



6 April  
2006

## SYRIA: WHAT REFORMS WHILE A STORM IS BUILDING?

*Samir Aita\**

Syria underwent profound changes since 2005 in its regional and international positioning, as well as in its internal political situation. This policy brief discusses the domestic prospects for change and the potential for reforms and analyzes the impact of regional and international developments on the domestic situation. For the first time in decades, Syrian public opinion is critical of its authorities' role in Lebanon, with the majority holding them responsible for the situation there. The economic situation has deteriorated to levels dangerous for social stability. Direct criticism of the President and his team by the business community is unprecedented. The opposition overcame its weaknesses and political and civil society movements signed the "Damascus Declaration" calling openly for peaceful "regime change". The prospects for peaceful change depend on the findings of the UN investigation commission over the assassination of former Prime Minister of Lebanon Hariri, the ability of the opposition to propose a platform to demonstrate to the Syrian public that change will not lead to chaos; and the ability of the "power system" to respond intelligently to the combination of international pressures and internal challenges on the economic, social and political front.

The assassination of former Prime Minister of Lebanon Rafiq Hariri and the withdrawal of the Syrian troops from Lebanon lead to an internationalization of the relationship between Syria and Lebanon, with several UN Security Council resolutions that, for the first time, condemned Syrian behavior in a country central to its regional and internal policies. This process has led to several changes in the perspectives inside Syria:

- For the first time in decades, Syrian public opinion was critical of the authorities' role in Lebanon, with the majority holding them responsible for the situation there.
- A wider range of actors inside Syria became convinced of the need for rapid economic and political reform. However, the Congress of the Ba'ath Party in June 2005 and successive speeches of the President undermined these expectations

while reinforcing the control of the Presidential Palace and the security forces over public life, suppressing any dissent within the regime and the Baath Party.

- The Syrian opposition overcame its weaknesses and called for “radical change” of the regime in a declaration. They were joined by a wide range of civil society movements. Even the defecting Syrian vice-president Abdel Halim Khaddam offered to join.

- The perspectives in early 2006 are still not clear and depend on three factors: 1/ the findings of the UN investigation commission over the assassination of the former Prime Minister of Lebanon Rafiq Hariri; 2/ the ability of the opposition to propose a platform to demonstrate to the Syrian public opinion that change is not chaos; and 3/ the ability of the “power system” to respond intelligently to the combination of international pressures and internal challenges on the economic, social and political front.

### **The year 2005 in Syria**

2005 has been exceptional on all counts. Syrian troops withdrew from Lebanon in a humiliating fashion; relations with the neighboring country transformed from a latent crisis with local politicians to an open conflict, involving major world powers; several UN Security Council resolutions were issued against Syria with the core of its power system being accused publicly and by an international investigation of the assassination of the former Lebanese Prime Minister Rafiq Hariri and other prominent Lebanese figures. On New Year’s Eve, the former Syrian vice-president Abdel Halim Khaddam joined the accusations, and fingered the Syrian President for incompetence and corruption, creating a political shockwave in the country which may see its effects in the coming months.

In this course of events, a congress of the Baath party was held in June. It postponed the long awaited political reforms that had been promised by the President in his speech on the withdrawal of troops from Lebanon. It also brought members of the security services into the Baath Regional Command, while adopting “social market economy” in breach of the 1973 “socialist” constitution of the regime, and promoting a “reformer” as Deputy Prime Minister and strong

government figure. The main economic reforms introduced by Bashar Assad have yielded some results, with an impressive growth in the private banking sector of both local and foreign (mainly Lebanese) banks.

Further, while the UN investigator Detlev Mehlis was delivering the committee’s report accusing Syria of Hariri’s assassination, the Syrian government announced confidently that new foreign investments amounted to US\$7-10 billion, a level never reached before, that relations with the European Union and international financial institutions (the World Bank and the International Monetary Fund) had also improved dramatically as the authorities launched a major fiscal reform programme.

In light of the international investigation however, Europe suspended the finalization of the Association agreement which was reached at the end of 2004. The level of economic activity started slowing with the turmoil, and government plans to reach a 7% annual growth rate for the next decade, (the minimum to cope with the rapid decrease in oil production and increase in unemployment) appear unattainable. The economic situation has deteriorated to levels dangerous for social stability.

