## AMERICAN UNIVERSITY OF BEIRUT

# MAROTA CITY: NEOLIBERALISM AND WARTIME URBAN RESTRUCTURING IN SYRIA

by

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A project submitted in partial fulfillment of the requirements for the degree of Master of Arts to the Center for Arab and Middle Eastern Studies of the Faculty of Arts and Sciences at the American University of Beirut

> Beirut, Lebanon June 2020

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AN ABSTRACT OF THE PROJECT OF

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The main interest of this paper is to understand how wartime urban

reconstruction in Syria has facilitated the acceleration of processes of accumulation by

dispossession through wartime urban development, deepening the same structures of

inequality that originally fueled the uprisings. Rather than seeing "reconstruction" as

separate from warfare and trying to understand how a modern and luxurious

development project such as Marota City became possible despite the war, this paper

finds it more useful to reverse the question and ask instead how the war context may

have facilitated the realization of the neoliberal vision for the city that the Marota

project embodies. Chapter one historicizes the contemporary Syrian crisis by tracing the

evolution of Syria's political economy and the rise of neoliberalism as an ideology and

political economic strategy under Bashar al-Asad. Chapter two discusses Syria's history

of housing and urban planning policy before detailing the establishment of the legal

framework underlying the neoliberal model for urban development and reconstruction

represented by Marota City. Finally, chapter three discusses the rise of Syria's war

economies and their impact on urban processes. This paper argues that the neoliberal

urban model represented by Marota City embodies a violent social order incompatible

with the concept of the "right to the city," which leaves no space for political diversity

ii

and citizen participation in political and urban decision-making processes. As the product of a violent process of "creative destruction," Marota City erases the memory of the neighborhood of Basateen al-Razi and of its inhabitants who were denied the right to exist in Syria's emerging post-conflict social order.

# **CONTENTS**

ACKNOWLEDGEMENTS	i
ABSTRACT	ii
Chapter	
I. INTRODUCTION	1
II. HISTORICIZING NEOLIBERALISM IN SYRIA: A HISTORICAL OVERVIEW OF CONTEMPORARY SYRIA'S POLITICAL ECONOMY.	6
A. Introduction.	6
B. The era of Ba'th socialism: 1960s.	8
C. The new Ba'th under Hafiz al-Asad: 1970s	12
D. The path to "infitah": 1980s and 1990s	15
E. Authoritarian neoliberalism: the 2000s	19
III. MAROTA CITY: WARTIME URBAN	
DEVELOPMENT	29
A. Introduction	29
B. History of Syria's Housing Policy and Informal Settlements	29
C. A Chronology of the Marota City Project	36
IV. WARTIME NEOLIBERALISM AND THE EROSION OF THE RIGHT TO THE CITY IN	
SYRIA	41
A. War Economies and the transformational Power of Violent Conflict	41
1. Markets of Violence	42

Lawfare	44
Urbicide or Destructive Reconstruction	45
ne Accumulation by Dispossession Through Urban Restructuring	48
Accumulation by Dispossession	49
Marota City as "creative destruction"	50
The Neoliberal City	52
The Right to the City	53
NCLUSION	55
OGRAPHY	57
DIX A	63
	63
	64
	64
DIX E	65
	DIX A. DIX B. DIX C. DIX D.

This research is dedicated to my dear friend A., who saw his childhood community in Basateen al-Razi destroyed by wartime urban restructuring. I also dedicate this work to all the Syrian communities and individuals who faced similar hardships. I hope this paper helps to preserve their stories and helps to prevent their suffering from being erased from our collective memory.

#### CHAPTER I

#### INTRODUCTION

Up until 2011, Basateen al-Razi, located in the al-Mezzeh district, was a lower-middle class neighborhood in the southern suburbs of Damascus, made up of informal houses built on agricultural land.<sup>1</sup> A particular characteristic of its landscape were its fields of cactuses, the fruits of which were famous across Damascus.<sup>2</sup> The majority of its residents farmed a range of produce, which were sold both in local markets and across Damascus.<sup>3</sup> When the anti-regime uprisings erupted in 2011, the residents of Basateen al-Razi and of the al-Mezzeh district were among the very first and most numerous Damascenes to flood the streets to voice their discontent against the Asad government.<sup>4</sup> Abundant online footage provides a rich record of the series of protest events that ensued, with the very first protest recorded in al-Mezzeh on the 25th of March 2011.<sup>5</sup> Regular demonstrations continued to occur until the following year and culminated on the 18th of February 2012 when the al-Mezzeh district saw the eruption of its largest demonstration.<sup>6</sup> Faced with the brutal repression of the regime and the

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<sup>&</sup>lt;sup>1</sup> Edward Hanna and Nour Harastani, "Is Marota City the Type of Reconstruction Syrians Need?" *The Aleppo Project* (Budapest: Central European University, May 2019), 3.

<sup>&</sup>lt;sup>2</sup> Zamān al-ūaṣl, "al-ṣabbāra tubadid ḥarr dimashq al-llāhib," [The cactus fruit dissipates the heat of Damascus], Published September 1, 2010. Accessed June 2020. https://www.zamanalwsl.net/news/article/16295/

<sup>&</sup>lt;sup>3</sup> See Appendix A and B

<sup>&</sup>lt;sup>4</sup> Damascus Media Office, "'arādūhu muwāliyan, wathār raghman 'anhum... ḥayy al-mezzeh aldimashqi," [The regime wanted loyalty, and they rebelled against its will... The al-Mezzeh neighborhood of Damascus], published May 28, 2013. Accessed May 2020. http://www.damasmo.com/damascus/reports-damascus/item/567

<sup>&</sup>lt;sup>5</sup> "Muẓāhara al-mezzeh," [Protests of al-Mezzeh] Youtube, Published March 25, 2011. Accessed May 2020. https://www.youtube.com/watch?v=LrOTeqhZjcI

<sup>&</sup>lt;sup>6</sup> "Dimashq - al-mezzeh - tashiyy' al-shahadā' 'thnā' tasāquṭ al-thalūj 18-02-2012," [Damascus - al-Mezzeh - funeral of the martyrs under the snow 18-02-2012], Published June 12, 2012. Accessed May 2020. https://www.youtube.com/watch?v=\_ao8GYJ-eGI

murder of several protesters, <sup>7</sup> some of them eventually took up arms in the summer of 2012 and joined the so-called "Free Army" to defend their neighborhood against the Syrian army's aggressions. 8 Within the span of a few weeks, however, the Syrian Army had re-taken control of the area, putting an end to the neighborhood's short-lived armed insurrection. Over the course of the peaceful demonstrations and the armed rebellion around a hundred and fifty Mezzewieh were killed by regime forces. <sup>10</sup> Following the defeat of the rebel armies, the totality of the cactus fields were bulldozed to prevent incursions from rebel armies and secure the area. 11 All remaining residents have been permanently displaced from their homes, which were demolished between 2016 and 2018. Today, there is nothing left of Basateen al-Razi, which is now a massive construction site, known as "Marota City." 12 It is destined to become a high-end neighborhood made of luxurious residences, malls, businesses and other facilities. As the case of Marota City will show, war-time urban development and "reconstruction" projects in Syria have played an important role in shaping the conflict itself as well as the social order that is emerging from it. Marota City is Syria's largest luxury urban development project and is often presented as a show-case example of the Asad

<sup>&</sup>lt;sup>7</sup> Ugarit News, "'ūghārīt: dimashq al-mezzeh, āṭlāq nār mubāshir 'ala al-mutazāhirīn," [Ugarit News: Damascus, al-Mezzeh, shots fired directly at protesters, published February 18, 2012. Accessed May 2020. https://www.youtube.com/watch?v=iC3dERKHU3o

<sup>&</sup>lt;sup>8</sup> Damascus Media Office, "arādūhu muwāliyan, wathār raghman 'anhum... hayy al-mezzeh aldimashqi."

<sup>&</sup>lt;sup>9</sup> Damascus Media Office, "'arādūhu muwāliyan, wathār raghman 'anhum... ḥayy al-mezzeh aldimashqi."

<sup>&</sup>lt;sup>10</sup> Damascus Media Office, "'arādūhu muwāliyan, wathār raghman 'anhum... ḥayy al-mezzeh al-

dimashqi."

Al-Akhbar, "'Basātīn al-ṣabbāra': tadmīr ri'at dimashq," [Cactus fields: destruction of the lungs of Damascus], published August 25, 2015. Accessed May 2020. https://al-akhbar.com/Last\_Page/10014; Hasn Alkharrat (@Hsn Kh), "māzālat 'amaliya āzāla mazār'a al-ṣabbāra fī al-mezzeh mustamirra, hadhihi al-mazār'a alatī 'amruha 'asharāt al-sinīn wa'asbaḥat ramiz min rumūz al-mezzeh #Syria," Twitter, August 1, 2012. Accessed June 2020. https://twitter.com/Hsn Kh/status/230629202611822592 <sup>12</sup>Safīra Ismā 'īl, ''ma 'ālim (Marota City) bad 'at tatawaddah.. wa-dirāsāt al-sakan al-badīl bātat jāhiza video," SANA, June 6, 2018. Accessed April 2020. https://www.sana.sy/?p=763672.

regime's vision for the future of Syrian cities. Although generally referred to as "postconflict reconstruction," plans for the neighborhood date back to the early days of the uprising in 2012 and have progressed throughout the last nine years of conflict. The project was delayed and modified several times, a set of legal reforms were passed in order to enable its progress, and the first signs of construction appeared in early 2018.<sup>13</sup> Since then, the regime has passed further legislation to expand its legal framework to the rest of the country, positing Marota City as a blueprint for reconstruction in Syria. Rather than a new approach to reconstruction, Marota City represents the continuation and deepening of the existing neoliberal vision of urban spatial planning dating back to the era prior to the 2011 uprisings.<sup>14</sup> The timeframe of the project and its continuity with pre-2011 policies seriously challenge two common perceptions of "war" and "reconstruction." First, that there is a clearly defined period of conflict followed by a clearly defined period of reconstruction and that the two processes do not overlap. Urban development projects or so-called "reconstruction" projects in Syria did not start happening upon the cessation of hostilities but have taken place throughout the duration of the conflict. Second, it is commonly assumed that war and reconstruction necessarily have opposite aims and outcomes. Supposedly, the main objective of war is the defeat of a political adversary through violent military campaigns in order to access political power. 15 This results in so-called "collateral damage" such as large-scale human casualties, forced displacement, and property destruction. The objective of

<sup>&</sup>lt;sup>13</sup> Safīra Ismāʿīl, "maʿālim (Marota City) badʾat tatawaḍḍaḥ.. wa-dirāsāt al-sakan al-badīl bātat jāhiza - video."

<sup>&</sup>lt;sup>14</sup> Barend Wind and Batoul Ibrahim, "The war-time urban development of Damascus: How the geography- and political economy of warfare affects housing patterns," *Habitat International 96* (2020):

<sup>&</sup>lt;sup>15</sup> Samer Abboud, "Social Change, Network Formation and Syria's War Economies," *Middle East Policy* 24, No. 1 (2017), 103.

reconstruction on the other hand, is commonly understood to be the reversal of this destructive process through the repairing of the physical damage and the rebuilding of a peaceful social order. In reality, the political and economic objectives of war and reconstruction in Syria are far more intertwined than their commonsense definitions might suggest. Urban development projects such as Marota City therefore need to be examined under a new angle in order for us to understand the political, economic and social implications of this type of "reconstruction".

The main interest of this paper is to understand how wartime urban reconstruction in Syria has facilitated the acceleration of processes of accumulation by dispossession, deepening the same structures of inequality that originally fueled the uprisings. Rather than seeing "reconstruction" as separate from warfare and trying to understand how a modern and luxurious development project such as Marota City became possible *despite* the war, this paper finds it more useful to reverse the question and ask instead how the war context may have *facilitated* the realization of the neoliberal vision for the city that the Marota project embodies. War is commonly perceived as a period of stagnation, while in reality wartime social, political and economic processes have long-lasting impacts on postwar society and political economy. This includes the expansion of new markets and the restructuring of societal power relations that enable new forms of extraction and control to be exercised over the population. A closer look at Marota City and at patterns of wartime state-led urban development in Syria thus allows us to better understand the role of war in reorganizing

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<sup>&</sup>lt;sup>16</sup> Samer Abboud, "Social Change, Network Formation and Syria's War Economies," *Middle East Policy* 24, No. 1 (Spring 2017); Wind and Ibrahim, "The War-time Urban Development of Damascus," 1-2.

and producing urban space, in redistributing the country's resources, and in designing a social order that serves the interests of the dominant party, in this case, the Asad regime.

