildings destroyed in the 2006 war with Israel. Most experts say that a major share of the \$400 million initiative comes from Iran, and that's on top of the huge sums Iran spent on the rebuilding of roads, bridges, and other infrastructure in parts of Lebanon.

Residents like Ramsiya Matter's apartment was destroyed a week after the war began, and although saddened by the loss, she says her family was well cared for when the war ended.

"The resistance and Sayyed Nasrallah looked after us by paying our rent, so we rented an apartment in a nearby area. They were looking after us the last four years."

After the 2006 war, Gulf countries and Iran fought for hearts and minds by investing hundreds of millions of dollars in the reconstruction of Lebanon. Hezbollah immediately started helping displaced people pay rent for temporary housing and over the years branched out and invested more in building schools and clinics, and delivering services to the poorer and historically underserved Shi'a population in Lebanon.

Iran has been gaining ground in the cold war vis-a-vis Saudi Arabia and its Western-backed allies, and not just because of its investments in infrastructure, says Mohammed Shattah, senior advisor for foreign policy to outgoing Prime Minister Saad Hariri.

"Iran directly and Iran indirectly through Hezbollah has gained points, largely by standing up to the Israelis and the Arabs generally when it comes to the issue of Palestine and Israel."

One of the many people who has pledged himself to Hezbollah and Iran is Ali. He joined Hezbollah in 1997 and for many Shi'as like him, who left their homes in the south after the Israeli invasion in 1982, they could only return to their villages with Israel's departure. This has been a huge help in recruiting support for Hezbollah and Iran.

"I was trained in Iran and I've done many trainings throughout these years. I get military education, I get religious education... everything. Academic education, everything."

While you hear affection for Iran all over the south of Lebanon, attitudes start to sour on Iran as you head north.

Rabia is a 40-year-old resident of Ashrafieh, a predominantly Christian neighborhood, and far more wealthy and developed than the southern suburbs.

"Lebanon is divided in two parts, some are with Iran and some against. My opinion, I'm against the influence of Iran in our community and our state ... There is [sic] places in Lebanon visit, I cannot be there. Or I cannot express my feelings or give my opinion about anything, because of them."

As Rabia reveals his true feelings about Iran and Hezbollah, he appears nervous, and tries to explain just how deep the divide has grown between the Iranian Axis and the Saudi and western axis in Lebanon.

"If I am talking – we are talking now because I am in 90% free area – but if I am in another place I cannot speak like that with you. I am afraid somebody will come to push on me or threaten me with something, I don't know what."

Talal Atrissi, a professor of sociology at the Lebanese University in Beirut, explains the difference of opinion.

"Some people look to the Iranian support to the resistance and its confrontation with Israel as a source of instability while the other side thinks that Saudi Arabia and their support to the peace process and the negotiations with Israel is also another source of instability, so it's a matter of point of view."

Points of view have been hardening over the years as the cold war has intensified and the 2006 war between Hezbollah and Israel was a moment that deepened the divide.

Many believe that Hezbollah and Iran have one more critical interest in Lebanon right now: undermining the Special Tribunal for Lebanon, the international tribunal seeking to prosecute those responsible for the assassination of Prime Minister Rafik Hariri in 2005. The tribunal is preparing to release indictments, and it's expected that senior officials from Hezbollah will be indicted.

Paul Salem, director of the Carnegie Middle East Center in Beirut, explains Hezbollah and Iranian aims.

"Normally it would not have gone to this extent. Because usually it doesn't need to do that, it just needs to be left alone. In this case, it felt it needed to do more than be left alone; it had to have more influence to blunt the tribunal."

This is just the latest development that has many in Lebanon fearing for the country's future.

But Paul Salem believes there are inherent structural forces that should keep the proxy or Cold War from devolving into civil war.

"The red lines for Hezbollah and for Iran and for Syria is while they want a dominant influence in Lebanon, which by the nature of things will antagonize the Sunni community. At the same time neither Iran nor Syria or Hezbollah wants an outright confrontation with the Sunni community or wants to eliminate or utterly defeat or humiliate the Sunni community."

Dr. Atrissi agrees that it is ultimately a political standoff, and neither side wants to push too far for fear of igniting a sectarian conflict.

"If the region enters in a sectarian war, no one knows where things will end."

-Reported by Sean Carberry for America Abroad