However, the major change that occurred in Syria in 2005 is political. A few days only before the Mehlis report was released, several political and civil society movements signed the “Damascus Declaration” which, for the first time, called openly for peaceful “regime change”. The political debate in Syria has never been so intense and public, on internet sites and in the official media. Several times, the President has been forced to address public opinion and Syrian officials, including heads of security services, intervened on-air on Arab satellite channels to respond to public criticism. Everyone is questioning the country’s political future in the wake of the “Iraqi chaos” and the “Cedar revolution” in Lebanon. Attempts to create political movements are emerging here and there, as well as efforts to create a large opposition front. It is on this political level, where things are moving fast, that the future of the country shall be drawn.

### **The Battle for Syrian Public Opinion**

One of the major battles of 2005 was to gain Syrian public opinion. But overcoming its

skepticism was not easy. On one hand, US policies lack credibility so long as they continue to call for the “necessary change of behavior of the Syrian regime”, a slogan interpreted as related to the Iraqi and the Palestinian-Israeli files including the Hizbollah issue, more than to Lebanon or Syria and the issue of democracy. On the other hand, President Bashar Assad, through his increasingly frequent speeches focused on gaining Syrian public opinion, was appealing to its national pride and fear of chaos. But events lead to a dramatic change in Syrian public opinion, at a level not seen for decades, in particular the belief that Syria was implicated in assassinations in Lebanon and a questioning of the ability of the regime to continue without major changes.

Lebanese politicians have lost many opportunities to gather Syrian sympathy to their cause because they do not differentiate between the power system, the security services, the population and the Syrian emigrant workers on their soil. Politicians, journalists and opinion makers in Lebanon regularly criticize Syrian public opinion as being insensitive to their struggles and complain against the practices of the Syrian authorities and intelligence services in Lebanon. In effect, even the intellectuals and activists of the “Damascus Spring” have avoided addressing the Syrian presence in Lebanon while asking for democratic freedoms in their country. The “Declaration of the 99 intellectuals” issued at the start of the “Damascus Spring” did not mention the Lebanese issue nor did the “Statement of the 1000” or the basic document for the creation of the “Committee for Reviving Civil Society” described below.

The question of the “occupation” of Lebanon continues to be seen as an element in the regional confrontation with Israel and major outside powers since the 1980s and, in fact, while Syrians are well informed about Lebanese politics, they envied the “minimal” freedoms enjoyed by the Lebanese “under Syrian occupation” which, if applied to Syria itself, would constitute a major achievement.

Security Council Resolution 1559 voted on September 2, 2004 contributed to this confusion. The resolution was passed in response to the Syrian regime’s imposed change of the Lebanese constitution to renew the mandate of the Lebanese president Emile Lahoud. The resolution not only called for the cancellation of this unconstitutional procedure and for the withdrawal of the Syrian troops, but also for the disarming of the Hizbollah

which, for the Syrian public, is the most popular political force in the region because they achieved the liberation of Israeli occupied land. This is a sensitive issue for Syrians who feel the humiliation of the continuing occupation of the Golan Heights. In addition, this was not the first time that the Lebanese constitution had been changed to accommodate Syrian interests.

The assassination of the former Lebanese Prime Minister on February 14, 2005 focussed Syrian public opinion on the Lebanese issue. The event itself was a shock, as were the massive demonstrations of March 8 (pro-Syrian) and March 14 (anti-Syrian). For the first time, Syrians discovered the level of anger that the actions of their troops and security services have created in Lebanon, and the speed with which the Lebanese changed from seeing Syria as a protector (after the civil war) to an occupant. The pride of having significant support from key Lebanese actors remained, especially as it came from the popular secretary general of the Hizbollah Hassan Nasrallah, in a speech claiming obedience to the “Syria of the Assads”. In the following months, the Syrian public witnessed the dramatic return of hundreds of thousands of poor Syrian workers from Lebanon, amid rumors – exaggerated by the official Syrian media - of Lebanese reprisals against them. The fact that many of the slogans of the “Cedar Revolution” espoused anti-Syrian views, has also contributed to the anti-Lebanese sentiment in Syria. The predominant feeling during this period was that the events were part of an American-Israeli “plot” to push the Syrian troops out of Lebanon, to weaken Syria and to drive it as well as Lebanon into a situation of chaos and sectarian strife similar to Iraq’s, now under occupation. However, following the UN Security Council resolution 1595 establishing an independent international investigative commission, the arrest in August of the heads of Lebanese security forces, the preliminary findings of the first Mehlis report, and the Syrian authorities’ apparent lack of interest in establishing another thesis on the assassination, all these developments led to a gradual shift within a majority of public opinion towards admitting Syria’s involvement in the assassination. This constituted a sea change in the country.

