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## Open for Business: Syria's Quest for a Political Deal

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### Summary

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- The Syrian regime no longer feels weak and as its prospects of survival improve, its self-confidence is increasingly apparent.
- The tactics of Syria's opponents have mostly been counterproductive, giving the Syrian regime increased leverage. Attempted isolation has not weakened the regime and external pressure has strengthened its domestic position. Meanwhile, its regional position has been bolstered by policy failures in Iraq and Lebanon.
- The Syrian leadership is now betting on certain favourable developments which will continue to boost its confidence, both in the region and *vis-à-vis* Western policy.
- It is futile to conduct policy towards Syria on the basis of antipathy towards the regime. Syria's national interests must be recognized for there to be progress.
- Syria will not 'capitulate' to US demands merely to become another 'moderate ally'. The Syrian regime is not looking for popularity, but for recognition. It seeks a business deal rather than a love affair.

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### Introduction

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There is no international consensus on the role Syria plays in the Middle East. Critics accuse it of having a destabilizing influence on its neighbours, creating problems in order to then become an essential part of the solution. Allies and partners recognize a need for its involvement in regional affairs and believe it is not as malevolent as is sometimes claimed.

The dichotomy extends to the nature of the Syrian regime, and the power it allegedly holds. Some view it as having been weakened by events in the last few years, desperately hitting out to avoid isolation or, even worse, its own demise; certain events are hence explained as desperate measures by a cornered regime. Others consider that none of the attempts to sideline the regime have been successful, and that it remains very firmly anchored to power.

Reflecting these differing assessments is a lack of consensus on how to deal with Syria. The Bush administration's chosen policy, isolation, has not been adopted by most others – especially the European Union, which has opted for a more pragmatic approach. Although many EU countries decreased their contacts with Syria following the assassination of former Lebanese Prime Minister Rafiq Hariri in February 2005, normality seems to be returning to Syria's bilateral relations with most of these countries.

There is also a question of what to demand from Syria. As the urgency of most conflicts in the region rises, different parties with different priorities are pushing their interests. While the US seeks a pacification of Iraq first and foremost, France is more interested in calming the situation in Lebanon, and the European Union remains concerned by events in the occupied Palestinian territory.

The Syrian regime certainly has a hand in a number of events around the region, but not in all. It certainly has influence on a number of parties, but only in a limited way. It certainly did feel weak and isolated, but it does not any more.

This paper examines the succession of events surrounding Syria since UNSC Resolution 1559 was adopted in September 2004, and explores the effects of various policies, both actual and potential, on the regime and its reactions to them.

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### Contention and unintended consequences

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The US, the UK and some continental European countries have made a number of complaints about Syrian behaviour during the last few years; most of these have revolved around Iraq, but there has also

been criticism on the Palestinian front, and there was a sudden about-turn on Lebanon in 2004. These grievances include claims that Syria:

- is allowing insurgents to cross into Iraq;
- is harbouring members of Saddam Hussein's regime;
- supports 'terrorism' by hosting radical Palestinian groups in Damascus;
- continues to influence events in Lebanon through a network of agents and active backing of Hizbullah;
- is not serious about peace with Israel and is only looking for engagement to escape isolation.

For some time, Syria's critics attempted to deal with these grievances through non-engagement and attempted isolation. But four years into the occupation of Iraq, and two years after the withdrawal of Syrian troops from Lebanon, there are signs that the critics are reconsidering their positions and attempting a different policy, one which necessarily begins with some engagement. The Syrian regime has not been subtle about having survived the antagonistic approach, and Syrian media brashly celebrate the government's steadfastness in the face of threats to national security and sovereignty. The culmination of this 'victory of endurance' was recently seen during the Arab summit in Riyadh in March 2007, when King Abdullah of Saudi Arabia, having until then openly shown his displeasure with Syria's attitude, gave Syrian President Bashar Assad a warm welcome. Although Saudi Arabia was probably not indicating its approval of Syria's actions, it was at least recognizing that it could exert greater influence by being on speaking terms. Two months later, US Secretary of State Condoleezza Rice held a meeting with Syrian Foreign Minister Walid Muallem, breaking the ice after a long chill.<sup>1</sup>

More than other parties in the region, Syria feels it has been proved right about regional issues, regardless of its own involvement (alleged or proven) in them. This partly explains why the Syrian regime is gaining confidence, especially when this is framed within the context of unexpected, and unintended, gifts from Israel, the US and the UK, and even the anti-Syrian Lebanese movement. From Damascus, the view is that each official Syrian warning has not only materialized but has consequentially brought an extra benefit as well. Syrian warnings of Iraq's disintegration are proving realistic and Anglo-American ideas of democratization are being forgotten. Syria's warning that Israel threatens Lebanon's sovereignty materialized with the Israeli

assault of July 2006; the unforeseen capacity of Hizbullah to withstand the attack and claim a victory over Israel was an unexpected bonus. The subsequent freeze on the internal Lebanese front, mired by obvious outside interference (including by Syria) has boosted the position of Syria's allies. Syrian warnings that the Palestinian solution has to be inclusive of all groups have been borne out by the breakdown of security in Gaza.

On all these fronts, there is a crisis that needs to be resolved. And on all these fronts, Syria can be part of the problem as well as being one of the keys to the solution.

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## Regional interests

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The last few years have seen a deterioration in Syria's relations with most significant Western powers, and even with key Arab players. Relations went from relatively good to bad with France, from bad to worse with the US, and from excellent to frosty with Saudi Arabia. In contrast, important regional alliances with non-Arab states remained untouched by regional upheavals, evolving regardless of the country's relationship with the US: the relationship with Turkey (a strong US ally and NATO member) continued to strengthen, as did the relationship with Iran.

### ***Ruining a perfectly bad relationship with the US***

For decades, US–Syrian relations were mostly influenced by Israel. While there has never been any doubt where US loyalty belongs, relations with Syria fluctuated but never reached breaking point. Even the *carte blanche* on Lebanon given to Syria in 1990 (following the decision by Syrian President Hafez Assad to support the liberation of Kuwait) had been approved by Israel. Now it is Iraq in particular which has become the focal point, and which has defined the relationship since the invasion in 2003.