This paper is divided into three chapters. The first historicizes the contemporary Syrian crisis by tracing the evolution of Syria's political economy since the early Ba'th regime of the 1960s, which laid the foundations of today's authoritarian state, and restructured Syrian society in ways that remain significant until today. This historical overview highlights the important role that the rise of neoliberalism as an ideology and as a political economic strategy has played in shaping the current crisis. Chapter two contextualizes the Marota City construction project within Syria's history of housing and urban development policy, before outlining the important steps and legal reforms that have marked the evolution of Syria's biggest "reconstruction" project. Finally, chapter three discusses the transformative impact that violent conflict has had on Syria's market economy and on its urban processes by fostering the intensification of neoliberal capitalist processes of capital accumulation and dispossession.

The methodology for this paper involves online research of audiovisual materials, news articles, reports, journal articles and relevant websites on Syria's conflict, economy and on the development of Marota City. Sources include both official narratives from state-sponsored Syrian newspapers and websites, and literature adopting a more critical stance on the Syrian regime's policies. This research draws on both English and Arabic materials, with a majority of English sources. The first chapter is based on a non-comprehensive review of existing literature on Syria's contemporary history and political economy. Chapters two and three draw from critical academic literature on neoliberalism, wartime economic processes and urban planning and development.

#### **CHAPTER II**

# HISTORICIZING NEOLIBERALISM IN SYRIA: AN OVERVIEW OF CONTEMPORARY SYRIA'S POLITICAL ECONOMY

#### A. Introduction

The current Syrian conflict is most commonly understood within the context of the anti-authoritarian struggle of the Arab Spring, intersected with sectarian strife and a proxy war waged by powerful international players wrestling for geopolitical influence. The While all of these dimensions do contribute to shaping today's complex and multi-layered crisis in Syria, its long term socio-economic roots are often overlooked. This chapter adopts a historical and political-economic approach to provide an overview of the transformations that the country underwent since the rise to power of the Ba'th party in 1960s, up until the eruption of the 2011 uprisings. In his radical analysis of the origins of the popular discontent that fueled revolts across Middle Eastern and North African countries during the Arab Spring, Achear argues that political reforms only can't address the profound socio-economic structures at the root of the uprisings. In Syria, the Ba'th regime has a long history of resorting to violent repression, both in its spectacular and routine forms, against political dissent as a tool of governance and political control since its early days under Hāfiz al-Asad (as of now Hafiz al-Asad) and later under his son and successor Bashār (Bashar). Violent repression has been

<sup>&</sup>lt;sup>17</sup> Joseph Daher, "More Tribal, More Sectarian, More Crony Capitalist Than Ever," interview by Joe Hayns, *Jacobin*, March 8, 2019. https://www.jacobinmag.com/2019/08/syria-bashar-al-assad-regime-class-conflict

<sup>&</sup>lt;sup>18</sup> Gilbert Achcar, Le Peuple Veut, un Exploration radicale du Soulèvement Arabe, (Paris: Actes Sud, 2013), 5.

<sup>&</sup>lt;sup>19</sup> Salwa Ismail, *The Rule of Violence: Subjectivity, Memory and Government in Syria*, (Cambridge: Cambridge University Press, 2018).

accompanied by the instrumentalization of economic policies of liberalization to ensure the regime's survival, consolidate its hold on power, reward its loyalists and punish its opponents.<sup>20</sup> The politics of economic liberalization have shaped the socio-economic structures that Achcar identifies as the principal roots of the 2011 uprisings.

Before examining Syria's wartime processes of accumulation and population control in more detail, this first chapter historicizes the roots of the conflict by tracing the emergence of neoliberal economic structures in Syria. Adopting a broader historical perspective allows us to look for breaks and continuities between past and present under an enduring Ba'th regime, and to identify historical patterns of demographic change, rural-urban migrations, economic policy reforms, class relations, state resilience, and to reflect on the role of each of these factors in shaping the structural conditions and political subjectivities that led to the eruption of a conflict. The decade preceding the conflict witnessed deep socio-economic reforms under Bashar al-Asad's new "socialmarket" economic strategy that promoted growth through the private sector and effectively stripped the majority of the population from most of the social welfare provisions traditionally provided by the state.<sup>21</sup> Despite the rapid economic growth that these reforms generated, the coinciding impoverishment and deterioration of the living conditions of vast sections of the population set the stage for the uprisings. These recent neoliberal developments are themselves rooted in a longer history of economic policy reforms under the Ba'th regime that gradually marginalized certain sections of the Syrian population. From the radical Ba'th socialism of the 1960s that restructured Syrian class relations and empowered the peasantry, to the new regime brought by the

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<sup>21</sup> Daher, "Syria: The Social Origins of the Uprising."

<sup>&</sup>lt;sup>20</sup> Joseph Daher, "Syria: The Social Origins of the Uprising," *Rosa Luxemburg Stiftung*, July 2018, https://www.rosalux.de/en/publication/id/39149/syria-the-social-origins-of-the-uprising

military coup of Ḥāfiz al-'Asad-Assad in the 1970s that sought to balance public and private interests, to the progressive adoption of policies of "infitah" or opening of the economy in the 1980s and 1990s, it is necessary to explore Syria's history of macroeconomic policy and state-society relations before zooming on the more recent neoliberal era. Each section of this chapter traces Syria's contemporary history decade by decade. The first section covers the early days of Ba'th rule during the 1960s. The second section turns to the new Ba'th regime under Hafiz al-Asad in the 1970s. The third section covers the progressive policy shift towards economic liberalization in the 1980s and 1990s in response to economic stagnation and crisis, and finally, the last section of this chapter discusses the adoption of a more neoliberal framework following Bashar al-Assad's ascension to power in 2000, the adoption of the so-called "social-market" economy, and how these reforms exacerbated the social tensions and economic grievances that led to masses of Syrian rising up against their government.

#### B. The era of Ba'th socialism: 1960s

Looking back at how the traditional Ba'th party of the 1960s deeply transformed Syrian society is highly relevant to our understanding of present-day state power and class relations in Syria. Early Ba'th policies promoted import-substitution industrialization, the interests of Syria's peasantry and rural communities, and strongly undermined the economic power of the bourgeoisie. By bringing peasants and the lower classes of rural origins into the realm of formal politics and providing them with new opportunities for upward social mobility through the state apparatus, the Ba'th party attracted large amounts of support from the marginalized rural areas and became principally constituted of officials of rural origins. Ba'thists organised and unionized

peasants into an articulate class, providing political education and involving them in the political arena. The peasantry, along with the newly created salaried middle and working classes, and the small merchants and artisans who expanded with the decline of the rich bourgeoisie, represented important social forces with a stake in the stability of the Ba'th party. The regime's subsequent neglect of its own support base in later decades and the shift towards economic policies favoring big business and enterprise at the expense of the lower and middle classes was a determining factor in fueling regime opposition in the 2000s and 2010s. As regional patterns of popular uprisings in 2011 clearly reveal, political constituencies that were once bastions of support for the traditional Ba'th party were on the frontlines of the opposition.<sup>22</sup>

According to Batatu, Ba'thists unquestionably promoted the interests of the peasantry and the working class throughout the 1960s.<sup>23</sup> From 1965 especially, the more radical socialist elements of the Ba'th rose to power and pursued a radical "socialist transformation" of Syria's social structures.<sup>24</sup> The massive nationalization of business and industry, the assertion of state monopoly over foreign trade and radical agrarian reforms demolished the economic power of the landed bourgeoisie, which decreased from 6.7 percent to only 1.3 percent of the population between 1960 and 1970.<sup>25</sup> The state grabbed the mining, manufacturing, banking, agriculture, transport, real estate, and trade industries, which provided the public sector with its main source of revenue.<sup>26</sup> The

<sup>&</sup>lt;sup>22</sup> Daher, "Syria: The Social Origins of the Uprising."

<sup>&</sup>lt;sup>23</sup> Hanna Batatu, *Syria's Peasantry, the Descendants of Its Lesser Rural Notables, and Their Politics*. (Princeton; New Jersey: Princeton University Press, 1999), 162-170.

<sup>&</sup>lt;sup>24</sup> Raymond Hinnebush, *Syria: Revolution from Above*, (New York: Routledge, 2001), 44-54.

<sup>&</sup>lt;sup>25</sup> Hinnebush, *Revolution from Above*, 54.

<sup>&</sup>lt;sup>26</sup> Linda Matar, *The Political Economy of Investment in Syria*, (London: Palgrave MacMillan, 2016), 75.

state invested heavily in the productive sectors, specifically in agriculture, industry and infrastructure, boosting internal import-substitution development.

Regarding land reforms, Decree No. 88 of 1964, and Decree No. 66 of 1969 dictated the expropriation of big landowners and the redistribution of large parcels of agricultural land to the peasants.<sup>27</sup> Despite the bureaucratic inefficiencies which slowed the process down and only partially completed the redistribution of expropriated lands, these policies generally reduced levels of rural poverty and uprooted the power of big landlords. A large number of landless agricultural peasants thus acquired land and the proportion of small landowning peasants increased from 27.4 percent to 41.5 percent of the population between 1960 and 1970.<sup>28</sup> Ba<sup>+</sup>th policies further enhanced the general well-being of the Syrian population through the establishment of a social security system guaranteeing social services such as subsidized housing, free education and health care. The large-scale expansion of educational facilities, including primary, secondary schools and universities, led to sharp increases in levels of education across the country and equalized access to education between urban and rural regions.<sup>29</sup> The result of these levelling and redistributive policies was the significant enhancement in the social standing of peasants in Syrian society and politics.

Matar,<sup>30</sup> however, adopts a more critical stance and doesn't consider the 1960s

Ba'th regime socialist so much as state-capitalist resorting to populist measures as an instrument of political control. Despite their radical ideology and their endorsement of socially-responsible economic reforms, the traditional Ba'th state never truly challenged

<sup>&</sup>lt;sup>27</sup> Batatu, Syria's Peasantry," 170.

<sup>&</sup>lt;sup>28</sup> Elisabeth Longuenesse, "The Class Nature of the State in Syria," *MERIP Reports* 9, No. 4, (1979): 4 cited in Hinnebush, *Syria*, 54.

<sup>&</sup>lt;sup>29</sup> Hinnebush, *Revolution from Above*, 52.

<sup>&</sup>lt;sup>30</sup> Matar, The Political Economy of Investment in Syria, 65.

capitalist relations of production, and simply replaced the private capitalist class by sizing the means of production, appropriating resources and becoming the re-allocator of economic surplus.<sup>31</sup> Furthermore, despite supporting the interests of the working classes, they nevertheless remained a top-down authoritarian apparatus that co-opted civil society organisations and suppressed any independent peasants' or workers' movement.<sup>32</sup>

As the majority of Ba'th Military Committee members had roots in the middle and lesser rural notables who actively recruited close family members and tribesmen into the state apparatus, the 1960s were also marked by what Batatu refers to as the "ruralization" of the Ba'th public institutions and to an even larger extent of the armed forces. The Military Committee transformed state bureaucracy institutions and the military by purging hundreds of conservative and Nasserite officers, who were predominantly of urban Sunni upper-middle and middle class background and whose political loyalties did not align with the radical Ba'th command. They were replaced with the massive recruitment of youth of peasant and rural origins whose political commitment to the party was strong. This ruralization of the Ba'th state and military apparatus resulted in the decimation of Sunni military officers to the advantage of rural minorities, including Alawi, Druze and Ismaili. According to Batatu, the rise of the Alawi minority in particular is due in part to the pro-minority policies of the French mandate, but mostly to their more deprived economic conditions that prevented them from paying the "badal" or exemption fee for military service, significantly increasing

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<sup>&</sup>lt;sup>31</sup> Matar, The Political Economy of Investment in Syria, 70.

<sup>&</sup>lt;sup>32</sup> Matar, The Political Economy of Investment in Syria, 65.

<sup>&</sup>lt;sup>33</sup> Batatu, *Syria's Peasantry*, 156-157.

<sup>&</sup>lt;sup>34</sup> Hinnebush, *Revolution from Above*, 45.

their numbers among the army's ranks. Furthermore, their predominantly rural and peasant origins united them politically under Ba'th ideology and enabled them to climb the echelons of power, while the majority Sunni officers of different regional and socioeconomic origins remained more deeply divided.<sup>35</sup> Batatu, however, is cautious in describing the Ba'th politics as sectarian despite the predominance of Alawites in the high command of the Ba'th Military Committee. According to him, their actions and interests were determined more by their structural situation as peasants of rural origins than by their sect.<sup>36</sup> Furthermore, the Ba'thist reforms benefited peasants of all sectarian affiliations, not only minorities. The massive expansion of the functions and capacity of the Ba'th state apparatus and the provision of mass employment opportunities for individuals of rural origins created a new state-dependent salaried middle class. Combined with the decline in agricultural employment, these new economic opportunities fueled a heavy influx of rural peasants and villagers towards urban centers. This rural-urban migration led to spikes of growth in the urban population,<sup>37</sup> a pattern of population movement and urbanization that continued to mark Syria in the decades to come.