With this change, albeit with the belief that the President himself is not implicated, Syrians became worried about the price they would pay, especially since Resolution 1636, which followed

the first Mehlis report on October 21, raises the possibility of sanctions or even military intervention. A period of nervous tension followed, with spectacular “shows” of witnesses denouncing their earlier statements and of Saudi officials mediating to obtain that Syrian officials be interrogated on Syria’s terms. The tension eased only on December 15, following the publication of the second Mehlis report when no sanctions were decided and the controversial UN investigator resigned. At this moment, it was thought that a “deal” had been reached with the international community and that another would follow with Lebanon. But this feeling of reprieve was short lived. The defection and declarations of former vice-president Abdel Halim Khaddam, one of President Hafez Assad’s close collaborators and the artisan of Syria’s international and Lebanese policies for decades, came as a shock. A widely broadcast parliamentary meeting accusing Khaddam of treason and corruption worsened the situation. For a moment, in the early days of 2006, the Syrian power system appeared to be losing its moorings.

### **Economic or political reforms**

The need for reforms has been under discussion in Syria since the end of the 1980s, but mainly in economic terms. At that time, the first economic reforms were introduced, agriculture was liberalised and subsidized and state monopolies sold to the private sector. Various laws and decrees, culminating in the investment law of 1991, and protectionist measures for local industries have, to a certain extent, permitted a private sector to develop, shifting the country out of socialist and state capitalist practices. The financial crisis of 1986 was the major motivation for these reforms. The ensuing rise in oil production, the flow of financial transfers from Syrian expatriates (in particular from the Gulf countries and Lebanon), and the improving prospects of peace in the Middle East contributed to unprecedented high growth rates until 1996.

The absence of further reforms in this period slowed growth to the point of recession in 1999. The death of President Hafez Assad and the accession of his son to the presidency have not changed these conditions, despite bold measures announced such as the 2000 decision to allow private banks in the country. The policies of President Bashar Assad in the first four years

introduced even more confusion. Trade with Iraq, which was still under embargo, was encouraged, including smuggling Iraqi oil and exports outside the UN “Oil for Food” framework. The invasion of Iraq led to a brutal termination of these economic opportunities. Moreover, new openings were made for private operators directly linked to the power system to establish new rent-seeking activities, such as in mobile phones, free trade zones, advertising, real estate, etc. Major private monopolies appeared in the country, in direct competition with the rest of the private sector and the unreformed state-owned sector.

Early in 2005, the State Planning Commission, headed by the newly appointed “reformist” Abdallah Dardari, released a comprehensive macroeconomic analysis of the country, the first realistic look at the economy in decades. The report pointed to the critical situation of growing unemployment – (24% of the workforce), poverty, low private investment, collapsing added value of the public manufacturing sector, deteriorating productivity, inadequate financial, monetary and fiscal policies, and an imminent rapid shift in the oil trade balance from surplus to deficit. The report does not discuss the early 1990s of high growth, but it calls the 1996-2004 period of low growth/recession “the lost years”. It also qualifies the policies of Bashar Assad in the period 2000-2004 as “having discouraged growth and optimal investment of resources, as well as the development of human resources, while neglecting to focus on increasing social justice, despite the heavy subsidies delivered by the government”.

In December 2005, the State Planning Commission presented the tenth five year plan, the first that spells out explicitly the aim of establishing a “social market economy”. Surprisingly, Dardari stated in his introductory speech that “this new reality cannot be faced except within a long-term time frame of at least two decades”. While addressing many important issues such as fiscal policies and budgets, the plan continues to rely on public investment and falls short of announcing any reform of the present public manufacturing sector or breaking public or private monopolies.