While the invasion of Iraq did not extend to Syria, as many feared during the first few months of the war when US accusations were at their most strident, it can be argued that the invasion ultimately cost Syria both its grip over Lebanon and its close relationship with key Arab powers, and created a period of uncertainty for the regime. Had it not been for American anger over Syria's attitude on Iraq, it is difficult to imagine that the US would have agreed with France (whose own opposition to the invasion of Iraq had caused a major rift) to sponsor the resolution paving the way for Syria's withdrawal from Lebanon in April 2005. Had Syria's position on Iraq been any different, the Bush administration might well have continued to block anti-Syrian legislation from going

to vote, if only to maintain control of foreign policy influence.

The Syrian regime did not adequately read US political developments from 2000, understanding neither the Bush team nor the neoconservative ideas, and there have been a number of contradictions in its stated positions. The Syrians spontaneously offered intelligence to the US after 9/11 and participated in its 'extraordinary rendition programme',<sup>2</sup> but were surprised that this did not translate into public American support. The regime failed to see this as a warning sign of the Bush administration's generally antagonistic disposition. Syria's seat on the UN Security Council for 2002–03 put it in the delicate position of being the voice of the Arab and Asian countries opposed to the invasion of Iraq. And yet Syria voted in favour of UNSC Resolution 1441 in November 2002, ensuring unanimity for America's last warning to Iraq. However, at the same time Syria continued to criticize the plans to attack Iraq, and the Ministry of Foreign Affairs even publicly wished for the defeat of the US-led coalition during the invasion.<sup>3</sup>

Syria's inconsistency on Iraq continued as it missed the vote on UNSC Resolution 1483 of May 2003 which recognized the US and Britain as occupying powers. Syria blamed the time difference between New York and Damascus, claiming later it would have voted in favour.<sup>4</sup> Syria then supported UNSC Resolution 1511 of October 2003 (paving the way for the new Iraqi constitution), days after Israel had bombed targets in Syria for the first time in 30 years – an action supported by President Bush, who declared that Israel 'must not feel constrained' in defending itself.<sup>5</sup>

The US continued to accuse Syria of helping or allowing insurgents to cross the Syrian–Iraqi border, of providing night-vision goggles to anti-American forces, and of harbouring members of Saddam Hussein's regime. Secretary of State Colin Powell, in his last visit to Damascus in May 2003, issued a list of demands which Syria ignored. In November 2003, after several years of delay by the White House, the Syria Accountability and Lebanese Sovereignty Act (SALSA) was passed by Congress; although SALSA mentions Lebanon, the latter did not become a major foreign affairs issue for the Bush administration until UNSC Resolution 1559.

With its erratic attitude and its rhetoric on Iraq, Syria seems to have encouraged the punitive measures of a Bush administration determined to impose its will. Yet, since the Iraq invasion, the rhetoric has not matched the deeds, and Syria has actually cooperated on a number of important issues, including increasing Iraqi border controls and providing assistance to Iraqi refugees during the elections for the Iraqi parliament (in the 'Out-of-Country Voting Programme').<sup>6</sup>

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Four years after the invasion, Syria finds itself courted, indirectly, as one of the neighbourhood powers which could lend a helping hand in Iraq. Having re-established diplomatic relations with that country in 2006 (they had been broken off in the early days of Saddam's rule), as well as maintaining ties with most of the major Iraqi players (including Jalal Talabani and Muqtada Sadr),<sup>7</sup> and, importantly, enjoying excellent relations with Iran, the biggest power broker in Iraq, the Syrian regime feels its participation in Iraq is unavoidable. This conclusion was also reached by the Iraq Study Group which in December 2006 recommended engaging with Syria.

While the Bush administration remains mostly unwilling to heed such advice, it has nevertheless given clear signs that it is caving in to reality and resorting to more conventional diplomacy, rather than aggressive unilateralism. When an alleged terrorist attack on the American embassy in Damascus was thwarted by Syrian security forces in September 2006, Condoleezza Rice publicly thanked the Syrian government for doing what was technically its duty. She then met Syrian Foreign Minister Walid Muallem in May 2007, thus joining the dozens of American officials who had continued to meet members of the Syrian government and to preach dialogue. Most indicative of this thaw is the dismantling in May of the Iran-Syria Policy and Operations Group, which Washington had set up as recently as March 2006 to coordinate action on those two countries. However, the American ambassador to Damascus has still not returned to her post and issues other than Iraq – particularly Lebanon – are likely to continue influencing this situation.

### **Turnabout in Lebanon**

The Syrian regime seemed to have reached the nadir of its isolation when Bashar Assad, following US warnings that he would not be welcome in New York, had to cancel a trip to attend the UN General Assembly in September 2005. Instead, he hosted a meeting of the most radical elements of the Palestinian resistance movement, illustrating the kind of actions that Syria was prepared to take in response to isolation. This was shortly before the first report of the inquiry into the Hariri assassination was submitted in October 2005 and illustrated the exponential damage that events and meddling in Lebanon have caused the Syrian regime.

Even before securing the illegal extension of Lebanese President Emile Lahoud's term in office in September 2004, the Syrian regime had been creating friction with increased interference which significantly reduced Lebanese players' own influence. Decision-making had become increasingly centralized and

limited to a small circle of regime members in Damascus. The veteran head of Syrian intelligence in Lebanon, Ghazi Kanaan, was replaced by Rustom Ghazaleh, an official who had none of Kanaan's *savoir-faire* and who rubbed many of Lebanon's ruling elite up the wrong way. The then Prime Minister Rafiq Hariri, a key Syrian ally for many years,<sup>8</sup> was becoming increasingly frustrated with the new Syrian arrangement. Hariri was involved in the preparation of UN Security Council Resolution 1559 which was passed on 2 September 2004. The following day, the Lebanese parliament was forced to extend Lahoud's presidency for another three years (a step which Ghazi Kanaan and Syrian Vice-President Abdul Halim Khaddam were said to have opposed). Hariri resigned as prime minister on 4 October and proceeded to mobilize an opposition force.

