

AMERICAN UNIVERSITY OF BEIRUT

THE POLITICS OF MILITARIZING WELFARE IN SYRIA

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AN ABSTRACT OF THE THESIS OF

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The sequence of events that constituted the “Arab awakening,” exposed key development trends for upgrading regimes moving towards neo-liberal policy preferences. While the imposition of economic liberalization can lead to radical changes in a regime’s base of support, the implicit strategy of using the allotted benefits provided by military employment can offset the groups effectively disenfranchised by the new arrangements.

Syria furnishes us with an exceptional case study to examine coalition dynamics where uniquely high levels of military mobilization and socialization transformed the trajectory of Syrian state building. In the framework presented here, it is precisely the social and economic conditions of military mobilization, rural livelihood strategies, and military welfare incentives, rather than the sectarian struggle of military elites, that hold center stage. This thesis hypothesizes that the lack of a post-populist developmental state in Syria coupled with the micro-level choices made by elites to subordinate rational economic policies to the political logic of regime security led to the crystallization of a militarized social pact. Yet, this political-economic arrangement was directly dependent upon the availability of direct or indirect access to rents.

The framework is tested against the 2000-10 period where basic military welfare incentives deteriorated in unison with the majority of rural livelihoods that were affected by the post-2005 period of reforms. This thesis argues that the regression of Syria’s militarized welfare regime into a form of “militarized liberalization” after 2005 provided impetus for revolutionary mobilization.

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CHAPTER I

INTRODUCTION

A. Introduction

More than seven years after the first protests in the rural town of Dara'a in March 2011, what started as a peaceful uprising against the regime of President Bashar al-Assad in Syria has degenerated into one of the bloodiest conflicts the region has ever experienced. In April 2016, the United Nations (UN) estimated that more than 400,000 people had died since March 2011, while millions of officially registered and unregistered refugees are scattered in neighboring countries and beyond, and an estimated 6.3 million people are internally displaced with 4.53 million living in hard-to-reach and besieged areas. With so many people affected, the crisis is the world's worst humanitarian emergency in decades.

The uprising in Syria took many, including many Syrians, by surprise. For the past four to five decades, the al-Assad regime has shown both the determination and capability to maintain its hold on power while crushing any pertinent threat to its rule. However, growing poverty caused by rapid economic liberalization and the cancellation of state subsidies after 2005, growing rural–urban divide, widespread corruption, rising unemployment, and a devastating drought that lasted between 2006 and 2010 – all amounted to a growing list of regime liabilities that had sent its popularity and home-grown “social-market” formula to an all-time low.

Nevertheless, it was believed somehow that the “new lion”¹ could ride out the economic woes; just as his father, Hafiz al-Assad (1970-2000), had managed to survive the economic crises of the late 1970s and the controversial selective stabilization measures undertaken in the 1980s. In a sense, economic liberalization vis-à-vis “authoritarian upgrading” in Syria was “not” a zero-sum game.² Yet less than two months after Bashar al-Assad had told the Wall Street Journal that Syria was immune to the wave of protests sweeping through the region,³ protests swelled and spread throughout Dara’a governorate, and then to, firstly, Latakia but foremost in Homs, Idlib and Deir az-Zur governorates, which began to witness intense and sustained mobilization.

As in other Arab countries, the uprising in Syria was triggered by a series of social, economic, and political factors that are connected and mutually reinforced each other, making it difficult to untangle the importance of different causal factors or identify any single one as the definitive “last straw that broke the camel’s back.” Even so, the Arab Spring has rekindled scholarly debate on the contingent and contestant qualities of authoritarian resilience in Syria, with particular attention on the machinations that shape “agency” within the Syrian Armed Forces.

In brief, we know that the military matters. As the events unfolded in the region, observers quickly agreed that the Arab armed forces’ agency was critical in structuring the political dynamics at play.⁴ For Syria, three sets of narratives dominate

¹ The term is taken from David W. Lesch, *The New Lion of Damascus: Bashar al-Asad and Modern Syria*. New Haven: Yale University Press. 2005.

² Steven Heydemann, *Upgrading Authoritarianism in the Arab World*. Washington, DC: The Saban Center for Middle East Policy at the Brookings Institution: Analysis Paper No. 13, October 2007. 1.

³ Jay Solomon and Bill Spindle, “Syria Strongman: Time for “Reform””, *Wall Street Journal*, 31 Jan. 2011.

⁴ See Yezid Sayigh, *Above the State: The Officers’ Republic in Egypt*. Washington, DC: Carnegie Endowment for International Peace, August 2012; Florence Gaub, *Guardians of the Arab State: When Militaries Intervene in Politics, from Iraq to Mauritania*. London: Hurst Publishers, 2017; Hicham Bou

existing accounts of agency in the Syrian military. The first involves the manipulation of sectarian loyalties in the Syrian Armed Forces, whereby overlapping sectarian, regional and tribal loyalties reinforced one another and thus structured the political loyalties of military personnel.⁵ The second concerns the objectives and predispositions of the military elite, whose “patrimonially organized security forces”⁶ are personally invested in the regime’s survival. The third deals with “coup-proofing” which virtually incorporates the two previous narratives, but attributes the coercive capacity of the regime to control “coup-sensitive” units and monitor loyalty of the military through multiple internal security agencies with overlapping jurisdiction.⁷

Variations on this trio of discourses have thus been proposed to explain loyalty within the Syrian Armed Forces, to which the regime’s survival is contingent on. Although such explanations appear plausible on their face, they do not satisfactorily account for the military as a social institution, or of how uniquely high levels of military mobilization and socialization transformed the trajectory of Syrian state building. The politics of Syrian civil-military relations are instead portrayed as an inter-intra struggle couched within the sectarian *‘asabiyyas* of the officer corps and military elite, with a

Nassif, “Generals and Autocrats: How Coup-Proofing Predetermined the Military Elite's Behavior in the Arab Spring,” *Political Science Quarterly*: Vol. 130, No. 2, 2015a, 245-275; Eva Bellin, “Reconsidering the Robustness of Authoritarianism in the Middle East: Lessons from the Arab Spring,” *Comparative Politics*: Vol 44, No. 2, 2012, 127-149; Zoltan Barany, “Comparing the Arab Revolts: The Role of the Military,” *Journal of Democracy*: Vol. 22, No. 4, 2011, 28-39.

⁵ That ethnic or “sectarian stacking” has long been central in determining the politics of the Syrian army is by now the orthodoxy in the literature. The most influential works in this regard, Nikolaos Van Dam, *The Struggle for Power in Syria: Politics and Society Under Asad and The Ba’th Party*. New York: I.B. Tauris. 1996; Hanna Batatu, *Syria’s Peasantry, the Descendants of its Lesser Rural Notables and Their Politics*: Princeton, NJ: Princeton University Press. 1999; Some Observations on the Social Roots of Syria’s Ruling Military Group and the Causes for its Dominance.” *Middle East Journal*, Vol. 35, No. 3, Summer 1981, 331-344; Raymond Hinnebusch, *Authoritarian Power and State Formation in Ba’thist Syria*. Boulder: Westview Press, 1990.

⁶ Bellin (2012: 133)

⁷ See for instance Quinlivan’s model for coup-proofing, wherein the majority of recent works probe his model to account for the political role of Arab armies during the 2011 uprisings; James T. Quinlivan, “Coup-proofing: Its Practice and Consequences in the Middle East,” *International Security*, Vol. 24, No. 2, Fall 1999, 131-165.

corresponding neglect of non-elites and rank-and-file personnel. Explanations for the military's agency of response are imbued within the instrumentalization of sectarian identities, wherein the ideational dilemmas of an "Alawized" officer corps structured the army's loyalty to the al-Assad regime.⁸ As a result, narratives on military politics perpetuate elite-level struggles for power and give scant attention to the social and economic conditions of war, war preparation, local livelihood strategies, and material incentives that hold a tacit role in Syrian authoritarian resilience.

This thesis develops a new analytical framework to recover the contingent and contested qualities of Syrian authoritarian resilience through a micro-level focus on the local dynamics through which mass levels of military mobilization and socialization shaped the trajectory of Syrian state building. In the framework presented here, it is precisely the social and economic conditions of military mobilization, rural livelihood strategies, and military welfare incentives, rather than the sectarian struggle of military elites, that hold center stage. It was, in particular, a broader syndrome of macrostructural changes to the economy, compounded by rapid population growth and a harsh ecology, in which military employment and its attendant social benefits provided the central plank of a popular-incorporated "social pact"⁹ that underpinned Syrian authoritarianism. Livelihoods that are at risk in terms of their sustainability and their implications for poverty are responsive to the array of extended entitlements and

⁸ Ideational dilemmas within the Syrian officer corps is elaborated in the work of Hicham Bou Nassif, "'Second-Class': The Grievances of Sunni Officers in the Syrian Armed Forces." *Journal of Strategic Studies*, Vol. 38, No. 5, 2015b, 626-649; "Generals and Autocrats: How Coup-Proofing Predetermined the Military Elite's Behavior in the Arab Spring," 2015.

⁹ This notion of "social pact" is adapted from the work of Steven Heydemann, "Social Pacts and the Persistence of Authoritarianism in the Middle East," in Oliver Schlumberger ed., *Debating Arab Authoritarianism: Dynamics and Durability in Nondemocratic Regimes*. Stanford: Stanford University Press, 2007b. 21-34; And also, *Authoritarianism in Syria: Institutions and Social Conflict 1946-1970*. Ithaca: Cornell University Press, 1999. 12-29.

accessible assets provided by participation in the armed forces.¹⁰ When radical land reform receded under Hafez al-Assad's "Corrective Movement" (*al-haraka at-tashihiyya*) in the 1970s, and wherein the built-in contradictions of state capitalism (*infitah*) led to the upsurge of social conflict in the 1980s, the regime pursued a two-pronged strategy of maintaining its distributive commitments while engaging in selective economic liberalization until 2005. In other words, it was the lack of a post-populist developmental state and the micro-level choices made by elites to subordinate rational economic policies to the "political logic" of regime security that led to the crystallization of a "militarized social pact."¹¹

By 2005, the price of maintaining regime security in the face of economic stagnation and poor developmental outcomes became too high, causing the reorganization and narrowing of state welfare. These factors were played out in the context of a "social-market economy" (2005-2010) that had been consolidating neo-liberal economic reforms in an effort to restrict the largest distributional gains to smaller circles of regime loyalists. It at the same time dismantled the social provisioning system upon which the Ba'thist state had been built.

Indeed, the contours of the uprising in Syria reveal the opportunities and constraints created by the institutional manifestations which had been attuned through decades of war preparation and military socialization. Whether by design or default, it is in the formation of a militarized social-pact that proved to be conducive for incorporating popular-sector wide support for the regime during tough times. As such,

¹⁰ For an example in the Middle East on the influence of social and material forces derived from military employment during processes of war making and state making, see Tariq Tell, "Guns, Gold, and Grain: War and Food Supply in the Making of Transjordan," in Steven Heydemann, ed., *War, Institutions, and Social Change in the Middle East*. Berkeley: University of California Press. 33-58.

¹¹ For a review of the way such militarized social-pacts successfully intertwine loyalty for economic security (aided with the framework of "extended entitlements" and rural livelihoods analysis) see Tariq Tell, *The Social and Economic Origins of Monarchy in Jordan*. New York: Palgrave Macmillan. 2013.

this thesis hypothesizes that the regression of Syria's "militarized welfare regime"¹² into a form of "militarized liberalism"¹³ after 2005, provided impetus for revolutionary mobilization against the al-Assad regime in March 2011.

B. Research Questions

To be sure, opening the black-box of military institutions, and its attendant welfare regime, is never an easy task. It is even less so when the country is currently pitted in a bloody civil-war, and when the politicized nature of claims from all sides tend to distort analyses of civil-military affairs. In the analytical framework presented here, it is with the intention to see through the proverbial "fog of war" to recover the contingent and contestant qualities of Syrian authoritarian resilience, before March 2011, wherein military welfarism played a dynamic role.

As such, the analytical framework developed in this thesis yields a number of important questions: What are the key elements that produced and define Syria's militarized social contract? Can we determine its origins despite a range of variables that are often seen as critical in shaping the trajectory of Syrian state formation and state building? How did Syria's military welfare regime support or limit the regime's "bounded adaptiveness;"¹⁴ in other words, its ability to adjust and accommodate the interaction of formal and informal modes of conflict resolution, bargaining, and coalition management? When did the regime's adaptive capacity to exploit and benefit

¹² The Term "militarized welfare regime" is taken from Anne Marie Baylouny's work on Jordan focusing on the years after 1974, where she suggests that military employment and its attendant social benefits underpinned Hashemite authoritarianism; "Militarizing Welfare: Neo-liberalism and Jordanian Policy," *Middle East Journal*: Vol. 62, No. 2, Spring 2008, 277–296.

¹³ Ibid.

¹⁴ Heydemann (2007b:26)

from “rules of the game”¹⁵ come to the fray? More candidly, why does military welfare matter in Syria? And lastly, does the idea of a militarized social-pact have any analytical purchase at the regional (or international) level of analysis, where similarities, patterns, and limits may converge to unveil the utility of military welfare as the common thread running through the resilience of authoritarianism during economic liberalization?

C. Economic Liberalization and Coup-Proofing: Literature Review

In what follows, the literature review sets this thesis on the backdrop of previous work pertaining to the resilience and persistence of authoritarianism in the Middle East. The review begins with the literature relevant to the dilemmas of economic reform in post-populist authoritarian contexts. It also explores rival theories on the range of coup-proofing strategies regimes can employ to offset the risks associated with economic liberalization.

1. The Dilemmas of Economic Reform in Post-Populist Authoritarian Contexts

Despite their radical ideological claims, the initial strategy of Populist Authoritarian (PA) regimes is to subordinate economic logic to the political logic of power accumulation – that is, creating the bureaucratic instruments of power, winning support through patronage and populism, and acquiring military capabilities.¹⁶ As such, the concept of “neo-mercantilism”¹⁷ best captures the initial logic of economic

¹⁵ Joel S. Migdal, *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*. Princeton, NJ: Princeton University Press. 1988.

¹⁶ Raymond Hinnebusch, *Syria: Revolution from Above*. London and New York: Routledge. 2001. 10-11; *Authoritarian Power and State Formation in Ba'thist Syria*. Boulder: Westview Press. 1990. 5-16.

¹⁷ Hinnebusch (2001:11)

development under PA regimes. However, Raymond Hinnebusch defined the built-in vulnerabilities of PA neo-mercantilism along the following lines:¹⁸

Bureaucratic over-development, populist distribution, corruption and military spending generate a crisis of capital accumulation while the vulnerabilities of import-substitute industrialisation result in trade imbalances and debt. Continued neo-mercantilism depends on acquisition to rent, whether from oil or geopolitically motivated foreign aid. Periods of rent boom, however, only further the overdevelopment of the state, making it more vulnerable to economic crisis in times of rent contraction (e.g. decline of oil prices). Inevitably, once the exhausted state can no longer drive growth or provide spoils, it must start to “retreat” from its multiple economic functions.

Further, the “absence” of state autonomy makes it difficult for post-PA regimes to extract the state from the intricate web of socio-economic commitments it has woven to link the state to powerful social groups. According to Daniel Brumberg, three attributes of PA regimes account for the resistance to economic reform:¹⁹

(1) they are based on a broad, popular coalition that embraces, to various degrees, workers, peasants, professionals, and “national” capitalists; (2) they promote eclectic economic policies designed to satisfy as many members of the coalition as possible; and (3) they subordinate these social groups through corporatist and patron-client mechanisms that give the latter privileged access to policy-makers in return for their political quiescence.

As a consequence, establishing the necessity of even partial economic restructuring is itself a highly contested process. Economic decisions are taken slowly and implemented in fits and starts. Yet this style of piecemeal economic policy-making reflects above all the crucial dilemma of economic reform in a post-PA regime: under conditions of economic crises some form of stabilization is necessary to sustain the regime, but to engage in economic stabilization might trigger the political instability that reforms are intended to avoid.

¹⁸ Ibid.

¹⁹ Daniel Brumberg, “Survival Strategies vs. Democratic Bargains: The Politics of Economic Reform in Contemporary Egypt,” in Henri Barkey, ed., *The Politics of Economic Reform in the Middle East*. New York: St. Martin’s Press. 1992. 76.

Steven Heydemann argues that “selective stabilization” can, nonetheless, achieve (partially) rational economic outcomes that are also politically rational.²⁰

Selective stabilization can provide a patronage-based authoritarian regime with the extractive capacity to sustain clientelist networks, without provoking the zero-sum trade-off between political survival and economic rationality that is often assumed to govern the choices of patronage-based authoritarian regimes. It also reflects the limits of administrative capacity, low levels of bureaucratic autonomy, and the inability of such regimes to satisfy all of their many constituents simultaneously. If such regimes do not have the choice of doing nothing, they must nonetheless act cautiously.

To achieve this, reformists delegate limited economic tasks to groups in the private sector or in corporatist institutions. According to Brumberg, leaders can adopt limited reform programs aimed at stabilizing the economy without punishing regime allies. Such strategies can buy leaders some time; however, because they do not address structural inefficiencies, their success depends on the provision of an external source of income, from rents or from foreign aid in the form of grants or loans.²¹ When these sources diminish and economic crisis intensifies, strategies at “economic reform” become, as Robert Bianchi points out, a poor “substitute for a ‘new social contract.’”²²

As a result, the seemingly strong authoritarian state is reduced to incrementalism; its autonomy to restructure the political economy curbed by the contradictory interests (bureaucratic, bourgeois, and popular) it needs to satisfy which, in turn, obstructs the reforms needed to reinvigorate state capabilities and the economy.²³ Hinnebusch forecasts two outcomes that can break the stalemate:²⁴

One is the maturation of a “bureaucratic” authoritarian (BA) state-bourgeoisie alliance to exclude the masses in the interest of capitalist development through full reincorporation into the world capitalist market. Alternatively, the formation of a democratic coalition between liberal wings of the state elite and the bourgeoisie with surviving elements of civil society

²⁰ Steven Heydemann, “The Political Logic of Economic Rationality: Selective Stabilization in Syria,” in Henri Barkey, ed., *The Politics of Economic Reform in the Middle East*. New York: St. Martin’s Press, 1992. 23-24.

²¹ Brumberg (1992: 77-78)

²² Robert Bianchi, *Unruly Corporatism: Associational Life in Twentieth Century Egypt*. New York: Oxford University Press, 1989. 37.

²³ Hinnebusch (2001:12)

²⁴ Ibid.

could push toward democratisation in which all strata would acquire greater freedom to fight for an equitable distribution of capitalism's burdens and benefits in the post-populist order.

...In the Syrian case, however, war has been the means by which to go forward.

The reasons behind the degeneration of Syria's "home-grown" economic formula are threefold: first, is the fact that it is indeed difficult to liberalize an economy while simultaneously promoting economic growth. In Syria's case, this was compounded by a "deep-seated legacy of mistrust" of state-business collaboration wherein the Syrian regime, since the 1960s, has been inherently distrustful of the Sunni-dominated business networks, and has sought to limit their power and influence in politics through various means.²⁵ Second, "strategic" trust determines economic collaboration or "collusion" between state and business actors, and hence, the formation of fiscal policy.²⁶ As a result, the transition to capitalist development has been obstructed by rent-seeking behavior of neo-patrimonial elites; non-productive private investment in the economy; corruption and mismanagement of "implicit" stabilization packages; and a bloated and inefficient bureaucracy that further deters investment – all of which offered little hope for a labor market increasing by 230,000 new entrants per year before 2011.²⁷ Thirdly, as Bassam Haddad argues persuasively, there has been no real "identity" for the Syrian economy since 1991, which can be partly attributed to the gradual elimination of Syria's productive economic sectors coupled with the rapid expansion of transportation, telecommunication, and service oriented projects.²⁸

²⁵ Bassam Haddad, *Business Networks in Syria: The Political Economy of Authoritarian Resilience*. Stanford: Stanford University Press, 2012. 36-40.

²⁶ Ibid, 117.

²⁷ Bassam Haddad, "The Political Economy of Syria: Realities and Challenges," *Middle East Policy*, Vol. 18, No. 2, summer 2011, 54.

²⁸ Haddad (2012: 27)

While the zero-sum trade-off between political survival and economic rationality was not a question of “if but “when” for the regime in Syria, there has been little consensus among pundits on the factors that have nonetheless underpinned its resilience – even during times of economic stagnation and poor developmental outcomes. In what follows, the review engages critically the different theories of coup-proofing to explain authoritarian resilience in Syria.

2. Coup-Proofing and its Implications

Coup-proofing is not a new phenomenon for regimes; governments from the 1970s onward orchestrated a proliferation of additional intelligence agencies entrusted with monitoring one another. Whether attached to the military or under the direct control of ruling parties, presidential offices, or royal courts, almost all engage in policing their own populations. And all are tasked with regime security, even when in implicit or open competition with each other.²⁹ To be sure, Arab dictators had legitimate fear of losing power from coups. From the postwar years until well into the seventies, coups d'état in the Middle East were so frequent that they were later described as the “main vehicle for regime change and instability in the region.”³⁰ In the simplest of form, James Quinlivan defined coup-proofing along the following lines:³¹

If the essence of a coup is the seizure of the state by a small group within the state apparatus, the essence of coup-proofing is the creation of structures that minimizes the possibilities of small groups leveraging the system to such ends. I define “coup-proofing” as the set of actions a regime takes to prevent a military coup.

Quinlivan's framework implies two processes that ensued from the pervasiveness of the coup threat: first, regime maintenance became coterminous with

²⁹ Yezid Sayigh, “Agencies of Coercion: Armies and Internal Security Forces.” London: *International Journal of Middle East Studies*. Roundtable, 2011, 403-405.

³⁰ Raymond Hinnebusch, “Authoritarian Persistence, Democratization Theory and The Middle East: An Overview and Critique,” *Democratization*: Vol. 13, No. 3, June 2006, 381.

³¹ Quinlivan (1999: 133)

coup-proofing. Second, officers who seized power through coups took all the measures necessary to avoid losing office the same way they captured it. From there he emphasizes a common set of characteristics shared among coup-proofing tactics:³²

(1) the effective exploitation of family, ethnic, and religious loyalties for coup-critical positions balanced with wider participation and less restrictive loyalty standards for the regime as a whole; (2) the creation of an armed force parallel to the regular military; (3) the development of multiple internal security agencies with overlapping jurisdiction that constantly monitor the loyalty of the military and one another with independent paths of communication to critical leaders; (4) the fostering of expertness in the regular military; and (5) the financing of such measures.

Suffice it to say, coup-proofing shapes civil-military relations in a fundamental manner. Quinlivan is correct to acknowledge that within every context of coup-proofing exists its own unique set of constraints and opportunities. Yet in his assessment of regime resilience in Syria, coup-proofing in the military is derived narrowly from the effectiveness of sectarian, patrimonial, and coercive parlay.

Indeed, Quinlivan's view on coup-proofing in Syria derives from a time-honored orthodoxy in the literature where the manipulation of sectarian loyalties in the Syrian armed forces has held center-stage. The bulk of this literature probes the macro-dynamics of Syrian politics namely through coups and the role of the military elite in the struggle for power in Syria. As a result, recent studies that have attempted to focus on the micro-level dynamics of coup-proofing vis-à-vis the machinations that shape agency within the Syrian Armed Forces impose a stubborn coherence on what was always a multi-layered and complex set of "rules."