The pace of reforms announced by Dardari is consistent with that described by President Bashar Assad’s important speech on the crisis with the international community, following the October 21 UN investigator report and Security Council resolution 1636: “*the reason for their anger is that*

*I committed on internal reforms and those reforms were not implemented. (...) Economic reforms? They want us to open for them our markets in a way contrary to our interests, in return of few pieces and gifts they make. (...) Some would say that the pace of reforms was fast and was slowed down. I tell them: It was slow from the beginning. It was never fast to be realistic”.*

Calls to speed up reforms increased, including from the President’s adviser who characterized the economic situation as a time bomb. The President of the Federations of Chambers of Commerce & Industries Rateb Shallah, cast aside his usual reserve when he stated in an officially published interview: “I am somehow bored and tired (...) Planning for the future necessitates a strong shock and impulse. We can withstand it (...)” And when asked about his precise suggestions, he stated: “When I met Mr. President a while ago, we spoke about these subjects. The President says that those are not among the priorities of the State. I think that many are not considering the right priorities (...)”. This direct criticism of the President and his team by the business community was unprecedented.

The calls for reforms in Syria have thus changed in nature. While some reforms implemented by the authorities have yielded some results, the business community is denouncing the “crony capitalism” of the economy and the unequal opportunities for all. The population is criticizing the effects of “structural adjustment” on their living conditions, the rise in unemployment and poverty, and the absence of social protection. Hence calls for reform reflect a broad consensus on the need for accelerating economic reforms and initiating political reforms.

## **Political Reforms or Regime Change**

During the 1990s, few in Syria dared to call for political reforms. Aref Dalila, a professor of Economics at the University of Damascus, from an Alawi family, published several articles during the 1990s calling for linking economic and political reforms. One of the activists of the “Committees for reviving Civil Society”, was sentenced to jail by a special court, and remains detained, even after the release in January 2006, of the other detainees of the ‘Damascus spring’. Dalila was one of a few who stressed the need to address economic problems within their political context and to call

for political reforms. He was one of the main organizers of the “Economic Tuesdays”, a weekly gathering organized by the Syrian Economic Sciences Society in Damascus, to discuss issues of reforms. In the 1990s, it constituted the only authorized forum of discussion that enjoyed some freedom of speech, where notably Aref Dalila and Riad Seif emerged as main activists. After the “Damascus spring”, the Economic Tuesdays lost much of their interest and impact.

When President Hafez Assad passed away, few dared to criticize the way in which the succession to the son had been arranged or proposed a political alternative. Only Riad Turk, recently liberated after strong international pressures, dared to say on Al Jazeera television that “the dictator has died”. Riad Turk is the former leader of the Syrian Communist party – Political bureau, which separated from the officially backed communist party in the early 1970s on the background of conflict over alignment on the USSR. Turk criticized the involvement of Syrian troops in Lebanon in 1976 and the brutal repression which followed, as well as the massacres of Hama and Palmyra. He was named by the press the Syrian “Mandela” for the 18 years he spent in prison as a political prisoner. Freed in 1998, he was jailed again between 2001 and 2002.

Young president Bashar Assad benefited from a long “*état de grâce*”, unprecedented for any Syrian or Arab leader. He had no record of past corruption or repression. In contrast to all the “power system” leaders in their seventies, his relative youth was welcomed by a mostly young Syrian population. The population expressed however, the need for more freedom of speech and association, and the right to access the modern world through the use of the internet and mobile phones. Forums of debate spread around the country where all aspects of the social, economic and political life were discussed, except the status of the president. It was the “Damascus Spring”, the name given to the civil society movement in Syria which spread in 2000 and 2001, with flourishing forums and debates.

The movement started with articles by scholars and intellectuals from leftist groups, but quickly spread beyond. An important step was the creation in April 2001 of the “Committees for Reviving Civil Society” which grouped Syrian reformists in the first large political movement since the 1950, and the “Atassi Forum” as well as several human rights associations. The Statement of the 1000, issued in

January 2001, called for canceling the state of emergency, restoring political freedoms, liberty of the press, a new electoral law, the independence of the judiciary, economic justice, the cancellation of the Baath as leading party of the country, and gender equality. The entire political spectrum was invited to express opinions and the forums aimed to foster dialogue rather than create new political parties. Liberals and businessmen joined the discussions and contributed to its different initiatives. Baathists were invited by the authorities to answer the critics. However, a majority among them started voicing similar demands: an end to the state of emergency, press freedom and freedom of association, and solving the problems of the Kurds without citizenship.