Resolution 1559 called for Lebanese sovereignty, the disarming of all militias in Lebanon and respect for the Ta'if agreement. In real terms, 1559 demanded the withdrawal of Syrian forces (14,000 remained in the country at the time of Hariri's assassination, down from a high of 40,000 at the end of the civil war) and the disarming of Hizbullah. Significantly, in a deviation from the normal inter-Arab practice of non-interference, the Gulf Cooperation Council and a number of other Arab countries publicly urged Syria to comply with 1559. It should be noted that, putting aside the resolutions prohibiting the export of Iraqi oil, Syria had technically not been in breach of international law or in defiance of any UN resolution before the passing of 1559.

Syria initially ignored 1559 and continued to meddle in Lebanese affairs, recruiting Omar Karamah to replace Hariri as Prime Minister. However, events turned dangerous in October 2004. In what was to become the first in a series of assassination attempts on Lebanese officials, a car bomb seriously wounded Marwan Hamadeh, a cabinet minister and ally of Walid Jumblatt who had resigned after the extension of Lahoud's term. The assassination of Rafiq Hariri and others on 14 February 2005 unleashed fury upon Syria. For the first time in the modern Arab world, crowds not only chanted slogans against the perceived assassins but dared shout insults against the sitting president of a more powerful country whose troops and secret agents still filled the streets of Lebanon. While undoubtedly shaken by the fact that the barrier of fear had been broken, Syrian officials made light of the increasing number of demonstrations, which came to be termed 'The Cedar Revolution'. They announced in March that Syrian troops would be retreating to the Bekaa Valley. By the end of April, however, the last Syrian soldier had left Lebanese territory and Foreign Minister Farouk Sharaa informed the UN that Syria

had complied with its part of Resolution 1559 and that it was no longer Syria's concern.

The forced withdrawal merely opened a new page of Syrian meddling in Lebanon: whether or not continuing incidents in Lebanon have been organized, influenced or blessed by the Syrian leadership, many of its claims of innocence are unconvincing. The stark divisions crippling Lebanese political life, setting an anti-Syrian movement (March 14) led by Rafiq's son, Saad Hariri, against a pro-Syrian one (March 8) led by Hassan Nasrallah, leader of Hizbullah, were to Syria's benefit. The Lebanese government and parliament were divided, assassinations of prominent Lebanese continued, and armed confrontations with new radical groups based in Palestinian camps have begun, with pro-Syrian and anti-Syrian forces throwing the blame at one another. While pro-Syrian forces managed to postpone the establishment of a tribunal on Hariri's murder, the latter has finally materialized with UN Security Council Resolution 1757 of June 2007.<sup>9</sup> Syria has already declared the tribunal irrelevant and confirmed that it will not cooperate with it, just as it refuses to consider an extension of UNIFIL on its border.<sup>10</sup> In most Lebanese matters, the regime seems to have lost its initial fear of confrontation.

In July 2006, when Hizbullah surprised many with its capacity to resist the Israeli military onslaught, the Syrian regime gained much political leverage. Bashar Assad's triumphant speech in August 2006, in which he described those Arabs who did not support the Lebanese resistance as 'half-men' (a slight aimed at the Saudi and Egyptian leaders), was meant to reclaim Syria's position as the regional leader and the successful opponent to anti-Arab forces.<sup>11</sup> As the selection process approaches for a new Lebanese president, who must be elected by parliament, the Syrian regime seems to feel confident enough that its allies will again have the upper hand, or at least have some influence in forming future Lebanese governments, regardless of the outcome of the international tribunal.

### ***Persian gulfs***

Both the Iraqi and the Lebanese files touch upon Syria's relations with Iran, which have grown in publicity, if not necessarily in deed: they are as strong as ever but it would be a mistake to attribute too much weight to Syrian-Iranian relations in the different conflict zones.

In recent years, after a number of lulls in the relationship due partly to Syria's engagement in bilateral peace negotiations with Israel, accompanied by a rapprochement with the US, the countries have been pushed closer again by the situation in Iraq, and the hostility of the Bush administration.

Today, Syrian officials like to hint that the marriage to Iran is not 'Catholic'; divorce is possible if the incentive is tempting enough. However, this is unlikely to happen soon, precisely because the benefits of divorcing Iran do not compensate for the many advantages of being the closest Arab nation to Iran. Simultaneously, Syria's re-emerging popularity has made compromises on its relations with Iran unnecessary for the majority of cases, and the increasing amount of investment coming from Arab Gulf countries does not preclude parallel investment from Iran.

The considerable amount of Iranian financial investment in Syria is often overlooked. Even Shi'a shrines are being purchased by Iran, as pilgrimage-related tourism increases in the region. Another recent Iranian investment has been the introduction of the car manufacturer Iran Khodro into the Syrian market, as it established a joint venture for the first Syrian-produced cars.

Syria's close relationship with Iran has been problematic for Arab countries, especially Saudi Arabia. Before the problems in Lebanon spoiled relations with most Arab countries, Syria, Saudi Arabia and Egypt had been a major tripartite force in the region, meeting regularly to discuss regional affairs. When the Saudis, in particular, became displeased with Syrian meddling in Lebanon, the issue of Syria's alliance with Iran gained new significance.

Despite the appearance of unity, however, relations with Iran during Bashar Assad's government have been more amateurish than under the Hafez Assad regime, and the Iranians have been puzzled by Syria's fluttering between extremes, seemingly looking for the best deal in town. In particular, Syrian enthusiasm for unconditional talks with Israel seems to imply an abandonment of Hizbullah, among other issues of concern to the Iranian regime.

### ***Looking for a deal with Israel***

The Syrian regime had until recently been less vocal than usual about Palestinian affairs, but there is no doubt about its long-term interest in being involved with the different Palestinian players. After Arafat's death rid the regime of an old opponent, it felt its political capital rise even more after the 2006 election of Hamas, a militant group supported and hosted in Damascus, the residence of political leader Khaled Meshal. Active involvement surged with Syria's hosting of unity talks between Hamas and Fateh in January 2007, in which Syrian officials were personally involved. Since the subsequent crisis in Gaza, which fell under the complete control of Hamas in June 2007, Syria looks set to continue playing an influential role. While most countries have declared their support for

Fateh leader Mahmoud Abbas, Syria continues to recognize Hamas as the legitimate Palestinian government.