Hicham Bou Nassif's rank-based disaggregation of the Syrian officer corps is a provocative micro-level approach to the study of coup-proofing. He compares coup-proofing techniques in Egypt, Tunisia, and Syria by disaggregating each of their respective officer corps into their top brass components, on the one hand, and the mid-

³² Ibid, 165.

ranking and junior officers, on the other, to gain a deeper understanding of the 2011 events.³³ Bou Nassif maintains that rank-based disaggregation (vertical) rather than on horizontal terms is important because senior officers who have the authority to issue directives depend for the actual implementation of their orders on their subordinates' willingness to execute them, a classical "principle-agent" problem.

In line with Quinlivan, Bou Nassif advances the following methods as the most essential to, and prevalent in, coup-proofing in the Arab world:³⁴

First, counterbalancing the military through the establishment of parallel armed forces; and second, promoting the material interests of senior officers, and fostering shared aversions between the regime and the armed forces.

The negative effects of counterbalancing the officer corps are theoretically offset by promoting the material interests of the military elite and by fostering shared aversions among mid-ranking and junior officers.³⁵ Eva Bellin concurs along these lines:³⁶

Patrimonially organized security forces provide another safety valve against coups because the prevalence of blood bonds or sect in key appointments and promotions, in addition to cronyism and corruption involving military elites, determine "the degree to which the military elite is personally invested in the regime's survival.

While Quinliven, Bou Nassif, and Bellin are encouraging examples of bringing the military back in to determine the dynamics, and fate of a revolution under autocracy, their theoretical approach to coup-proofing remains detached from historical antecedents and the army's broader linkage to social groups and economic circumstances, classes, and status groups. Nonetheless, these coup-proofing theories have had a residual effect in providing exclusive explanations for not only the persistence of authoritarianism in Syria, but also in the logic of "upgrading" economic

³³ Bou Nassif (2015a)

³⁴ Ibid, 252.

³⁵ Ibid, 269.

³⁶ Bellin (2012: 133)

delegation and compartmentalization in the country. Brumberg’s analysis for the more homogeneous coalitions is on par with the coup-proofers:³⁷

“In these states there is little “space” in which to effect survival strategies; they do not have the malleability of the more heterogeneous regimes (Jordan, Tunisia, and Egypt) to manipulate new social alliances under the fragility of democratic bargaining.”

Yet, the survival strategies of the more “heterogeneous regimes” in Egypt and Tunisia proved futile in 2011; and the “early spring” in Jordan was a stark reminder to the nature of its ruling coalition and to the institutional manifestations that underpin its resilience.³⁸

D. Coup-Proofing Welfare: A New Approach to the Persistence of Authoritarianism in Syria

A major premise of this thesis is to infuse the role of military welfarism into the study of coup-proofing and authoritarian resilience in Syria. The protection military welfare provides for middle and lower classes with their families against the fall into poverty; the extension into public services (health care, worker protection, wage determinations); and the post-service fringe benefits that are allotted (social security, pensions, insurance, club memberships) – all indicate that military welfarism and its tacit role in molding mass politics towards the persistence of authoritarianism, may reveal a little more dynamism than what sectarian, patrimonial, or coercive determinants seek to explain. In essence, one major goal of this thesis is to uncover the remnants of a “Syrian” militarized social-pact embedded within the social and economic conditions through which decades of “circumscribed” economic liberalization, military

³⁷ Brumberg (1992: 78-79)

³⁸ See Tariq Tell, “Early Spring in Jordan: The Revolt of the Military Veterans,” Washington, DC: *Carnegie Endowment for International Peace*, November 04, 2015.

mobilization, rural livelihood strategies, and military welfare incentives helped reinforce.

1. The Question of Origins: Why Rural Livelihood Strategies Matter

In this framework, what stands out about the politics of coup-proofing is not the significant variation of counterbalancing military elites, but in the “survival strategies” that are employed to manage the demands of political incumbency and the dictates of economic liberalization. Under these conditions, authoritarian upgrading is constrained by certain “rules of the game.” What this means is that on the one hand, the regime has the capacity to inscribe their preferences in the routinized practice of quotidian politics to secure their interests. Yet, on the other hand, arbitrariness of governance manifests its own logic and is itself bounded and disciplined by the rules.

The thesis advances the notion of a militarized social pact as a framework to conceptualize this model of state-society relations and the variables that produced it while also providing a framework to account for the politics through which the model is being challenged. For the Syrian case, it thus extends greater agency to the micro-level struggles of rural livelihoods and to the people who produce mass politics than do elite-based models of authoritarian resilience and coup-proofing. In adopting “rural livelihood strategies”³⁹ as a starting point, the approach explores the social and

³⁹ Diversification of income sources is a key strategy of rural households as a means of survival; see Frank Ellis, *Rural Livelihoods and Diversity in Developing Countries*. Oxford University Press: Oxford. 2000. The framework here attempts to apply Anthony Bebbington’s theoretical framework on rural livelihoods in Latin America to the strategies employed in Syria. First, the approach does not crunch “rural” livelihoods into the category of agricultural and natural resource-based strategies. Instead, it is important to have a wide conception of the resources that people need to access in the process of composing a livelihood, especially in a context where livelihoods are based on a range of assets, income sources and product and labor markets. Moreover, to conceive livelihoods as dependent upon households’ social capital offers a more integrated framework for thinking about access to resources. Indeed, seen this way, military employment and its attendant social benefits becomes an avenue to access and build sustainable, poverty alleviating rural livelihoods. Anthony Bebbington, “Capitals and Capabilities: A

economic conditions that coalesced in varying degrees to institutionalize military welfare, with its rudimentary guarantees, as an immediate link between organized subaltern interests and the regime to bargain claims and shared expectations in Syria's liberalizing "home-grown" economy.

2. Militarized "Precocious" Keynesianism

The analytical approach here also conceptualizes Syria's military welfare regime as a survival strategy to induce popular-sector wide support in times of intense social conflict. While this thesis departs from Quinliven's vertical approach to coup-proofing studies, the approach here nonetheless derives the politics of military welfarism "from above;" primarily because this is an elite level strategy of "social control" wherein military welfare incentives are "enfranchised" to offset the risks associated with changes in the domestic political economy.⁴⁰

Furthermore, there is an intimate connection between the conflicts that shape Syria's domestic political economy and the strategies that the regime adopts during confrontations with its external adversaries.⁴¹ Political struggles inside Syria led the regime to implement policies that escalated external aggressiveness without necessarily intending to precipitate war. However, the use of populism under uniquely high levels of military mobilization and socialization had certain political consequences.⁴²

Framework for Analyzing Peasant Viability, Rural Livelihoods and Poverty," *World Development*: Vol. 27, No. 12, 1999, 2021–2044.

⁴⁰ Tariq Tell's application of Migdal's (1988) notion of social control (without Migdal's positivist view on power or unitary model of the state) has analytical purchase on the politics of military welfare in Syria. In addition, socio-historical experiences change the rules of access to resources. For Syria, the evolution of Syria's militarized social pact can best be applied through "extended entitlements" theory in rural livelihoods analysis. See Tell (2013: 12-13, 149, 150-151)

⁴¹ Fred H. Lawson, *Why Syria Goes to War: Thirty Years of Contestation*. Ithaca, NY: Cornell University Press. 1996.

⁴² "Militarization, of course, does not only denote a particular condition of the relationship between the government and the military, but also denotes a condition of the state-society relationship that includes

Raymond Hinnebusch best elucidates that “Precocious Keynesianism”⁴³ – combined with militarism, and patriomonialism to foster regime autonomy and capabilities had overdeveloped the state relative to its economic base.⁴⁴ Particularly after the windfall of petro-dollars polities from the Arab Gulf States receded in the 1980’s, the real crisis of public accumulation had been unmasked prompting the regime to embark on a series of selective stabilization measures. The lack of a post-populist developmental state and the micro-level choices made by elites to subordinate rational economic policies to the political logic of regime security led to the crystallization of a militarized social pact.

E. Re-Bargaining Rules of the Game: An Argument on “Limits”

There seems little reason to dispute the accumulated body of literature which probes the role of counterbalancing the officer corps as central in the coup-proofing strategy of the al-Assad regime(s). In fact, there is strong evidence to support that “sectarian stacking” in the officer corps has always been part and parcel to its

practices of governance and the political incorporation of society.” Volker Perthes, “Si Vis Stabilitatem, Para Bellum: State Building, National Security, and War Preparation in Syria,” 154. In Steven Heydemann, ed., *War, Institutions, and Social Change in the Middle East*. Berkeley, CA: University of California Press. 149-173.

⁴³ David Waldner, *State Building and Late Development*. Ithaca: Cornell University Press. 1999. According to Waldner, dynamics of elite conflict influence the extent to which state building is associated with the incorporation of lower classes into alliances supporting the state. Under these circumstances, Syrian elites shaped the political economy to secure their rule. In the approach presented here, the idea of precocious Keynesianism is useful in conceptualizing the macrostructural political dilemmas in the first few years after 1970. The utility of military mobilization, socialization, and public-sector employment, guised by the lack of a developmental state (subsidized by the windfall of petro-dollar polities), provided enough autonomy for the regime to construct a broad, cross-class coalition with remnants of the private bourgeoisie (*infatih*). Nonetheless, it is also important to delineate that overemphasis on leaders amounts to neglect of the critical mass necessary for a movement, often regarding them as simply objects of elite manipulation. Stable coalitions are a two-way street granted the precondition of state welfare guarantees. In this analytical framework, the steady erosion of state welfare services since 1986, combined with economic hardships caused by liberalization, demographics, and a harsh ecology, made military welfare and its attendant “capital assets” the last straw that produced opportunities for livelihoods and labor market connections.

⁴⁴ Raymond Hinnebusch, “Syria under the Ba’th: The Political Economy of Populist Authoritarianism,” 23. In Raymond Hinnebusch and Soren Schmidt, *The State and the Political Economy of Reform in Syria*. Scotland: University of St. Andrews Centre for Syrian Studies. 2009. 5-24.

calculations of regime security.⁴⁵ Nevertheless, there have been no thorough attempts to look at the foundations of regime resilience “from below,” or to trace the social and human capital motives of rural livelihood strategies that bounded military welfare as the “last straw” to link popular-wide support with the regime. Thus, a major premise of this thesis is to fill the void by advancing a new analytical framework to the study of Syrian authoritarian resilience to account for the social and economic conditions of military mobilization and socialization, rather than the instrumentalization of sectarian identities and the inter-elite struggles for power.

In what follows this thesis argues that the regression of Syria’s militarized welfare regime into a form of “militarized liberalism” after 2005 provided impetus for revolutionary mobilization against the al-Assad regime in March 2011.

1. The Social-Market Economy and the Regression of Military Welfarism (2005-2010)

The analytical framework here is tested against the backdrop of Syria’s social-market economy (2005-2010). Indeed, several provocative attempts have examined this time frame to account for the multitude of interrelated social, economic, and political factors which may have triggered the uprising in Syria.⁴⁶ Nonetheless, the topic of Syria’s military welfare regression has been neglected in scholarly research on this neo-

⁴⁵ According to Hana Batatu’s work on Syria, out of 31 officers appointed by Hafez al-Assad to lead the Syrian armed forces between 1970 and 1997 no less than 61.3 per cent were Alawi, Batatu (1999, 215-226); Hicham Bou Nassif argues that since the early 1980s, Alawis have made up 80–85 percent of every new cohort graduating from the military academy. Bou Nassif (2015b: 632)

⁴⁶ Raymond Hinnebusch and Tina Zintl, eds., *Syria from Reform to Revolt: Political Economy and International Relations under Bashar al-Asad*. Syracuse: Syracuse University Press. 2015; Steven Heydemann and Reinoud Leenders, eds., *Middle East Authoritarianisms: Governance, Contestation, and Regime Resilience in Syria and Iran*. Stanford, CA: Stanford University Press. 2013; Bassam Haddad, “Syria’s State Bourgeoisie: An Organic Backbone for the Regime,” *Middle East Critique*, Vol. 21, No. 3, 2012, 231-257; Francesca De Châtel, “The Role of Drought and Climate Change in the Syrian Uprising: Untangling the Triggers of the Revolution,” *Middle Eastern Studies*: Vol. 50, No. 4, 2014: 521-535.

liberal transitory period of authoritarian upgrading. Where economic liberalization had sped up while political reform had reversed, resulting in what some have called “deliberalization,”⁴⁷ the resilience of rural livelihood strategies had failed to keep pace with this new round of structural adjustment. Thus, the regime made numerous attempts to increase the salaries of military personnel, pensioners, and civil servants more generally, but inflation had barely offset the decline in service members’ real income.

Rural livelihood strategies encompass diverse ways in which “people make a living and build their worlds.”⁴⁸ In Syria’s case, these strategies were conditioned by a history of uneven state formation and state building wherein military welfare served as a critical plank to offset the built-in contradictions of post-PA development. Growing poverty caused by rapid economic liberalization and the cancellation of state subsidies after 2005, a growing rural–urban divide, widespread corruption, rising unemployment, the effects of a severe drought between 2006 and 2010 – all these factors deteriorated the socio-economic mobility landscape in Syria. In the past, poor macroeconomic circumstances could be offset by the modicum of economic and social security provided by the military welfare regime; however, militarized liberalization and the narrowing of military employment’s “capital assets,” effectively squeezed rural livelihoods from all sides. Instead, private religious and local charities were called upon to fill in for the state.⁴⁹

⁴⁷ Jason Brownlee, *Authoritarianism in an Age of Democratization*. Cambridge: Cambridge University Press, 2007.

⁴⁸ Bebbington (1999: 2021)

⁴⁹ For an example of the way kin solidarities can reorganize and formalize in an attempt to cope with the removal of basic social provisioning by the state, see Anne Marie Baylouny, “Creating Kin: New Family Associations as Welfare Providers in Liberalizing Jordan,” *International Journal of Middle East Studies*, Vol. 38, No. 3, August 2006, 349-368; *Privatizing Welfare in the Middle East: Kin Mutual Aid Associations in Jordan and Lebanon*. Bloomington, Ind.: Indiana University Press. 2010. For examples in Syria, see Thomas Pierret and Kjetil Selvik, “Limits of Authoritarian Upgrading in Syria: Private Welfare, Islamic Charities, and the Rise of the Zayd Movement,” *International Journal of Middle East Studies*: Vol. 41, 2009, 595-614; “The State Management of Religion in Syria: The End of “Indirect

2. *Guns “and” Butter: A Regional Trend?*

If “recombinant authoritarianism”⁵⁰ is shaped by processes of learning and emulation among other regime experiences elsewhere in the region, especially among those where forms of political contestation emerged, the Syrian regime certainly missed the memo from across the desert marshes of southern Syria before 2011.⁵¹ Particularly, the policy of using the military for social provisioning amidst controversial neo-liberal adjustment is not a new phenomenon among Middle Eastern authoritarian polities. In fact, the analytical framework of this thesis utilizes a Jordanian mirror to allow analytical purchase on the Syrian case’s regression of military welfare. Anne Marie Baylouny provides one of the most lucid accounts on the politics of military welfare in Jordan’s operating liberalized autocracy, and how “militarized liberalization” served as an alternative model for the restructuring of social provisioning amid popular pressures for economic and political reform.⁵² The Jordanian military became the one area on which the state could spend generously to generate political backing.

Of course the Hashemite monarchy’s use of the military as a support base has long domestic roots and strong implications for the endurance of the regime.⁵³ In the past, a strong military supported the monarchy against popular social movements and coup attempts alike. Yet, the imposition of neo-liberal economic policies removed a key source of welfare for the populace, leaving the regime without a secure base of support.

Rule”? In Steven Heydemann and Reinoud Leenders, eds., *Middle East Authoritarianisms: Governance, Contestation, and Regime Resilience in Syria and Iran*. Stanford, CA: Stanford University Press. 2013. 83-106; Ruiz de Elvira, and Zintl, “The End of the Ba’thist Social Contract in Bashar al-Asad’s Syria: Reading Sociopolitical Transformations through Charities and Broader Benevolent Activism,” *International Journal of Middle East Studies*, Vol. 46, No. 2, May 2014, 329-349.

⁵⁰ Steven Heydemann and Reinoud Leenders, “Authoritarian Learning and Authoritarian Resilience: Regime Responses to the ‘Arab Awakening’,” *Globalizations*: Vol. 8, No. 5, 2011, 648.

⁵¹ In reference to Jordan’s 2010 *Hirak* movement before the events that constituted the “Arab Spring.”

⁵² Baylouny (2008)

⁵³ Tell (2013)

Indeed, Tariq Tell's analysis on Jordan's "Early Spring" and the central involvement of "loyalist" East Bank military veterans in the 2010 *Hirak* movement, best captures the limits of militarized liberalization in Jordan.⁵⁴ Certainly, there is variation in the form, content, and intensity of authoritarianism that exists in Jordan and Syria. Still, the utilization of military welfare during upgrading authoritarianism transcends both these two individual cases. Seen through a comparative lens, the similarities and divergent experiences of militarized liberalization become more prominent and reveal the nature of civil-military relations. In fact, the varying nature of post-military service is telling about the civilian-military binaries in the two countries. Where Jordan's military veteran associations were capable of collective action to lobby their demands alongside protesters on the government for change, the absence of any sanctioned space for military veterans to unionize and lobby collectively had serious implications on cross-referencing military/civilian and state/market/community spaces when the uprising began in Syria. In this regard, therefore, the result, as Peter Sluglett advanced, was both a "weak state and a weak society"⁵⁵ with the Syrian uprising now effectively atomized along "the politics of region."⁵⁶

F. Plan of the Thesis

In what follows, the thesis begins with a chapter introducing the ecological setting of Greater Syria and the truncated politics that categorized state formation and state building during the Ottoman and French mandatory legacies. The chapter then

⁵⁴ Tell (2015)

⁵⁵ Peter Sluglett, "The Ozymandias Syndrome: Questioning the Stability of Middle Eastern Regimes," in Oliver Schlumberger, ed., *Debating Arab Authoritarianism*. Stanford, CA: Stanford University Press. 2007. 100.

⁵⁶ Kheder Khaddour and Kevin Mazu, "The Struggle for Syria's Regions," *Middle East Report*: Vol. 43, No. 269, 2013.

progresses by looking at the political role of the military during the “struggle for Syria” in the post-Independence period (1946-1954) and the professional digression of the army (1954-1970). The major premise of the chapter is to convey that the high measure of stateness, as well as regime consolidation and stability achieved under Hafez al-Assad, can be attributed to the notion of “militarized” precocious Keynesianism. The chapter is rounded out by linking the regime’s aggressive foreign policy stances to domestic accumulation crises at home.

Popular incorporation under uniquely high levels of military mobilization and socialization had certain political consequences. Chapter 3 fleshes out the regime’s series of contradictory responses to address the accumulation crisis during the initial years of Bashar al-Assad (2000-2007).

In chapter 4, the theoretical framework is tested against the backdrop of deepening neo-liberal reforms during 2008 to 2010. This thesis argues that during this time-frame, the regression of Syria’s militarized welfare regime into a form of militarized liberalism severed the regime’s last links with society. To provide further analytical purchase for the framework, Anne Marie Baylouny’s study on Jordan is used as a mirror. This thesis contends that military welfare is an effective survival strategy to offset the risks associated with economic liberalization in Middle Eastern authoritarian polities.

In the concluding chapter, I sum-up the main contentions of my dissertation. I also reflect on the limits of my research agenda, and offer suggestions for further research pertaining to the study of authoritarian resilience, coup-proofing, military welfare, and rural livelihoods analysis in the Arab world and beyond.

CHAPTER II

THE FORMATION OF A MILITARIZED SOCIAL PACT

A. Introduction

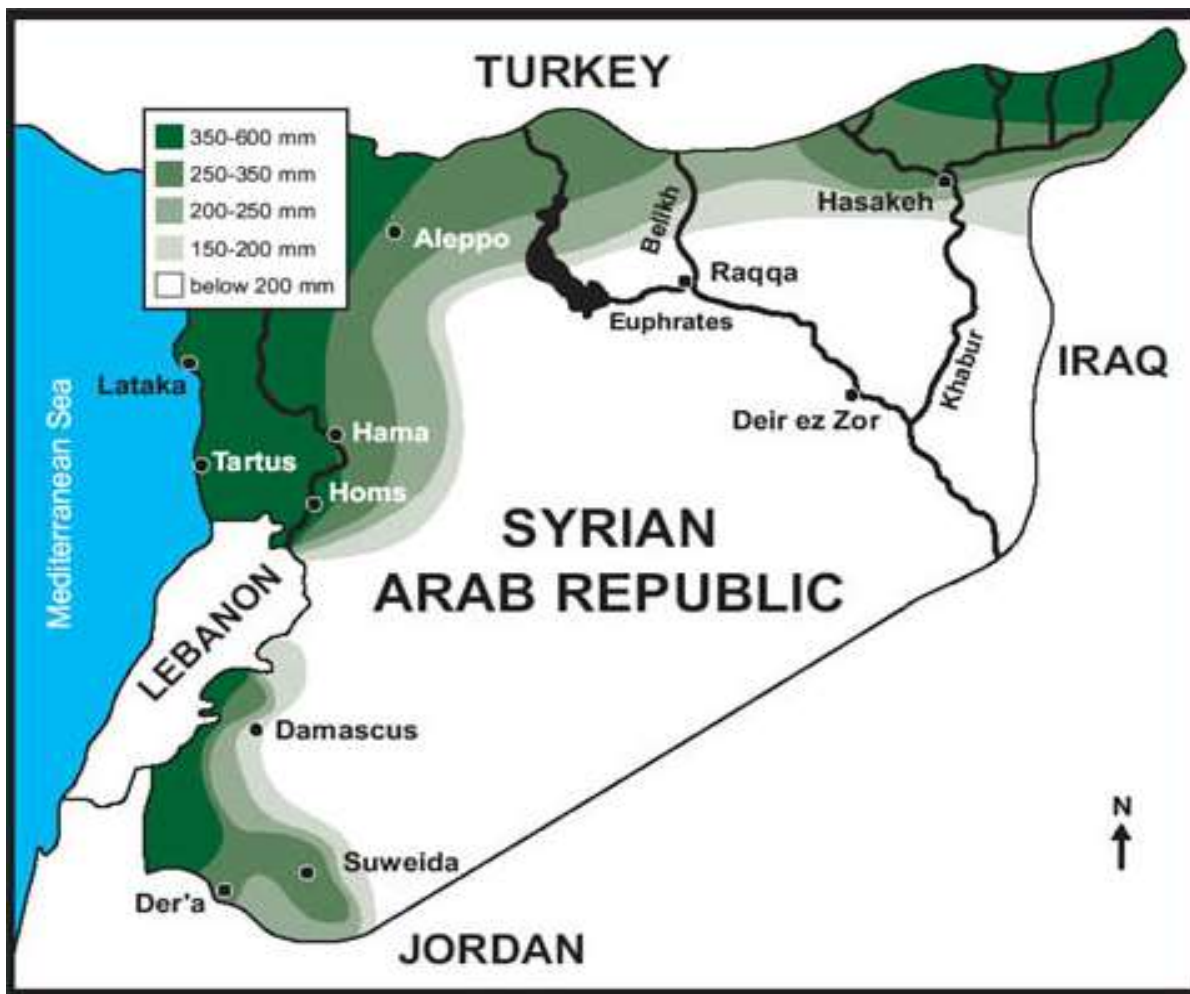
This chapter serves as a primer to underline the forces which shaped the fragility of the Syrian nation-state. It was, in particular, the breakup of greater Syria and the subsequent uneven transformation of different class and status groups, unequal integration of center-periphery relations, lack of a developmental state, and a harsh ecology which exacerbated political dividedness in the country throughout much of the 19th and 20th centuries.