#### C. The new Ba'th under Hafiz al-Asad: 1970s

On November 13, 1970, the Military Committee of the Ba'th party, under the command of Hafiz al-Asad, overthrew the civilian Ba'th government and established a new Ba'th regime markedly different from the previous one.<sup>38</sup> In the post-1970 Ba'th

<sup>&</sup>lt;sup>35</sup> Batatu, Syria's Peasantry, 157-159.

<sup>&</sup>lt;sup>36</sup> Batatu, *Syria's Peasantry*, 159.

<sup>&</sup>lt;sup>37</sup> Batatu, Syria's Peasantry, 160.

<sup>&</sup>lt;sup>38</sup> Batatu, Syria's Peasantry, 145.

regime, the military became an unavoidable governmental institution, which was fundamental in securing and maintaining the regime's power. The regime that emerged was strongly molded around Hafiz al-Asad's personality and leadership. The years leading up to the coup d'état were characterized by a "power dualism" within the party, during which the military wing increasingly challenged the mainstream civilian Ba'th.<sup>39</sup> This internal division emerged following the Arab defeat in the 1967 Arab-Israeli war, after which the most radical socialist elements of the Ba'th lost influence to the more pragmatist faction under Hafiz al-Asad. This more "realist" wing favored limited economic liberalization to stimulate a struggling economy, appease the private sector and generate economic resources for the state. 40 The coup d'état thus marked the beginning of the reversal of Syria's incomplete "socialist" revolution as the party engaged on a more pragmatist course prioritizing the expansion of the state's bureaucratic and military apparatus and the acquisition of the necessary resources for the recovery of the territories lost to Israel during the war. Traditional Ba'th socialist ideology faded as the president increasingly built a patrimonial state based on clientelist relations revolving around the presidency.<sup>41</sup>

Over the decade of the 1970s, Syria's Gross National Product increased by more than 150 percent and all sectors experienced considerable growth.<sup>42</sup> In his pursuit of economic revival, Asad forged new alliances with conservative Arab oil states, and passed limited policies of economic liberalization to stimulate private enterprise and investment. This gained him some support from the private sector.<sup>43</sup> After the massive

<sup>&</sup>lt;sup>39</sup> Batatu, Syria's Peasantry, 172-175.

<sup>&</sup>lt;sup>40</sup> Hinnebush, *Revolution from Above*, 55-56.

<sup>&</sup>lt;sup>41</sup> Hinnebush, *Revolution from Above*, 65.

<sup>&</sup>lt;sup>42</sup> Volker Perthes, "The Syrian Private Industrial and Commercial Sectors and the State," *International Journal of Middle East Studies* 2, No. 2 (1992), 210.

<sup>&</sup>lt;sup>43</sup> Hinnebush, *Revolution from Above*, 61-62.

nationalizations of private industries in 1965, what was left of the Syrian bourgeoisie had converted to commercial activities, limiting the remaining private industry to artisanal production and small-scale manufacturing.<sup>44</sup> Under the new presidency, the economy remained under the tight control of the state, which played a major role in the industrial and trade sectors, but unlike radical Ba'thists, Asad sought to balance public and private interests and to expand his political base to the Sunni bourgeoisie. Assad's policies of selective economic opening sought to encourage the repatriation of Syrian capital that had fled the country under Ba thists policies of nationalization through incentives such as tax free zones. 45 This also resulted in a gradual shift in the social base of the regime which originally consisted mostly of peasants and government employees, to a coalition of regime-allied political brokers and business entrepreneurs. 46 This shift deepened over the course of the following decades and culminated in the 2000s, as the following sections of this chapter demonstrate. New opportunities thus emerged for the formation of a new state-dependent bourgeois class. High-ranking individuals, particularly military officers, had economic interests in the management of public institutions and the connections between the state and private businesses. The majority Alawite state officials colluded with the urban Sunni bourgeoisie in highly profitable business activities, both legal and illegal. This "military-mercantile complex," 47 prospered and benefitted from further liberalization policies in the following decades.

<sup>&</sup>lt;sup>44</sup> Perthes, "The Syrian Private Industrial and Commercial Sectors and the State," 209.

<sup>&</sup>lt;sup>45</sup> Angela Joya, "A Comparative Study of Neoliberalism in Syria and Egypt," in *Confronting Global Neoliberalism: Third World Resistance and Development Strategies*, ed. Richard Westra (Atlanta: Clarity Press, 2010), 221.

<sup>&</sup>lt;sup>46</sup> Daher, "Syria: The Social Origins of the Uprising."

<sup>&</sup>lt;sup>47</sup> Hinnebush, Revolution from Above, 87; Matar, The Political Economy of Investment in Syria, 79.

#### D. The path to "infitah": 1980s and 1990s

The piece-meal market-friendly reforms that Asad had progressively started introducing in the 1970s entered a new phase in the following decade that brought new challenges for Syria's economy. The regime's response to these new pressures through further economic liberalization. In the early 1980s, the state redirected investments away from the productive agricultural and industrial sectors and from developmental and infrastructural projects, and towards the scaling up of the security and military apparatus. The productive sectors of the economy were weakened; agriculture was neglected and industrial investments from the 1970s had not generated sustainable growth, which led to shortages in agricultural and industrial supplies and basic goods. Syria experienced a trade deficit, a budget deficit and a foreign exchange rate crisis that led to the severe devaluation of the Syrian pound and hyperinflation.

This crisis was exacerbated by important transformations on the international stage; the decline in the oil prices in 1986, which significantly reduced Syria's oil rents, followed by the weakening and eventual collapse of the Soviet Union, which shifted the geopolitical dynamics in the region and interrupted important sources of cheap imports and aid money. <sup>51</sup> Up until now, the regime's economic policies had primarily been dictated by political imperatives of state building and survival, rather than by economic needs. The overdeveloped size of the public sector made it an inefficient tool of capital accumulation, and the draining of its resources forced the regime to adapt its strategy in

<sup>&</sup>lt;sup>48</sup> Matar, The Political Economy of Investment in Syria, 100.

<sup>&</sup>lt;sup>49</sup> Perthes, "The Syrian Private Industrial and Commercial Sectors and the State," 210.

<sup>&</sup>lt;sup>50</sup> Matar, The Political Economy of Investment in Syria, 102.

<sup>&</sup>lt;sup>51</sup> Hinnebush, *Revolution from Above*, 99.

order to survive. Public debt accumulated, while per capita income fell by 4.5 percent between 1980 and 1988.<sup>52</sup> The regime responded to the crisis with a new wave of economic "infitah" with liberalization and privatization measures accompanied by austerity measures to reduce public expenditure. The regime cut down on public wages, health, education services and subsidies on essential goods. In parallel to the shrinking of the public sector, the role of the private sector, which had already increased in the previous decade, continued to grow in the 1980s. In terms of investment, output and share in foreign trade, the private sector's role in the Syrian economy grew increasingly stronger compared to the deteriorating public sector.<sup>53</sup> Between 1970 and 1980, gross private investments rose by 400 percent, and by the end of the 1980s it represented almost 50 percent of the country's gross investments.<sup>54</sup> This reversed the socially progressive measures that had enhanced and protected the living standards of the working class and the peasantry, the most marginalized sections of society.<sup>55</sup> The state's reduction of its support to rural and peasant communities, especially through the removal of subsidies on essential agricultural inputs, caused the further decline of the agricultural sector and the impoverishment of rural agricultural communities. This fueled new waves of rural-urban migrations towards the main urban centers of Aleppo and Damascus, increasing the demand for infrastructure and services in peripheral urban areas where these communities settled.<sup>56</sup> The formation of large informal neighborhoods as a result of massive rural-urban migration became a defining

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<sup>&</sup>lt;sup>52</sup> Hinnebusch, "The politics of economic liberalization," 251.

<sup>&</sup>lt;sup>53</sup> Perthes, "The Syrian Private Industrial and Commercial Sectors and the State," 211.

<sup>&</sup>lt;sup>54</sup> Perthes, "The Syrian Private Industrial and Commercial Sectors and the State," 211.

<sup>&</sup>lt;sup>55</sup> Matar, The Political Economy of Investment in Syria, 88.

<sup>&</sup>lt;sup>56</sup> Samer Abboud, "Locating the Social in the Market Economy," in *Syria: From Authoritarian Upgrading to Revolution?* ed. Raymond Hinnebusch (Syracuse, NY: Syracuse University Press, 2015), 61.

characteristic of Syrian cities and an important factor in the uprisings, which raises important questions pertaining to Syrian citizens' "right to the city," discussed in the last chapter of this paper.

These policies of economic liberalization were not accompanied by political opening and the authoritarian power of the state remained deeply entrenched. The profitable alliance between the commercial and the state bourgeoisie dictated patterns of investment and decision making that protected the political and economic interests of a state-dependent elite who benefitted from policies of "infitah." Perthes<sup>57</sup> highlights the contradictions of Syria's sociopolitical system by describing its public sector as somewhat "privatized" given that the planning and decision-making process are dictated by the private interests of a small group of state bourgeoisie. At the same time, public resources had been placed in the hands of private elements, giving the private sector a "public" character. The rolling back of the state's regulative powers or, in Perthes' words the "destatization" of the economy, has given rise to a mixed sector where the close cooperation between state and commercial classes has become increasingly legalized. While the middle and lower classes were bearing the brunt of a crisis partly generated by state policies and the illegal foreign exchange dealings of the wealthy, the state-allied private capitalist classes were reaping the benefits.

Law number 10 of 1991 marked a turning point in Syria's economic reconversion back from state-capitalism to private-capitalism. Law No. 10 introduced an investment reform which restored private property in a reversal of 1960s Ba'th state-interventionist policies. Until then, the state-bourgeois class could now officially invest privately and formally own property. With Legislative Decree No. 7, the amendment to

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<sup>&</sup>lt;sup>57</sup> Perthes, "The Syrian Private Industrial and Commercial Sectors and the State," 226-227.

Law No. 10 passed in 2000, they could also transfer their profits freely to foreign bank accounts and store them in foreign currencies. Although Law No. 10 fostered private enterprise and attracted foreign investments, it did not prioritize the much needed productive sectors, perceived as more risky and as slow in generating returns. Instead, private investors favored the commercial non-productive sectors, which generated faster, less risky and more short-term profits. The Law therefore failed to stimulate the country's productive capacity and generate employment. The commercial ventures that resulted from it benefited restricted private interests without generating social benefits. Furthermore, the legal contradictions between Law No. 10 and older Syrian laws on investment that were still in place made Syria's economic reforms partial and inconsistent. This made entrepreneurs distrustful of conflicting legislation and unpredictable political change and discouraged them from making the kind long term commitments required to build productive capacity. 60

The social forces driving investment decisions thus moved away from the centralized state bureaucracy as the state bourgeoisie and the military-mercantile complex became more formally privatized, while continuing to benefit from their influential political positions. Increasingly short-term, profit-driven business in the tertiary sector was prioritized, such as trade, tourism, real-estate speculation, and transport, as opposed to productive and socially beneficial industries. Despite these significant transformations, the Syrian regime resisted full economic liberalization and continued to balance the interests of its old popular constituencies with those of the

<sup>&</sup>lt;sup>58</sup> Matar, The Political Economy of Investment in Syria, 103.

<sup>&</sup>lt;sup>59</sup> Matar, The Political Economy of Investment in Syria, 104.

<sup>&</sup>lt;sup>60</sup> Matar, The Political Economy of Investment in Syria, 104.

<sup>61</sup> Matar, The Political Economy of Investment in Syria, 106.

emerging capitalist class. The institutionalized distrust of the private sector, combined with the economic benefits that incentivized the regime-dependent business class to preserve their monopoly over the country's economic activity, and the political legitimacy acquired through the corporatist links that connected the state to its lower class constituencies all prevented the regime from fully embracing neoliberal ideology.<sup>62</sup> That is, up until Bashar Al-Asad inherited the presidency from his father in 2000.

#### E. Authoritarian neoliberalism: the 2000s

The smooth transfer of power from Hafiz to Bashar al-Asad was followed by significant transformations in Syria's political and economic landscape, some of which stand in continuation with the regime's previous policies, others in contrast with them. The regime generally continued on its path towards deeper economic liberalism while Syria's political system remained under firm authoritarian control. However, as a young and western-educated leader, Bashar engaged on a mission to "modernize" and bring Syria into the age of globalization by integrating it into the global market economy. Bashar's new approach to development did not only represent a set of technical, economic and institutional reforms in pursuit of positive economic and developmental goals, but also reflected a new political and ideological framework. Ba'th ideology was effectively abandoned and replaced with a neoliberal logic of development. Despite this ideological transition, the party still attempted to retain the legitimacy conferred by its Ba'thist legacy and by its traditional support of its popular constituencies. Under

<sup>&</sup>lt;sup>62</sup> Raymond Hinnebush, "Syria: From Authoritarian Upgrading to Revolution" *International Affairs* 88, No. 1 (2012): 98.