The relaunch of the Arab Peace Initiative during the Arab summit in Riyadh in March 2007 showed clearly that Syria can play a leading role in gaining the cooperation of most Palestinian militant groups in a serious process; in particular, convincing Hamas to recognize the state of Israel may be one of the strongest cards in Syria's hands. Ironically, while navigating between different Palestinian groups is tricky for Syria, it is perhaps towards Israel that it has the clearest and least ambiguous position, despite contrary appearances. Rhetoric remains highly charged, but Syrian offers of unconditional negotiations tell a different story.

There was strong Syrian support, at least nominally, for the second Palestinian Intifada in 2000, especially as the Syrian people were infuriated by Israeli actions and demanded some kind of Arab reaction. Coming so soon after the failure of the Clinton-sponsored peace deal between Hafez Assad and Ehud Barak, the Intifada allowed Syria the starring role as the self-styled beating heart of Arabism, and led Israel to accuse it of supporting Palestinian factions responsible for suicide bombings. In October 2003, for the first time in 30 years, Israel bombed a site mere miles from Damascus, claiming it was a training camp for a Palestinian group which had just carried out a suicide bombing in Israel. The Syrian government, as usual, reserved its right to retaliate and unsuccessfully attempted to pass a Security Council resolution condemning Israel's violation of its sovereignty.

Over time, Syria toned down its rhetoric and sent signals that it was ready to resume peace talks. These signals have been mostly dismissed by Israel as a ploy to end Syria's isolation, and to maintain the process with no interest in the peace itself. But there is no clear rationale for this, given that the Syrian regime has survived the attempted isolation, and that it has endorsed the Arab peace plan. On the contrary, it could be argued that a real peace treaty and the return of the Golan Heights could turn over a new leaf for Syria, opening avenues for economic development and allowing the regime to benefit from years of domestic goodwill.

Repeated Syrian overtures have been made to successive Israeli governments, stressing the concept of unconditional talks. The regime seems ready to abandon even the so-called Rabin Deposit (acknowledging Israel's commitment to withdraw to the border of 5 June 1967).<sup>12</sup> Given the current Israeli refusal to engage with Syria, and the US support for this, the Syrians have resorted to varying and increasing their efforts, both openly and through

secret channels. Most recently, a 'track two' non-paper was unveiled in January 2007; this proposed a peace blueprint that illustrates the readiness of the regime to make major concessions, including giving Israel preferential terms on the Golan, and ceding water rights.<sup>13</sup> Technically, this should be good news for Israel if its goal is to have one less foe on its borders, but it has continued to respond negatively, despite some mixed declarations in the media.

Bashar Assad's spontaneous handshake with the Israeli president, Moshe Katzav, at Pope John Paul II's funeral in April 2005 demonstrated the regime's eagerness to turn a new page. Indeed, a peace treaty bringing back the Golan Heights (or at least most of the territory) seems to be the regime's next big plan, contrary to Israeli and American claims that Syria is concentrating on the means of negotiations rather than on the end.

The United States and Israel have been on a seesaw regarding Israel's refusal to negotiate; Israel claims the US does not want it to engage with Syria, while the US claims that, on the contrary, it is respecting Israeli wishes to ignore Syria. Whatever the real reason, Israeli and US refusals to negotiate are to the Syrian regime's benefit: when its peaceful overtures are rejected, the regime appears to be the strong and, more importantly, the reasonable actor. If talks are approved but the terms and the extent of the withdrawal contested, the regime appears to be steadfast and sensible as it waits for a solution. And if the talks do lead to a peace treaty, the regime will be able to ride an unprecedented wave of popularity in Syria, diverting unwelcome attention from pressing domestic matters.

So far, as things remain unchanged, Palestinian militant groups such as Hamas and Islamic Jihad will remain welcome in Syria in their 'media offices' which can be easily closed or relocated. Should a peace treaty become attainable, it seems that the Syrian regime will have absolutely no qualms about changing the nature of its espousal of the Palestinian cause, regardless of Baathist and Arabist rhetoric, in a 'Syria First'-style makeover.

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### Domestic considerations

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As is often the case with authoritarian regimes, external pressure – especially if considered unreasonable even by the people – has helped consolidate the regime's hold on power. The more Syria is criticized, the more the regime tightens its hold. The Syrian regime has been strengthened by the fading popular opposition and by the successful power shuffles within the regime itself.

When Bashar Assad took power in 2000, there was talk of reform, but the mood quickly turned into retrenchment and a *de facto* agreement between people and regime that Syria cannot be allowed to jeopardize its national security and slip into anarchy or chaos. There has also been talk of an old guard which blocked Bashar Assad's attempts to improve the country, and of a new guard which is dedicated to helping Syria evolve. This rumour has now been laid to rest. In such a violent neighbourhood, the myth of reform has died very quickly.<sup>14</sup>

Other developments have unexpectedly helped the regime. While many Syrians privately reported a feeling of excitement when watching the Lebanese protests, they were less happy about perceived crude racist insults made by the anti-Syrian crowd, or about stories of poor Syrian workers being harassed, beaten or even killed in Lebanon. More and more, Syrians began to side with the regime on the issue of Lebanon. To this was added the discrediting of the first Mehlis report into the Hariri assassination, and a rising suspicion in Syria that there was a concerted international effort to frame Syria for the murder because of its stance on other issues on which the regime and the people mostly agree. In these circumstances, the few people willing to risk provoking the regime on reform have paid a heavy price. For most others, stability and security are paramount and this has allowed the emergence of a 'Syria First' mentality, even as Arabism continues to be a source of pride.

### ***The early demise of political reform***

Crackdowns on civil society activists have sometimes been explained as the reaction of a cornered regime feeling the heat from outside pressure, but the opposite seems true; only when the regime regained its composure following stressful US pressure did it turn its attention to the critics. In particular, critics of its attitude towards Lebanon have been targeted with a vengeance.

The Syrian regime has always used outside events to justify martial law at home (imposed in 1963) and to squeeze dissent should it begin to manifest itself. When it is under pressure, the regime warns its citizens not to take advantage of such events. This was most clearly demonstrated in the recent wave of arrests of civil society activists whose common denominator had been that they signed the Damascus-Beirut declaration of May 2006 calling for a normalization of relations between Syria and Lebanon. Given the prominence of some of these activists, it is probable that the regime had been waiting for an excuse to lock them up.