B. Foundations of the Truncated Syrian State

In what follows this subsection provides an overview of the fragile foundation of the Syrian state. Handicapped from the outset, modern Syria had emerged from artificially imposed boundaries amidst the break-up of the Ottoman Empire after World War I. Indeed, the history of state-formation from the late Ottoman and Mandatory periods reveals the complex factors that inhibited the development of independent rural politics before World War II; among them the divisive geography and precarious ecology of agrarian Syria, the continuous pull of loyalties to tribe, clan, village, sect and ethnic group, the concentration of agricultural land in the hands of a small number of powerful families resident in the towns, and the ensuing organization of politics along clientelist lines. Although socially and economically diverse, the bulk of peasant society found itself squeezed by the urban state and the *'asabiyyas* that dominated them.

1. Ecology and Social Groups

Illustration 2.1 Agricultural Stability Zones in the Syrian Arab Republic



Source: Food and Agricultural Organization (FAO), 2003. Available, at: <http://www.fao.org/docrep/005/Y4732E/y4732e06.htm#bm06>

a. Ecological factors

Situated in the western part of the Fertile Crescent, Greater Syria is a dry region that supports life when, and only when, tended with great care. The Fertile Crescent is in fact a semi-circle of cultivable land round the deserts of Syria and Saudi Arabia, in which rainfall is high enough to permit arable cultivation, either because of the proximity of the sea coast or of the mountains.⁵⁷

⁵⁷ The 200 mm of rainfall line marks the limits of cultivation, since with less rainfall wheat cultivation is impossible; and though crops of barley are grown in the desert border zone with only a 4-inch rain-fall, they are uncertain or poor: (The cultivable land as defined by this rainfall line begins at about Beersheba in Palestine and at first is only a fringe, and is further divided by the Great Rift Valley (Jordan Rift

Drought forms an integral part of Syria's (semi-)arid climate and is not an exceptional phenomenon.⁵⁸ Hence, water remains a critical life-sustaining resource for the country, which is characterized by extreme variability. Isohyetal lines vary widely from year to year.⁵⁹ And, the effects of lack of water are even more of a threat when temperatures vary enormously year by year and when the soil is structurally unstable and therefore fragile;⁶⁰ in the least well-watered areas the soil structure deteriorates very

Valley), which runs parallel to the sea along with laterally segmented ranges that are further dissected by seasonal wadis and varies in width from thirty to one hundred kilometers, and in depth from a few hundred to several thousand meters. To the east, its limits are defined by the old Hijaz Railway in Transjordan, which roughly marks the boundary between the desert and the sown, up to the Syrian Frontier. There the cultivable area widens to include the Hawran, and contracts back west at Damascus, which stands in an irrigated oasis on the edge of the desert, al- Ghouta, watered by the Barada river system that flows down from the Anti Lebanon massif. Thence northwards the arid zone widens again, under the influence of the Anti-Lebanon mountains, and stretches eastwards from Aleppo, following the line of the Taurus mountains along the Syrian-Turkish frontier. The steppe extends eastward into the Syrian Desert, widening in the north east into the vast arid expanse bounded by the Euphrates and Tigris known as the Jezira, a region formerly productive but now only sparsely populated and partly cultivated; Doreen Warriner, *Land and poverty in the Middle East*. London: Royal Institute of International Affairs, 1948. 6.

⁵⁸ Over the last 50 years, from 1961 to 2009, Syria experienced nearly 25 years of drought, which represents over 40 per cent of the period. On average, the droughts lasted around four and a half years each, though a drought in the 1970s lasted ten consecutive years; Clemens Breisinger, et al., "Global and Local Economic Impacts of Climate Change in Syria and Options for Adaptation," *International Food Policy Research Institute: Discussion Paper*, 01091, 2011, 23.

⁵⁹ This variability in rainfall characterizes the "margins of the steppe" (the transitional zone to the east between the desert and the sown covering 200,000 square miles). In contrast to the well-watered littoral and central plains, the margins (or fringes) of the steppe (*Badia*) are subject to extreme variations in rainfall from one year to the next and could, at times, be as low as the desert norm (less than 100 mm) or relatively high (300 mm, sometimes more); the latter figure allows cereal crops to prosper, but the variation in rainfall gives rise to some terrible disappointments in drought years. River Dhahab, forty kilos east of Aleppo, had long been considered the limit of regular cultivation in the direction towards the east; Norman Lewis, "The Syrian steppe during the last century of Ottoman rule: Hawran and the Palmyrena." in Marth Mundy, and Basim Musallam, ed., *The Transformation of Nomadic Society in the Arab East*, Cambridge: Cambridge University Press, 2000. 33; Norman Lewis, *Nomads and Settlers in Syria and Jordan, 1800-1980*. Cambridge: Cambridge University Press, 1987. 13; and Sanlaville, "Environment and Development." in Martha Mundy, and Basim Musallam, ed., *The Transformation of Nomadic Society in the Arab East*. Cambridge: Cambridge University Press, 2000. 8-13.

⁶⁰ Within the regularly cultivated zones of the Fertile Crescent, there are great differences in the intensity of cultivation. From an agro-ecological perspective, we can divide the region into two major zones: one where rain-fed cultivation is considered possible and the other where it should be prohibited; Ronald Jaubert, "Government policy and productive systems in the arid regions of Syria since the 1930s," in Martha Mundy, and Basim Musallam, ed., *The Transformation of Nomadic Society in the Arab East*. Cambridge: Cambridge University Press, 2000. 103.

easily.⁶¹ Several dry years quite frequently occur consecutively and during such drought periods crops fail and farmers may have to desert their villages.

b. Social Groups and Geographic Regions

Though an agrarian society, Syria is half desert and only 10% of the total land surface receives a supply of rainfall adequate to support dry-farming and another thirty percent enough for extensive grain cultivation vulnerable to periodic drought.⁶² In essence, the hydrological and geographical boundaries in Syria reinforced the “Arab agro-city” as an important framework for social, political, and economic participation in society; and, had been often the focus of regional loyalties.⁶³

The divisions between town and country or between urban hinterlands and the Levantine coastal regions are very old social and cultural divisions and, historically, their interests have tended to be intrinsically at variance. In the Latakia Hills were Alawites, Christians and Isma’ilis.⁶⁴ To the eastern side of the Syrian coastal mountains

⁶¹ While the Iraqi wing of the Fertile Crescent can rely heavily on irrigation systems and a much more reliable source of agrarian surplus in the Ardh al-Sawad, the Shami wing of the crescent is further divided between its well-watered littoral and interior plains to the west, and a narrow strip of semi-fertile steppe lands to the south, and northeast where the use of irrigation systems should be limited. In other parts the Crescent is relatively wide: nearly 200 km on either side of the Euphrates at Raqqa in Syria, or on the eastern side of the Jabal Druze. Here the transition to desert is much more gradual.

⁶² Warriner, *Land and poverty in the Middle East*. London: Royal Institute of International Affairs, 1948. 81-82.

⁶³ Michael Van Dusen, “Political Integration and Regionalism in Syria,” *Middle East Journal*, Vol. 26, No. 2, Spring 1972, 124-125. Syrian society is composed of nine such agro-cities: each includes one city of at least fifty thousand people, several large towns, and perhaps hundreds of villages in outlying areas. In the south there are four: Qunaytara, Suwayda’, Dar’a and Damascus. There are three in the more densely populated northwest: Hama, Hums and Latakia. Aleppo (*Halab*) in the north is second only to Damascus in importance and size; and Dayr al-Zour, center of the Jazira province, serves as an agro-center for both the fertile lands to its north and the desert areas south of it.

⁶⁴ The Coastal Mountain Range (*Silsilat al-Jibāl as-Sāḥilīyah*), also referred to as the Nusayriyah Mountains (*Jibāl an-Nuṣayriyah*) given its predominate Alawi ethnoreligious composition, is a great range of mountains that rises just north of the Homs Gap near the Syrian border with Lebanon, and continues for around 100 kilometers, descending near to what is now the Latakia-Aleppo highway in the north. The range is highly ‘folded and hummocky’ with deep ravines and precipitous bluffs bisecting the area running north-south, parallel to the littoral plain with an average elevation of just over 1,200 meters (the highest peak being Nabi Yunis at 1,562 metres, east of Latakia); Cf. Robert F. Mahfoud, and James N. Beck, “Petrographic/geochemical studies of primary and alteration-weathering minerals in garnetiferous ultramafic xenoliths/basanite, Tartous Province, NW Syria.” *Microchemical Journal*, Vol. 78, No. 2, October 2004, 115.

(*Dakhel*) outside the Alawi heartland includes the great interior Syrian cities of Homs, Hamah, Damascus, and Aleppo; all of which has traditionally been the domain of Sunni Muslims, who form the majority in urban and rural areas.⁶⁵ Along the northern border are predominately Kurds;⁶⁶ on the desert fringe, Isma'ilis, Circassians, Turkomans and Bedouin; in the eastern Jazirah, Kurds and Bedouin; in the south, Druzes and in the southwest, Druze and Circassians. Within the embryonic state of Syria, the zonal pockets of "compact minorities" shared a number of common characteristics. The Alawi and Druze communities, for example, both inhabited mountainous areas on the fringes of Syria in which the majority the community was concentrated and in which that community constituted an absolute majority.⁶⁷

Indeed, ecological struggle certainly exacerbated Syria's different class, confessional, and regional cleavages in society. At least until the late 1950s, there was a close although not complete correspondence between the sectarian and ecologic-class divisions.⁶⁸ Nonetheless, the steady depletion of natural resource capital in the country, compounded by land shortage as a result of population increase, have amplified the migratory trend to cities and put higher pressure on marginal lands.

Moreover, structural contexts of war, peace, and insecurity in different ways transformed and set the shifting moral terrains for identity formations, livelihood strategies, and codes for moral agency. And in Syria, where the majority live below sustenance, ecological struggle is certainly a key facilitator in that process where their

⁶⁵ Leon T. Goldsmith, "Alawi Diversity and Solidarity: From the Coast to the Interior." in Michael Kerr, and Craig Larkin, ed., *The Alawis of Syria: War, Faith and Politics in the Levant*. London: Hurst & Co., 2015. 142.

⁶⁶ Ethnic Kurds make up 9 percent of the population in Syria.

⁶⁷ Itamar Rabinovich. "The Compact Minorities and the Syrian State, 1918-1945," *Journal of Contemporary History*, Vol. 14, 1979, 693-694.

⁶⁸ Hanna Batatu. "Some Observations on the Social Roots of Syria's Ruling Military Group and the Causes for its Dominance." *Middle East Journal*, Vol. 35, No. 3, Summer 1981. 333.

livelihoods and food security depend on the natural resource base and on the highly variable weather conditions.

2. Imperialism and the Imposed Syrian State

a. The Ottoman Legacy

During the last 150 years of Ottoman occupation, Syrian society underwent significant socio-economic changes. Rapid commercialization in grain-producing regions throughout Syria,⁶⁹ the spread of cash crops and private landownership, and the growth of the state in provincial life, all helped fuel the re-composition of political forces. Landed property led to the congealing of differing estates under the auspices of powerful families who by the turn of the twentieth century, made up the effective political leadership in Damascus.⁷⁰

Military-state relations were caught up in the last century of Ottoman rule. Local recruitment and participation in military functions, which numbered many in provincial administration,⁷¹ increased with the abolition of the Janissaries' Corp in

⁶⁹ This had been partly stimulated by the Crimean War and its aftermath.

⁷⁰ Philip Khoury, *Urban Notables and Arab Nationalism: The Politics of Damascus 1860–1920*. Cambridge: Cambridge University Press, 1983. 26-30; Michael Van Dusen, "Downfall of a Traditional Elite," in Frank Tachau, ed., *Political Elites and Political Development in the Middle East*. Cambridge University Press: Cambridge, 1975. 115-55.

⁷¹ Certainly, Ottoman provincial histories of local society in Syria reveal that community, identity, and political organization differed from one town to the other. Thus, it can be assumed that conscription was difficult in some regions without census information and infrastructure to implement the Ottoman military service and/or military administrative functions. For example, peasant society in other parts of Syria, most notably in Jabal Hawran and within the mountainous Alawi range along the Syrian littoral, enjoyed considerable autonomy from the urban state and the *'asabiyyas* that dominated them. In essence, the mountainous terrain served as a refuge for heterodox religious sects: See James A. Reilly, "Ottoman Syria: Social History Through an Urban Lens," *History Compass*, Vol. 10, No. 1, 2012, 70-80; "Past and present in local histories of the Ottoman period from Syria and Lebanon," *Middle Eastern Studies*, Vol. 35, No. 1, 1999, 45-65; Haim Gerber, *The Social Origins of the Modern Middle East*. Boulder: Rienner, 1987. 97.

1826, and after compulsory “Muslim” service was instituted in the 1840s.⁷² And while service in the military was unattractive to members of Syria’s leading, landed families, it often appealed to middle and lower middle class families who made up a majority of the population.⁷³ In addition, the educational system at the time worked to preserve the economic status quo. Families who could ill-afford to pay the cost of education in the Ottoman Mulki (civil service)⁷⁴ instead opted for military preparatory schools.⁷⁵ In fact, the two-tiered education system under late Ottoman rule attributed to the military’s emerging representation as an institutional tool to draw rural people into the state system.⁷⁶

b. French Mandatory Rule

To begin with, modern day Syria had no history of stateness prior to its creation amidst the break-up of the Ottoman empire after World War I. Nonetheless, the truncated social base of the Syrian state was established and accentuated under the French mandate. French efforts to foster communal isolation went further than in other parts of the former Ottoman Empire with the establishment of mini states based around Aleppo, Damascus, Greater Lebanon, the Alawite Mountains and the Druze dominated

⁷² Dick Douwes, *The Ottomans in Syria: A History of Justice and Oppression*. London and New York: I. B. Tauris, 2000. 63-70; Michael Van Dusen, *Intra-and-Inter-Generational Conflict in the Syrian Army*, The Johns Hopkins University: ProQuest Dissertations Publishing, 1971. 36-37.

⁷³ Particularly after the Young Turk revolution (1908), middle class family sons swelled the ranks of non-commissioned and warrant officers. See Van Dusen (1971: 65)

⁷⁴ P. Khoury (1987: 267-283): Most notably the Damascus Civil Preparatory School (*Maktab ‘Anbar*), where a large percentage of National Bloc members received their education.

⁷⁵ The military career option, however, was not readily available to the peasantry or the working class as a whole until the late 1950s. There were only a few military preparatory schools in the provinces, and those were in the large urban centers. More often than not, lower class sons did not have the requisite high school education to qualify for the military academy in Istanbul, which skewed a Sunni-urban majority in the Syrian officer corps; eighty percent of officers were Sunni Muslim right up until World War I. Van Dusen (1971: 53)

⁷⁶ M. Provence (2005: 40): A staggeringly large proportion of the leaders of the Great Syrian Revolt received their schooling from the Ottoman military educational pipeline beginning from the fully subsidized military secondary school in Damascus, known as the *Maktab al-I’dadiyya al-‘Askariyya*, and thereafter to either the Military College or the Tribal School (*Mekteb-I Asiret*) in Istanbul.

Jabal al-‘Arab.⁷⁷ The Sunni Muslim majority made up 69 percent of the population mostly situated in the cities and central plains; in the mountain or desert peripheries of the state were the several Arabic speaking sectarian minorities, some inhabiting compact regions: the Alawis of Latakia province on the western periphery formed 12 percent of the population, the Druze in Jabal Druze to the south formed 3 percent, and the Isma‘ilis in their villages city states 1.5 percent. Christians also formed a significant proportion (14.5 percent) situated mostly in their own urban quarters and villages, divided between the dominant Eastern Orthodox and several Catholic or Syrian splinters.⁷⁸

Socioeconomic inequities aggravated by the San Remo induced breakup of geographical Syria were compounded by French efforts to consolidate the political leadership of the traditional landowning elites. Some three thousand notable (*ayan*) families controlled half of all the land concentrated in great latifundia; but even the bulk of medium and small properties were owned by the absentee landowning elites who did not personally cultivate them; meanwhile more than two-thirds of the peasants were landless sharecroppers.⁷⁹ The uneven distribution of land ownership combined with predatory credit and marketing operations by merchants allowed the city to live off the countryside resulting in highly unequal distribution of agricultural revenue.⁸⁰ The fact that landlords were predominately Sunni in the areas where minority peasant communities were concentrated threw sectarian animosity into the cauldron of class

⁷⁷ Under the pretext of protection for religious and ethnic minorities, and of perceived consideration for the stages of development, France divided Syria into three distinct political divisions: in September 1920 a state of Aleppo (with special regulations for the sanjak of Alexandretta), a state of Damascus and an ‘Alawi territory (which special became a state in 1922) were created, and in March 1921 a state of Jabal Druze.

⁷⁸ Raymond Hinnebusch, *Syria: Revolution from Above*. London: Routledge, 2001. 18-19.

⁷⁹ *Ibid*, 20.

⁸⁰ *Ibid*.

conflict.⁸¹ Countless volumes of work attribute the landlord-peasant conflict this system generated and its subsequent role in the eventual fall of the *ancient* regime. The army, moreover, would be the chief vehicle from which to do it.

It is important to remember that civil-military development under French mandated Syria embodied the fractious nature of the state. However, there is a tendency among many pundits on Syria to imply the general assumption that the French preferred the wholesale recruitment of ethnic and religious minorities in the army throughout the course of the mandate (1920-1946). In reality, the French did not prefer one group over another as much as it indulged in the policy of divide and rule in which the mandatory power “balanced” the various groups against each other.⁸² For example, ‘Alawis were over represented in the rank-and-file of the Syrian-Lebanese Legion or the Les Troupes Spéciales, but badly underrepresented in the army’s officer corps, the military academy, the gendarmerie and the police.⁸³ The French variously balanced other groups such as the Tcherkess, Isma’ilis and others in the same manner.

C. Inter-Elite Conflict and the Struggle for Syria

Post-independence Syria inherited the truncated social base of mandated Syria. The nationalist elite were largely composed of an overlapping landed aristocracy and bourgeoisie wherein office-based property and land accumulation combined to define access to parliamentary politics. Yet, the new Syrian state was developing; the bureaucracy, the education system, and the army expanded rapidly after France’s departure. In what follows, this section provides an overview of the rapid multi-pronged

⁸¹ Batatu (1999)

⁸² See Nacklie Elias Bou-Nacklie, *Les Troupes Spéciales du Levant: Origins, recruitment and the history of the Syrian-Lebanese paramilitary forces under the French Mandate, 1919-1947*. The University of Utah: ProQuest Dissertations and Theses, 1989.

⁸³ Batatu (1981)

economic expansion that accompanied the post-independence period, and the subsequent agrarian crisis, class conflict, and radicalization of the army which ultimately destabilized “liberal” democratic Syria.

1. Whose Nationalism? Industrializing a Social Pact (1946-1949)

a. Liberal Democratic Syria?

After independence in April 1946, profound structural changes in the economy coupled with demographic pressures in peripheral provinces unleashed new forces with methods and aims which weakened the old establishment. The army was expanding dramatically as an institution;⁸⁴ the officer corps nearly doubled within four years of independence;⁸⁵ and new forces were gravitating toward modern political organizations – the Communists, the Muslim Brotherhood, the Syrian Social Nationalist party (SSNP), and the Ba’th party, which had begun to make their ascent in the years before independence, especially in the countryside.⁸⁶ These radicalized forces criticized and challenged the veteran elite in several concrete ways.⁸⁷ Yet, on the major social issue of independent Syria, land reform, landlords would make no concessions, fearing any

⁸⁴ Van Dusen (1971:49) points out that the academy was essentially open to all between 1945 and 1951; previously, it had been tightly controlled by the French, and later by certain officers of particular political persuasions. The only political criterion for entering the military academy in the 1945 to 1951 period was a good nationalist record. Nonetheless, the armed forces which emerged from the French-era *Troupes Spéciales* still faced many employment issues. Salaries generally failed to arrive as promised; equipment and training proved woefully inadequate; senior officers openly bridled at civilian attempts to supervise military affairs; prominent members of parliament, including President al-Quwwatli, proposed radical reductions in the size of the army, even as opposition representatives argued that the military establishment should be enlarged to meet internal and external threats; Fred Lawson, *Why Syria Goes to War: Thirty Years of Confrontation*. Ithaca: Cornell University Press, 1996. 163.

⁸⁵ The post-independence generation of officers included some four hundred cadets who entered the military academy during and after 1945; Van Dusen (1971: 41-48)

⁸⁶ Nikolaos Van Dam, *The Struggle for Power in Syria: Politics and Society under Asad and the Ba’th Party*. London: I.B. Tauris, 2011. 15-33.

⁸⁷ For failing to uphold the reigning idea of pan-Arab unity, for contributing to the Arab failure to save Palestine in 1948, and for retaining strong, compromising ties to the Western powers. Seale (1988).

reform would open the door to challenges to the whole contested legitimacy of their private property in land.⁸⁸

The composition of the nationalist leadership after independence had its origins in the nineteenth century from the urban absentee-landowning class. Moreover, the split of the National Bloc into two factions reflected the regional and clientelistic nature of the “liberal” parliamentary system.⁸⁹ As depicted by Hinnebusch, Syrian politics at the time:⁹⁰

Was an urban game of competition for the spoils of office between small groups of landlord-notables and their followers. With the majority of the populace largely outside the political arena, the traditional elite presided over a narrowly based fragile state incapable of coping with... the internal crisis it soon faced.

The weakness of loyalty to the Syrian state kept the ruling elite fragile while it battled to contain centrifugal forces among other competing factions. In particular, conflicts over fundamental political-economic issues and the role of the state in resolving them fueled elite conflict. Consequently, Syrian politics consolidated a “precocious Keynesianism state,” whereby state transformation occurred simultaneously with the incorporation of lower classes in a bid to co-opt a stable cross-class coalition.⁹¹

b. Precocious Keynesianism and Accumulation Crisis

In the period 1946-1950, the state leveraged a pervasive program of agrarian regulation (inherited from the World War II regulatory system) to initiate a national-

⁸⁸ Hinnebusch (2002:23).

⁸⁹ Shukri al-Quwatli, a scion of the urban bourgeoisie and a large landowner in the Damascus Ghouta, led the Damascus-based National Party (*hizb al-watani*) and became the first President. The main opposition was the People’s Party (*hizb al-sha’b*), based in Homs and Aleppo and led by Hisham al-Atasi and Nazim al-Qudsi, which replaced the Nationalists in government during the early fifties. Ibid.

⁹⁰ Raymond Hinnebusch, *Peasant and Bureaucracy in Ba’thist Syria: The Political Economy of Rural Development*. Boulder, CO.: Westview Press, 1989. 17.

⁹¹ Waldner (1999: 2-7)

capitalist road to development wherein agrarian commercialization proliferated.⁹² In the process, a tacit “social pact” was industrialized in an effort to ward-off competing factions of elites and to avoid the emerging “social question” via providing goods that entailed a more politically divisive distribution of costs and benefits.⁹³

However, by April 1947, the al-Quwwatli-Mardam regime faced a real crisis of accumulation. The Syrian pound plummeted relative to that of its Lebanese counterpart as the government erected a strict system of controls over the holding and exchange of foreign currency; and, the abrupt release into the labor market of some thirty thousand Syrian nationals who had been employed by the Allied armies during the years of the Second World War pushed unemployment to unprecedented levels.⁹⁴ More fundamentally, the forces inside the dominant coalition were losing power because it failed to conjure a broad enough social base of support. Contradictory economic programs inflamed inter-elite tensions;⁹⁵ and on the major social issue, land reform, landlords made no concessions.