It was precisely at this moment that the authorities decided to crackdown on the “spring” by sending the prominent activists to trial before state security courts and blamed the Baathist for supporting those claims. However, the new forms of organization were effective in creating a broad movement. And while Islamist and religious ideas were not dominant, the authorities pointed to the risks of “Algerisation”, referring to the civil war in Algeria between the State and the Islamic movements. The word was used by Mr. Abdel Halim Khaddam, Vice-president at that time, in a famous speech on February 18, 2001 at Damascus University, where he faced angry Baathists calling for economic and political reforms. The Khaddam speech announced the crackdown on the emerging social movement.

Although the development of Islamic movements in Syria has been much weaker than in Egypt, Jordan or Palestine, the regime held the Muslim Brotherhood responsible for the events of 1979-1982 which culminated in the massacres of Hama and Palmyra. The Muslim Brotherhood was banned in Syria and membership in the movement condemned to death by law (law no 49 of 1980). The “Damascus Spring” movement, animated mostly by secular activists, called for canceling law no 49, and the integration of the Muslim Brotherhood as a component of Syria political life.

Repression did not stop the “Damascus spring”, it merely scaled it down. Forums continued to gather, sporadically, at the will of the security services. The authorities did allow new newspapers and magazines, but only those run by parties members of the ruling National Progressive Front or by members of the ruling family. But even though they exercised self-censorship, they, and some

official newspapers, continued to spread the themes of the Damascus spring and criticisms of the political system in an unprecedented way.

The invasion of Iraq by US and British troops quieted the social movements in Syria, but it also gave a significant argument to the “spring” advocates: the experience in Iraq showed that a population suffering from dictatorship and repression could not resist foreign invasion. Pressures on Syria from the US and its allies following the invasion furthered strengthened the view that internal political reforms were needed to strengthen the domestic front. It also took a particular importance after the shock created by Rafiq Hariri’s assassination and the withdrawal of Syrian troops from Lebanon. And President Bashar Assad promised that reforms would be accelerated at the Baath party congress of June 2005.

The preparation of the Congress lead to intense debates. Activists of the civil forums and “reformist” Baathists joined efforts to prepare resolutions on issues such as ending the state of emergency and exceptional courts, canceling Article 8 of the constitution, ending the Baath party’s role as leader of state and society, establishing a new law on political parties, banning parties set up on religious or ethnic basis, and resolving the Kurds’ citizenship issue. The young president reacted to regain control of the situation. Not only hundreds of party members, including non-elected ones, were invited to participate and vote, but the president intervened personally at the end of the congress for three hours to change the results of the debates and to impose a pre-selected Regional Command, from which the old guard of his father was eliminated. The resolutions were also disappointing, resulting in the mere formation of committees with the task of developing a position on the various critical issues related to political reforms, in preparation for the presidential election in 2007.

Four months later, the “Damascus Declaration” was announced in a press conference held courageously inside the country. The Declaration calls for “radical change in the country, and the rejection of all forms of cosmetic or partial reforms that avoid addressing the real issues”. The declaration was signed by most of the opposition groups in the country and a number of prominent public figures, and it was joined by the Muslim Brotherhood the next day.

## Will there really be a regime change?

At the moment of writing this paper, it is still not easy to predict the outcome of the rapid developments in Syria. The outcome will depend on both external and internal issues.

The major external factor will be the results of the international investigation on the assassination of Rafiq Hariri and other Lebanese political figures. It is clear that the indictment of high ranking officials in the killings will accelerate the process of reform in Syria, especially if these indictments reach the inner circle of the power system. Even the intense diplomatic efforts made by Saudi Arabia and Egypt to “normalize” relations with Lebanon and to make special arrangements for the hearings of the suspects, do not offer an alternative to this scenario. Until now no alternative theories showing other possible explanations for the assassinations have been put forward, even by the Syrian investigation team. Other external factors are related to the attitudes of the regional and international powers to the implications of the situation, in particular Israel’s attitude towards regime change in Damascus, Iran’s concern over the risk of losing its last ally in the region, and the US need for the Syrian regime’s cooperation in the Iraqi situation as well as in Palestine after the election of Hamas.