Not only were well-known activists such as Michel Kilo and Anwar Bunni suddenly imprisoned in May

2006, but former prisoners, including the Damascus Spring members of parliament Riad Seif and Mamoun Homsy, have been hounded since their release in January 2006.<sup>15</sup> Dr Aref Dalila, an eminent economist who was sentenced to 10 years in solitary confinement for his attacks on the regime, including exposing the regime's extensive corruption, has been continuously harassed and is said to be in a critical condition in his sixth year of detention. For the regime, the time for criticism has come and gone, and it is clearly warning others to refrain from voicing their views.

This crackdown came after a series of shocking domestic events. The first was the withdrawal of Vice-President Abdul Halim Khaddam from politics (after a rumoured critical farewell speech to comrades at the 10th Baath Party Congress in June 2005). This was followed in October 2005 by the death of the Minister of Interior and former Lebanon czar Ghazi Kanaan. This was officially announced as suicide but was widely suspected to have been an elimination. In December 2005, Khaddam made a spectacular defection to the side of Saad Hariri, with the backing of Saudi Arabia. It is likely that Khaddam and Kanaan, who enjoyed good relations with Rafiq Hariri (Khaddam being the only Syrian official to have attended his funeral), had joined their forces to Hariri's in the passing of Resolution 1559 and were preparing to collaborate on the subsequent assassination inquiry. Since their departure from the Syrian scene, the regime has regrouped around the so-called new guard. This is seemingly restricted to the closest family circle, and a network of a new generation of businessmen whose control of the economy has created instant monopolies in several fields, including in telecommunications.

Rumours about political reforms circulated around the Baath Party Congress, but these proved to be unfounded as no big changes were announced.<sup>16</sup> The buzz had come following the Syrian president's promise on 5 March 2005, during a speech to parliament, that a 'great leap forward' would be made; coming three weeks after Hariri's assassination, this pledge illustrated the regime's concern to avoid domestic repercussions of the scenes in Beirut. A new party law prohibits the formation of political parties based on ethnic or religious criteria, and sets limitations making their creation nearly impossible, while still reserving all the powers for the ruling Baath party. The new law stipulates that belonging to any party (except the Baath) disqualifies Syrians from working for the public sector, that parties (except the Baath) are not able to promote their views to expatriate Syrians, and that parties existing before 1963, or which have ever criticized the Baath, cannot function.

Many Syrians had dared to hope for a relaxation of authoritarianism when Bashar Assad promised to make changes during his inaugural address in 2000; given the violence in Iraq, and the tensions in Lebanon, however, and even while understanding that most of the pressure on Syria is in fact targeted at the regime, most Syrians seem to have accepted the status quo and agreed that regime change is not a priority. The opposition has all but been destroyed, with its most eminent representatives in jail or in exile, and there is no incentive for other local groups to start a new struggle. As for the aspiring regime changers based abroad, there is nothing to suggest that they have a significant local following, or any real potential for success. In particular, the sudden metamorphosis of Abdul Halim Khaddam into an opposition leader from one of the pillars of the regime for so many years is ridiculed by most Syrians. They consider him to be at least as bad as the regime, if not worse, for having cooperated with Syria's enemies in times of pressure. Khaddam's merger with the Muslim Brotherhood to form the National Salvation Front has actually benefited the regime, as the two groups have destroyed each other's prospects and credibility, rather than gaining mutual strength from such an unexpected union.

In February 2006, nonchalant policemen mostly stood by as an angry horde tried to storm the Danish embassy in Damascus, in protest against a Danish magazine's publication of caricatures of the Prophet Muhammad. Damascus became the first place in the world where real violence related to the cartoons took place, with embassies ransacked and burned. In a country where security is so tight, it is hard to imagine that this could have happened without the regime's permission, if not encouragement and actual prompting. Indeed, the regime probably hoped this scene showed the alternative to its secular nature: if people insist on sudden change, they will get Islamic fundamentalism.

This line of reasoning plays well with the parallel controlled increase in the celebration of religiosity promoted by the regime to remind critics that Syria remains a haven of tranquility (especially for its Christian minority) in a neighbourhood prone to religious fighting. In this nominally secular state, there has been a rising public observance of holy feasts of all religions and a 'Christmasization' (in its commercial sense) of Muslim holy occasions with numerous state-sponsored festivities. Huge media coverage of mass iftars in the Omayyad Mosque, for example, or of the unveiling of ever bigger Christmas trees in Syrian towns, has become a regular occurrence. While there is certainly a notable increase in the more visible and basic aspects of religious practice (such as women wearing hijab), and there have been rumours

spreading abroad about groups such as the 'Qubaysi', there is no evidence to suggest that Syrians would welcome fundamentalist rule rather than secularism.<sup>17</sup>

All these factors, coupled with the real pressure being applied to Syria, have actually led to more enthusiastic support for the regime, and specifically Bashar Assad, who was recrowned president in May 2007 during an extravagant festival (even by Syrian standards) which followed his re-election as sole candidate. The unprecedented magnitude of this new personality cult, exceeding even the worst excesses of the regime under Hafez Assad, gives a clear message to the Syrian people: the regime is not about to change, either by being pushed around or by being pushed out.

### ***Administrative reform as a bypass***

Having had their hopes for political reform crushed with the death of the Damascus Spring in 2001, Syrians were promised administrative reform, supported by several EU countries, especially France.<sup>18</sup> Key among the regime's declared goals was a shake-up of the mammoth public sector, whose legendary ineffective bureaucracy and mountains of red tape have stood in the way of any real economic reform. Administrative reform was supposed to improve most Syrians' dealings with the state, and it was to make the public sector more efficient and competitive.

In particular, 'fighting corruption,' having been the *cri de guerre* of the regime for a good decade, became a declared objective of successive governments. Such grand plans, however, are ridiculed by Syrians and satirized in sketches; it is generally understood that unless the regime is actually getting rid of one of its cronies, only minor figures in the lower echelons pay the price of alleged drives against corruption, bringing negligible benefits, if any, to the people while the culprits continue to abuse the system.