Lawson astutely recognized that the escalation of the crisis in Palestine was a desperate attempt by the al-Quwwatli-Mardam regime to resolve burgeoning contradictions with the dominant social coalition.⁹⁶ The authorization of compulsory military service for all men over seventeen effectively co-opted militant supporters of the Palestinian cause, pulling them away from the autonomous formations organized by

⁹² Robert Vitalis and Steven Heydemann, “War, Keynesianism, and Colonialism: Explaining State-Market Relations in the Postwar Middle East,” in Steven Heydemann, ed., *War, Institutions, and Social Change in the Middle East*. Berkeley: University of California Press, 2000. 124; Hinnebusch (2002: 24-25)

⁹³ Heydemann (1999)

⁹⁴ Fred H. Lawson, *Why Syria Goes to War: Thirty Years of Confrontation*. Ithaca: Cornell University Press, 1996. 158.

⁹⁵ Government officials pulled out of the customs union with Lebanon which raised the cost of imported goods into the Syrian markets which hurt the merchant class significantly. Ibid.

⁹⁶ Ibid, 165.

the Arab Socialist and Ba'th parties. Moreover, membership in the Syrian Communist party was declared illegal by the authorities in mid-December 1947.⁹⁷

Despite the regime's attempts to escape the accumulation crisis, the disaster in Palestine shattered the regime's precarious legitimacy and triggered a series of military "reform coups" starting in 1949.⁹⁸ After parliamentary rule was partially restored in 1949, the new chief of staff, Colonel Adib al-Shishakli, established a military dictatorship from 1951-1953 through a behind the scenes veto on its policies.⁹⁹ This military intervention broke the political monopoly of the oligarchy and opened the door to rising and radical middle class political parties that had penetrated the army. As Batatu (1981) highlighted, "in sharp contrast to the outcome of urban-rural conflicts of past centuries, the country people clinched a more enduring, if unstable, victory by virtue of their deep penetration of the Syrian army,"¹⁰⁰ the army that the veteran elite had long snubbed.

2. The Professional Digression of State-Military Relations

a. Radicalizing the army (1954-1963)

In the early to mid-fifties, right up until the eventually triumphant Ba'th party takeover in 1963, the Syrian officer corps had become intensely politicized. Military politics was by no means a mere isolated struggle for power among small groups of

⁹⁷ Ibid. Imposed surtaxes on several imports also allowed the government not only with a means of regulating the flow of manufactured goods coming into the country but also with additional revenues to improve its precarious balance-of-payments position.

⁹⁸ Colonel Husni al-Za'im, the army chief, overthrew President Quwwatli and then was himself shortly overthrown Sami al-Hinnawi.

⁹⁹ According to Torrey, military-intrinsic concerns such as salaries, promotions, budget and civilian support during the Palestine war was what triggered Syria's first coup in 1948. Gordon H. Torrey, *Syrian Politics and the Military, 1945-1958*. Lincoln: Ohio State University Press, 1964. 121.

¹⁰⁰ Batatu (1981: 337-338)

officers who were more open to popular recruitment than parliament; the army had arguably become Syria's mostly widely representative national institution.¹⁰¹

Indeed, the army's gradual radicalization reflected the rapid social changes that were penetrating the countryside. Capitalist development in agriculture started the transformation of peasants from sharecroppers, who enjoyed a modicum of autonomy and security, into migratory wage laborers on great estates or generated massive rural under employment.¹⁰² The minority mountain peasantry (Alawis, Druze, Isma'ilis, Orthodox Christians), concentrated in such land-poor areas as Latakia and Jabal Druze, did not benefit as proportionally from mechanized agriculture as did agrarian entrepreneurs in the Hama-Homs plains or in the Jazirah.¹⁰³ Thus, the army was a route out of a dead-end traditional way of life and a means of achieving status in a Sunni-dominated society. Population growth and new urban opportunities furthered the migratory trend off the land and into the urban epicenters.

Under Chief of Staff Shishakli (1951-53), state centralization was promoted and nationalist indoctrination of the officer corps was expanded. The 1950 opening of the military academy, through the provision of scholarships, to bright lower middle class or peasant youth, produced a generation of officers in the later fifties that infected the army with village resentments against the ruling elite.¹⁰⁴ Moreover, among the lower ranks the possibility of paying *badal* (the exemption fee from military service) tended to vary by socioeconomic status. For the peasants, especially the 'Alawis the inability to

¹⁰¹ Hinnebusch (2001: 28)

¹⁰² Ibid, 26.

¹⁰³ Lawson (1996: 159); Batatu (1999: 23-24); Sulayman N. Khalaf, "Shaykhs, peasants and party comrades: political change in northern Syria," in Martha Mundy, and Basim Musallam, ed., *The Transformation of Nomadic Society in the Arab East*. Cambridge: Cambridge University Press, 2000. 110-122.

¹⁰⁴ Van Dam (2011: 27-29)

buy exemption from military service contributed to their superior numerical weight in the lower ranks of the army.¹⁰⁵

By the time Shishakli was overthrown in a Ba'th-inspired coup in 1954, the praetorianism of his rule had destabilized the civilian government, and precluded any modicum of political neutrality in the military. In the 1949-1954 period, certain political commitments and ideologies became important, and sometimes essential, criteria for admission to the military academy.¹⁰⁶ Internal politicization fragmented the army into factions along regional, ideological and sectarian lines and by loyalty to rival political parties. Not until after 1963 when the army was decisively captured by one political force, Ba'thism, would the military, albeit in partnership with the party, acquire the minimal cohesion to govern.¹⁰⁷

b. Revolution from above

The string of coups, counter-coups, the union with Egypt in 1958 and separation in 1961 dramatically altered the composition of the army and the Syrian officer corps. The purging of higher officers was characteristic of each of these events, ultimately leaving officers of minority background, namely Alawis, in an institution skewed in their favor.¹⁰⁸

At the center of the Ba'thist coup in March 1963 was the famous "military committee" (*al-Lajna al-Aaskariyya*) which was originally formed by five officers (three Alawis, an Isma'ili, and a Druze). The coup was neither made by the party's

¹⁰⁵ According to Hanna Batatu (1981: 341) 'Alawis made up 65 percent or so of the non-commissioned officers in 1955.

¹⁰⁶ Van Dam (2011: 29)

¹⁰⁷ Hinnebusch (2001: 28)

¹⁰⁸ Again, officers from a minority background did not immediately control the military after Syrian independence in 1946; the burgeoning dividedness of Sunnis in the Syrian officer corps along regional and ideological lines would permanently break the backbone of Sunni officers in the armed forces after the Ba'th seized power in March 1963; Patrick Seale, *Asad. The Struggle for The Middle East*. Berkley: University of California Press. 1988. 37.

civilian leadership nor was it aided by the participation of the popular classes they claimed to represent.¹⁰⁹ Yet, the coup was a delayed outcome of prior political mobilization which the regime subsequently reactivated and incorporated through the party and its associated corporatist structures.¹¹⁰

According to Hinnebusch, the Ibn Khaldun paradigm was applicable to the Ba'th's Populist Authoritarianism (PA) model; in that a movement from the periphery fired by a vision of radical change seized the "city" (i.e. existing power centers). As Ba'thist leaders engrained their position in the government, factional rivalries within the party obstructed the regime's ability to consolidate power through patrimonialization. In response, "contenders in power struggles, even when turning on ideological issues, made use of *'asabiya*-kinship and sectarian solidarity, and Alawis, by virtue of their disproportionate recruitment, were best positioned to succeed in this game."¹¹¹ Because the existing literature sufficiently covers the struggle for power by rival factions within the regime, the remainder of this chapter discusses the transformation of Syria's political economy under PA.¹¹²

D. Forging a Militarized Social Pact

In the early phases of the Ba'th regime, expansion of power was animated by class-shaped populist ideology which "mobilized participation" through the party's institutions. The series of land reform measures, nationalizations, government allocated welfare through public employment and subsidies on basic commodities – all forged a

¹⁰⁹ Waldner (1999: 82);

¹¹⁰ Hinnebusch (2001: 5-10)

¹¹¹ Raymond Hinnebusch, "Syria Under the Ba'th: The Political Economy of Populist Authoritarianism," in Raymond Hinnebusch and Soren Schmidt, eds., *The State and the Political Economy of Reform in Syria*. Fife: University of St. Andrews Centre for Syrian Studies, 2009. 7.

¹¹² For a more detailed account of the various factions fighting for supremacy, see Itamar Rabinovitch, *Syria under the Ba'th, 1963-66: The Army-Party Symbiosis*. Jerusalem: Jerusalem University Press, 1972; and, Van Dam (2011).

middle class-peasant alliance wherein a social pact linked state power to the welfare of rural livelihoods. However, by 1969 the country suffered from an economic malaise manifest in scarcities from foreign exchange shortages, and agricultural instability from uncompleted land reform that was aggravated by bad crop weather. At the same time, the state had urgent need of revenues for military re-construction following the humiliating 1967 Israeli onslaught and the loss of Quneitra province (the Golan Heights).¹¹³

In what follows, this subsection provides an overview of the rapid macroeconomic changes that accompanied the precocious Keynesianism period of the 1970 Corrective Movement. Indeed, what was unique about statist development under Hafez al-Assad was not in its failures, but in how the fragile regime coalition responded to the contradictions in its “home-grown” political economy. Indeed, under uniquely high levels of military mobilization and socialization, the trajectory of Syrian state building vis-à-vis the stability of the regime infused the role of the army to expand and mediate power.

1. Militarized Precocious Keynesianism

a. *Infitah* and statist development

In 1970, Hafiz al-Assad overthrew the neo-Ba’th in a coup heralded in Syria as the Corrective Movement. While the new regime sought both to maintain Ba’thist domination over the state and the public sector’s control over the political economy, the logic under *infitah* was to embark on still a state-led – albeit state-capitalist rather than socialist–course of import substitution industrialization (ISI). Thus, industrial

¹¹³ Lawson (1996: 53-55)

development was given absolute priority where in the three five-year plans covering the 1971-85 period, between 29 and 36 percent of all projected investments were earmarked for industry, including mining and energy production.¹¹⁴ Gross fixed capital formation in the public sector grew from 170 million SYP in 1963 to 1,262 million in 1976, while in the private sector it grew from 355 million to only 655.2 million.¹¹⁵

Sections of the economy were liberalized, particularly foreign trade, to reincorporate Syrian businessmen vis-à-vis private capital into his cross-class coalition.¹¹⁶ Private sector hopes were realized when after the 1973 Arab-Israeli war, Damascus enjoyed an influx of aid from Arab Gulf states that, by the late 1970s, totaled approximately \$1.6 billion per annum, some ten percent of GNP.¹¹⁷ The fostering of a state-dependent capitalist class corresponded with the regime's intent to foster an alternative engine of development; yet, the intensification of state-led development was dependent upon the acquisition of rent, whether from oil or geopolitically motivated foreign aid. Bureaucratic over-development, populist distribution, and rampant corruption relative to the capacity of the political economy, generated a crisis of capital accumulation not long after the October War's investment boom.

b. Failure of state-led development

There is no doubt that the Ba'th state enjoyed substantial economic growth in the period of the seventies. Oil money backing dual public and private engines of the economy drove an impressive economic expansion: real GNP grew 8.2 Percent in 1970-75 and 6.8 percent in 1977-80.¹¹⁸ However, the expansion of economic development had several flaws which sharply limited its sustainability and impact. A great deal of the

¹¹⁴ Volker Perthes, *The Political Economy of Syria Under Asad*. London: I.B. Tauris, 1995. 43.

¹¹⁵ Hinnebusch (2009: 13)

¹¹⁶ Waldner (1999: 88)

¹¹⁷ George (2015: 166)

¹¹⁸ Hinnebusch (2009: 15-16)

massive public investment did not produce a sufficient corresponding expansion in production. Investments for agricultural development purposes remained below expectations with planned goals amounting to less than 10 percent of total realized investment in the 1970s, and only slightly above 10 percent in the 1980-85 period.¹¹⁹ Moreover, the state failed to create a viable industrial base. ISI did not result in notable changes to Syria's macroeconomic structure with the sectoral distribution of employment remaining skewed towards employment in agriculture and trade.¹²⁰

Syria's over-dependence on external resources and credit or domestic deficit financing had costs and vulnerabilities as well. It fueled inflation which damaged the purchasing power of the large segment of the population on fixed incomes, while the chief beneficiaries were speculators and traders. In July 1976, the inflation rate was estimated to be as high as 57 percent;¹²¹ thus, when oil prices (impacting export revenues and aid received by Syria) dropped, especially dramatically in 1986, the vulnerability of this strategy was exposed.¹²²

2. Regime Security and the Dilemmas of Economic Reform

a. Fiscal crisis

Foreign exchange crisis became a chronic feature of the Ba'thist state. The investment boom in industry and construction coupled with population increases on marginal lands triggered great migratory flows from the countryside to the provincial

¹¹⁹ Perthes (1995: 25-44)

¹²⁰ Ibid, 27: In 1970 and at the beginning of the 1990s, industry employed some 14 percent of the labor force and generated about one fifth of GDP. Although the Syrian economy had become more diversified, structural transformation from an agrarian to an industrial economy had not taken place. As Perthes makes clear, agriculture very much remained the single most important economic sector for Syria, contributing some 25 to 30 percent of GDP, at the beginning of the 1990s, depending on rainfall.

¹²¹ "Inflation in Syria," 1976DAMASC04573_b, 14 July 1976, leaked U.S. diplomatic cable, at:

<https://search.wikileaks.org>

¹²² Hinnebusch (2009:16)

capitals in search for work. As depicted by Batatu, “Damascenes became a minority in their own city.”¹²³ Indeed, migration to the capital became fundamental for household livelihood strategies to escape poverty and access patronage of the Ba’thist state.¹²⁴ Migration inflows were funneled through four main channels: 1. the search for employment; 2. military service; 3. higher education; and 4. family members joining their breadwinners.¹²⁵ The army especially, represented for many a young villager a chance to leave his rural environment behind, and a career opportunity; many conscripts received their only professional training during their military service. Moreover, the majority of the 30,000 or so young men annually drafted from the countryside to complete their two and a half year military service, and who are for the most part sent to one of the larger cities, do not necessarily plan to leave their villages for good.¹²⁶

Nonetheless, blanket government policies to provide welfare through public employment and through subsidies on basic goods put extraordinary pressure on government coffers. By the early 1990s, almost 700,000 civilians were employed by the state, more than five times as many as in 1970.¹²⁷ The decline in oil prices in the mid-1980s, along with poor harvests kept Syria’s foreign exchange reserves at disastrously low levels through the middle of the 1980s. In the 1982-85 period, the regime enacted a series of stabilization measures in an attempt to control the downward spiraling

¹²³ Batatu (1981: 337)

¹²⁴ The rate of inflow of new members into the Ba’th party was highest between 1971 and 1974 when its membership almost tripled, but it also doubled between 1974 and 1981 and nearly tripled again between 1981 and 1992; the party embraced in 1992 no fewer than 14.5 percent of all Syrians aged fourteen and above. Hanna Batatu, *Syria’s Peasantry, the Descendants of Its Lesser Rural Notables, and Their Politics*. Princeton, NJ: Princeton University Press, 1999. 177.

¹²⁵ Perthes (1995: 94)

¹²⁶ See Fabrice Balanche, “‘Go To Damascus, My Son:’ Alawi Demographic Shifts Under Ba’ath Party Rule,” in Michael Kerr and Craig Larkin, eds., *The Alawis of Syria: War, Faith and Politics in the Levant*. London, UK: Hurst Publishers, 2005. 79-106.

¹²⁷ Perthes (1995: 141)

economy.¹²⁸ Yet, all this resulted in the stagnation of GDP after two decades of significant growth; growth rates fell from 4.7 percent in 1980-83 to a negative 2.9 percent in 1983-87. Given rapid population growth of over 3 percent per year, this translated into a painful decline of 15 percent in per capita income,¹²⁹ and the salaries of state employees lost considerable ground to inflation and reduction of many state subsidies.¹³⁰ At the end of 1986 there was only \$144 million in the treasury or two weeks left of imports.¹³¹

b. The logic of militarizing state-society relations

Austerity measures deepened the socio-economic crisis in the late eighties. State factories closed resulting in an industrial depression; rising costs on inputs and harsh weather patterns squeezed peasant incomes; the Syrian pound plummeted; and government spending resulted in inflation running from 50-100 percent at the end of the eighties – all this attributed to the failure of a developmental state. Yet, defense expenditures took up 50 percent of the budget during this period.¹³²

Hinnebusch maintains that “the Arab-Israeli conflict added another layer of “over-commitment” by the state...It dictated the diversion of public resources which might otherwise have gone to economic development into a massive military machine.”¹³³ However, it was mass levels of military mobilization and socialization in which shaped the trajectory of state building vis-à-vis the consolidation of Syrian statism under Hafiz al-Assad. Beyond the Ba’th party, the military became not only a

¹²⁸ Steven Heydemann, “The Political Logic of Economic Rationality: Selective Stabilization in Syria,” in Henri Barkey, ed., *The Politics of Economic Reform in the Middle East*. New York: St. Martin’s Press, 1992. 11-39.

¹²⁹ Raymond Hinnebusch “The Political Economy of Economic Liberalisation in Syria,” Vol. 27, No. 3, 1995, 311-312.

¹³⁰ Throughout the 80’s, mid-level bureaucrats were earning as little as \$60 to \$80 per month, university professors \$110 per month, and pensions about \$50 per month. Heydemann (1992: 27)

¹³¹ Hinnebusch (1995: 312)

¹³² Hinnebusch (2009: 17)

¹³³ Ibid.

means by which to concentrate power as Hinnebusch alluded,¹³⁴ but the military and security institutions became leading agents of socialization and in the expansion of the regime's power.¹³⁵ By the early 1990s, the security apparatus – including regular armed forces, an estimated 100,000 police and *mukhabarat*, and some 60,000 civilians employed in companies run by the Ministry of Defense – gave work to almost half of all people employed by the state, or directly employed some 15 percent of the total workforce.¹³⁶

It was, in particular, a broader syndrome of macrostructural changes to the economy, compounded by rapid population growth and a harsh ecology, in which military employment and its attendant social benefits provided the central plank of a popular-incorporated “social pact.” Livelihoods that are at risk in terms of their sustainability and their implications for poverty are responsive to the array of extended entitlements and accessible assets provided by participation in the armed forces. Furthermore, militarizing a social pact provided the regime enough autonomy from its social base to pursue economic liberalization after 1986, whereby attaining “economic-pluralism” was essential to reconciling “national unity” for achieving “strategic parity” with the enemy. Seen this way, the regime's contradictory responses in its foreign policies and in its fiscal intervention cycles are best explained through the notion of maintaining a militarized social pact.¹³⁷

E. Conclusion

¹³⁴ According to Hinnebusch, the military is crucial to the concentration and defense of power in PA regimes, while the single or dominant party is the key to the mass incorporation on which power expansion depends. See, Hinnebusch (2001: 5-6)

¹³⁵ Perthes (2000: 154)

¹³⁶ Ibid, 155: Within that number were some 60,000 conscripts drafted into the army or police each year for their two-and-a-half-years of military service.

¹³⁷ See Lawson's (1996) framework for linking Syria's aggressive foreign policy stances to domestic fiscal crises at home.

The premise of this chapter was to underline the fragility of the Syrian nation-state. This stemmed from a variety of interrelated factors including the lack of a developmental state, episodes of inter-elite conflict that manipulated societal cleavages, labor displacing agrarian commercialization, and a growing population exacerbated by land pressures and a harsh ecology.

Pertinent to the stabilization of Hafiz al-Assad's ruling coalition was the institutional manifestation of the army as a pillar not only to consolidate power, but as a means to augment his base of support during episodes of fiscal crisis. The orthodoxy of the literature, as well as in the countless intelligence assessments on the regime,¹³⁸ probes sectarian manipulation of the Syrian Armed Forces as central to the regime's coup-proofing strategy. Indeed, Alawis have commanded most Syrian Army divisions and all elite units, such as the Special Forces and the Republican Guards.¹³⁹

Nevertheless, the framework of this thesis hypothesizes that the supplementation of rural livelihood strategies through the allotted benefits provided by military employment is a critical coup-proofing tactic to off-set contentious episodes of economic liberalization. This had political consequences as it required the direct or indirect access to rents. The political-economic arrangements of a militarized social pact help explain in part the regime's contradictory responses to alleviate its inefficient domestic political economy. Yet, the rules of the game are transitory for post-PA regimes. Chapters 3 and 4 bring in a contemporary analysis to flesh out the changing

¹³⁸ United States (US), Central Intelligence Agency, "Syria: Assad's Grip on Power," *An Intelligence Assessment by the Office of Near Eastern and South Asian Analysis*, August 1983. Available, at: <https://www.cia.gov/library/readingroom/docs/CIA-RDP84S00927R000100040005-5.pdf>

¹³⁹ United States (US), Central Intelligence Agency, "Syria's Elite Military Units: Keys to Stability and Succession," *An Intelligence Assessment by the Office of Near Eastern and South Asian Analysis*, February 1987. Available, at: <https://www.cia.gov/library/readingroom/docs/CIA-RDP06T00412R000606620001-0.pdf>

dynamics of Syria's militarized social pact which invariably dissipated under Bashar al-Assad's decade of rule before the uprising.

CHAPTER III

SPRING IN DAMASCUS? (2000-2007)

A. Introduction

One major goal of this thesis is to link regime responses to crises in the domestic political economy. Indeed, the achievement of a remarkably high measure of stateness, as well as the consolidation of the regime, maintenance of its stability, and the capacity to generate substantial external rents – all were largely the result of the pervasive militarization of state and society, an enormous buildup of the security forces, and an almost constant preparation for war.¹⁴⁰ At the same time, uniquely high levels of military mobilization and socialization disguised the lack of a post-populist developmental state during contentious episodes of structural adjustment. Nonetheless, the regime's ability to circumvent rationale economic policies hinged on its capacity to access rents in the midst of accumulation crisis. When the room for maneuverability closes on both the external and domestic fronts, it presents acute challenges to sustain a militarized social pact.

In the decade after Bashar al-Assad's accession, both fronts had shrunk considerably. The 2000-10 period was marked by a series of conflicted and contradictory foreign policies and domestic economic choices to confront the impending dry-up of oil rents that had accompanied a bout of increasing regional and international isolation. This chapter fleshes out those contradictory responses from 2000 to 2007 while taking into account Syria's macroeconomic dilemmas and mounting social pressures from below.

¹⁴⁰ Perthes (2000: 150)

B. The New Lion (2000-2005)

Syria's home-grown political economy was a residual failure and the limited reforms implemented under Hafez al-Assad were ineffectual. State-run enterprises, shielded from imported competition by protective tariffs, ran up huge losses and produced goods of dubious quality for sale at state-fixed prices. Moreover, the public sector was generally over-manned and directed by managers appointed for their loyalty to the party rather than their business acumen.¹⁴¹ Exchange rates were artificially fixed, and the profusion of price subsidies is what allowed the populace to live "hand-to-mouth."¹⁴² The Syrian economy had virtually subsisted during this period due in large part from oil-rich Gulf States, remittances from Syrian working abroad, military and other aid from Syria's Soviet bloc allies, and after the collapse of the Soviet Union, from Russia.