<sup>&</sup>lt;sup>63</sup> Raymond Hinnebush, "Syria: From Authoritarian Upgrading to Revolution," *International Affairs* 88, No. 1 (2012): 98.

Bashar's rule, the state's structures of power shifted as new reformist elements gained influence in government and promoted reforms that deeply impacted the social life of ordinary Syrians. Bashar's rule also had a significant impact on the process of class formation in Syria.<sup>64</sup>

Upon accessing the presidency, Bashar inherited a set of difficult and unresolved socioeconomic issues rooted in the 1980s economic crisis. Poverty and unemployment were rising, growth per capital remained low, the public sector remained overinflated and inefficient, and inflation negatively affected people's purchasing power. 65 In his turn towards the global market, Bashar welcomed the involvement of international financial institutions such as the International Monetary Fund and the World bank for the first time, both of which encouraged the rapid liberalization and privatization of the country's economy and praised policy reforms that enabled the expansion of the role of the private sector in the national economy.<sup>66</sup> The promotion of neoliberal economic policies by western-dominated global financial institutions rests on their dominant belief that "human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade."67 In practice, countries around the world that have adopted a neoliberal economic model have implemented a set of reforms that usually include "privatizations, dismantling of social welfare apparatuses, retreat of the state from economic regulation, tax cuts, and opening of national boundaries."68

<sup>&</sup>lt;sup>64</sup> Angela Joya, "A Comparative Study of Neoliberalism in Syria and Egypt," in *Confronting Global Neoliberalism: Third World Resistance and Development Strategies*, ed. Richard Westra (Atlanta: Clarity Press, 2010), 230.

<sup>&</sup>lt;sup>65</sup> Matar, The Political Economy of Investment in Syria, 109.

<sup>&</sup>lt;sup>66</sup> Joya, "A Comparative Study of Neoliberalism in Syria and Egypt," 231.

<sup>&</sup>lt;sup>67</sup> David Harvey, A Brief History of Neoliberalism, (Oxford: Oxford University Press, 2005), 2.

<sup>&</sup>lt;sup>68</sup> Marion Fourcade-Gourinchas and Sarah Babb, "The Rebirth of the Liberal Creed: Paths to Neoliberalism in Four Countries," *American Journal of Sociology* 108, No. 3 (November 2002): 533-534.

Whilst pursuing economic reforms along those lines at an accelerated pace, the regime sought to find a middle ground between the liberalization of the private sector and the preservation of the social protection provided to the more vulnerable sections of the population through the public sector. <sup>69</sup> This attempt at balancing the neoliberal trend with the socioeconomic needs of ordinary Syrians was presented under the slogan of "social market economy," a new development framework adopted in 2005 at the Ba'th Party's Tenth Regional Conference. 70 Abboud outlines this new economic framework in five points;<sup>71</sup> first, granting the private sector a greater role in economic development, whilst maintaining a balance with the authority of the public sector; second, integrating the market as the dominant mechanism regulating the distribution of goods and services in the economy; third, reducing the state's dominant role as the main regulator of the economy while maintaining its limited interventionist capacity; fourth, formally including the capitalist business classes into the decision-making process, further undermining the authority of old corporatist groups such as trade unions; and finally, preserving the public sector, despite the breaking up of its monopoly over sectors of the economy and the expansion of the private sector. The expansion of the activities of the private sector were facilitated by the further liberalization of trade, investment regulations and flows of capital, which enhanced the political decision-making power of the Central Bank and the Ministry of Finance.<sup>72</sup>

These reforms, however, faced strong opposition from certain traditional members of the party. Before the adoption of the "social market economy" framework,

<sup>&</sup>lt;sup>69</sup> Hinnebush, "From Authoritarian Upgrading to Revolution," 98.

<sup>&</sup>lt;sup>70</sup> Samer Abboud, "Locating the Social in the Market Economy," in *Syria: From Authoritarian Upgrading to Revolution?* edited by Raymond Hinnebusch (Syracuse, NY: Syracuse University Press, 2015), 48.

<sup>&</sup>lt;sup>71</sup> Abboud, "Locating the Social in the Market Economy," 53.

<sup>&</sup>lt;sup>72</sup> Joya, "A Comparative Study of Neoliberalism in Syria and Egypt," 231.

Bashar and his reformist allies faced stark resistance from the Old Guards, who embodied the traditional Ba'ath Party and whose values and interests were threatened by the fast pace of the reforms.<sup>73</sup> In order to clear the way for his vision to be realised, Bashar purged the state apparatus from political opponents and other obstacles. In 2005, he successfully removed the Old Guard from power. He also weakened the power of the peasants and workers unions, and later in 2010 dissolved the second and sub-rank branches of the party leadership who continued to show opposition.<sup>74</sup> However, these purges had important consequences for the stability of the regime. First of all, the reforms were not implemented any more effectively, and the quality of the administration actually deteriorated as a result of the dismissal of several experienced officials. More importantly, by removing influential and well-connected personalities from the circles of power, Asad further concentrated patronage networks in the hands of a narrower clique of elites, the Asad-Makhlouf family, cutting off important clientelistic relations that connected the party to large sections of society. Such attempts at consolidating his power in government led Assad to increase the sectarian and tribal character of the party, alienate important political constituencies, thus weakening his regime's stability and control over society. 75 With neoliberalism, Syria's did not so much witness the diversification and opening of business elite circles, but the replacement of traditional power figures with a new elite.

The "social market" narrative promoted by the Bashar regime is an attempt to combine the neoliberal profit-making logic with social welfare by presenting private actors as agents of economic growth and capital accumulation, and the interventionist

<sup>&</sup>lt;sup>73</sup> Hinnebush, "From Authoritarian Upgrading to Revolution," 99.

<sup>&</sup>lt;sup>74</sup> Abboud, "Locating the Social in the Market Economy," 99.

<sup>&</sup>lt;sup>75</sup> Hinnebush, "From Authoritarian Upgrading to Revolution," 99.

state as the guarantor of middle and lower class interests in the face of global market competition. Supposedly, market-generated growth was to be channeled towards social good. Abboud, however, argues that in its implementation, the "social" dimension of Asad's "social market" economic strategy is missing and that the reforms failed to deliver on their promise to preserve the interests of Syria's middle and lower classes. Despite the dismantling of traditional Ba'th institutions and corporatist networks of economic redistribution, "social market economy" is not presented as a break from Ba'thist values, but as an adapted response to contemporary economic pressures and demands of the population. As a political slogan the "social market" narrative helps to legitimize neoliberal reforms by making them coherent with the statist Ba'th tradition of protecting its popular constituencies, when in reality levels of poverty and inequality have sharply risen. It also seeks to transform traditional perceptions of the private bourgeoisie from a group that is hostile to public interests into an ally in economic development for the country as a whole.

The social impact of the "social market" policies thus contrasted sharply with the promises it carried for the vast majority of the Syrian population. In his theoretical analysis of neoliberalism as a political economic system, Harvey<sup>78</sup> explores the contradictions between neoliberal theory that promises overall social prosperity through market-driven growth, and the material manifestations of neoliberalism that include rising social inequalities and the deterioration of living conditions for certain sections of the population. This is a pattern that is clearly observable in Syria. Despite the fast-growing economy, the vast majority of lower income Syrians did not benefit from

<sup>&</sup>lt;sup>76</sup> Abboud, "Locating the Social in the Market Economy," 54.

<sup>&</sup>lt;sup>77</sup> Abboud, "Locating the Social in the Market Economy," 62.

<sup>&</sup>lt;sup>78</sup> David Harvey, *A Brief History of Neoliberalism*, (Oxford: Oxford University Press, 2005).

political and economic inclusion.<sup>79</sup> Statistics show that between 2000 and 2010 GDP increased by 4.3 percent on average annually. 80 Between 2002 and 2010, foreign direct investment climbed from \$120 million to \$3.5 billion which led to a boom in the sectors of trade, housing, banking, construction and tourism.<sup>81</sup> Economic growth however, was also accompanied by rising inequality. While overall poverty rate decreased from 33.2 percent to 30.1 percent, the Gini coefficient, indicating levels of inequality, rose from 33.7 to 37.4 between 1996 and 2004, suggesting that economic policies were not propoor.<sup>82</sup> Official unemployment rates increased from 9.5 percent in 2000 to 14 percent in 2004, while other sources report a 20 percent unemployment rate.<sup>83</sup> The adoption of the social market strategy in 2005 did not reverse that trend, and evidence even shows that it exacerbated social issues, with higher unemployment rates, rising poverty, low wages, and rising economic uncertainty due to rising cost of living and the deregulation of prices. The economic growth generated by the growing private sector were not redirected towards social protection as social market policies suggested.<sup>84</sup> On the contrary, the government further reduced social expenses, deepening the austerity measures first adopted by the old Asad regime in the 1980s. Bashar further dismantled the subsidy system, restructured public sector enterprises, and ended all new employment in the public sector, a major source of employment in the country, as an estimated 25 to 30 percent of the population was employed in the public sector.85 With a rapidly growing population and an expanding labor force, the Syrian private sector

<sup>&</sup>lt;sup>79</sup> World Bank, "The Toll of War," iv.

<sup>80</sup> World Bank, "The Toll of War," iv.

<sup>&</sup>lt;sup>81</sup> Hinnebush, "From Authoritarian Upgrading to Revolution," 100.

<sup>&</sup>lt;sup>82</sup> World Bank, "The Toll of War," 11.

<sup>&</sup>lt;sup>83</sup> Joya, "A Comparative Study of Neoliberalism in Syria and Egypt," 228.

<sup>&</sup>lt;sup>84</sup> Abboud, "Locating the Social in the Market Economy," 54.

<sup>85</sup> Abboud, "Locating the Social in the Market Economy," 51.

found itself unable to absorb the surplus of labor, as it principally invested in non-productive and non-employment generating sectors. Ref Instead of providing employment, social services and higher living standards for the majority, privatizations facilitated the upward redistribution of resources through the formation of monopolies and oligopolies. The majority of the economic activity increasingly came under the control of an exclusive group of regime-allied capitalist elite. This confirms Hardin's rejection of the common opposition made between state and market under contemporary neoliberal systems. As we have seen throughout the history of the Ba'th regime's slow progress towards neoliberalism, a comfortable agreement between state, market and corporations exists to facilitate unprecedented levels of wealth and power concentration. For example, Rami Makhlouf, one of president Bashar al-Asad's cousins, and Syria's richest businessman, was estimated to be in control of 60 per cent of Syria's economy.

As expected in any neoliberal developmental model, the state's withdrawal from its role as welfare provider was paralleled with a sharp rise in the number of private and charitable organisations responding to people's deteriorating living conditions, effectively transferring social responsibility from the state to the private and civil society sector. This transfer of responsibility to the market was accompanied by a diffusion of government authority to the private sector. Important sections of the Ba'th regime's traditional constituencies were cut off from the social support and protection they once received, further weakening and narrowing the regime's support base.

Standards of living in rural regions dropped, and rural-urban migrants continued to flow to the cities. In addition to economic hardships, droughts and environmental degradation

<sup>&</sup>lt;sup>86</sup> Joya, "A Comparative Study of Neoliberalism in Syria and Egypt," 231.

<sup>&</sup>lt;sup>87</sup> Carolyn Hardin, "Finding the 'Neo' in Neoliberalism," *Cultural Studies* (2012): 18.

<sup>&</sup>lt;sup>88</sup> Matar, The Political Economy of Investment in Syria, 110.

further accelerated population flows from the countryside to the city. <sup>89</sup> The basic services once guaranteed in the informal urban peripheries, such as healthcare, education, and infrastructure were no longer guaranteed, and living standards in the cities' informal settlements also dropped. These factors contributed to sowing the seeds of discontent that turned Syria's informal urban settlements into foyers of resistance.