A tragic case in point is that of the collapse of the Zeyzoun dam in June 2002, only six years after it was built. Syrian media admitted the death of 20 people and the flooding of huge areas of farming land, including the destruction of several villages, and initially announced that victims' families would receive \$1,000 each, whereas those who lost their homes would be granted \$200 each.<sup>19</sup> Given the high profile of humanitarian aid that arrived from a number of countries, many Syrians were infuriated by the paucity of government aid, and by the nature of the investigation; 43 people were arrested, but there was no doubt that the dam collapsed because people much higher up the hierarchy had benefited from large cuts taken from the budget of the dam. Some people were even more angry at the Syrian regime's acceptance of Saudi Prince Walid Bin Talal's offer of reconstruction of Zeyzoun village, which was renamed after him.<sup>20</sup>

For many Syrians who see the riches of regime members flaunted every day, this was adding insult to injury.

While the Zeyzoun dam story was on the lips of all Syrians, Damascenes had several years to discuss, decry and despair of the redevelopment of Omayad Square. This example of sheer incompetence coupled with massive corruption led to the practical paralysis of central Damascus for several years as underground tunnels were built to alleviate the traffic. The case of Omayad Square became the butt of Syrian jokes and the illustration that nothing would change unless the system was shaken to the core. Likewise, the recently opened stadium in Aleppo is but one of many examples of projects taking years to complete under ever-expanding budgets and disappearing funds.

For many Syrians, these examples serve to illustrate the futility of any reform which routinely practises selective application of laws. Corruption cannot be tackled from the bottom, and urgent measures must be taken to introduce accountability in a massive public sector that employs nearly two million people and that many Syrians still aspire to join. A position in the public sector holds many advantages: it is guaranteed, it offers social security and health coverage, it allows some credits and mortgages, and it can provide other fringe benefits when the employee deals with the public or with companies – all of which are mostly unavailable elsewhere. But unless real changes occur in the system, the promised economic reform is bound to hit obstacles.

### ***Venture into economic openings***

The Syrian regime likes to cite the Chinese model as one to emulate, showing total disregard for the glaring differences between the two countries. It will take years for the benefits to trickle down to the people, but some significant economic changes have already been made. However, many of these reforms are custom-made to serve the interests of the regime, as it attempts to extend its levers of control with a diversification of the economy. It is also telling that economic reform seemed to coincide with Syria's withdrawal from Lebanon, which the regime is trying to render irrelevant to the Syrian economy.

This limited opening, supposed to help the economy progress to the (unexplained) status of a 'social market economy' as approved by the Baath Party's 10th Congress, partly aims to alleviate the impact of falling oil revenues (output fell to 405,000 bpd in 2006 from a peak of 600,000 bpd in the mid-1990s); there have been some attempts to launch bids for offshore exploration, and for additional blocks inland, but is doubtful whether these will provide

much relief.<sup>21</sup> Economic reform also aims to create some outlet of hope for the hundreds of thousands of new job seekers who join the employment market every year. It also aims to build a thriving tourism industry, to take advantage of innumerable historical sites offering tremendous potential for income generation.

Perhaps most importantly, economic reform allows for the creation of instant monopolies for the circle of regime cronies who have developed a new kind of entrepreneurship, in which chosen people have the right of first refusal. Thus, there is little hope for open competition in several fields, such as development and telecommunications. Even national heritage sites, vast areas of old cities and coastal strips are being sold to selected individuals and companies at minimal prices, with no regard for history or the environment. Although the regime is ultimately one entity, it is composed of various smaller groups and affiliations, each vying for a piece of the pie. The groups competing for more power during the 1970s and the 1980s mostly came from the armed forces or the intelligence services, but the modern regime cronies label themselves businessmen.

For the Syrian people, economic reform has so far been mainly noticed in the abundance of foreign products in shops, and in the sudden apparition of a multitude of private banks, catering mostly to a very narrow segment of the population (and at first reserving a 51% stake for the Syrian state). On the financial front, the taxation system has been improved, yielding increased government revenues from businesses. While value added tax has not been introduced, the general taxation regime is changing; for instance, the tax on imported cars has been reduced from 255% to 60%.<sup>22</sup> Other financial changes being planned include the gradual elimination of state benefits and subsidies on staples such as fuel. These moves will hurt most Syrians and unless proper mechanisms for a smooth transition are established, such drastic changes have the potential to create more poverty, and more frustration.<sup>23</sup>

In addition, the burden of some one and a half million Iraqi refugees (increasing every day) is being felt on an economic and a social level and cannot be carried for long. Costing the Syrian government over \$1 billion a year, according to official sources, the refugees have already triggered massive price rises in property sales and rentals, pushed inflation in other fields, and caused tremendous unease in crowded areas where the refugees have congregated.<sup>24</sup> Sooner or later, it is feared that serious inflation may hit Syria when it is not prepared to cope at either the private or the public level.

For the time being, despite the initial odds against it, the Syrian economy seems to be on the right track. The IMF's most recent assessment (based on official Syrian statistics) notes that non-oil GDP grew and exports rose. According to the latest figures, the trade deficit has been significantly reduced.<sup>25</sup> Private investment has also increased as the economic and financial climate makes it easier, with regulatory frameworks being built, foreign exchange restrictions eliminated, and a stock exchange due to be opened. In other words, the Syrian economy is trying to recover the status it enjoyed before the Baath took power over 40 years ago.

## ***The new spin doctors***

In order to achieve the above goals and dampen criticism, the new regime has adopted new media approaches: providing numerous interviews, broadcasting talk shows detailing what others (even opponents) are saying, allowing extensive coverage of political, economic, cultural and sporting activities, and, most importantly, running advertisements and slogans about achievements, national unity and steadfastness on a constant loop. This development, which most analysis fails to take into account, is demonstrative of the regime's increasing self-confidence in its quasi-omnipotence. True, Syrian state media, like their Baath-era Iraqi counterparts, have been archaically broadcasting the official line, but there are genuine novelties as well.