By the turn of the new millennium, inefficiencies and corruption were rife. The windfalls generated from each phase of contradictory reforms, all under the guise of "economic pluralism," increased the opportunity for rent-seeking and promoted a style of doing business marked by semi-legality, quick-profit mentalities, and short-term horizons. It was evident that since the early 1990s, a new rent-seeking economic elite (consisting of various government officials, the elite political and military/intelligence cores, and their offspring) had a well-defined interest in defending existing political-economic arrangements.¹⁴³

¹⁴¹ Bassam Haddad, "Syria's State Bourgeoisie: An Organic Backbone for the Regime," *Middle East Critique*: Vol. 21, No. 3, September 2012, 241.

¹⁴² Alan George, *Syria: Neither Bread nor Freedom*. London: Zed Books, 2003, 30-33.

¹⁴³ Haddad (2012: 100)

Nonetheless, maintaining regime security in the face of economic stagnation and poor developmental outcomes became too high, causing new forms of economic governance to emerge. It was, in particular, a protracted political succession and consolidation crisis with the “old guard” that ended in 2005, a bout of regional and international isolation that, for the most part, ended in 2008, and an impending decrease in oil reserves that necessitated a wider role for the private sector to alleviate the political and economic challenges. Still though, economic “liberalization” under Bashar al-Assad’s presidency was painfully slow and often incoherent, reflecting the multiple pressures he faced. During his inauguration speech, he admitted that there had been “no clear strategy” in the past and promised to deliver reform by “modernizing” Syrian laws, “removing bureaucratic obstacles to the flow of domestic and foreign investments, mobilizing public and private capital and activating the private sector and giving it better business opportunities.”¹⁴⁴

So, for a few brief months after Bashar al-Assad’s accession – the so-called “Damascus Spring” – it seemed as if the promise of real change might be fulfilled, in both the political and economic spheres. That, suffice it to say, would be wishful thinking. In what follows, the section highlights the multitude of macroeconomic dilemmas and social pressures facing the new regime up to 2005’s inception of the social-market economy.

1. Developmental Dilemmas

¹⁴⁴ George (2003: 160)

The oil sector had been a pillar of the Syrian economy since the mid-1980s.¹⁴⁵ In 2005 the U.S. Embassy in Damascus reported that oil accounted for “approximately 20 percent of GDP, 65-70 percent of exports, and 50 percent of government revenue”.¹⁴⁶ However, oil production reached its peak in 1996, producing over 600,000 bpd, and had been in steady decline since. Although the “easy oil” in the Euphrates basin has already been exploited, Total geologists estimated that Syria has 20 billion barrels of oil reserves of which four billion had already been extracted by 2005.¹⁴⁷ Even so, chronic mismanagement of the sector and the inability of the state-owned *al-Furat* Petroleum Company (AFPC) to invest in proper pipeline maintenance led to the steady descent in oil production. Reflecting on its declining output, Finance Minister Mohammad Hussein admitted that Syria was already a net importer of oil in 2006.¹⁴⁸

If the oil sector is exempted, the greater part of the Syrian economy is directly or indirectly agriculture based. Its production variations influence considerably the overall economic activity and GDP. Apart from the basic agricultural production,¹⁴⁹ the bulk of exports are agriculture based, the bulk of manufacturing is based on agro processing, a large share of trade and commerce is based on agriculture, and many services are also linked to agricultural production. Taken together, agriculture and industry (including oil) accounted for 62 percent of GDP in 2000. Moreover, public-sector domination of the upstream and downstream activities relevant to agriculture

¹⁴⁵ In 2005 the backbone of Syria’s oil industry remained the al-Furat Petroleum Company (AFPC), a joint venture between the state-owned Syrian Petroleum Company (SPC) which owns 50 percent of AFPC, and Royal Dutch Shell and PetroCanada who split the second 50 percent, 62/38 respectively.

¹⁴⁶ “Syria’s Achilles, Heel: Its Oil Sector,” 05DAMASCUS5788_a, 2 November 2005, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁴⁷ “SARG Attracts New Investment in its Oil and Gas Sectors,” 05DAMASCUS6015_a, 17 November 2005, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁴⁸ Country Report, Economist Intelligence Unit, 16 April 2007, available at, <http://www.eiu.com>

¹⁴⁹ Strategic products include wheat, barley, cotton, tobacco, mutton, sugar beet, lentils and chickpeas.

allows the government to exercise considerable control on production and distribution of products, especially those deemed strategic.¹⁵⁰

Yet, the relentless drive for capital-hungry agricultural development combined with the large-scale mismanagement of natural resources over the last 50 years has had dire consequences for groundwater resources to rebound after sudden climatic shocks.¹⁵¹ Furthermore, the development process since the late 1980's, widened the gap "within" and between agriculture and other sectors of the economy. Liberalization of the agricultural sector after 2000 and the widespread use of labor-displacing technology led to a significant decrease in agricultural jobs. Estimates based on Syrian labor force surveys showed that 460,000 active people stopped working in the agricultural sector between 2001 and 2007, representing a 33 per cent decrease in jobs in this sector (and 10 per cent of the total labor force), while agricultural GDP rose by 9 percent. Most jobs were lost in 2003 and 2004, two years not affected by drought.¹⁵² Moreover, services, mining and manufacturing have slowly displaced the agriculture sector as the largest share of GDP. According to the World Bank in 2003 agriculture accounted for 28.5 percent of GDP, industry for 29.4 percent, and services for 42.1 percent.

2. Social Indicators

a. Domestic Pressure

¹⁵⁰ Most irrigated land is designated "strategic," meaning that it encounters significant state intervention in terms of pricing, subsidies, and marketing controls. "Strategic" products such as wheat, barley, and sugar beets, must be sold to state marketing boards at fixed prices, often above world prices in order to support farmers, but at a significant cost to the state budget. The most widely grown arable crop is wheat, but the most important cash crop is cotton; cotton was the largest single export before the development of the oil sector, and is a major source of foreign exchange. The government's Cotton Marketing Organization (CMO) and the Cotton Bureau monopolize local seed cotton procurement and ginning. This organization also handles the domestic and export marketing of Syria's cotton lint (if there is a surplus).

¹⁵¹ De Châtel (2014)

¹⁵² "Report of the Special Rapporteur on the Right to Food on his Mission to Syria," Addendum, United Nations Human Rights Council (UNHCR), 27 January 2011.

On the domestic front, the initial years of Bashar's presidency were marked by a series of contradictory reforms to consolidate his position at home in respect of the "old guard." Since 1998, the new leadership had been securing various posts within the government and military and security apparatuses. By the end of 2002, three quarters of the top 60-odd officials in political, security and administrative ranks were replaced.¹⁵³ At the same time, plans were announced to expand the private sector while "modernizing" rather than privatizing the public sector through administrative reform. In April 2001 Law 28 was passed, which provided for the establishment of private banks, ending a forty-year state monopoly on banking, with the first of these opening in 2004. Law 36 of 2001 permitted the creation of private universities and fifteen were established; and, in 2002, the exchange rates for the Syrian pound were unified and the following year saw the ban on foreign currency lifted.

In a sense, the so-called "Damascus Spring" initially brought hopes that real changes would be applied to address the longstanding political and economic issues facing the country. Soon after the death of Hafez al-Assad on June 10, 2000, demands for political and judicial reform culminated in a "Statement of 99" published in the London-based pan-Arab daily *al-Hayat*, and signed by 99 leading artists, intellectuals, and professionals. The statement demanded an end to the State of Emergency that had been in effect since 1963; a public pardon for all political detainees and exiles; and the establishment of a "state of law" that would "recognize political and intellectual pluralism."¹⁵⁴ That was followed in January 2001 by a "Statement of 1,000" which explicitly pushed the envelope by questioning the Ba'th Party's lead role in government. By the early months of 2001, however, the regime reverted to form; the forums were

¹⁵³ Volker Perthes, *Syria under Bashar al-Asad: Modernisation and the Limits of Change*. Adelphi Papers, London: Oxford University Press for IISS. 2004.

¹⁵⁴ George (2003: 160)

shut down and leading pro-democracy activists were discredited and arrested.¹⁵⁵ In an interview with *al-Sharq al-Awsat* the president dismissed the activists as “spies” and “fools” working with foreign channels (omnipresent in his dismissal of protesters in spring of 2011). He maintained that “economic development is the focal point of the discussion today in Syria.”¹⁵⁶

If we look at the economic situation by 2005, the country was on the brink of a socio-economic crisis. The economy had stagnated between 1996 and 2004, with an estimated average growth rate of 2.4 percent. The population was growing at a rate of 2.7 percent per annum with up to 53% of the population under 20 and 300 to 350,000 new workers entering the job market each year.¹⁵⁷ By most unofficial estimates, unemployment hovered around 20% in 2005.¹⁵⁸ Yet, official figures omit the shadow economy (illicit) and informal (unregistered) economies, the activities of which range from smuggling to unrecorded employment on farms. At the turn of the century, this accounted for some 40 percent of GDP and 43 percent of the real labor force.¹⁵⁹ Even so, the impacts of droughts became more severe due to higher population densities and groundwater depletion. In the 1998–2001 drought, 329,000 people (47,000 nomadic households) had to liquidate their livestock assets, suffered food shortages and required urgent food assistance.¹⁶⁰

¹⁵⁵ “The Damascus Spring,” Washington, DC: Carnegie Endowment for International Peace, 01 April 2012. Available, at: <http://carnegie-mec.org/diwan/48516?lang=en>

¹⁵⁶ English translation of President Bashar al-Assad’s 8 February 2001 interview with *al-Sharq al-Awsat* available, at: <http://al-bab.com/documents-section/interview-president-bashar-al-assad>

¹⁵⁷ Nabil Sukkar, “Threats and Opportunities,” *Syria Today*: February-March Edition, 2005. Available, at: http://www.scbdi.com/ui/Syria_Today_05.pdf

¹⁵⁸ *Ibid*; principally from a regional perspective, four governorates [Homs, Deir Ezzor, Idleb, Hassakeh] accounted for 56 per cent of the total stock of unemployment in Syria. See, Heba El-Laithy and Khalid Abu-Ismail, *Poverty in Syria: 1996-2004—Diagnosis and Pro-Poor Policy Considerations*, (UNDP, 2005), 81. Available, at: <http://www.Planning.gov.sy/SD08/msf/PovertInSyriaEnglishVersion.pdf>

¹⁵⁹ “The SARG’s New Economic Scorecard,” 06DAMASCUS2164_a, 9 May 2006, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁶⁰ Frank Hole, “Drivers of Unsustainable Land Use in the Semi-Arid Khabur River Basin, Syria,” *Geographical Research*: Vol. 47, No.1, October 2008, 4-14.

In reality, the combined trend of labor-displacing technology in agriculture, rising inflation and a predominantly rural labor force dependent upon wages, and a private-sector that was neither able nor willing to accommodate an increasing labor surplus (especially the landless poor), all of this unleashed major income inequalities in the country. While the national poverty rate was reported to have decreased in the 1994-2004 period,¹⁶¹ “growth was not pro-poor.”¹⁶² From a regional perspective, figures from 2004 show that the north-eastern region (governorates of Aleppo, Deir ez-Zor, Hassakeh, Idleb and Raqqa) had the greatest incidence, depth and severity of rural and urban poverty, with 58.1 per cent of Syria’s poor concentrated in the region. This region also had the highest percentage of people living under two dollars per day in Syria (8.53 percent and 21.59 percent for the urban and rural areas, respectively). And while poverty rates decreased in other parts of Syria between 1996-97 and 2003-04, they rose in rural parts of the north-eastern governorates.¹⁶³

b. External Pressure

Syria’s economic fortunes have also been inordinately shaped by the regional environment. Located at the core of the *mashriq* and as a frontline polity in the Arab world’s confrontation with Israel, Syria’s economy had enjoyed an influx of strategic rent from Gulf States, particularly after the 1973 Arab-Israeli war and after joining the military coalition against Iraq during the 1990-91. While Gulf aid nonetheless declined by the late 1990s, the dependence upon foreign rents had direct effects on Syria’s production profile. Economically, it skewed labor market incentives toward better

¹⁶¹ “Poverty decreasing on national level, report says,” *IRIN*: 11 July 2005. Available, at: <http://www.irinnews.org/report/25248/syria-poverty-decreasing-national-level-report-says>

¹⁶² *Poverty in Syria 1996–2004, Diagnosis and Pro-Poor Policy Considerations*, United Nations Development Programme: 2005, 30. Available, at:

<http://www.Planning.gov.sy/SD08/msf/PovertInSyriaEnglishVersion.pdf>

¹⁶³ *Ibid*, 27.

paying jobs in the Gulf. As such, rural industry's decline would parallel the ascendancy of the service sector without any accompanying industrial development to increase fixed-capital accumulation or enhance human capital or redistribution.¹⁶⁴ The dependency on remittance income furthered this tendency toward consumption and service sector activities.¹⁶⁵

Furthermore, the political and economic fortunes of Syria are intrinsically linked to developments in Lebanon. Following the initiative of Damascus to intervene militarily in its neighbor's civil war in 1976 and particularly after the "Treaty of Brotherhood and Cooperation" was signed in May 1991, "Pax-Syriana" offered immense opportunities to relieve the regime's domestic pressures at home. The 1994 Labor Agreement allowed the entry of Syrian workers into Lebanon, whose cash earnings were almost all repatriated to Syria, made a significant contribution to the Syrian economy.¹⁶⁶ A 1994 water-sharing agreement effectively apportioned the lion's share of the Orontes River water to Syria. And, then there were the opportunities for enrichment generated through protection commissions in illicit activities.¹⁶⁷ By 2005, it was estimated that Syrian racketeering had cost Lebanon \$30 billion.¹⁶⁸ Nonetheless, the ejection of the Syrian military from Lebanon after 29 years of occupation was a significant economic blow as well as a political and military setback. The Syrian withdrawal occurred in large part as the result of pressure from the West in reaction the

¹⁶⁴ Together agriculture and industry (including oil) accounted for 62 percent of GDP in 2000, while the share of services was 38 percent. By 2009 the respective figures were 54 percent and 46 percent. See, World Bank, World Development Indicators database.

¹⁶⁵ Ibid. In 2004 the wealthiest 10 percent of the populace accounted for 28.9 percent of consumption, while the poorest 10 percent accounted for just 3.4 percent.

¹⁶⁶ Some estimates placing its contribution as high as \$4 billion a year by the end of the 1990s.

¹⁶⁷ Syrian military officers, including Ghazi Kanaan, were alleged to receive kickbacks from hashish growers in the Bekaa valley.

¹⁶⁸ Nicholas Blanford, *Killing Mr Lebanon: The Assassination of Rafik Hariri and its Impacts on the Middle East*. New York: I.B. Tauris. 2006. 64.

al-Assad regime's alleged support for insurgents operating against the U.S. in Iraq,¹⁶⁹ and after the assassination of Lebanese Prime Minister Rafik Hariri.

C. The Regime's Response (2005–2007)

By the time the Tenth Regional Conference of the Ba'th Party was held in June 2005, the Syrian regime found itself in an unusual position. Between the 1970s and 1990s the regime benefited from the super power competition of the cold war and the windfall of strategic rents that boosted its role as a front-line state in the confrontation with Israel. In fact, these rents were used to disguise the lack of a post-populist developmental state for decades. Militarized precocious Keynesianism was an implicit strategy to secure enough autonomy away from the domestic front (where the regime has been historically most vulnerable). Even during the "tough times," the regional environment catered to the regime's ambiguous commitment to economic liberalization.

However, by June 2005, the regional and international fronts were now both closed. The opportunity to restart any modicum of Syrian-Israeli peace talks from "the point where they left off,"¹⁷⁰ was seldom in view of a strident Israel emboldened by the "war on terror." The humiliating loss of Syrian control in Lebanon was compounded by U.S. sanctions pursuant to the 2003 Syrian Accountability Act (SAA); and, in the post-Mehlis environment, negotiations with the European Union to bring Syria into a "partnership agreement," as part of the EU's "Barcelona process," proceeded at a snail's pace. Moreover, the violent regime change and subsequent U.S. occupation of Iraq

¹⁶⁹ "Jordanian Allegations of Syrian-Al-Qa'ida/Zarqawi Ties Rooted in Deep Mistrust of Syrian Intentions," 04AMMAN6369_a, 27 July 2004, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁷⁰ Israeli Prime Minister-elect Barak and the late al-Assad exchanged compliments via British writer Patrick Seale in June 1999. Israel and Syria later agreed to restart talks from "the point where they left off," with each side defining the point to its satisfaction. "Syria: Background and U.S. Relations," United States Congressional Research Service, CRS-RL33487, 2 February 2009, leaked U.S. document, at: <https://search.wikileaks.org>

triggered huge flows of Iraqi refugees into an already pressurized demographic environment. According to the UNHCR's March 2006 survey, it was estimated that 800,000 Iraqi refugees were residing in Syria, 450,000 of which were displaced.¹⁷¹

The regime was left with the lone front to fight for its recognition: at home. Indeed, perhaps the most troubling part of Syria's predicament was the rising wave of poverty unprecedented in its recent history. Notwithstanding the unemployment crisis that was particularly severe among educated youth in the country, the crucial oil revenues that had been propping up much of the economy were dwindling and the state had nothing with which to replace them. Thus, in addressing the Tenth Regional conference in Damascus, the president avoided the typical rants of U.S.-Israeli aggression in the region and instead confided that "the economic situation and improving living standards represent a priority for us."¹⁷² The "ability to adapt creatively to the pace of change with which today's world sees in every field,"¹⁷³ was hence elaborated through the notion of a "social market economy," where the private sector would flourish and social welfare would be "protected."

1. The Social Market Economy

a. Show me the money!

While the reform process massively accelerated after June 2005, the Tenth Five Year Plan (2005-2010) coincided with significant external and internal tensions and threats to the regime's security. In particular, the independent legal thrust of the Mehlis

¹⁷¹ U.S. officials estimated that there were well over a million Iraqi refugees in Syria; "Demographics of Iraqis in Syria," 07DAMASCUS110_a, 1 February 2007, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁷² Nicholas Blanford, "Hurdles ahead for Syrian reform," *The Christian Science Monitor*, 7 June 2005. Available, at: <https://www.csmonitor.com/2005/0607/p06s01-wome.html>

¹⁷³ The English translation of Bashar al-Assad's speech on 6 June 2005 is available, at: http://www.presidentassad.net/index.php?option=com_content&view=article&id=422:president-assad-speech-before-the-basp-10th-regional-conference-june-6-2005&catid=111&Itemid=496

investigation had summoned members of the al-Assad regime's family to Beirut for their alleged involvement in the Hariri assassination plot. They included Maher al-Assad, Bashar's younger brother, and Assef Shawkat, the president's brother-in-law and at the time the deputy head of military intelligence. Leading up to the president's defiant public address at the Damascus University in November,¹⁷⁴ a close confidant of Bashar confirmed that there were "very active family discussions" about how to proceed, and they were often led by the President's sister, Bushra (she is also married to Shawkat). In the discussions, Shawkat had also been heard saying to associates "I will set Damascus on fire before I am sent out of here."¹⁷⁵

The regime's sudden shift to a more aggressive foreign policy stance occurred in the midst of burgeoning accumulation crisis at home. Sustained international sanctions, the eroding business environment, the increasing budget deficit, and the rapid devaluation of the pound – all deteriorated the everyday lives of most Syrians. On December 7, the Central Bank of Syria was forced to stabilize the exchange rate for the Syrian Pound, which apparently began when the security services ordered the largest money-changer in Syria's black market, Zuhair Sahloul, aka Abu Shafiq, to move his operations into the Central Bank.¹⁷⁶ While currency reserve amounts are not public

¹⁷⁴ Katherine Zoepf, "Syrian Chief Voices Defiance against "Foreign Attack," *The New York Times*: 11 November 2005. Available, at: <http://query.nytimes.com/gst/fullpage.html?res=9B00E6D8123EF932A25752C1A9639C8B63&pagewanted=print>

¹⁷⁵ "Asad Speech Continues to Reverberate in Damascus," 05DAMASCUS5934_a, 14 November 2005, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁷⁶ The government decided to intervene with 1.2 billion USD through the Commercial Bank of Syria (CBS) to finance imports, and an initial 100 million USD for the informal sector, with another 100 million USD if needed. "SARG Stabilizes its Currency," 05DAMASCUS6544_a, 18 December 2005, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

knowledge, U.S. Government contacts in the Syrian banking sector put the figure at 20 billion USD in December 2005.¹⁷⁷

The government had managed to accumulate significant reserves over the last few years to retain its ability to intervene successfully over the short-term. However, with the impending dry-up of revenue earnings derived from oil exports, coupled with the loss of generous development assistance from Arab oil-producing states, hard currency reserves would run out precipitously. It is of no coincidence that the government's attempts to support the pound coincided with a major clampdown to choke off competing financier networks in the black market.¹⁷⁸ In fact, widespread discontent in the party bases about the corruption of leadership benefited Bashar al-Assad's drive against the "old guard" and Ba'th Party apparatchiks.¹⁷⁹ The anti-corruption campaign saw the wholesale fall of long-time political bosses with their illicit wealth. The biggest public shake-up was the resignation of First Vice President Khaddam.¹⁸⁰ In addition, several old guard military barons and intelligence barons were replaced, including Bahjat Sulayman, the powerful Director of Interior Security who was thought to have been a main patron in the security services; Ghazi Kanaan, the former Syrian intelligence chief in neighboring Lebanon, who committed suicide in

¹⁷⁷ Ibid; By December 2005, The Central Bank itself held no more than 4 billion USD in hard currency; the majority of reserves were held by the Commercial Bank of Syria (CBS), as much as 12 billion USD, with another four billion USD in various other state-owned banks, for a total of 20 billion USD in hard currency - primarily USD.

¹⁷⁸ In fact, it was claimed that Sahloul provided the regime with the names of his black market competitors who were then rounded up and imprisoned. Sahloul's operation was not affected, and still maintained a global enterprise with partners and offices in Iraq, Dubai and throughout the Gulf. "Regime Insiders Already Moved to Protect Assets from Sanctions," 05DAMASCUS6224_a, 29 November 2005, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁷⁹ Raymond Hinnebusch, "The Ba'th Party in Post-Ba'thist Syria: President, Party and the Struggle for 'Reform,'" *Middle East Critique*: Vol. 20, No. 2, 2011, 123-124.

¹⁸⁰ "Syria summons ex-VP 'traitor' to court," *al-Sharq al-Awsat*: 23 March 2006. Available, at: <https://english.aawsat.com/theaawsat/news-middle-east/syria-summons-ex-vp-traitor-to-court>

October; and other top Alawi generals including Ali Aslan, Adnan Badr Hasan, Shafiq al-Fayyad and Ibrahim al-Safi.

Indeed, President al-Assad took full advantage of the strong public perception that the old guard was obstructing the social-market economy's genuine "trickle-down" of wealth. The opportunity to promote the regime as "reform-minded" was furthered through attempts to reach out to the international community to encourage foreign direct investments (FDI). In October 2005, the first ever publication of an International Monetary Fund (IMF) assessment of the economy was approved.¹⁸¹ The establishment of a Financial Intelligence Unit (FIU) was touted in the presence of the World Bank and IMF to support the regime's apparent ability or willingness to combat money laundering and terrorist finance.¹⁸² The shortcomings of Investment Law no. 10 and its amending Decree No. 7 (2000) were addressed through the announcement of Decrees Nos. 8 and 9 in January 2007, which were meant to boost inward investment in most sectors.¹⁸³ Moreover, Decree no. 9 stipulated the formation of the Damascus-based Syrian Investment Agency (SIA) to function as kind of a "One-Stop-Shop" for investors to speed the process of applications and cut through the bureaucratic red-tape. In 2005 the Syrian Stocks and Financial Markets Authority was established, and the stock market opened in March 2009.