Comparatively speaking, Syria's transition to neoliberalism was not the most devastating for its middle and lower classes. Joya observes that in comparison with Egypt's unbridled neoliberal transformations and their devastating social consequences for the wider Egyptian population, neoliberal reforms in Syria happened at an uneven pace and were even sometimes reversed due to concerns for their social consequences and their implications for the country's political stability. 90 The state elite were aware of the risks of integrating Syria's economy into the global market and of fully exposing it to intense global competition, which it lacked the institutions and skilled labor force to compete with. Concern for the negative impact that widespread popular discontent could have on the legitimacy and the stability of the regime contributed to relatively slowing the pace of reforms and maintaining a certain level of social security with limited subsidies and wealth redistribution. Despite the accelerated privatization and reduction in public spending, rising unemployment, poverty and inequality, what remained of social security limited the severity of the degradation of people's living standards and prevented many from a descent into extreme poverty. Furthermore, the Ba'th party had left a legacy of a strongly organised peasantry and workers

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<sup>&</sup>lt;sup>89</sup> World Bank, "The Toll of War: The Economic and Social Consequences of the Conflict in Syria," The World Bank group, 2017, 47. Accessed May 2020.

https://www.worldbank.org/en/country/syria/publication/the-toll -of-war-the-economic-and-social-consequences-of-the-conflict-in-syria.

<sup>&</sup>lt;sup>90</sup> Joya, "A Comparative Study of Neoliberalism in Syria and Egypt," 232.

organisations who also contributed to slowing down the reforms in their struggle to preserve their interests. 91 As the social uprisings have shown, the elite's concerns for the negative consequences of unchecked structural economic transformations were well founded. Despite the moderate levels of social protection left, the overall living conditions of most Syrians worsened as market mechanisms failed to replace traditional distribution networks, while allowing a narrow circle of capitalist elite to accumulate wealth. Bashar's reforms reversed the social contract that the traditional Ba'th party forged with the peasantry and the working class, and broke off the corporatist links that protected those political constituencies. As Hinnebush rightly argues, the short-term gains accumulated by the regime through authoritarian neoliberalism "entailed cumulative long-term costs,"92 which became evident with the eruption of such a largescale and destructive internal conflict. According to Abboud, the "social market economy" is "the culmination of at least two decades of regime-bourgeoisie reconciliation."93 This concords with Harvey's argument that neoliberal reforms permit the restoration of capitalist class power through the obliteration of barriers to capital accumulation, and extreme concentration of resource in the hands of the elite.<sup>94</sup> Crouch also argues that rather than promoting free markets, neoliberalism serves the power of the corporation. 95 In Syria especially, the authoritarian nature of the regime equips it particularly well to protect private monopolies of the new elite, rather than ensuring a truly free market.

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<sup>&</sup>lt;sup>91</sup> Joya, "A Comparative Study of Neoliberalism in Syria and Egypt," 233.

<sup>&</sup>lt;sup>92</sup> Hinnebush, "From Authoritarian Upgrading to Revolution," 95.

<sup>&</sup>lt;sup>93</sup> Abboud, "Locating the Social in the Market Economy," 53.

<sup>&</sup>lt;sup>94</sup> Harvey, A Brief History of Neoliberalism.

<sup>&</sup>lt;sup>95</sup> Colin Crouch, *The Strange Non-Death of Neoliberalism*, (Malden, MA: Polity Press, 2011) cited in Hardin, "Finding the 'Neo' in Neoliberalism," 18.

The limited resistance that the Syrian regime had so far encountered from disenfranchised communities, with a few exceptions, such as the violently crushed Muslim Brotherhood uprising in the 1980s, was due both to the efficient repressive military power of the regime, and to the decent minimum standards of living provided to the majority of the population through the state's policies of social protection. The rupture of important links between the Ba'th party and Syrian society and the rapid descent into poverty of communities that once received the protection of the regime led to the erosion of the regime's control over Syrian society. Economic grievances and popular discontent culminated in the eruption of unprecedented waves of opposition in 2011. Although the protests cut across sectarian divides, the most significant component of the anti-regime movement was economically marginalized Sunni peasants and workers from rural areas and peripheral urban settlements, 96 who had most suffered from Bashar's "social market" strategy. The socioeconomic forces that propelled informal urban settlements at the center of anti-regime opposition are further explored in the next chapter, which focuses on housing and urban development as an important dimension of how social orders are molded. In particular, the next chapter will focus on the project of Marota City as a case of the weaponization of urban development and restructuring in a context of war. This will provide a useful point of entry into a discussion of wartime mechanisms of dispossession and population control.

<sup>&</sup>lt;sup>96</sup> Daher, "Syria: The Social Origins of the Uprising."

#### CHAPTER III

# MAROTA CITY: RECONSTRUCTION OR URBAN DEVELOPMENT AS AN ACT OF WAR

#### A. Introduction

This chapter will first discuss the history of the Syrian regime's urban planning and housing policies in the decades prior to the 2011 uprising, outlining the progressive shift from centralized and welfare-oriented urban planning towards an increasingly neoliberal and elite-driven approach, and explaining the historical predominance of informality in Syria's housing sector. Clerc defines informal neighborhoods as "collective zones of infraction" (al-manātiq al-mukhālafāt al-jamā'ia) where housing units are built without legal permits. <sup>97</sup> Informal building can happen in two ways; either by building illegally on public land that is not owned by the user, or by building on private land that is owned by the user but without the legal building permissions. <sup>98</sup> Second, this section will provide a more detailed description of the Marota City project itself, including a chronology of the legal reforms that have marked the regime's steps towards its legalization and realization, which will highlight the deepening of neoliberal housing policies since the beginning of the conflict.

#### B. History of Syria's housing policy and informal settlements

In Syria, housing patterns and policies are characterized by a paradox: for decades, the country has suffered from a shortage of decent and affordable housing,

<sup>&</sup>lt;sup>97</sup> Valerie Clerc, "Les Quartiers Informels à l'Épreuve de la Crise en Syrie: une Inflexion Inachevée des Politiques d'Habitat et d'Urbanisme?" *Quartiers Informels d'un Monde Arabe en Transition, Réflexion et Perspective pour l'Action Urbaine* 7. Pierre-Arnaud Barthel and Sylvy Jaglin, eds. (Paris: Agence Française de Développement, 2013), 55.

<sup>98</sup> Robert Goulden, "Housing Inequality in Syria," 188.

which has resulted in a large part of the country's urban population being housed in informal settlements lacking proper infrastructure and services. At the same time, the country visibly displays a large number of luxurious properties and extravagant constructions financed by a wealthy elite. 99 The large-scale infrastructural damage and urban transformation caused by the war have not changed this disparity. On the contrary, patterns of urban destruction and reconstruction have only exacerbated the contrast. Large-scale destruction of property, forced population displacement and rising levels of poverty all caused by the war have exacerbated the severe shortage of affordable housing and further increased reliance of lower income Syrian households on the informal sector. By 2016, the conflict was estimated to have either destroyed or damaged almost thirty percent of Syria's housing stock, 100 considerably shrinking the pool of existing inhabitable housing units. Between 2011 and 2016, Syria's GDP was estimated to have contracted by 63 percent, 101 turning a fast-growing middle-income country into a low-income country where the extreme poverty rate, which used to be very low, was predicted at 62.7 percent in 2016. 102 Internally displaced persons (IDPs) inside Syria are estimated by the United Nations High Commissioner for Refugees (UNHCR) at 6.6 million, <sup>103</sup> making them the largest internally displaced population in the world. The conflict forced them to relocate to safer parts of the country, often several times over the course of years of war, reshuffling the demographic distribution

<sup>&</sup>lt;sup>99</sup> Robert Goulden, "Housing Inequality, and Economic Change in Syria," *British Journal of Middle Eastern Studies* 38, No. 2 (2011).

<sup>&</sup>lt;sup>100</sup> World Bank, "The Toll of War: The Economic and Social Consequences of the Conflict in Syria," The World Bank group, 2017, iv. Accessed May 2020.

https://www.worldbank.org/en/country/syria/publication/the-toll-of-war-the-economic-and-social-consequences-of-the-conflict-in-syria.

<sup>101</sup> World Bank, "The Toll of War," vii.

World Bank, "The Toll of War," 71.

<sup>&</sup>lt;sup>103</sup> United Nation High Commissioner for Refugees, "Syria Emergency," updated April 2018. Accessed May 2020. https://www.unhcr.org/syria-emergency.html.

of households between the country's different regions and accelerating the already massive rural-urban migration that had already been taking place in previous decades due to population growth and development policies that weakened the agricultural sector and impoverished rural communities, as mentioned in the previous chapter. IDPs have had to resort to alternative housing strategies for survival, which include rebuilding informal housing themselves, squatting abandoned buildings, renting or sharing overcrowded living spaces by pooling family resources. 104 The origins of the housing crisis and the expansion of the informal housing sector, however, do not lie with the war itself, which only exacerbated an existing problem. Syria's housing crisis is a long-running issue that emerged in the decades prior to the war with the country's fast demographic growth, rapid urbanization and the Syrian regime's inadequate response to the housing needs of its population. The increased privatization, the contraction of the public sector and reduction of public services described in the first chapter further limited the regime's ability to provide affordable housing to its lowerclass constituencies. This section explores the historical roots of Syria's housing crisis and of the above-mentioned paradox.

Historically, the city of Damascus grew as a patchwork of socio-economically segregated formal and informal neighborhoods. The modernization campaigns started by the Ottoman administration in the late nineteenth century produced larger socio-economic inequality with the emergence of well-planned luxury neighborhoods such as Sarouja, Oukaibeh and Muhajireen and the consolidation of property rights in those areas. <sup>105</sup> Under the French mandate, the distinction between formal and informal

<sup>&</sup>lt;sup>104</sup> Wind and Ibrahim, "The War-time Urban Development of Damascus," 10.

<sup>&</sup>lt;sup>105</sup> Wind and Ibrahim, "The War-time Urban Development of Damascus," 2.

housing was formalized in the mandate government's efforts to introduce spatial planning and limit the organic growth of the city in order to make it more livable, organised and governable by the colonial administration. Following Syria's independence, city planning under the Ba'th regime maintained its modernist vision but was infused with strong socialist and collectivist ideals characterized by centralized planning and nationalized industries. Urbanization, industrialization and the modernization of agriculture fueled economic growth and large-scale rural-urban migration that lead to the expansion of informal urban areas. The legal framework for the execution of the 1968 Masterplan for the city of Damascus adopted during the first decade in power of the Ba'th party have had a long-lasting impact on the urban development of the city and provided the foundations of pre-2011 housing patterns and polices. The housing and spatial planning regulations adopted by the regime encouraged the development and expansion of the city and created favorable conditions for the low-cost construction of affordable housing.

Despite these measures, the formal public sector never had the capacity to meet the demand of the growing urban population for affordable housing, and informal construction remained the dominant housing model, accounting for 65 percent of the construction between 1981 and 1994. The expansion of the city under a mixed model of Ba'thist state-led development paralleled with organic informal housing construction generated new forms of ethnic and socio-economic spatial segregation. While public servants, military personnel and factory workers had access to formally built and well-

<sup>&</sup>lt;sup>106</sup> Wind and Ibrahim, "The War-time Urban Development of Damascus," 3.

<sup>&</sup>lt;sup>107</sup> Robert Goulden, "Housing Inequality in Syria," 188.

<sup>&</sup>lt;sup>108</sup> Masanori Naito, "From the walled inner city to the urban periphery: Changing phases of residential separation in Damascus," *Hitotsubashi Journal of Arts and Sciences* 29 (1988): 55-69.

designed housing, most rural-urban immigrants fulfilled their own housing needs through informal self-construction. Many districts became patchworks of both formally and informally built neighborhoods made up of different ethnicities and socio-economic classes.

Before the war, informal settlements in Syria were usually equipped with some level of basic services and infrastructure for water, electricity, sanitation, public transport, and garbage collection, and were not entirely neglected by the state. As discussed in chapter one, the provision of social services by the state had progressively been eroded under the rule of Bashar al-Asad, meaning that the quality of services and infrastructure in informal settlements were increasingly poor and insufficient to cover the needs of the residents who often lived in overcrowded, unsafe and unsanitary conditions. 109 The pre-2011 poverty rate had remained shallow despite worsening living conditions, and levels of extreme poverty remained at 11.4 percent in 2004, which is relatively low for a middle-income country like Syria compared to international standards. 110 Regional inequalities meant that most of the poverty was concentrated in rural areas, while extreme poverty levels were very low in urban areas.<sup>111</sup> Syria's informal urban neighborhoods were therefore not affected by the extreme poverty that characterizes most of the world's slums. Goulden explains the relative absence of slums in Syria with the lingering effects of Ba'th redistributive development policies from the 1960s and 1970s that provided almost universal housing and basic infrastructure to the whole country and prevented Syria's informal settlements from falling below a certain threshold of poverty. Despite their illegality, laws de facto protected informal residents

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<sup>&</sup>lt;sup>109</sup> Robert Goulden, "Housing Inequality in Syria," 188-189.

<sup>&</sup>lt;sup>110</sup> Heba al-Laithy and Khalid Abu-Ismail, *Poverty in Syria, 1996–2004: Diagnosis and Pro-Poor Policy Considerations* (Damascus: UNDP, 2005), 25.