For instance, under the old regime, arrests were secret or at least hushed up, and certainly not a subject of discussion in the state media. Under the new regime, arrests of civil society activists are publicized, as the fad under Bashar is to show some 'transparency'. Thus, the trials of the various civil society activists (in all their illegality) have been open. More importantly, Syrian state media began to write about these 'traitors' in editorials, even recruiting respected writers such as Colette Houry.

This new openness has extended to covering outside criticisms, which previously were only discovered in detail through shortwave radio or, more recently, satellite television. In the past couple of years, however, most particularly since the assassination of Rafiq Hariri, Syrian television is openly discussing the accusations and the demonstrations against the regime. Talk shows have proliferated, from the news programmes to the discussion hours, with a never-ending roster of guests (whose common denominator is a completely pro-Syrian stance). As for the opposition, they have simply been classified as extremists, sectarians and or traitors.

This spin-doctoring has tried to convince more Syrians of their regime's innocence and benevolence in

the areas where others criticize it, but it also reflects the regime's need to control the feed of information and counter any negative coverage in a satellite- and internet-filled environment. The more sleek and credible Syrian media appears, the less other sources will be sought, or so it is hoped.

At the same time, there has been a concerted parallel charm offensive to reach homesick Syrian expatriates, for whom an entire ministry was created in the hope that they would return and invest, or at least spend more time, in Syria. At the very least, it is hoped that such Syrians will materialize into informal ambassadors abroad at times when the country's image is very low.

All this has culminated in a new, rather peculiar notion that the regime would like to highlight. Whereas respect, and certainly fear, had been the mainstay before, citizens are now expected to demonstrate love and loyalty, as seen in unprecedented choreographed manifestations of popular support during the weeks surrounding the presidential referendum in May 2007. Not only has the Syrian regime imitated and expanded Lebanon's organized displays of nationalistic fervour, but its public relations campaigns declaring love for Bashar Assad have even outdone Lebanese campaigns declaring love for life in that country. These campaigns have been massively backed by the private sector, which had already sponsored the referendum in 2000 but did so to a much greater extent in 2007, whether out of conviction, resignation or simple pragmatism.

The resulting message, incessantly being hammered home and repeated by increasingly huge crowds over the last two years, is that Syrians supposedly want – and love – 'God, Syria, and Bashar only'.

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## **Better odds on new Syrian bets**

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There was talk of a Syrian bet after 9/11 that spontaneous Syrian intelligence cooperation with the US would buy it leverage on other fronts.<sup>26</sup> This bet was lost by the time of the invasion of Iraq, when Syria's public opposition had created new parameters of disagreement with the US. Since this prognostic failure, the Syrians have placed new bets which seem to have better odds.

The Syrian regime has adapted itself as events unfolded; it seems to have evolved from taking a proactive, hands-on approach to all problems in the area, to adopting a more patient, wait-and-see posture, expecting its 'investments' to materialize. In particular, convinced that unreasonable pressure stemmed from animosity caused by personal relations or interests in given issues (such as France's position

on Lebanon, or the US position on Israel), the Syrian regime is now simply waiting to outlive its detractors and hoping for a different policy from their successors. Two have left the scene (Jacques Chirac in May and Tony Blair in June 2007), while the third will leave the White House in January 2009. In the meantime, Syrians are counting on an American focus on presidential elections beginning to reduce the Bush administration's meddling.

The Syrian regime is betting on a number of events happening or positions changing, confident that it need undertake no specific action in the meantime to continue strengthening its position:

- Regime change in several countries currently opposed to Syrian influence, including Lebanon, where it is hoped that a new president, to be elected in November 2007, will bring more weight to the pro-Syrian opposition;
- Problems in getting the Hariri tribunal started, and hopes that the UN investigator, Serge Brammertz, will be unable to add much to existing information on Hariri's assassination, and that this will result in the investigation's losing steam or resigning itself to dealing with minor figures, thus avoiding a Syrian confrontation with the UN;
- A return of major Syrian influence in Arab affairs, at least as a counterbalance to US-friendly Saudi and Egyptian influence, to be endorsed at the Arab summit in Damascus in March 2008;
- Despair in the US at extricating itself from Iraq, and its need for Syria's help to do so;
- Syrian leverage on Iran and on the increasingly problematic issues relating to sectarian political Islam;
- The need for a consensus between different Palestinian factions, and on obtaining the cooperation of Hamas;
- Continued popular support of the Syrian regime's self-perceived steadfastness, both internally and on the 'Arab street'.

On most of these points, the Syrian regime seems to have reached the belief that a passive attitude now pays as many dividends as active meddling, given the loss of steam among other regional actors.

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## Reforming ineffective Syria policies

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None of the approaches adopted by Syria's opponents so far have achieved their declared aims; in fact, they have mostly been counterproductive, giving the Syrian regime increased leverage, and failing to deliver positive results. In order to progress, and if the aim is increased Syrian cooperation on regional matters,

rather than mere castigation of the regime, some changes in attitude need to be made. In particular, the following points stand out in the anti-Syrian approach, or even in the pro-dialogue and engagement policy:

- Syria critics are focusing too much on their dislike of the regime and on an obsession to punish and isolate it, and not enough on the issues concerning the state; such regime-centric policies lose sight of the possible avenues of cooperation along national lines. A clear separation of the two is needed, and a recognition of Syrian national interests cannot be avoided if progress is sought. It is futile to conduct a Syria policy based on mere opposition to the regime.
- The interpretation of the regime's goals has been simplistic, limited to obvious considerations that, like all regimes, it is only interested in its own survival and longevity, and not considering more subtle ramifications and divisions. This mistake is compounded by perceived double standards in attitude, where some regimes are considered moderate and friendly in spite of similar records of influence or of internal conduct.
- Claims about the regime's weakness in the face of international isolation, or its shaky position internally, are mostly unsubstantiated and pointless. In fact, the Syrian regime is more likely than ever to survive, especially after the failures in Iraq and Lebanon.
- The notion that the Syrian regime simply seeks better relations with the US is incorrect; in fact, Syrians cite the example of Libya's transformation in a derogatory way. For Syria to 'capitulate' merely to become a 'moderate ally' seems unthinkable at this stage. The Syrian regime seeks recognition before popularity; it is not waiting for a love affair, but for a business deal.
- Attempted isolation has not weakened the regime, but it has weakened the potential to pressure it; Syria now loses nothing by not accommodating various demands. In contrast, engagement brings with it the accompanying concept of mutually beneficial relations.
- Sanctions, and the threat of sanctions, are mostly ineffective on a country with which no trade is conducted; for the most part, Syrians have already adapted to years of US sanctions on given products. Promised openings of new channels of trade, however, are more likely to result in desired changes of attitude in Syria.
- Interference in Syrian affairs has helped neither the intended internal beneficiaries nor the intervening party; unfortunately, the fate of civil society activists and prisoners of conscience is not

helped by statements from the US president, and such pressure is counterproductive. Rather, such causes should be factored in to the negotiations on the EU Association Agreement, where preconditions on human rights and civil liberties should be met.