Attracting FDIs was a central objective of the regime's liberalization programme, and it succeeded in this respect. In 2007-2010 Syria attracted \$6.8 billion in net FDI, with an annual peak of \$2.6 billion in 2009. This compares with a mere \$761

¹⁸¹ David Butter, "Building castles in the air," *New Statesman*: 5 June 2006. 32-33. Available, at: <https://www.newstatesman.com/node/195544>

¹⁸² "SARG Trumpets Cosmetic Steps to Craft AML/CFT Regime During Two-Day Regional Conference," 05DAMASCUS6571_a, 19 December 2005, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁸³ New investment legislation left cotton ginning, water bottling, and cigarette production as the only activities reserved for the public sector. In addition, Oil and gas projects and salt mining must be coordinated directly through the Ministry of Petroleum.

million in the 1991-99 period and \$1.9 billion in 2000-6.¹⁸⁴ “Syria has enjoyed a considerable up-tick in foreign direct investment (FDI) in the last two years that appears to be picking up,” observed the US State Department in December 2006, adding that “the most important new FDI is undoubtedly from the Gulf.”¹⁸⁵ More generally, the internationalization of “Khaleeji Capital”¹⁸⁶ that accompanied the 2002-08 oil-price boom greatly accelerated the enmeshment of regional networks in the Middle East with Gulf-based sovereign wealth funds.¹⁸⁷ Plugging into transnational networks of GCC capital offered immense opportunities to access greater flows of FDI into the economy, albeit mainly in the real estate and tourism sectors.¹⁸⁸ Reflecting this trend, some 84.4 percent of GDP growth in the 2000-2010 period derived from services, compared with only 15.6 percent from non-service sectors.¹⁸⁹

Furthermore, a series of measures to liberalize trade were introduced to widen access to regional markets. Tariffs were dropped and import restrictions eased; free

¹⁸⁴ Alan George, “Patronage and Clientelism in Bashar’s Social Market Economy,” in Michael Kerr and Craig Larkin, eds., *The Alawis of Syria: War, Faith and Politics in the Levant*. London, UK: Hurst Publishers. 2015. 176. (Author’s statistics are based on figures provided by the UN’s World Investment Report)

¹⁸⁵ “Influencing the SARG in the End of 2006,” 06DAMASCUS5399_a, 13 December 2006, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁸⁶ I have adapted the term from, Adam Hanieh, *Capitalism and Class in the Gulf Arab States*, New York: Palgrave Macmillan. 2011; “Khaleeji-Capital: Class-Formation and Regional Integration in the Middle-East Gulf,” *Historical Materialism*: Vol. 18, No. 2, 2010, 35-76.

¹⁸⁷ See, Adam Hanieh, *Lineages of Revolt: Issues of Contemporary Capitalism in the Middle East*. Chicago: Haymarket Books. 2013. “The value of projects announced by Gulf Arab investors in the region exceeded those from any other country or region in the world for the entire 2003-2009 period. More than 60 percent of all Gulf investments in the Mediterranean area went to Jordan, Lebanon, Egypt, Palestine, and Syria, and in these five countries the value of the Gulf’s investments was more than three times that of the EU and twelve times that of North America.” 139.

¹⁸⁸ Despite the global recession in 2008, total tourist figures for 2009 indicated 6.09 million visitors, up 12 per cent year-on-year. Of the total, 3.59 million were Gulf Arabs, 1.4 million non-Arabs and 1.06 million were Syrian expatriates. “Syria opening its doors to the world,” *Travel & Tourism News Middle East*: April 2010. Available, at:

http://www.tnnonline.com/Article/9892/Syria_opening_its_doors_to_the_world

¹⁸⁹ Syrian Center for Policy Research, *The Syrian Catastrophe: Socioeconomic Monitoring Report: First Quarterly Report (January-March 2013)*, June 2013, 9. Available, at: <http://scpr-syria.org/publications/policy-reports/the-syrian-catastrophe-socioeconomic-monitoring-report-first-quarterly-report-january-march-2013-2/>

trade was inaugurated with the Arab League sponsored Greater Arab Free Trade Area (GAFTA) in 2005; trade relations blossomed with Turkey and Iraq;¹⁹⁰ Syria applied to join the World Trade Organization in May 2010; private companies were contracted to manage state-owned ports; and free trade zones near the country's ports and borders were expanded.

Commenting on the effectiveness of U.S. trade sanctions, Deputy Prime Minister for Economic Affairs, Abdullah Dardari, snickered in an interview with the *Financial Times* that there was “no shortage of sanctions busters willing to evade current U.S. measures against the country.”¹⁹¹ Chinese exports to Syria increased by 37 percent in 2007, while pumping in \$741.52 million of investment into the country. In the same year, trade with India and Russia increased by 78.9 percent and 59 percent respectively.¹⁹²

b. Playing with “Islamic fire”

The post-2005 economic reforms were certainly more than cosmetic. It was, in particular, the off-loading of the state's welfare provisioning system that formed a key part of Bashar's liberalization programme. Since coming to power in 1963, government-allocated welfare was provided through public employment and through subsidies on basic goods such as bread, rice and sugar, as well as electricity and fuel.¹⁹³ However, the shrinking of economic resources and the new economic direction led the regime to

¹⁹⁰ Syrian exports totaled \$1.85 billion and \$2.3 billion respectively. George (2015:167-168)

¹⁹¹ Ferry Biedermann, “Syria upbeat on ability to cope with UN sanctions,” *Financial Times*: 2 November 2005. Available, at: http://www.ft.com/cms/s/0/be163f84-4b45-11da-aadc-0000779e2340.html?ft_site=falcon&desktop=true#axzz4ndbhdKjL

¹⁹² “Syria heads east to boost foreign investment,” *Financial Times*: 7 July 2008. Available, at: <https://www.ft.com/content/e0c488b64b7d11dda490000077b07658>

¹⁹³ Up until 2006, the government spent approximately \$ 3.8 billion per year to keep the consumer cost on basic, non-agricultural commodities artificially low. The subsidy for diesel alone, which Syrians use to heat their homes and transport goods to market, costs \$1.9 billion per year according to unofficial figures, while fueling a smuggling trade that sends an estimated 20% of Syria's subsidized diesel into neighboring countries. “Highlighting Fragility of Reform, Regime Loyalist Announces No Reduction in Subsidies,” 05DAMASCUS6367_a, 7 December 2005, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

do away with social protections that were once the cornerstone of the Ba’thist state. The country’s population was growing at a rate of 2.5 percent each year (2000-2010) and a bloated and inefficient public sector continued to drain government coffers. From an economic standpoint, reforming an unsustainable subsidies system made perfect sense. Yet, dramatically slashing the subsidies system would have devastating effects in a country where the average state wage remains little over \$120 a month.¹⁹⁴

It was, in particular, mounting domestic pressures at home, exacerbated by an accumulation crisis at the end of 2005, which forced the regime to reengage with private actors to relieve the social costs of liberalizing welfare. More generally, state welfare’s decline paralleled an associational boom among service providers. Private associations in Syria doubled from 586 in 2004 to 1,187 (including about 600 charitable organizations) in 2006.¹⁹⁵ Nonetheless, privatization of key state functions is a double edged sword; it came at a price in terms of the resistance of those who perceived themselves to be losers in the emergent order of the al-Assad regime’s social market economy, and in terms of the increasing sense of economic marginality felt among many Syrians in general.¹⁹⁶

¹⁹⁴ “Economic reforms threaten social unrest,” *IRIN*: 30 October 2007. Available, at: <http://www.irinnews.org/news/2007/10/30/economic-reforms-threaten-social-unrest>

¹⁹⁵ Thomas Pierret, and Kjetil Selvik, “Limits of Authoritarian Upgrading in Syria: Private Welfare, Islamic Charities, and the Rise of the Zayd Movement.” *International Journal of Middle East Studies*, Vol. 41, 2009. 601.

¹⁹⁶ A few months after the Tenth Regional Conference was held, the “Damascus Declaration” — an assemblage of opposition factions ranging from Communists to Islamists — demanded “radical change in the country and the rejection of all forms of cosmetic, partial, or circumspect reform.” Spurred by its regional and domestic isolation, the regime endorsed a “relaxation” and “modification” of the emergency law whereby it would be applied “only for extreme cases such as war.” Likewise, interference by security services in approving business licenses would be curtailed; a presidential decree granted amnesty to 190 Syrian political prisoners on Eid al-Fitr to consolidate “national unity,” and, the regime was willing to let “bygones be bygones” in Lebanon. See, Rory McCarthy, “Syria’s opposition creeps out of the shadows as crisis grows,” *The Guardian*: 4 November 2005; “Syria to relax emergency law,” *The Independent*: (First Edition) 10 June 2005. 32; “Syria says not to militarily go back to Lebanon,” *Xinhua News Agency*: 6 December 2006; “Activists welcome prisoner releases,” *IRIN*: 6 November 2005.

Suffice it to say, the new measures at privatizing the regalian functions of the state were often conflicted and contradictory. Moreover, the combination of international and domestic pressures had put the regime on the defensive by year's end in 2005.¹⁹⁷ Yet, this precarious state of affairs was not unusual. Nor was it beyond the wherewithal of the regime to leverage the regional environment to manipulate its domestic woes. Indeed, the indiscriminate Israeli bombardment of Lebanon during the July War (which left approximately 900 civilian deaths in Lebanon compared to 43 Israeli civilians killed) coupled with a vicious anti-U.S. insurgency in Iraq, had “offered Syria the opportunity to portray itself, internally and regionally, as the leading defender of Islam’s dignity.”¹⁹⁸ Thus, a US Embassy cable in April 2006 affirmed that the regime was willing to “play with Islamic fire” by “reaching out once again to the Sunni Islamic community with various initiatives and adopting some elements of an Islamic populism to shore up support.”¹⁹⁹

Regime contradictions were no more evident than in its sporadic engagement with the religious charitable organizations in the post-2005 period. Certainly, regime outreach to the “street power” of the Islamic community was sheer political logic to drown out the popular criticisms of deepening structural reforms. Funding and encouragement was first channeled to the moderate Sunni civil-society organizations including Salah Kaftaru’s Abu Noor Institute,²⁰⁰ and MP Mohammed Habash’s Islamic

¹⁹⁷ Reflecting the mounting domestic pressures at home, in December 2005 the regime was forced to postpone plans to reduce the subsidy on diesel or other basic commodities. “Highlighting Fragility of Reform, Regime Loyalist Announces No Reduction in Subsidies,” 05DAMASCUS6367_a, 7 December 2005, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁹⁸ “SARG Continues to Play with Islamic Fire,” 06DAMASCUS1848_a, 24 April 2006, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

¹⁹⁹ Ibid.

²⁰⁰ The institute was founded by his deceased father, Ahmad Kaftaru, the former Grand Mufti of Syria and longtime client of the regime.

Studies Center.²⁰¹ Indeed, the regime's preference was for an Islamic establishment dependent on it for favors and subservient to its politics. However, it was evident that that neither the government licensed NGO's (GO-NGOs) under the official patronage of First Lady Asma al-Assad, nor the counterbalancing of moderate Islamist institutions had any significant traction among the masses to re-bargain state welfare.²⁰²

Nonetheless, the regime was well-positioned politically to "manipulate the Islam issue" in such a way that permitted engagement (albeit briefly) with popular religious organizations to off-set the contradictions of the social market economy. A defiant Syria continued to provide a safe-haven for former Iraqi Baathists and insurgents operating in Iraq,²⁰³ while at the same time championing the Islamic political causes such as those of Hamas and Hizballah. Moreover, additional breathing room was granted on the domestic front when U.S. designs to covertly finance civil society actors and opposition groups (including members of the Damascus Declaration) were foiled and publicly humiliated after a successful counter-intelligence sting by the Syrian security services.²⁰⁴

The strategy of walking a fine line by forging an "enemy of my enemy"²⁰⁵ relationship with religious charitable networks was three-fold: first, a sufficiently nuanced foreign policy that supported "the rising tide of Islamic religious fervor" insulated the regime from contradictions in its new "home-grown" political economy.

²⁰¹ The regime also attempted to reign-in civil society activists, either former Islamists, or those sympathetic to Islamist perspectives, like Haithem Maleh, one of the most important human rights activists in Syria.

²⁰² Ruiz de Elvira, and Tina Zintl, "The End of the Ba'thist Social Contract in Bashar al-Asad's Syria: Reading Sociopolitical Transformations through Charities and Broader Benevolent Activism," *International Journal of Middle East Studies*, Vol. 46, No. 2, May, 2014. 329-349

²⁰³ "Revenging Aflaq (I): Former Iraqi Baathists in Syria – Who are These Guys?" 09DAMASCUS709_a, 1 October 2009, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²⁰⁴ "Announcement to Fund Opposition Harshly Criticized by Anti-Regime Elements, Others," 06DAMASCUS701_a, 21 February 2006, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²⁰⁵ Hugh Naylor, "Syria reportedly encourages Sunni insurgents," *The New York Times*, 7 October 2007. Available, at: <http://www.nytimes.com/2007/10/07/world/africa/07iht-syria.1.7781943.html>

Second, these organizations tended to have well-established popular bases at the grass-roots level that could potentially influence mass politics to counter social conflict. Third, the “old” Sunni bourgeoisie networks were transnational, and greater government flexibility yielded the potential to attract unprecedented flows of Khaleeji capital to raise funds for the private sector. This seems to be the logic behind the regime’s brief engagement with influential charitable organizations like Jama’at Zayd in Damascus until 2008.²⁰⁶

D. Conclusion

The 2000-07 period was marked by a series of foreign policy setbacks that exacerbated mounting accumulation crises at home. Despite the euphoric optimism of the Tenth Five-Year-Plan (2005-2010), its implementation was slow and incoherent. This reflected above all the regime’s precarious position on all fronts. Nevertheless, by 2008 the regime’s ability to leverage its militarized social pact would be tested amidst the unprecedented wave of poverty, rising unemployment, and the severe drought that had been gripping the country since 2006.

²⁰⁶ See Pierret and Selvik (2009). Historically rooted in traditional Damascene quarters and the first belt of newly constructed, middle-class and bourgeois areas, Zayd’s charitable network nevertheless managed to spread to more peripheral, working-class neighborhoods. As a result, the movement carried out a de facto takeover of the capital’s charitable sector before the regime began its crackdown on the organization in 2008.

CHAPTER IV

RE-BARGAINING RULES OF THE GAME (2008-2010)

A. Introduction

For nearly half a century, the regime's built-in contradictions were disguised in its foreign policies and regional position as a "bad boy pan-Arab image and ideology." Yet, popular incorporation under uniquely high levels of military mobilization and socialization had certain political consequences. Government-allocated welfare through public sector employment and subsidies on basic commodities became the bedrock that linked rural livelihood strategies to the regime. In essence, the militarized social pact was a product of the micro-level choices made by elites to subordinate economic policies to the political logic of regime security. However, with the impending dry up of oil revenues coupled with regional isolation, the regime could no longer rely on the dysfunctional socio-economic trade off of the *status quo ante*.

The financial inequalities of the regime's social market economy were finally unleashed after subsidies on diesel fuel and other basic commodities were liberalized in the summer of 2008. Moreover, the consecutive years of drought combined with subsidy cuts, and high global food and fuel prices, all heavily impacted the resilience of rural livelihoods throughout the country. Syria's elite benefited disproportionately from the reforms, while the majority of Syrians became poorer in real terms. The belief was that wealth would eventually "trickle down" to that majority of Syrians. However, by March 2011, there was no sign of trickle down; nor was there a viable regime response to protect the most disadvantaged. The regime hedged its bets on the allotted benefits

provided by military employment to function as a kind of safety net to alleviate the socio-economic chaos in the country.

B. What about the Pact?

By the end of 2007, the social market economy's "social" impact could be felt. In fact, the regime made every concerted effort to guise the growing contradictions of the domestic political economy through aggressive foreign policy stances in the region and through its brief flirtation with the "Islam issue." Nonetheless, an unprecedented wave of poverty,²⁰⁷ rising unemployment, and a severe drought that began in 2006, deteriorated the socio-economic mobility landscape for a growing and youthful population.²⁰⁸

It had become quite clear that the regime needed to overhaul its economic and administrative structures, radically; but to do so would inherently change "the rules of the game." In reality, policy shifts on the external and domestic fronts were strong indications that the militarized social pact was already on the fray by year's end in 2007. On the external front, Syria's attendance at the 2008 Israeli-Palestinian Peace Process in Annapolis suggested that President al-Assad wanted to revive its dormant peace track with Israel. Whilst dialogue between Israel and Syria had been under way

²⁰⁷ According to Sara's 2011 study, 12.3 percent (some 2.4 million people) were below the lower poverty line and 33.6 percent (around 6.7 million people) below the higher limit by 2007. Fayeza Sara, "Poverty in Syria – Towards a Serious Policy Shift in Combating Poverty," London: Strategic Research and Communication Centre. 2011. 7. Available, at:

http://www.scpsc.org/libs/spaw/uploads/files/Reports/Poverty_in_Syria_EN.pdf

²⁰⁸ By 2007, the youth unemployment rate was 19 percent, and young people accounted for 57 percent of the unemployed and 78 percent of first-time job seekers. Nader Kabbani, "Why young Syrians prefer public sector jobs," *Middle East Youth Initiative Policy Outlook*: March 2009. 1. Available, at:

<http://www.mbrsg.ae/getattachment/13bbf35f-e14b-4573-8f50-99dba212a929/Why-Young-Syrians-Prefer-Public-Sector-Jobs>

via Turkish and Russian intermediaries,²⁰⁹ any direct negotiations or “normalization” process would serve the dual purpose of decreasing Syria’s isolation while also potentially easing U.S. designated sanctions that had hit at the core of the regime.²¹⁰ Secretary of State Hillary Rodham Clinton confided during a visit to Israel in March 2009 that “it is a worthwhile effort to go and begin preliminary conversations.”²¹¹ Still though, U.S. Embassy contacts were asked back in March 2007 whether the ordinary Syrian was ready for peace with Israel, “the contacts noted that the regime would have to “re-educate people,” as was done in Egypt and Jordan, and then quietly but insistently keep a powerful lid on any popular resentment.”²¹² Suffice it to say, the less affluent and the poor – the vast majority of Syrians – would be the ones that were hardest hit in the “re-education” process.

1. Socio-Economic Realities

a. “Syria’s Corrupt Classes”

Some analysts have suggested that the post-2005 reform programme achieved respectable structural change. George suggests that “by 2010 the influence of the corrupt crony capitalist networks appeared to be receding, as market forces gained traction and a genuinely autonomous business community started to assert itself.”²¹³ Haddad referred to “the decline of privileged networks as the dominant route to

²⁰⁹ “Israeli-Palestinian Peace Process: The Annapolis Conference,” CRS-RS22768, 2 February 2009, leaked U.S. Congressional Research Service document, at: <https://search.wikileaks.org>

²¹⁰ Nawara Mahfoud and Robert F. Worth, “Syrians See an Economic Side to Peace,” *The New York Times*: 29 July 2008, A11. Available, at:

<https://search.proquest.com/docview/897149939?accountid=8555>

²¹¹ Mark Landler, “Clinton Says U.S. Is Ready to Begin Talks With Syria,” *The New York Times*: 3 March 2009. Available, at: <http://www.nytimes.com/2009/03/04/world/middleeast/04diplo.html>

²¹² “The Golan: Resistance Rhetoric, Peace Feelers, and Regime Expectations,” 07DAMASCUS309_a, 27 March 2007, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²¹³ George (2015:177)

economic “success” after 2005.”²¹⁴ Others have implied that the social-market economy represented a new era of authoritarian “normalization” in the Middle East. According to Heydemann, “(authoritarian) upgrading has been effective in part because it has delivered visible, meaningful benefits to Arab societies, even as it reinforces existing regimes... it has provided the framework through which Arab leaderships have extended and reinforced the social coalitions upon which their regimes depend.”²¹⁵ Yet, in the actual pursuit of the al-Assad regime’s liberalization programme, the evidence suggests otherwise. By 2007, the nature of the regime’s ruling coalition vis-à-vis its support base had contracted significantly.

Indeed, political decisions at the macro-structural level were no more different than they had been in the past. The January 2006 U.S. Embassy cable entitled “Syria’s Corrupt Classes” affirmed that “the Syrian economy continues to be dominated by a “corrupt class” who use their personal ties to members of the al-Assad family and the Syrian security services to gain monopolistic control over most sectors of the economy, while enriching themselves and their regime benefactors.”²¹⁶ In reality, the political logic to survive is what has always steered attempts at economic liberalization. What did change, however, were the opportunities and constraints of re-bargaining the “rules of the game.”

A key theme of this thesis has tried to reveal a key pattern that links regime intervention with accumulation crisis at home. In 2003-8 subsidies on basic goods costed between 5.9 percent and 12.9 percent of GDP annually;²¹⁷ further, independent

²¹⁴ Haddad (2012: 26)

²¹⁵ Heydemann (2007a: 27)

²¹⁶ “Syria’s Corrupt Classes,” 06DAMASCUS3_a, 2 January 2006, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²¹⁷ Ronald Albers and Marga Peeters, “*Food and Energy Prices, Government Subsidies and Fiscal Balances in South Mediterranean Countries*,” European Commission: Directorate-General for Economic

observers in 2007 suggested that inflation was as high as 30 percent.²¹⁸ In the same year, Syria's new status as a net importer of oil by-products dramatically increased Syria's budget deficit, decreased revenues and highlighted its increasing dependence on international trade. Moreover, the vital role of agriculture both in terms of output and employment were deeply affected by the drought.

What is more, a fresh round of U.S. sanctions debilitated the rising role of service and commercial activities as important sources of foreign exchange through the targeting of president al-Assad's "money men,"²¹⁹ along with their subsidiaries. The designations on corrupt regime insiders (particularly for Rami Makhlouf)²²⁰ proved extremely effective in exploiting domestic economic vulnerabilities. It at the same "sent the message" that designation could happen to any businessman or foreign investor profiting from official corruption.²²¹ Limited in its room for political maneuver and hampered by an accumulation crisis, the regime's response was driven by the logic to evade isolation and access resources; this meant that the ideal of a social market economy was sidelined. Raymond Hinnebusch argues convincingly that "the policy pursued by Bashar's reforming technocrats...was hardly distinguishable from neo-liberalism, with its priority on capital accumulation and growth to the neglect of equality and distribution."²²² This reflected a core reality, "in the stage of "crony

and Financial Affairs, January 2011, 20. Available, at:

http://ec.europa.eu/economy_finance/publications/economic_paper/2011/pdf/ecp437_en.pdf

²¹⁸ "Wealth gap widening as inflation hits poor," IRIN: 7 February 2008. Available, at:

<http://www.irinnews.org/report/76607/syria-wealth-gap-widening-inflation-hits-poor>

²¹⁹ "Attacking Bashar's Money," 08DAMASCUS54_a, 24 January 2008, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²²⁰ "Rami Makhluf Designated for Benefiting from Syrian Corruption," U.S. Department of the Treasury: Press Release, 21 February 2008. Available, at: <https://www.treasury.gov/press-center/press-releases/Pages/hp834.aspx>; "Maximizing the Impact of Rami's Designation," 08DAMASCUS70_a, 31 January 2008, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²²¹ "Syrian Businessmen and E.O. 13460: A Strategy to Pressure Bashar," 08DAMASCUS199_a, 20 March 2008, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²²² Raymond Hinnebusch, "Syria: from "authoritarian upgrading" to revolution?" *International Affairs*: Vol. 88, No. 1, 2012, 101.

capitalism” that intervenes in the transition from statism to market capitalism, building a power base was impossible without the use of patronage to foster ones “own” crony capitalists.”²²³

b. Economic Liberalization’s Social Impact

The “re-education” process under the social market economy greatly accelerated by 2008 when after three years of debate, the government finally increased the price of diesel fuel and butane gas in May by 357 percent and 72 percent respectively.²²⁴ On the same day, the president issued a decree authorizing a 25 percent salary increase for the two million civilian and military employees and pensioners; approximately 11 percent of Syria’s population of 18.5 million and an estimated 35 percent of the Syrian workforce.²²⁵ While the government announced earlier in April an increase of set fixed prices for domestically produced commodities (including wheat, corn, barley and sugar beets),²²⁶ farmers contended that the new set prices would not cover the price increase of diesel fuel by 357 percent during peak irrigation season.