<sup>&</sup>lt;sup>111</sup> Heba al-Laithy and Khalid Abu-Ismail, *Poverty in Syria*, 27.

from eviction by making the provision of adequate alternative housing by local authorities obligatory, thus guaranteeing a considerable level of tenure security.<sup>112</sup>

In the decades of the 1990s and 2000s urban planning in Syria followed the general neoliberal economic trend outlined in the previous chapter and underwent a progressive policy shift from a state-directed to a private sector-dominated and elitedriven approach. This generated contradictions in the ways in which the state approached the issue of informal housing, because despite the neoliberal shift, decades of Ba'th socialist policies continued to influence the authorities' treatment of informal settlements. Public authorities experienced a tension between their obligation to provide social welfare to Syrian citizens through the urban upgrading and legalization of existing housing and infrastructure in informal settlements, and the new neoliberal economic logic of profit-making trough urban renewal, which entailed the destruction followed by reconstruction of settlements. Different plans and proposals promoted one or the other or a combination of both approaches, sometimes in contradictory ways. 113 This also contributed to further limiting the regime's ability to provide adequate housing to Syria's lower classes. Inequality became increasingly visible in the housing sector and resulted in the paradox of the continued expansion of poor informal settlements, alongside the exponential growth of luxury buildings and upscale properties. Goulden argued that the policy shift towards a neoliberal economic model was among the causes of the rising inequality in the housing sector. Hafiz al-Asad's political-economic policies of "infitah" followed by Bashar's neoliberal economic framework expanded the activity of the private sector and dissolved the safety net provided by public services

<sup>&</sup>lt;sup>112</sup> Robert Goulden, "Housing Inequality in Syria," 191.

<sup>&</sup>lt;sup>113</sup> Clerc, "Informal settlements in the Syrian conflict," 34–51.

that prevented many from falling into deeper poverty, decidedly worsening the living conditions of many working class Syrians in the decade preceding the war. However, the long-term effects of decades of Ba'th social protection persisted, and the conditions of poor informal housing remained less degraded than in other parts of the world.

The state's repeated attempts to prevent the expansion of informal housing settlements around its main urban centers never actually addressed the root of the issue: the lack of affordable and decent housing. It Instead, by encouraging the private sector to take charge of real estate development, it opened the way for heavy investment in large-scale, capital intensive luxury projects catering for the demand of tourists and upper classes of Syrian society. No incentives were created to provide affordable formal housing to lower income sections of society, which were further marginalized. Goulden concluded that Syria's housing crisis, with the worsening living conditions and economic marginalization of informal neighborhoods, had become a threat to the existing political order, as shown by the eruption of early demonstrations in the informal neighborhoods of Damascus. In Informal neighborhoods of Damascus.

In the following section, the case of Marota City shows that the wartime urban development policies followed by the regime in its "reconstruction" of the country are intrinsically linked to the war effort against threatening political constituencies that have risen up against Asad's rule. These policies are also continuation of the neoliberal framework adopted during the 2000s, which contributed to exacerbating Syria's housing crisis. The social order that is emerging from the war and the "reconstruction" that comes along with it therefore isn't a complete break with the past but represents a

<sup>&</sup>lt;sup>114</sup> Goulden, "Housing Inequality in Syria," 199.

<sup>&</sup>lt;sup>115</sup> Goulden, "Housing Inequality in Syria," 201.

deepening and acceleration of the regime's pursuit of an authoritarian neoliberal political-economic order.

#### C. A Chronology of the Marota City Project

Marota City, a high-end district currently under construction in a southern suburb of Damascus, is considered to serve as a blueprint for future post-war reconstruction projects across the country. 116 Interestingly, in Syriac, the word "marota" means "sovereignty" and "motherland". 117 As described by its official website, its "towers and buildings vary from luxurious residences, shops, hotels, hotel apartments, restaurants, cafes, financial institutions, banking, health specialist, cultural services and distinctive and upscale educational schools."118 The website presents, in Arabic and in an English version in critical need of some proof-reading, the project's ambitious vision for a utopian city that aspires to, in its own words, put Damascus on the "map of modernity and globalism." As a "showcase project" Marota City aims to compete on a regional level with other luxurious housing and business real estate development projects elsewhere in the Arab world. 119 The website presents the project as a brand to be marketed to potential investors and clients, in typical neoliberal fashion. It includes a brief description of the project, an interactive map, fragments of news on the start of the construction works, and visual projections of the extravagant architectural designs. Its active Facebook and Instagram pages contain dozens of photos and videos showcasing

<sup>&</sup>lt;sup>116</sup> Wind and Ibrahim, "The War-time Urban Development of Damascus," 6.

<sup>&</sup>lt;sup>117</sup> Joseph Daher, "Reconstructing Syria: How the al-Assad Regime is Capitalizing on Destruction," *Reconstructing Syria: Risks and side effects. Strategies, actors and interests,* (Leipzig: Adopt a Revolution, 2018), 10.

<sup>&</sup>lt;sup>118</sup> Marota City official website, accessed March 23, 2020, http://marotacity.sy

<sup>&</sup>lt;sup>119</sup> Jihad Yazigi, "Destruct to Reconstruct: How the Syrian Regime Capitalises on Property Destruction and Land Legislation" (Berlin: Friedrich-Ebert-Stiftung, 2017).

awe inspiring artistic impressions of luxury high-rises that are one day supposed to make up the urban fabric of the ultra-modern neighborhood. The website provides very little information on the origins and background of the urban development project, and on the sources of investment behind it.

At the time of writing, Marota City is still only a massive construction site of 2.150.000 square meters<sup>120</sup> situated in a southern neighborhood of Damascus named Basateen al-Razi, located in the districts of al-Mezzeh and Kafar Soussa. The plan involves the construction of 13 thousand housing units for a population capacity of 60 thousand inhabitants, 121 as well as other mixed-use business, recreational, health and educational facilities, targeting wealthy upper-class citizens. Easily accessible from the Old City and from the high-status, predominantly Alawite neighborhood of al-Mezzeh, Marota City represents a high-profit opportunity to private investors. 122

Before its destruction by the authorities to make way for the new development project, the neighborhood of Basateen al-Razi was a mix of informal housing and agricultural land. As the land on which people built their houses was legally categorized as "agricultural," as opposed to residential land, 123 none of the properties built in the neighborhood were recognised as legal, even when the inhabitants legally owned the land they lived on. The neighborhood counted 6,733 informal properties and more than fifty thousand residents, 124 a large majority of whom were Sunni farmers. 125 Like in many informal settlements surrounding Syria's major cities, the inhabitants of Basateen

<sup>&</sup>lt;sup>120</sup> Marota City official website

<sup>&</sup>lt;sup>121</sup> Wind and Ibrahim, "The War-time Urban Development of Damascus," 6.

<sup>&</sup>lt;sup>122</sup> Wind and Ibrahim, "The War-time Urban Development of Damascus," 8.

<sup>&</sup>lt;sup>123</sup> Edwar Hanna and Nour Harastani, "Is Marota City the Type of Reconstruction Syrians Need?" (Budapest: Central European University, May 2019), 2.

124 Hanna and Harastani, "Is Marota City the Type of Reconstruction Syrians Need?" 3.

<sup>&</sup>lt;sup>125</sup> Yazigi, "Destruct to Reconstruct," 7.

al-Razi actively participated in the 2011 uprisings and the neighborhood became a bastion of the opposition when the conflict erupted. The project is strategically located along the former frontline (the Mezzeh highway) that separated the Syrian army from rebel factions of Basateen al-Razi, until the regime recaptured the rebel stronghold and crushed the neighborhood's uprising.

In order to make the realization of the Marota project possible, a new set of laws have been issued since 2012, creating a new legal regime of property transfers and development in which expropriation, land grabs and demolition of existing property are legalized, while public-private relations are restructured in such a way as to hand over greater responsibility to private actors in the reconstruction process. The following is an overview of the chronology of the new laws relevant to urban development and reconstruction passed by the Syrian regime since 2012.

The legal reform that marked the first step in making Marota City a reality was Decree 66, passed in 2012. It identifies areas the two neighborhoods of Basateen al-Razi and al-Lawan from the al-Mezzeh district in Damascus governorate as area of development. Soon after, Decree 63 was passed to empower the finance ministry to size the assets and properties of individuals falling under the 2012 Counterterrorism Law that broadened and blurring the definition of what counts as participation in terrorist activities. In Basateen al-Razi and other former oppositions areas recaptured by the regime, Decree 66 effectively sanctioned residents, of whom a majority were

<sup>&</sup>lt;sup>126</sup> Yazigi, "Destruct to Reconstruct," 7.

<sup>127</sup> Wind and Ibrahim, "The War-time Urban Development of Damascus," 6.

<sup>&</sup>lt;sup>128</sup> Sune Haugbolle, "Law No. 10: Property, Lawfare, and New Social Order in Syria," Syria Untold, accessed April 10, 2020. https://syriauntold.com/2018/07/26/law-no-10-property-lawfare-and-new-social-order-in-syria/

lower class Sunni Muslims involved in the uprisings, through the legalized expropriation and destruction of their property and their expulsion from their land. 129

In 2015, Decree 19 established that local authorities could found investment companies. Damascus Sham Holding was thus created in 2016 by the Damascus governorate as a public-private company to resolve the Governate's financial crisis and carry out urban development projects. It was run by the governor of Damascus himself, Bishr al-Sabban, since its inception until 2018, when he was removed from office. In 2016, Law No. 5 established the legal framework for Public-Private Partnerships (PPPs), effectively empowering private actors to manage state assets. <sup>130</sup> It is through PPPs between Damascus Sham Holding and previously unknown private investors that Marota City is being funded. The private companies that partnered with Sham Holding include Aman Dimashq, Al-Moutaweroun Stock Company, Rawafed Dimashq, Ramac and partners, and Mirza Group, all of which are more interested in attracting Gulf and regional markets than to meet the housing and reconstruction needs of local Syrians. <sup>131</sup>

Starting in December 2016, the Damascus municipality converted land and property ownership in Basateen al-Razi into shares of the Damascus Sham Holding development company to make way for the construction of Marota City. Through this restructuring, Sham Holdings became the principal proprietor of the land with 33 percent of the shares, while the remaining 66 percent were distributed among those of the former residents who were able to navigate the required bureaucratic procedures in order to claim their property rights. Former inhabitants therefore went from landowners

<sup>&</sup>lt;sup>129</sup> Haugbolle, "Law No. 10: Property, Lawfare, and New Social Order in Syria."

<sup>&</sup>lt;sup>130</sup> Al-Lababidi, Damascus Businessmen: The Phantoms of Marota City, (Badia Fiesolana: European University Institute, April 2019): 4-5.

<sup>&</sup>lt;sup>131</sup> Al-Lababidi, "Damascus Businessmen: The Phantoms of Marota City," 9.

<sup>&</sup>lt;sup>132</sup> Haugbolle, "Law No. 10: Property, Lawfare, and New Social Order in Syria."

to shareholders, while others simply lost all property rights. However, due to the unaffordable development costs associated with these shares, many former residents saw themselves forced to sell their shares to private investors.<sup>133</sup>

Finally, in 2018, the infamous Law 10 extended the applicability of Decree 66 to the rest of Syria. It also gave a three month deadline for any landowner across Syria to physically present their legal certificates in order to claim their property rights if they wished to receive their share of any development project carried out on the land they formerly inhabited. 134 Due to the international outcry that this law provoked, and to the pressure applied by international rights organisations as well as governments like Germany, the Syrian regime later extended the deadline to one year. 135 In case a share was not claimed in due time, it would automatically become property of Damascus Sham Holdings. In practical terms, this law made it impossible for thousands of displaced Syrians to reclaim their property due to travel restrictions, the security threats of returning, and the widespread destruction of property titles in the war. Furthermore, thousands of people residing in informal neighborhoods simply never had any property titles for the land they inhabited in the first place. 136 The framework of reconstruction provided by luxury projects such as Marota City clearly prioritizes the interests of regime-allied private entrepreneurs at the detriment of ordinary Syrians, in particular traditional residents of informal settlements, a demographic that has been historically marginalized and is perceived as politically threatening by the regime.

 $<sup>^{133}</sup>$  Wind and Ibrahim, "The War-time Urban Development of Damascus,"  $8.\,$ 

<sup>&</sup>lt;sup>134</sup> Haugbolle, "Law No. 10."

Haugbolle, "Law No. 10."

<sup>136</sup> Wind and Ibrahim, "The War-time Urban Development of Damascus," 8.