- Unproven accusations against the regime (whether on Hariri's assassination, other murders or chaos in Lebanon) actually strengthen its hand domestically and secure more support from sceptical observers; many Syrian people are increasingly convinced that there is indeed an anti-Syrian conspiracy that goes beyond the regime – a view that is beginning to take hold elsewhere.

- More specifically, the idea that the Syrian regime is necessarily behind many of the criminal incidents in the region that benefit it is losing credibility, and it is not conducive to Syrian cooperation.

- The obsession with separating Syria and Iran, erratically translated into engaging with one of them at the expense of the other, is unfeasible while their security is not guaranteed on other fronts. As long as Syria and Iran feel they can maintain leverage by exploiting the situation in Lebanon or in Iraq, they will; furthermore, both countries recognize this leverage is stronger when they are united.

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<sup>1</sup> This 30-minute meeting took place on the margins of a larger conference at Sharm el-Sheikh in Egypt on 3 May 2007.

<sup>2</sup> See Jane Mayer, 'Outsourcing torture: the secret history of America's "extraordinary rendition" program', *The New Yorker*, February 2005.

<sup>3</sup> Reported in *Al-Safir*, 27 March 2007 and *Al-Sharq Al-Awsat*, 28 March 2007.

<sup>4</sup> <http://www.state.gov/p/io/rls/rm/2003/20891.htm>.

<sup>5</sup> Speech on 6 October 2003. Available at <http://www.globalsecurity.org/military/library/news/2003/10/mil-031006-usia03.htm>.

<sup>6</sup> See Independent Electoral Commission of Iraq, [http://www.iraqocv-sy.com/index\\_en.php](http://www.iraqocv-sy.com/index_en.php).

<sup>7</sup> President Jalal Talabani met Bashar Assad in January 2007. Muqtada Sadr visited Damascus in February 2006.

<sup>8</sup> For example, Hariri's television channel, Future, cancelled normal broadcasting for a week to mourn the passing of President Hafez Assad in 2000.

<sup>9</sup> See Nadim Shehadi and Elizabeth Wilmshurst, *The Special Tribunal for Lebanon: The UN on Trial?*, Chatham House Briefing Paper, July 2007.

<sup>10</sup> The United Nations Interim Force in Lebanon (UNIFIL) was created in 1978 to confirm Israel's withdrawal from Lebanon, and help the Government of Lebanon restore effective authority in the area. After the summer war in 2006 UNIFIL was expanded and assigned additional responsibilities, including monitoring the end of hostilities between Israel and Hizbullah.

<sup>11</sup> See Paul Salem, 'The after-effects of the Israeli-Hizbullah war', Carnegie Middle East Center, <http://www.carnegieendowment.org/files/PaulSalemChapter.pdf>, and Bashar Assad's speech <http://www.sana.org/eng/21/2006/08/15/57835.htm>.

<sup>12</sup> <http://www.haaretz.com/hasen/spages/804278.html>.

<sup>13</sup> <http://www.haaretz.com/hasen/spages/813769.html>.

<sup>14</sup> See Samir Aita, 'Syria: What reforms while a storm is brewing?', *Arab Reform Bulletin*, April 2006, <http://www.arab-reform.net/spip.php?article188>.

<sup>15</sup> For a fuller discussion of the Damascus Spring, see Alan George, *Syria: Neither Bread nor Freedom*, Zed Books, 2003.

<sup>16</sup> See Bassam Haddad, 'Syria's curious dilemma', MERIP, Fall 2005, <http://www.merip.org/mer/mer236/haddad.html>.

<sup>17</sup> The 'Qubaysi' are rumoured to be a secretive new sect, but are in fact one of the larger and more popular groups of female teachers and students of Islam.

<sup>18</sup> Samir Aita, 'Syria, a monopoly on democracy', *Le Monde Diplomatique*, <http://mondediplo.com/2005/07/11/syria>.

<sup>19</sup> <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2002/06/06/wsyria06.xml>.

<sup>20</sup> [http://news.bbc.co.uk/2/hi/middle\\_east/2050415.stm](http://news.bbc.co.uk/2/hi/middle_east/2050415.stm).

<sup>21</sup> [http://www.eia.doe.gov/emeu/cabs/East\\_Med/Oil.html](http://www.eia.doe.gov/emeu/cabs/East_Med/Oil.html); <http://www.imf.org/external/np/ms/2007/051607.htm>.

<sup>22</sup> <http://www.imf.org/external/np/ms/2007/051607.htm>.

<sup>23</sup> [http://news.yahoo.com/s/afp/20070701/wl\\_mideast\\_afp/syriaeconomy\\_070701051307;\\_ylt=ArLM27pTs9T.dm3ZusWn4gwLtUsB](http://news.yahoo.com/s/afp/20070701/wl_mideast_afp/syriaeconomy_070701051307;_ylt=ArLM27pTs9T.dm3ZusWn4gwLtUsB).

<sup>24</sup> <http://www.alertnet.org/thenews/newsdesk/IRIN/3bacf0ec98626103d223143731bb0983.htm>;

<http://www.brook.edu/fp/projects/idp/200706iraq.htm>; [http://www.syria-news.com/readenews.php?sy\\_seq=52585](http://www.syria-news.com/readenews.php?sy_seq=52585).

<sup>25</sup> <http://www.imf.org/external/np/ms/2007/051607.htm>.

<sup>26</sup> See Seymour Hersh, 'The Syrian Bet', *The New Yorker*, July 2003.

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