Moreover, Syria’s supply of domestically-produced wheat decreased significantly as a result from three factors: the drought, the price of feed, and the price of diesel fuel. In 2008, domestic wheat production was projected to be 60 percent less than average,²²⁷ with Syria’s strategic wheat reserves estimated to drop by 80 percent

²²³ Hinnebusch (2011: 122)

²²⁴ Diesel fuel at the pump was raised from 7 SYP (USD 0.15) to 25 SYP (USD 0.55); and the price of one bottle (eight liters) of butane gas, the primary cooking fuel in Syria, from 145 SYP (USD 3.19) to 250 SYP (USD 5.49). Granted the new diesel prices at the time (25 SYP/liter) were still over 50 percent less than the global market price. Syria economy: Price mayhem. *EIU ViewsWire*: 6 May 2008. Available, at: <https://search.proquest.com/docview/328847361?accountid=8555>

²²⁵ The fifth public sector raise since assuming office in 2000. “Labor Day Weekend, Syrian Style: Diesel up 357 percent, Salaries up 25 percent,” 08DAMASCUS307_a, 4 May 2008, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²²⁶ On April 15, 2008, the government announced a 40 percent increase in the fixed price of wheat, a 30 percent increase in the price of sugarbeets, and nearly a 100 percent increase in the prices of both corn and barley.

²²⁷ Wheat production had been seriously affected by the drought both in the south and northeast regions. The average yield for irrigated areas fell by 31.6%, while for the rainfed area by as much as 78.9%.

over the next year.²²⁸ As a result, Syria was forced to import wheat for the first time in 15 years.²²⁹ In the same year, Barley, which is entirely dependent on rainfall, was even more severely affected by the drought, with a 90 percent crop failure.²³⁰ Thus, Barley remained 38 percent more expensive than wheat.²³¹ And, in 2007-08, lentil and chickpea productivity fell by 66 percent and 37 percent respectively. The situation was compounded for poor households whose main source of income depended on livestock and animal products. Small and medium-sized herders were unable to purchase fodder and concentrate feed for their animals, or avail adequate veterinary services, which further exacerbated drought-related mortality among their animals.²³²

Against the backdrop of a world-wide food crisis,²³³ the government intervened to alleviate the “tsunami of prices” on Syrian consumers by accompanying public sector salary increases with a ban on surplus exports, including tomatoes, wheat, wheat flour, barley, animal feed, and other staples.²³⁴ To reassure farmers and discourage smuggling,

Wheat productivity was zero and close to zero in most of eastern Syria, particularly in the Badia region. *Drought Assessment Mission Syria 2007/2008*, Food and Agriculture Organization, World Food Programme, United Nations Development Programme, World Health Organization, The United Nations Children’s Fund, International Organization of Migration: September, 2008.

²²⁸ Normally, Syria produces 4.7 to 4.9 million tons per year (mt/yr) of wheat, while domestic demand averages four mt/yr. The latest estimate of the 2008 crop projects a yield of only two million tons -- a decline of 60 percent. Syria also maintains a strategic reserve of wheat, thought to be the equivalent of one year's supply, or around five million tons (based on known storage capacity), although this information is not publicly available. “Response: Impact of Rising Food/Commodity Prices – Syria,” 08DAMASCUS311_a, 5 May 2008, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²²⁹ Khaled Yacoub Oweis, “Dire Harvest forces regime to import,” *Arabian Business*: 15 July 2008.

Available, at: <http://www.arabianbusiness.com/dire-syrian-harvest-forces-regime-import-185088.html>

²³⁰ “Bread subsidies under threat as drought hits wheat production,” *IRIN*: 30 June 2008. Available, at: <http://www.irinnews.org/feature/2008/06/30/bread-subsidies-under-threat-drought-hits-wheat-production>

²³¹ This had huge repercussions for the livestock sector, which uses barley for 60 percent of its animal feed. Consequently, wheat farmers can demand a higher price for grazing their unharvested crops (as a substitute for barley) than they could earn from selling their produce at fixed government prices, especially when faced with higher diesel prices for irrigation, harvesting and transportation.

²³² The sheep production was dominated by over 125,000 small-scale herder families; 47% of them own less than 100 head of sheep and 84% - less than 200 heads, and are extremely vulnerable to any sudden decrease in their flocks. In 2007-08, 59,000 small herders (owning less than 100) lost almost all their herds and 47,000 herders (owning 100-300 heads) lost 50-60% of their livestock. *Drought Assessment Mission Syria 2007/2008* (September 2008).

²³³ International wheat prices skyrocketed to 83 percent within a year. *IRIN* (30 June 2008)

²³⁴ According to a U.S. Embassy cable in May 2008, the series of measures that the regime undertook to coerce farmers from exporting at higher prices triggered an unusual protest among 400-500 tomato

the ministry of Agriculture increased set prices for strategic crops from 11 to 17 SYP/kg for wheat, from 30 to 41 SYP/kg for cotton, and from 9 to 15 SYP/kg for barley.²³⁵ In addition, extra diesel and feed rations were subsidized to farmers and herders as an emergency measure; and food aid was provided free of charge in the most vulnerable drought-affected households, as well as veterinary services.

Despite the government's intervention, Syrian consumer purchasing power dropped considerably in 2007-08, as inflation outpaced the government's efforts to mitigate it. In August 2008, the U.S. embassy's internal price survey on a basket of 100 goods reflected a cumulative inflation rate of 24.55 percent since June 2007, and 29.97 percent since June 2006.²³⁶ With some estimating that 20 percent of Syria's population lived on just one U.S. dollar per day, 25 percent inflation could have a life-altering impact on over 3.7 million people. The utilities sector, for example, was hardest hit, with an 87 percent jump in the average cost of electricity, water, fuel and telephone rates; and food, which accounted for 42-50 percent of the average Syrian's budget, had increased in price by almost 23 percent.²³⁷ Public transportation and taxi fares had doubled since the nation-wide pay raise was announced in May; and, government-mandated pay raises proved of little consequence to the estimated 40 to 45 percent of

farmers in Tartous on April 16th. The protest erupted in response to the decision by the Ministry of Economy to ban the export of tomatoes for 45 days and offer 20 SYP/kg (USD 0.42/kg) for the spring tomato crop. While stopping short of calling it a mistake, the Ag Minister characterized the Ministry of Economy's ban on tomato exports as "not thoroughly studied." 08DAMASCUS311_a, 5 May 2008, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²³⁵ "Syrians Adjusting to "New Normal" of Inflation," 08DAMASCUS587_a, 18 August 2008, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²³⁶ Ibid.

²³⁷ Ibid.

the Syrian workforce employed by the “informal” sector (cash-based, non-contractual, no benefits).²³⁸

Bearing in mind the drought, the lifting of subsidies and inflation, it was certain that the position of rural livelihoods had worsened further by 2010. In fact, analyses based on household income and expenditure surveys reveal this trend.²³⁹ Moreover, some 250-300,000 net new jobs had to be created each year just to maintain previous unemployment rates. In 2001-2010 the public sector’s share of formal employment remained relatively stable, at about 27 percent, while the private sector’s share increased from 34 percent to 43 percent.²⁴⁰ The private sector was of growing significance in the formal employment market; however, many of the new jobs were less paid and less secure than those in the public sector.²⁴¹ In reality, declining labor force participation rates were a major feature of this period. Labor force participation as a proportion to the total population declined from 52 percent in 2001 to 43 percent in 2010.²⁴² The decline was especially marked in rural areas.

Indeed, growth was not pro-poor, and the 2006-10 drought exacerbated this trend. While rainfall levels largely recovered in other regions of the country in 2008-09,²⁴³ it continued in other parts of the country, particularly in the north-eastern

²³⁸ The average monthly salary in Syria in 2009 was \$242, while most farmers earned significantly less than this, with 30 percent of workers in the agricultural sector earning \$109 or less. 06DAMASCUS2164_a, (9 May 2006)

²³⁹ Rabie Nasser, Zaki Mehchy and Khalid Abu Ismail, *Socioeconomic Roots and Impact of the Syrian Crisis*, Syrian Center for Policy Research: 2013. 21. Available, at: <http://scpr-syria.org/publications/policy-reports/socioeconomic-roots-and-impact-of-the-syrian-crisis-2013/>

²⁴⁰ Ibid. In 2010 an average public sector monthly salary was in the range \$225-270.

²⁴¹ Kabbani (2009: 4)

²⁴² Rabie Nasser and Zaki Mehchy, *Determinants of Labor Force Participation in Syria (2001-2010)*, Economic Research Forum, Working Paper No. 698, July 2012, 3. Available, at: <http://erf.org.eg/publications/determinants-labor-force-participation-syria-2001-2010/>

²⁴³ *Syria: Wheat Production Outlook Improved in 2009/10*. U.S. Department of Agriculture, Foreign Agricultural Service, Commodity Intelligence Report, 12 May 2009. Available, at: <https://www.pecad.fas.usda.gov/highlights/2009/05/Syria/>

governorates of Deir ez-Zor, Hassakeh and Raqqa.²⁴⁴ In 2009-10, the northeastern part of the country continued to be plagued by irregular rainfall patterns, and the previous years of droughts triggered an outbreak of yellow wheat rust, a fungal disease, which impacted farmers producing soft wheat on irrigated land.²⁴⁵

The consecutive years of drought combined with subsidy cuts, and high global food and fuel prices, all heavily impacted rural livelihoods throughout the country; but farming communities in the northeastern governorates (known as the Jezira), were particularly affected. Herders in this region lost 85 percent of their livestock due to lack of pasture and fodder, affecting over 1.3 million people.²⁴⁶ The assets and sources of livelihoods for these medium-and small-scale herders were irremediably compromised, triggering a drastic increase of malnutrition. Over 80 percent of the families visited during UN field assessments in 2008-09 revealed that their daily food intake was composed mostly of bread and sugared tea, with no difference between children's and adults' intakes.²⁴⁷ Data collected from the three worst governorates indicated severe increases in nutrition-related diseases between 2006 and 2009, with 42 percent of children aged 6 to 12 months suffering from anaemia in the Raqqa governorate.²⁴⁸ Indeed, sharp impoverishment among poor households of the steppe and arid zone

²⁴⁴ "Drought driving farmers to the cities," *IRIN*: 2 September 2009. Available at: <http://www.irinnews.org/feature/2009/09/02/drought-driving-farmers-cities>

²⁴⁵ "Yellow wheat rust hits supplies," *IRIN*: 19 August 2010. Available, at: <http://www.irinnews.org/news/2010/08/19/yellow-wheat-rust-hits-supplies>

²⁴⁶ Robert F. Worth, "Earth Is Parched Where Syrian Farms Thrived," *The New York Times*: 13 October 2010. Available, at: <http://www.nytimes.com/2010/10/14/world/middleeast/14syria.html>

²⁴⁷ *Syria Drought Response Plan 2009-2010 MID-TERM REVIEW*. United Nations: February 2010. 5. Available, at:

http://reliefweb.int/sites/reliefweb.int/files/resources/20E00ADAF9F3C153852576D20068E86B-Full_Report.pdf

²⁴⁸ *Ibid.*

resulted in some 300,000 wholesale families migrating to urban provincial centers, one of the largest internal displacements in the Middle East in recent years.²⁴⁹

2. *Coup-proofing Welfare*

a. Micro Loans = Macro Politics?

After 2008, the regime's response to alleviate the socio-economic chaos was lukewarm at best. In fact, new government sponsored welfare programs corresponded with a general crackdown on both religious charitable organizations and civil society support groups. Beginning in 2008,²⁵⁰ the government embarked on its reversed course with Islamist groups when it fired administrators at several Islamic charities,²⁵¹ apparently in an effort to break isolation and to convince Western governments that "Islamic extremist elements were a shared threat and a common ground for counterterrorism cooperation."²⁵² Moreover, the Syrian *Mukhabarat's* penetration of both the U.S. sponsored "human rights strategy"²⁵³ at home,²⁵⁴ and in the Movement for Justice and Development (MJD) party abroad,²⁵⁵ reflected the extent to which the regime would go to dictate the politics of civil society space.

²⁴⁹ "Over a million people affected by drought," IRIN: 17 February 2010. Available, at: <http://www.irinnews.org/report/88139/syria-over-million-people-affected-drought>

²⁵⁰ For more detailed information on the regime clampdown of religious charitable organizations after 2008, see Thomas Pierret, "The State Management of Religion in Syria: The End of "Indirect Rule"?" In Steven Heydemann, and Reinoud Leenders, eds., *Middle East Authoritarianisms: Governance, Contestation, and Regime Resilience in Syria and Iran*. Stanford, CA: Stanford University Press. 2013. 83-106.

²⁵¹ Kareem Fahim, "Syria's Solidarity With Islamists Ends at Home," *The New York Times*: 3 September 2010. Available, at: <http://www.nytimes.com/2010/09/04/world/middleeast/04syria.html>

²⁵² "SARG Launches New PR Campaign Against Islamic Extremism," 08DAMASCUS814_a, 17 November 2008, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²⁵³ "Behavior Reform: Next Step for a Human Rights Strategy," 09DAMASCUS306, 28 April 2009, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²⁵⁴ "Show Us The Money! SARG Suspects "Illegal" USG Funding," 09DAMASCUS692, 23 September 2009, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²⁵⁵ "Murky Alliances: Muslim Brotherhood, The Movement for Justice and Democracy, and the Damascus Declaration," 09DAMASCUS477, 8 July 2009, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

Furthermore, the NGOs operating in the country continued to face significant challenges. While Presidential Decree 34 of December 2008 was an attempt to specify procedures for NGOs to register and operate in the country, the lack of coordination and cooperation between the different government ministries often prevented its implementation. In November 2009, the Country Directors of three U.S.-based NGOs in Syria admitted in a joint meeting “we don’t know what the rules are...one day they tell me I need the Ministry of Education to approve something, and then the Ministry of Education tells me to go to the Ministry of Foreign Affairs... Decree 34 was supposed to solve this.”²⁵⁶ Power struggles between various ministries regarding oversight of NGOs was particularly rife. Any NGO seeking to operate in Syria was required first to obtain permission from the Syrian Arab Red Crescent (SARC) by submitting proposed projects, sources of funding, and resource needs, wherein a memorandum of understanding (MOU) could be reached. However, the ideal preference for many NGOs was to avoid the “SARC umbrella” altogether by working with several ministries and local partners. Nonetheless, several international NGOs had to abandon operations in the country since they failed to obtain a MOU with the SARC or were not otherwise allowed to register with another partner.²⁵⁷

In an attempt to protect the vulnerable population from the effects of structural adjustment, other indirect aid measures were initiated to target the poor. Micro-financing of private initiatives was a hot trend, promoted by international institutions to alleviate poverty. In February 2007 the government introduced the General Microfinance Decree (Legislative Decree no. 15) which was the first of its kinds in the MENA region. Thus, several programmes attempted to provide developmental aid,

²⁵⁶ “U.S.-Based NGOs in Syria Complain about Difficult Operating Environment,” 09DAMASCUS776_a, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²⁵⁷ Ibid.

especially for micro-enterprises in the rural sector where 40 percent of the population lived and where poverty registers were the highest. The First MicroFinance Institution (FMFI-S) was the main one with a total of 15,000 clients.²⁵⁸ The FMFI-S provided loans for farmers varying from SYP 5,000 (100 USD) to SYP 18,000 (360 USD) using drip irrigation systems.²⁵⁹ Other major microfinance providers (MFPs) included the Fund for Integrated Rural Development of Syria (FIRDOS) Initiative for Microfinance, the Agha Khan Agency for Microfinance (AKAM), the Women Empowerment and Poverty Alleviation Project (in coordination with the UNDP), and Boosting and Inspiring Dynamic Youth Achievement (BIDAYA).²⁶⁰ In 2010, the total number of clients benefiting from microfinance services reached a meager 49,000; up from only 41,500 in 2008 as reported by the World Bank.²⁶¹ The reality was that the demand far exceeded the capacity of microfinancing institutions. According to the UNDP in 2010, there were 1.2 million poor families in Syria who could have benefited from microfinance services, which meant that the main MFPs covered around 4 percent of that potential stratum and the other 96 percent fell through the cracks.²⁶²

²⁵⁸ “The National Strategy for Microfinance in Syria,” 2105870, leaked email from the Syria Files, at: <https://search.wikileaks.org>

²⁵⁹ “Ray of hope for drought affected farmers,” *IRIN*: 11 April 2010. Available, at: <https://www.irinnews.org/fr/node/248287>

²⁶⁰ The main sources of institutional capital vary among these bodies involved in the microfinance sector. International organizations (UNDP, UNRWA) get sufficient funding from donors. As for the Agha Khan Agency for Microfinance (AKAM), or its sister Rural Support Programme (RSP) it attained most their financial support from the Agha Khan Development Network (AKDN), in addition to the financial support provided by the KFW, IFC, and the Grameen-Jameel Pan Arab Microfinance Ltd. As for the FIRDOS Initiative for Microfinance, financial support is provided by certain international organizations and the Syrian government, in addition to the support given by private sector institutions within the framework of Corporate Social Responsibility (CSR). BIDAYA gets all its financial support from grants and donations.

²⁶¹ *Policy and Regulatory Framework for Microfinance in Syria*, World Bank: January 2008. Available, at: <http://documents.worldbank.org/curated/en/126971468132270230/pdf/434330WP0Syria10box032736801PUBLIC1.pdf>

²⁶² “The National Strategy for Microfinance in Syria,” 2105870, leaked email from the Syria Files, at: <https://search.wikileaks.org>

The regime pinned its hopes on foreign investment. Economic hopes gained momentum after Syria was granted observer status by the World Trade Organization (WTO) as an initial step to get full membership.²⁶³ By the end of 2010, serious preparations were being made to establish a free-trade zone between Syria, Turkey, Lebanon and Jordan.²⁶⁴ The goal was to encourage foreign investment and joint ventures to qualify for duty-free export status. Syria had eight qualified free zones developed and managed by the General Organization for Free Zones (GOFZ), which was enacted in 1972.²⁶⁵ Despite substantial fiscal and financial incentives, the performance of the free zones was disappointing in terms of employment creation and foreign exchange earnings.²⁶⁶ Moreover, the anti-export bias of the free zones geared it towards commercial/trading as opposed to manufacturing,²⁶⁷ with 99 percent of the value of all goods movement falling in the commercial category.²⁶⁸

Syria's industrial zones were seen as an alternative to boost foreign investment and stimulate job creation. In 1999, Syria established four main industrial cities in the main governorates; Aleppo (Sheikh Najjar), Homs (Hasia), Damascus (Adra), and Deir Ezzor (Deir Ezzor).²⁶⁹ Leading up to 2011, construction proceeded rapidly to equip these industrial and residential estates with the necessary infrastructure. By 2010, the

²⁶³ "Syria gains WTO observer status," Xinhua News Agency: 5 May 2010. Available, at: <https://search.proquest.com/docview/250781005?accountid=8555>

²⁶⁴ "Preparations for Establishing Free-Trade Zone between Syria, Lebanon, Turkey and Jordan Discussed," *Syrian Arab News Agency*: 13 October 2010. Available, at: <https://search.proquest.com/docview/757956697?accountid=8555>

²⁶⁵ Adra Free Zone (developed in 1974), Tartous Free Zone (1974), Damascus Free Zone (1975), Damascus International Airport Free Zone (1975), Aleppo Free Zone (1975), Latakia Free Zone (1978), Latakia Free Port (2003), Al Yarobia Free Zone (2008). The free zone in Dar'a is a joint venture (managed jointly with Jordan).

²⁶⁶ According to statistics provided by the GOFZ, the total amount employed in the Free Zones totaled a mere 9,000 people in 2008, about 0.3 percent of total employment in Syria. Moreover, only one-third of the output produced is exported (mainly re-export of products with minor modification).

²⁶⁷ Only one percent of the value of all free zones' activities was considered manufacturing.

²⁶⁸ Fahrettin Yagci, *Improving Export Incentives and the Free Zone System in Syria*, World Bank: June 2010. 14. Available, at: <https://openknowledge.worldbank.org/handle/10986/12570>

²⁶⁹ They all operate under the auspices of the Ministry of Local Administration.

cities included some 4,326 factories, 860 of which were under construction; and 91,000 persons worked in the industrial cities.²⁷⁰ There were big hopes that the \$87 billion investment target of the new 11th Five-Year-Plan, combined with a revamped Public-Private-Partnership (PPP) law, would boost inward investment for the cities.²⁷¹ Prime Minister Mohammad Naji Otri affirmed to the state's official news agency that the establishment of 25 industrial zones would be the bench mark for the new 11th FYP.²⁷²

Despite all the hype, the country's industrial profile was dominated by commercial and service orientated activities. While the Syrian economy experienced relatively high growth at an average of 4.45 percent in the 2001-10 period, the service sectors dominated the contribution of the growth (84.4 percent) at the expense of production sectors' contribution (15.6 percent).²⁷³ Moreover, the anti-export bias of both the Free Zones and industrial cities was political in nature. Inadequate measures to monitor the procurement of import duties and taxes, complexity of procedures and lack of transparency, lack of trained personnel – all permeated an uncompetitive import regime that bled manufacturing companies dry while producing goods of dubious quality. Cognizant of how reduced tariffs on European goods would completely obliterate local markets, the regime balked at signing the long sought after free-trade deal with the EU in late 2009.²⁷⁴

b. Guns “and” Butter: Welfare through Military Employment

²⁷⁰ “Industrial Cities in Syria...Create 91,000 Job Opportunities, Attract Investments,” *Syrian Arab News Agency*: 9 August 2010. Available, at: <https://search.proquest.com/docview/741255461?accountid=8555>

²⁷¹ “Syria economy: Thinking big,” *Economist Intelligence Unit*: 7 October 2010. Available, at: <https://search-proquest-com.ezproxy.aub.edu.lb/docview/756909691?pq-origsite=summon>

²⁷² “Otri: 25 Industrial Zones to Be Established in Syria,” *Syrian Arab News Agency*: 1 May 2010. Available, at: <https://search.proquest.com/docview/230819746?accountid=8555>

²⁷³ Nasser and et al. (2013:18-19)

²⁷⁴ Julien Barnes-Dacey, “World News: Syria Stalls On Signing Trade Deal With EU,” *Wall Street Journal*: 19 November 2009. Available, at: <https://search.proquest.com/docview/399142743?accountid=8555>

In January 2010, U.S. embassy officials asked a group of urban middle class students their opinion on mandatory military service in Syria, one of them remarked:²⁷⁵

I will commit suicide before I have to go to the Army...I don't speak French or English so I can't go study in the West, but hopefully I can get a job in Dubai or some other place in the Gulf until I'm too old to be in the army...It's not fair that some guys have to go to the army and others don't. But there's no fairness in the world.