#### CHAPTER IV

# WARTIME NEOLIBERALISM AND THE EROSION OF THE RIGHT TO THE CITY IN SYRIA

#### A. War Economies and the Transformational Power of Violent Conflict

"Part of the problem in much existing analysis is that conflict is regarded as, simply, a breakdown in a particular system, rather than as the emergence of another, alternative system of profit, power and even protection."<sup>137</sup>

Violent conflict doesn't only destroy social orders and institutions, but also has the creative and transformative power of reshaping them and allowing a new system to emerge from the previous. Here we are particularly interested in looking at the important role played by the state in this transformative process. The spread of violence in Syria is most commonly understood as the result of the Asad regime's failure to maintain its control and sovereignty over the whole country. Here, we look at how the spread of violence has also served a functional purpose for the regime. The conflict has been strategically exploited by powerful actors, both state and non-state, to enforce their vision no longer only through political and economic means, but with military means as well. A context of "civil war" in which the use of military power is deemed legitimate facilitates the establishment of exploitative social institutions in which the elite are not held accountable for their widespread use of violence and violations of human rights.

<sup>&</sup>lt;sup>137</sup> David Keen, *Complex emergencies*, (Cambridge: Polity, 2008), 15.

<sup>&</sup>lt;sup>138</sup> Benedikt Korf, "Make Law, Not War? On the Political Economy of Violence and Appropriation," in *Institutions and Sustainability: political economy of agriculture and the environment, essays in honour of Konrad Hagedorn* edited by Volker Beckmann and Martina Padmanabhan, 43-60. (London: Springer, 2009), 45.

#### 1. Markets of Violence

Despite the heavy human and economic cost of conflict, it has also presented new economic opportunities for a set of powerful actors. "The most commonly expressed opinion has been that war is very bad for trade, and trade is very bad for war." This quote points to the widespread perception that violent conflict and prosperous economic activities are not compatible. But just like war can be the continuation of politics by violent means, so can it be the continuation of economic enterprise through violent means. Elwert's concept of "markets of violence," which he uses in his work on violence in former Yugoslavia, provides an economic frame for explaining violent social action. 140 Markets of violence are "highly profitable social systems," which allow "acquisition based upon violence." The armed actors involved such as the military, private armies, and rebel fighters "combine violent appropriation with peaceful exchange." Long-term patterns of violence are often reinforced by the economic rationale behind them. The early ideological motivations that may have contributed to triggering the conflict are soon replaced or complemented by economic incentives as new opportunities emerge from markets and networks of exchange made possible by a violent social order. The longest a conflict lasts, the more likely markets of violence are likely to create incentives for the continuation of the conflict. Once a market of violence or "economic area dominated by civil war" is established, a positive interaction between violence and the market economy appears. In the case of

<sup>&</sup>lt;sup>139</sup> David Keen, Complex emergencies, 25.

<sup>&</sup>lt;sup>140</sup> Georg Elwert, "Intervention in Markets of Violence," in *Potentials of Disorder: Explaining Conflict* and *Stability in the Caucasus and Former Yugoslavia* edited by Koehler Jan and Zürcher Christoph, 219-242. (Manchester: Manchester University Press, 2003), 219.

<sup>&</sup>lt;sup>141</sup> Elwert, "Intervention in Markets of Violence," 221.

Syria, Abboud argues that the collapse of the formal economy saw the emergence multiple interconnected "war economies" that revolve around microeconomies of violence involving opportunistic and predatory practices such as looting, rent extraction, ransom, the diversion of aid money and donations, and the commodification of violence. According to Abboud, war economies are not secondary and eclectic activities happening on the side of the conflict but are essential to the reproduction and the perpetuation of the war itself. War economies involve new actors, networks, practices and structures that play an important role in determining the social order that will emerge in the post-conflict era.

Both state and non-state actors have played an important role in shaping Syria's war economies. As discussed in Chapter 1, the distinction between state and private interests became increasingly blurry in the period preceding the war, and this distinction has only been reinforced in times of conflict with the pursuit of further privatization and the enrichment of regime-allied capitalist entrepreneurs. Despite the breakdown of state sovereignty and the loss of control over large sections of the national territory, it would be misleading to see the Syrian state as "weak" as the coercive apparatus of the Asad regime has remained strong throughout the conflict. While Elwert explains the emergence of markets of violence as a sign of state weakness, Hristov, who looks at paramilitary violence in Colombia's civil war, argues that markets of violence are not incompatible with a strong state coercive apparatus.<sup>143</sup> Trade routes and economic networks link what is left of the formal economy with the informal and illegal markets

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<sup>&</sup>lt;sup>142</sup> Samer Abboud, "Social Change, Network Formation and Syria's War Economies," *Middle East Policy* 24, No. 1, (Spring 2017), 92-93.

Jasmin Hristov, "Self-Defense Forces, Warlords, or Criminal Gangs? Towards a New Conceptualization of Paramilitarism in Colombia," *Labor, Capital and Society* 43, No. 2 (2010): 38.

that emerged through the conflict, making it impossible to separate "peace-time" markets from markets of violence. Those who have profited the most from the situation have been a new class of war entrepreneurs conducting business across warzones, smuggling goods between state-controlled areas and rebel-held areas, including territories once held by the so-called Islamic State. <sup>144</sup> The state-allied private capitalist business class is therefore the one that most benefited from the war economies.

#### 2. Lawfare

While the rule of law is presupposed to be a guarantor of peace and justice in society, the law itself may be deployed by the state as an instrument to protect the interests of the few at the expense of the many. Any violence used "legally" by the state is deemed legitimate, while any violence used by rebels and non-state actors in attempts to challenge the status quo is delegitimized by being branded as "illegal." In the context of conflict where the state deploys legal tools to advance its interests, legitimize its own violence, and criminalize any form of resistance, a violent social order emerges in which the state and other powerful actors can use both legal and illegal means to pursue their economic and political agendas. "Lawfare" is a concept that describes such weaponization of the law to achieve political or military goals. Haugbolle uses the concept of lawfare to describe Asad's instrumentalization of the law to advance the political interests of the regime." The most obvious instance of lawfare used by the

<sup>&</sup>lt;sup>144</sup> Joseph Daher, *Syria After the Uprising: The Political Economy of State Resilience*. (London: Pluto Press, 2019), 241-244

<sup>&</sup>lt;sup>145</sup> Lesley Gill, "War and Peace in Colombia," in *An Anthropology of War: Views from the Frontline*, first edition, edited by Aice Waterston, 131-150 (New York: Berghahn Books, 2009).

<sup>&</sup>lt;sup>146</sup> Charles Dunlap, "Lawfare Today: A Perspective," Yale Journal of International Affairs (2008): 146.

Sune Haugbolle, "Law No. 10: Property, Lawfare, and New Social Order in Syria," Syria Untold, accessed April 10, 2020. https://syriauntold.com/2018/07/26/law-no-10-property-lawfare-and-new-social-order-in-syria/

regime is the Counterterrorism Law of 2012, which enabled the regime to classify any person having participated in protest activities or any other form or resistance, both peaceful and non-peaceful, as a terrorist. The state therefore controls the legal and discursive tools that permit for the production of terrorism as a legal category when it is convenient. Here, Keen's concept of "useful enemies" accurately describes the role that such "terrorists" play for the regime. Charging someone with terrorism under Asad's 2012 Counterterrorism law did not only empower the authorities to use violence against that person with impunity, but also to systematically dispossessed them of their land and property. Law No. 10 can also be described as a form of lawfare for making it very difficult or even impossible for large sections of the internationally displaced population and previous residents of informal neighborhoods from reclaiming their property. This law effectively facilitated and accelerated the expropriation of private properties by the state at the benefit of state-allied urban development companies. Al-Lababidi argues that it is the hidden mechanisms of reconstruction such as mechanisms of property appropriation, the holding companies founded by administrative councils, and the search for funding that determine the issuance of relevant laws and decrees to facilitate these mechanisms. 149 Practices of reconstruction therefore shape the legal framework in order to be rendered legal, rather than the legal framework determining the model for reconstruction.

#### 3. Urbicide or Destructive Reconstruction

By declaring a state of "civil war," the regime creates the necessary conditions of militarization and unaccountability for state violence to become an acceptable and

<sup>&</sup>lt;sup>148</sup> David Keen, *Useful Enemies*. (New Haven, CT: Yale University Press, 2012).

<sup>&</sup>lt;sup>149</sup> Mahmood al-Lababidi, "Damascus Businessmen: The Phantoms of Marota City," Research Project Report, (Badia Fiesolana: European University Institute, April 2019), 4.

widespread strategy to repress dissent. In these circumstances, neoliberal reforms and violent capital accumulation can be pursued with impunity. It is in this same context that "reconstruction" or wartime urban planning and development have been taking place in Syria. Daher and Heydemann both argue that reconstruction as it is taking place in Syria does not seek to repair the damages of war nor address the needs and grievances of the Syrian people, but serves the Assad regime's political and economic interests by rewarding its allies, punishing its opponents, and consolidating its power. 150 Clerc, as well as Wind and Ibrahim show how "reconstruction" has been weaponized by the regime and deployed as an important strategy to advance its military and political goals. 151 Wind and Ibrahim demonstrate the intrinsic link between warfare and spatial planning<sup>152</sup>, and reports on targeted neighborhood destruction demonstrate how spatial planning is used as a tool of warfare itself.<sup>153</sup> Basateen al-Razi illustrates how a community that rose up against the regime in 2011 and took arms to defend itself against the violent crackdown of the state was not only militarily defeated, but had its entire neighborhoods erased from the map. The large-scale demolition of entire neighborhoods known as "rebel strongholds," and the ensuing mass population displacements that resulted from it are not just collateral damage of violent conflict. Displacement is a desired result, and local residents are intentionally targeted as part of

<sup>&</sup>lt;sup>150</sup> Joseph Daher, "The Paradox of Syria's Reconstruction," Carnegie Middle East Center, September 2019. Accessed December 2019. https://carnegie-mec.org/2019/09/04/paradox-of-syria-s-reconstruction-pub-79773; Steven Heydemann, "Rules for reconstruction in Syria," Brookings, August 2017. Accessed March 2030. https://www.brookings.edu/blog/markaz/2017/08/24/rules-for-reconstruction-in-syria/.

<sup>&</sup>lt;sup>151</sup> Valerie Clerc, "Informal settlements in the Syrian conflict: Urban planning as a weapon," *Built Environment* 40, no.1 (2014): 34–51; Wind and Ibrahim, "The War-time Urban Development of Damascus."

<sup>&</sup>lt;sup>152</sup> Wind and Ibrahim, "The War-time Urban Development of Damascus."

<sup>&</sup>lt;sup>153</sup> Ole Solvang et al, *Razed to the Ground: Syria's Unlawful Neighborhood Demolitions in 2012-2013*, (New York: Human Rights Watch, 2014). Accessed April 2020.

https://www.hrw.org/report/2014/01/30/razed-ground/syrias-unlawful-neighborhood-demolitions-2012-2013.

the strategy to empty the lands required for private development projects. These strategies are an inherent part of the larger ongoing process of social and urban transformation along the lines of neoliberal capitalist reforms. The principal target of state military violence and expropriation have been those standing in the way of the realization of the desired political economic order. These strategies fall under the state's policy of elimination of any threats to the interests of those holding the economic and political power. Official discourses focusing on counterinsurgency efforts, peace and development hide the inherent violence of these transformations and their economic functions.

Asad's efforts to reconfigure Syria's demographic composition have been referred to as a "Hitlerian" and "genocidal" strategy to purge political dissent and homogenize the Syrian population. According to Carey, the Syrian regime's intent to eradicate part of its population, more specifically its Sunni majority who have played a prominent role in the opposition, and its willingness to use of chemical weapons in its war efforts, clearly falls under the definition of genocide. Similarly, Asad's pursuit of political and social homogeneity in Syria has also been carried out through the deliberate and large-scale destruction of Syria's urban environment, or urbicide. Coward defines urbicide in relation to genocide as the coordinated, systematic and "intentional destruction of the urban." In their analysis of urbicide in Syria, Sharp and

Azmi Bishara cited in Stephen Heydemann, "Rules for Reconstruction in Syria." Brookings. Published August 2017. https://www.brookings.edu/blog/markaz/2017/08/24/rules-for-reconstruction-in-syria/

<sup>&</sup>lt;sup>155</sup> Chip Carey, "Syria's Civil War has Become a Genocide," World Policy, published September 2013. http://worldpolicy.org/2013/09/16/syrias-civil-war-has-become-a-genocide/

Sawsan Abou Zainedin and Hani Fakhani, *Syria's Urbicide: the Built Environment as a Means to Consolidate Homogeneity* (Budapest: Shattuck Center on Conflict, Negotiation and Recovery, July 2019).
 Martin Coward, "'Urbicide' Reconsidered," *Theory & Event* 10, No. 2 (2007).
 DOI:10.1353/tae.2007.0056.