Internal factors however are more significant, particularly on two levels. The first relates to the political forces in place in Syria and their attitude in the coming months. The different opposition movements do not have yet a platform for governing. The “Damascus Declaration”, however important, does not define an institutional framework for change. It is clear that a stronger platform is needed to clarify the issues for the Syrian public and to reassure them that change will not lead to chaos, like in Iraq.

The second aspect is related to the nature of the political compromise upon which an institutional framework can be built. The openings made towards the Muslim Brotherhood in the Declaration – that Islam is the religion of the majority - is ambiguous and is unlikely to get the support of the Baathist reformists, nor of Syrian minorities including the Alawis, military personnel or the urban bourgeoisie, who are all very attached to the secular nature of the state. Similarly ambiguous are the grounds on which the rights of the Kurds in Syria would be settled, between citizenship and social and cultural justice on one

side, and “national rights” involving regional “autonomy” on the other as claimed by a minority of Kurdish movements.

It is not clear if the civil society and political opposition movements in Syria will be able to cope with the challenges posed by these issues, which result in large part from a suppression of political life over decades. It is not clear either, how the authorities themselves will face the different challenges, even if the recent events of January 2006 have given them more room to manoeuvre and the cohesion of the power system is still strong. It is not expected that they will make any serious move towards alleviating the internal crisis before 2007. By cancelling a meeting he had called with representatives of the Kurdish community, the President has already demonstrated that he wants to set the pace for reforms. The outcome could be a protracted deterioration of the situation until the political opposition is more organized, the situation is more mature for change, and the tense regional context improves.

## Recommendations

Reforms are a must for Syria in order to advance the economic, social and political development of its society, as well as to play a constructive role in regional and international cooperation. For this to succeed:

- The Syrian “power system” as well as the opposition and civil society movements should avoid using or relying on fundamentalist or sectarian ideas or groups, when promoting its policies. Such actions could endanger the very existence of Syria as a nation state in the long run.
- All internal parties should differentiate between the “power system” and state institutions, as there can be no establishment of democracy and no economic development without strong state institutions which can deliver social peace and services. Institutional transformations should be carried out with a view to addressing the present social and political needs.
- The international community should help a peaceful reform process in Syria, by clarifying its commitment to the return of the occupied Golan Heights in the framework of a peace process; the rights of the Palestinians to a viable state and to independence; and a timetable for the withdrawal of the occupation forces from Iraq. These regional

factors are key components of a peaceful transition in Syria.

- The Arab and international community should support the UN investigation on the Lebanese assassinations to deliver documented proofs and to move to a fair trial for the indicted, so that this chapter can be closed and Syrian-Lebanese relations be normalised.

The worst scenario for Syria would be the establishment of a process, already experienced in

the 1970s, where the strengthening and closure of the “power system” would be accompanied by the development of extremist movements and sectarian distrust, fueled by the loss of hope in reforms and peaceful change. The outcome could be catastrophic on the long run, especially after the US invasion of Iraq opened a Pandora’s box and generated chaos there. The only chance of a better outcome is if Syrian civil society movements can be transformed into a political force, aware of the various challenges and capable of instigating change while preserving the country’s institutions.

### **Arab Reform Briefs**

- *The Palestinian Electorate: “Islamists are More Capable of Leading the Reform and State Building Process”* - Khalil Shikaki - N°5, March 2006
- *Egypt’s Bewildering Parliamentary Elections* - Mohammad Abdel Salam – N°4, February 2006
- *Peace and Constitution in the Sudan* - Haidar Ibrahim – N°3, February 2006
- *Egypt’s Presidential Elections* - Amr el Soubaki – N°2, February 2006
- *Municipal Elections in Saudi Arabia* - Pascal Ménoret – N°1, December 2006

*For further information, visit our website*

[www.arab-reform.net](http://www.arab-reform.net)