Another young businessman was asked the same question during a gala dinner for the Syrian Young Entrepreneur's Society, (generally attended by affluent, foreign-educated young businesspeople); the interviewee replied:²⁷⁶

Almost none of the guys in this room served in the army...one way or another, they find a way to pay their way out of the requirement. Look at the conscripts in the army...they are Bedouin, Kurdish, or poor.

It is difficult not to empathize with the growing number of idle and unemployed Syrian youth that are brilliant and energetic, yet not as privileged as the more affluent segments of society who are able to leverage their *wasta* to bypass the conscription boards. Nonetheless, urban bias and neglect of rural livelihood strategies misses the underlying fact that the army still provided a degree of sustainability for the ones who were even more at a disadvantage.

Indeed, it was clear that the state's promotion of high tech, commercial, and service sectors did not aid the majority of Syrians who were poor. Although macro-economic indicators were encouraging, Syria's elite benefited disproportionately from the reforms while poverty and unemployment reached exorbitant levels. By 2010, the U.N. estimated that 3.7 million people, or 17 percent of the Syrian population, were food insecure, which included more than 2 million people who were already living in

²⁷⁵ "Syrian Young Men Complain about Mandatory Military Service," 10DAMASCUS72_a, 24 January 2010, leaked U.S. diplomatic cable, at: <https://search.wikileaks.org>

²⁷⁶ Ibid.

extreme poverty in 2003-04.²⁷⁷ Moreover, nearly a quarter of a million young Syrians (aged 15-24) were unemployed, up from 192,000 in 2009.²⁷⁸

Whether by design or default, the regime relied on the military to support and funnel welfare to the populace. Joining the army also entailed a number of professional perks ranging from access to special military housing,²⁷⁹ preferential loans,²⁸⁰ military pensions,²⁸¹ and informal benefits derived from illicit activities. The deteriorating economic conditions in the years before the 2011 uprising made voluntary military service even more financially attractive for the educated but unemployed. Neoliberal reforms throughout the 2000s, rapid urban population growth caused by severe droughts and slashed agricultural production after 2006, changed the economic mobility landscape in Syria. In Dorothy Ohl and co.'s report on the political economy of military desertion and rebel recruitment in the Syrian civil war, half of the respondents interviewed said they joined the armed forces as low-ranking warrant officers or lieutenants amid poor macroeconomic circumstances in 2006–2010.²⁸²

²⁷⁷ *Report of the Special Rapporteur on the Right to Food on his Mission to Syria, Addendum*, United Nations Human Rights Council, 27 January 2011. 4. Available, at: http://reliefweb.int/sites/reliefweb.int/files/resources/D2862AD64C55CAE585257839005E536A-Full_Report.pdf

²⁷⁸ The statistics were taken from the International Labor Organization's statistical database. Available, at: http://www.ilo.org/ilostat/faces/ilostat-home/home?_adf.ctrl-state=a22r023wc_54&_afLoop=1930401444794998#!

²⁷⁹ Kheder Khaddour, *Assad's Officer Ghetto: Why the Syrian Army Remains Loyal*. Washington, DC: Carnegie Endowment for International Peace. 4 November 2015. Available, at: <http://carnegieendowment.org/2015/11/03/assad-s-officer-ghetto-why-syrian-army-remains-loyal-pub-61449>

²⁸⁰ Officers could apply for a subsidized loan program in the amount of one million Syrian pounds (nearly \$20,000 at the time) which could be paid off monthly via salary deductions. Author interview with Kheder Khaddour in Beirut, Lebanon: 23 May 2016.

²⁸¹ Soldiers get 70 percent of their last earned salary per annum; the amount of course is determined by the soldier's rank upon retirement. See article 172 of, Syrian Bar Association, "*Qanun al-khidma al-askaryia*" [Military service law], 21 April, 2003, last (updated July 2010), <http://www.syrianbar.org/index.php?news=150>

²⁸² Dorothy Ohl, Holger Albrecht and Kevin Koehler, *For Money or Liberty? The Political Economy of Military Desertion and Rebel Recruitment in the Syrian Civil War*. Washington, DC: Carnegie Endowment for International Peace, 24 November 2015. Available, at: http://carnegieendowment.org/files/ACMR_AlbrechtKoehlerOhl_SyrianRebel_English_final.pdf

The implicit strategy of using the allotted benefits of military employment to function as a kind of safety net to protect the most disadvantaged during structural adjustment was not a new phenomenon. Baylouny's case study on Jordan is a clear example of how militarizing welfare can serve to keep a regime afloat while at the same time creating respectable macro-economic figures. In fact, a general inquiry into the Syrian and Jordanian cases may provide important insights to test the validity of the theoretical framework presented in this thesis.

When rural livelihood strategies in both these countries depend on military services that are unavailable to the general public for their living, economic liberalization becomes a sensitive issue. Indeed, the politics of military welfare were leveraged in both contexts in an attempt to re-bargain certain rules of the game. Yet, their divergent trajectories are revealing. In Jordan's case, U.S. military aid enabled the regime to service its military while bolstering the economic capacity of its defense industry. Benefits for retiring soldiers increased with up to ten times more officers receiving end of service indemnities, and the military diversified into sub-contracting and new economic enterprises. Instead of subsidizing Jordanians and East Bankers in general, militarized liberalization targeted the state's social largesse to a sub-group of East Bankers who disproportionally represented the military.²⁸³

While the Syrian army was an economic power in its own right,²⁸⁴ it lacks an established indigenous defense industry of significance (even comparable to

²⁸³ In 1997, military employment reached ten percent of the labor force; in the rural, mainly East Banker areas, 20% worked in the army. Baylouny (2008: 301).

²⁸⁴ The military economic sector consists of a couple of industrial establishments, belonging to the Organization of Military Factories, that assemble arms and produce uniforms and spare parts both for military equipment and for civilian industries, and of two large construction companies. One of the later, the Establishment for the Execution of Military Construction, (Muta' or MATA), was founded in 1972 to undertake engineering and construction works for the army, and the other, Milihouse (Mu'assasat al-Iskan al-'Askari), was founded in 1975 to provide housing for members of the security apparatus.

Jordan's),²⁸⁵ and its armed forces are almost entirely dependent upon procurement from overseas.²⁸⁶ Most importantly, it is essential to remember that defense expenditures in Syria should not be glossed over as a guns "or" butter issue. Rather, Syria's exorbitant defense expenditures in the first decade of Hafez al-Assad's rule proved essential in unifying the polity of the institution while indirectly bolstering the consolidation of the state vis-à-vis rural livelihoods. However, the fruition of a militarized social pact meant that Syrian authoritarian resilience was intrinsically linked to the availability of direct or indirect rents. In this respect, the regime's aggressive foreign policy stances were a symptom of sheer survival to offset fiscal crises at home;²⁸⁷ as is Jordan's "budget security."²⁸⁸ Nonetheless, by 2010 international isolation coupled with the loss of oil export revenues forced the al-Assad regime to renege on the pact by slashing the defense budget throughout the 2000-10 period. To put this into perspective, in 1980-81, off-budget purchases for arms imports (primarily from the Soviet Union) reached \$5.8 billion.²⁸⁹ In the period between 2002 and 2006 arms imports amounted to \$152 million, reaching \$1 billion by 2011.²⁹⁰

²⁸⁵ Syria had opted long ago to rely on the one secure source of armament, the Soviet Union, rather than embarking on a costly course of local industrialization. Yezid Sayigh, *Arab Military Industry: Capability, Performance, and Impact*. London: Brassey's. 1992. 144-145.

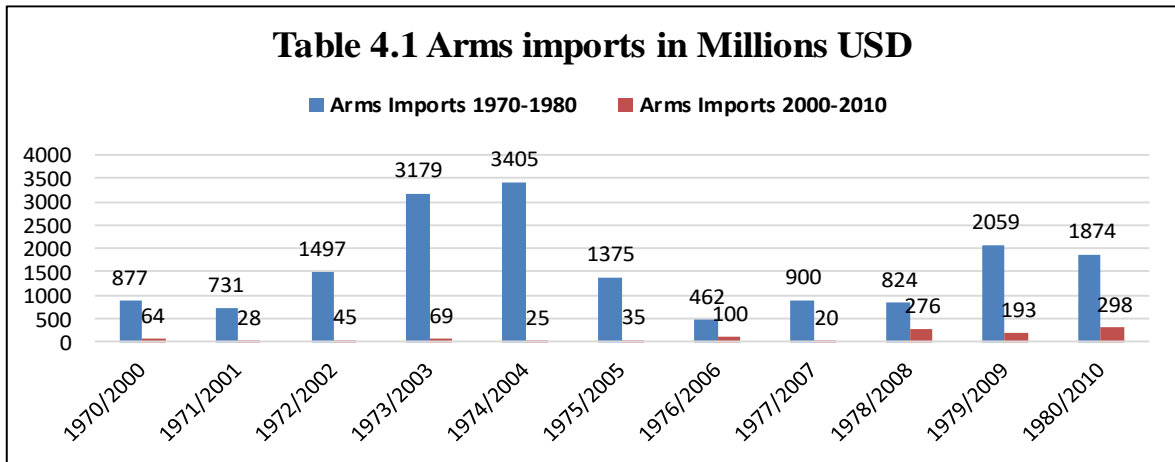
²⁸⁶ "Syria Defence and Security Report Q1," *M2 Presswire*: 13 April 2009. Available, at: <https://search.proquest.com/docview/444293687?accountid=8555>

²⁸⁷ Lawson (1996)

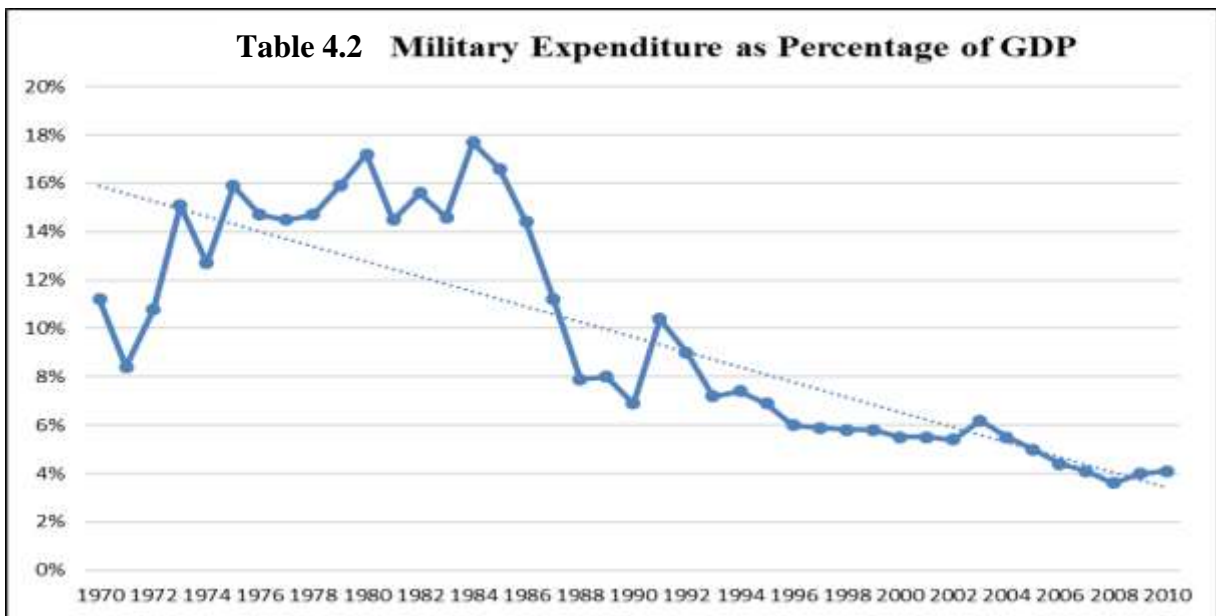
²⁸⁸ See, Laurie Brand, *Jordan's inter-Arab relations*. New York: Columbia University Press. 1995.

²⁸⁹ Patrick Clawson, *Unaffordable Ambitions: Syria's Military Build-Up and Economic Crisis*, Washington, DC: The Washington Institute for Near East Policy, 1989. 31.

²⁹⁰ "Weapons imports to Syria surged sevenfold in 10 years, report says," *LA Times*: 20 March 2012. Available, at: http://latimesblogs.latimes.com/world_now/2012/03/syria-weapons-increase-imports-russia.html



Source: Stockholm International Peace Research Institute (SIPRI)



Source: SIPRI

Moreover, the regression of Syria’s military welfare regime into a form of militarized liberalization was a microcosm of the general social inequalities unleashed by the post-2005 reform programme. Despite the regime’s numerous attempts to increase the salaries of military personnel and pensioners, inflation had barely offset the decline in service members’ real income.²⁹¹ In addition, per capita GDP grew more slowly,

²⁹¹ The average public-sector employee wage was estimated at \$215 per month.

reflecting the country's rapid population growth. By 2010, the population had increased 27.5 percent (20.4 million people) since 2000, and per capita GDP (at constant prices of 2005) grew by only 22.7 percent, from \$1,385 in 2000 to \$1,700 in 2010.²⁹² Likewise, purchasing power parity deteriorated in the 2000-10 period. Overall, prices in 2010 were just short of 75 percent higher than in 2000.²⁹³

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Wages and Salaries (General)	8.5	9.4	9.7	9.9	11.2	11.4	10.5	9.6	8.4
Defense and Security Wages/Salaries	4.8	5.5	5	4.7	5.6	5.9	5.3	4.1	4.9
Civilian Wages/Salaries	3.7	0.4	4.7	5.2	5.6	5.5	5.3	5.5	4.9
Payments for Pensions	0.4	0.4	0.5	0.5	1	1.1	0.6	1	1
Payments for Social Insurance	0.2	0.3	0.3	0.3	0.1	0.1	0.5	0.1	0.1

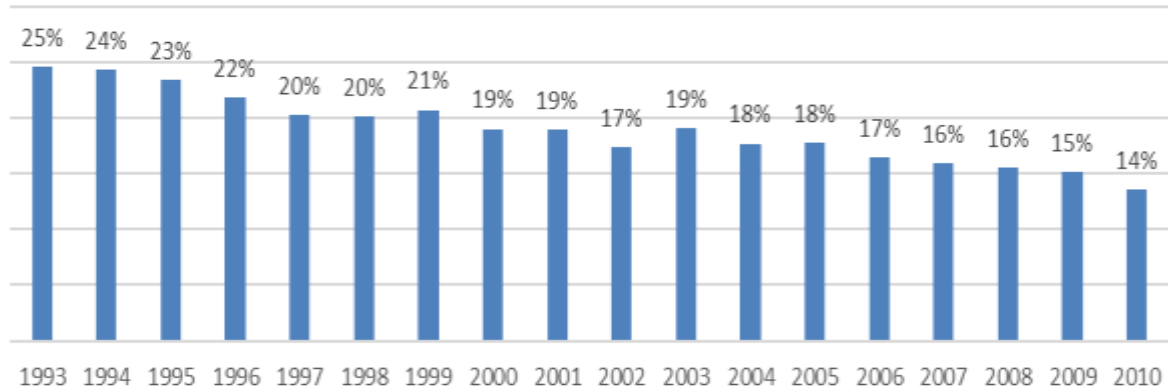
Source: IMF Country Report: Syrian Arab Republic: Statistical Appendix (2005).

Source: IMF Country Report: Syrian Arab Republic: Statistical Appendix (2006).

²⁹² The data is taken from the World Bank, World Development Indicators database. Available, at: <http://data.worldbank.org/data-catalog/world-development-indicators>

²⁹³ George (2015: 165)

Table 4.4 Military Expenditure as Share of Government Spending



Source: SIPRI

*Figures do not include expenditures for military pensions and spending on paramilitary forces

*Figures are adopted from the state budget, rather than actual expenditure

The economic consequences of the social market economy sent shockwaves through the rank-and-file soldiers and low- and mid-ranking officers. The base salaries of individual officers were notoriously low and ranged from \$400 to \$800 per month. Thus, securing regimental commandments in the infantry, artillery, and armory were highly sought after positions and often could not be attained without connections to the regime. Officer slots within the army's special combat units as well as in the intelligence services are awarded preferential treatment and financial incentives (i.e. free housing and new cars).²⁹⁴ As such, the exclusionist recruitment policies in the

²⁹⁴ The Military Intelligence Directorate, the Republican Guard, and the 4th armored division are such examples. Assef Shawkat (brother-in-law of the president) headed the Military Intelligence Directorate before he was killed in a 2012 bombing attack in Damascus. The President heads the Republican Guard, an elite mechanized division (Praetorian Guard like) tasked to protect the capital of Damascus. Maher al-Assad (the president's brother) is currently head of the 4th Armored Division and has gained a fearsome reputation in the ongoing conflict in Syria as the spearhead of the regime's repressive machine. The Division was known as unit 562 in the 1970s; the name was later changed into the Defense Companies (Saraya al-Difa') when Rif'at al-Assad, Hafiz al-Assad's brother, led the unit in the 1980s. After Rifa'at's fall from grace in 1984 the name was changed again during the 1990s into the 4th Armored Division.

officer corps aggravated the socio-economic inequalities within the army while creating future sub-divisions in the same basic vein.²⁹⁵

C. Conclusion

The post-2005 reform programme accelerated significantly after 2008. Limited in its room for political maneuver and hampered by the economic consequences of a growing population devastated by droughts, the regime's response was to do what it could to survive. The crucial oil revenues that had been propping much of the economy were about to go dry and the state had nothing with which to replace them. Moreover, regional isolation and U.S. designated sanctions prompted the regime to initiate peace feelers with Tel Aviv and Washington in a bid to evade isolation and access resources. In the process, neoliberal reforms coupled with rapid urban population growth, caused by severe droughts and growing land pressures, devastated the socio-economic mobility landscape for the majority of Syrians who were poor.

It was evident that the regime's responses to protect the vulnerable population from the effects of structural adjustment were insufficient. Whether by design or default, the regime relied on the allotted benefits provided by military employment to support and funnel welfare to the populace. Indeed, this implicit strategy to leverage military welfare in the midst of neo-liberal reforms was not a new phenomenon; Baylouny makes this clear for Jordan's case.

Yet, the political economy of state-military relations has always been inordinately determined by the availability of direct or indirect access to rents to offset the lack of a post-populist developmental state. In both Syria and Jordan, the

²⁹⁵ Bou Nassif (2015b)

contradictions of their respective political economies institutionalized a kind of militarized social pact. The state, able to disguise its own contradictions through access to foreign aid and oil rents, buoyed a support base through state employment. It is ironic somewhat that the implications for regional peace would be an inherit threat to both regimes as it would imply a reduction of their militaries' size and access to strategic rents.

Suffice it to say, the domestic and foreign policy stances of Syria, as well as in Jordan's "budget security", were intrinsically linked to accumulation crises at home. Where militarized liberalization in Jordan was sustained vis-à-vis accessing rents provided by generous U.S. aid endowments, Syrian militarized liberalization was a microcosm of the financial inequities unleashed by the post-2005 reform programme.

Jordan and Syria represent concomitant differences in the constraints and opportunities facing their regimes, their methods of formulating public policy, and the capacity of social groups to express demands in the political arena. Yet, the differences between the two countries are not obstacles to comparison; they are the basis for comparison. The utilization of military welfare during neo-liberal economic adjustment was a shared independent variable among both these cases which was causally significant to regime resilience.

CHAPTER V

CONCLUSION

A. Findings

The regime's ability to maintain a militarized social pact depended on the direct or indirect availability of rents to buoy a burgeoning labor-surplus through military service. In the post-2005 period, the viable benefits derived from serving in the military deteriorated in unison with the majority of rural livelihoods affected by the social market economy's neoliberal reforms, by the severe droughts, and by a growing youthful population. Limited in its room for political maneuver, the regime opted to sideline the majority of Syrians after 2008 in a bid to break isolation and access resources to consolidate the narrow base of the regime. Without sustainable access to rents, militarized liberalization in Syria skewed the best financial incentives of the military to a predominantly 'Alawi officer corps without any trickle-down to the rank-and-file. Indeed, the regime's numerous attempts to increase the salaries of military personnel and pensioners before the war were barely offset by inflation while purchasing power-parity declined.

B. Implications

It would be a mistake to assume that the regression of military welfare in Syria, alone, triggered the uprising in Syria. Yet, its decline was symptomatic of the general socio-economic inequities that were unleashed in the post-2005 period. Uniquely high levels of military mobilization and socialization under Hafez al-Assad proved essential in unifying the polity of the institution while indirectly bolstering the consolidation of

the state vis-à-vis rural livelihoods. However, the political-economic arrangement of a militarized social pact meant that Syrian authoritarian resilience was intrinsically linked to the availability of direct or indirect rents. In this respect, the regime's aggressive foreign policy stances were a symptom of sheer survival to offset fiscal crises at home.

Traditional coup-proofers will maintain that the regime's ability to survive the current onslaught is proof that elite-based models of coup-proofing succeeded. Yet, this thesis suggests that it was the "sectarian-stacking," the patrimonialization, and the narrowing of military benefits that weakened regime resilience from below. Indeed, the nature of the civil-war embodies the steady erosion of an artificially imposed nation-state. While it is beyond the scope of this thesis to analyze the unfolding events on the ground, it is apparent that the regime suffers from chronic manpower shortages in the army making it exceedingly difficult to scale-up operations in densely populated terrains; let alone in its ability to hold and govern territories. The test for the regime will be in its capacity to re-centralize and reign in the pro-government militias that have proliferated by re-instilling a "national" pact conducive for state building. However, state-building, whenever it occurs, will be a daunting task for a regime with neither the political nor moral capital to govern Syria as it was within its previous confines.

C. Further Research

This thesis hypothesized that the supplementation of rural livelihood strategies through the allotted benefits provided by military employment is a critical coup-proofing tactic to off-set contentious episodes of economic liberalization. In this way, it is precisely the social and economic conditions of military mobilization, rural livelihood strategies, and military welfare incentives, rather than the sectarian struggle of military elites, that hold center stage. It was, in particular, a broader syndrome of

macrostructural changes to the economy, compounded by rapid population growth and a harsh ecology, in which military employment and its attendant social benefits provided the central plank of a popular-incorporated “social pact” that underpinned Syrian authoritarianism. Livelihoods that are at risk in terms of their sustainability and their implications for poverty are responsive to the array of extended entitlements and accessible assets provided by participation in the armed forces. In this thesis, the goal was to highlight the digression of military welfare amidst the general socio-economic chaos in the 2000-10 period that attributed to the collapse of the Syrian state. As such, a closer examination in the decades before the 2000-10 period should seek to challenge the elite-based conceptions of national pacts and coup-proofing frameworks. Moreover, the idea of a militarized social-pact may have analytical purchase at the regional (or international) level of analysis, beyond Jordan, which unveils the utility of military welfare as a critical coup-proofing tool to offset social costs of economic liberalization.

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