Abou Zainedin<sup>158</sup> both extend the concept to include not only destructive but constructive manifestations of urbicide as well. They describe reconstruction as the continuation of urbicide, the systematic erasure of urban landscapes and the populations that previously inhabited them. Abou Zainedin refers to the Marota City project as "destructive reconstruction," which serves to engineer new urban arrangements to achieve political homogeneity and profit the economic interests of regime-allied capitalist classes. According to Daher, the social order that is emerging from Syria's urbicide is one where the conditions for capital accumulation are strengthened and neoliberal policies intensified. The next section will discuss the links between the expansion of capitalist accumulation and urban restructuring, which will lead to the question of who holds the "right to the city" in Syria?

#### B. Wartime Urban Restructuring and Right to the City

This section principally draws from Harvey's work on the links between capital expansion and urbanization in his book "Rebel Cities." Marota City is a case of what Harvey describes as urban restructuring or "creative destruction" which is a violent form of urban transformation seeking to create a new urban reality on the rubbles of the old. As we have seen, the new social order that emerges from wartime urban restructuring in Syria is one where regime-allied elites are increasingly free to engage in

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<sup>&</sup>lt;sup>158</sup> Sharp, Deen. "Urbicide and the Arrangement of Violence in Syria," in *Beyond the Square: Urbanism and the Arab Uprisings*, edited by Deen Sharp and Panetta Claire, 118–41. Terreform; Sawsan Abou Zainedin and Hani Fakhani, *Syria's Urbicide*.

<sup>&</sup>lt;sup>159</sup> Joseph Daher, *The political economic context of Syria's reconstruction: a prospective in light of a legacy of unequal development*, Middle East Directions (MED), Wartime and Post-Conflict in Syria, (Badia Fiesolana: European University Institute, May 2018).

David Harvey, "The Right to the City," in *Rebel Cities. From the Right to the City to the Urban Revolution*, 3-25. (New York: Verso, 2012).

<sup>&</sup>lt;sup>161</sup> Harvey, "The Right to the City," 16.

processes of capital accumulation by dispossession, which produce deeper social inequalities. This section will first clarify the concept of accumulation by dispossession, then discuss how Marota City as a form of "creative destruction" is the realization of the new neoliberal city, and what such a city looks like. Finally, it will look at the relationship between neoliberal reconstruction practices and the "right to the city" in Syria.

#### 1. Accumulation by Dispossession

The concept of accumulation by dispossession refers to the process through which capital is accumulated through "predation, fraud, and violence, and through the state, privatization and the finance system." Although the predatory accumulation that Harvey describes are exploitative economic practices that regularly take place in peaceful capitalist societies, they are enhanced and accelerated when happening in the militarized context of war and crisis. It is important to stress the inseparability of the state and its coercive powers from the process of capital accumulation. There are several ways in which the state intervenes to facilitate and legitimize the expansion of capital. He state can deploy its coercive power to support the private capitalist class in dispossessing the masses and in protecting their interests through the use of military and police forces. As we have seen in Chapter 1, the alliance between the regime and the private elite in Syria has grown so deep that their interests can no longer be dissociated from one another. The example of Bishr al-Sabban, provided in Chapter 2, showed how the same person could become both a public servant, governor of the governorate of

<sup>&</sup>lt;sup>162</sup> David Harvey, "The 'New' Imperialism: Accumulation by Dispossession," *Socialist Register* 40 (2004): 63-87.

Derek Hall, "Rethinking Primitive Accumulation: Theoretical Tensions and Rural Southeast Asian Complexities." *Antipode* 44, No. 4 (2012): 1188-1208.

Damascus and a private entrepreneur, CEO of the publicly founded yet private company Damascus Sham holding. The significant political decision-making power awarded to the private sector through the formation of Public-Private Partnership has made the distinction between state and private spheres extremely blurry. As seen in the previous section on lawfare, the state also has the means to instrumentalise the laws according to its needs and interests. The de facto ownership of land, property or capital are acquired through coercive or fraudulent means, while the state subsequently guarantees the de jure ownership by enforcing laws that protect the property rights of the elite, thus making dispossession a legal and state-sponsored process. In the case of Marota City, the regime's role in deploying military force for the acquisition of the lands in Basateen el-Razi and the enforcement of a new legal framework to facilitate the transfer of property rights from former inhabitants to the private developer, Damascus Sham Holding company, clearly illustrates the state's importance for the concentration of land and resources in the hands of the capitalist elites.

#### 2. Marota City as "creative destruction"

The construction of Marota City illustrates the essential link that exists between urbanization and capitalism. According to Harvey,<sup>164</sup> these two processes mutually sustain and reinforce each other as urbanization requires surplus production for the physical construction of new urban spaces, while capitalism requires urbanization to absorb the surplus it produces. The politics of neoliberal capitalism are shaped by the need to find new terrains for the expansion of private capital. In their search of new and profitable investment opportunities, financial institutions and private corporations

<sup>&</sup>lt;sup>164</sup> Harvey, "The Right to the City," 5.

backed by the state apply pressure on the inhabitants of poor neighborhoods to take possession of the land they occupy. In peaceful societies, that pressure is applied through financial, legal and sometimes coercive means involving interventions by the police to exert physical violence. In the Syrian wartime context, the elite's interest in acquiring land for their high-end urban development projects align with the regime's political interest in eliminating inconvenient and threatening sections of the population. Regular "peacetime" means of displacement are complemented by military campaigns and counterterrorism laws, significantly increasing the brutality of the process.

As we have seen in previous chapters, the Syrian regime has increasingly privatized the sphere of real estate development, handing over the responsibility of addressing the housing needs of the Syrian population to the private sector. Due to the lack of incentives for profit-seeking capitalist elites to provide decent and accessible housing to the middle and lower classes of society, it was luxury projects such as Marota City, catering for the demands of tourists and upper-class Syrians that were prioritized. The alliance of corporate and state interests through public-private partnerships in times of crisis and conflict thus accelerated urban restructuring and exacerbated the shortage of affordable housing. The lower-class inhabitants of informal neighborhoods targeted for the creative destruction of urban "renewal" are forced to move elsewhere, where they resort once again to informal survival practices to access housing, thus reproducing the housing problem somewhere else. 165

<sup>&</sup>lt;sup>165</sup> Harvey, "The Right to the City," 16-17.

#### 3. The Neoliberal City

The expansion of the neoliberal urban model doesn't only involve the upward redistribution of land and capital, but also a radical transformation of lifestyle and values. <sup>166</sup> As has been noted in Syria's urban paradox, widespread poverty and destruction are paralleled by a growth in the service industries, consumerism, high-end estate development, and luxury hotels. <sup>167</sup> For the sections of society who can afford it, access to the city itself becomes a commodity, while vulnerable communities are always further out of the urban centers. In the neoliberal city, growing wealth and power inequalities become etched into the fabric of the city itself, as luxurious neighborhoods spring out of overcrowded informal settlements. This results in increasingly fragmented societies, as city dwellers are divided according to which type of consumerism residents have access to.

#### 4. The Right to the City

The "right to the city" is a concept coined by Lefebvre in 1968 that describes the right of any citizen to play an active role in the process of urbanization, through the appropriation of land, the production of urban space and the participation in the decision-making process that shape cities and neighborhoods. Harvey defines it as the right "to claim some kind of shaping power over the processes of urbanization, over the ways in which our cities are made and remade, and to do so in a fundamental and radical way." <sup>169</sup> In her study of neoliberal urban production in Beirut, Lebanon,

<sup>166</sup> Harvey, "The Right to the City," 14.

<sup>&</sup>lt;sup>167</sup> Joseph Daher, *The political economic context of Syria's reconstruction*.

<sup>&</sup>lt;sup>168</sup> Mona Fawaz, "Neoliberal Urbanity and the Right to the City: A View from Beirut's Periphery," *Development and Change* 40, No. 5 (2009): 827.

<sup>&</sup>lt;sup>169</sup> Harvey, "The Right to the City," 5.

Fawaz<sup>170</sup> argues that prior to the intensification of neoliberal urban planning policies, low income rural-urban immigrants had enacted their right to the city and accessed an otherwise inaccessible city through the appropriation and production of informal urban spaces outside the framework dictated by the state and the market. However, the right to the city of low-income city dwellers has been eroded since the acceleration of the country's neoliberal restructuration, deepened the entrenchment of market forces in processes of urban planning and governance, and limited public involvement in the provision of services to city dwellers. Fawaz's account of Lebanon's waves of ruralurban migration and of the negative impact the neoliberal policies have had on the quality of life in Beirut's informal settlements recalls the experience of Syria's informal settlements. Once moderately protected by Ba'th policies of social protection, low income city dwellers of rural origins and workers employed in the informal sector were able to exercise their right to the city through the independent construction of informal housing. Over the last decades however, informal settlements in Syria, and the right to the city of their residents, have been increasingly under attack, not only by bombs and war-related destruction, but by the "creative destruction" required by Asad's neoliberal urban development framework. Neoliberal policies have increasingly enabled the concentration of wealth and power, but also the restriction of the right to the city in the hands of a handful of regime-allied elites who reshape the city according to their own economic priorities and to the regime's political interests. The Public-Private Partnerships that characterize neoliberal urban development are more than technical solutions to the problem of finding investment for the reconstruction of Syria. They reflect a new system of governance integrating state and corporate interests that

<sup>&</sup>lt;sup>170</sup> Mona Fawaz, "Neoliberal Urbanity and the Right to the City."

undermines the wellbeing of the majority of the population and excludes them from the urban spaces that they had historically claimed.

#### CHAPTER V

#### **CONCLUSION**

The brief historical overview provided in this paper showed that throughout the past five decades, the authoritarian and repressive nature of the Syrian state apparatus have been an important factor in guaranteeing the resilience of the Syrian regime and continues to define Syrian state-society relations today. The progressive economic liberalization that the country underwent and the reconciliation between the state elite and the private capitalist classes has culminated into a neoliberal authoritarian regime under Bashar al-Asad, a regime from which powerful political figures, military officials and private entrepreneurs have greatly benefitted. This paper has also highlighted the consequences that the neoliberal framework of governance has had on housing and patterns of urban planning and development, accentuating the shortage of affordable and decent housing for low income city dwellers and further marginalizing them. These policies etched rising social inequalities into the urban fabric of the city, as luxury high rises and wealthy gated communities spread, surrounded by increasingly poor and visibly neglected informal settlements. Following the outbreak of the conflict, these inequalities peaked, as Syrian society underwent deeper and more brutal social and urban restructurations than ever before. As this paper as demonstrated, war and socalled reconstruction in Syria are essentially part of the same ongoing process of engineering a social order that preserves the political and economic power of a restricted class of elites. "Reconstruction" is a misleading term that suggests the rebuilding and recovery of what has been lost and destroyed, when it is actually the culmination of the process of erasure and homogenization started by the war's

campaigns of destruction and displacement. The urbicide underwent by neighborhoods such as Basateen al-Razi was not only the result of a military strategy to defeat the regime's opponents in the conflict but was part of the regime's efforts to refashion Syria's urban landscapes to reflect the neoliberal and authoritarian political economic order. In its engineering of a politically homogenous, consenting and non-threatening society, the Asad regime has employed military means combined with the weaponization of the law, or lawfare, as well as the weaponization of urban planning and the development. The urban model represented by Marota City embodies this social order that is emerging from violent conflict and from wartime urban restructuring or "creative destruction." Neoliberal cities such as Marota City are incompatible with the middle and lower classes' "right to the city" as they prevent the redistribution of economic and political decision-making power and leave no space for political diversity and citizen participation in political and urban decision-making processes. With Marota City on its way to becoming a reality, the violent history of urbicide behind this luxurious Gulf-style hyper-modern city as well as the memory of Basateen al-Razi and its inhabitants who were denied the right to exist in Syria's post-conflict social order are at risk of being erased.

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#### APPENDIX A



Cactus fields in Basateen al-Razi, n/d. Source: https://mapio.net/pic/p-30949005/. Accessed April 2020.

### APPENDIX B



Bulldozing of cactus fruit fields in Basateen al-Razi. July 23, 2012. Source: https://www.eqtsad.net/news/article/10573/. Accessed April 2020.

### APPENDIX C



Construction site of a high rise of Marota City on the ground of Basateen al-Razi neighborhood. 2018. Source: https://gramho.com/explore-hashtag/Damascus\_cham\_holding. Accessed April 2020.

## APPENDIX D



Interactive map of Marota City. Source: Official Marota City Website. Accessed April 2020.

## APPENDIX E



Artist impression of towers part of the Marota City project. Source: Marotacity.sy (2019). Accessed April 2020.