95-011

NAVAL POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA

THESIS

BUSINESSMEN AND BUTCHERS:
THE DOMESTIC ROOTS OF SYRIA'S
CHANGING FOREIGN POLICY

by

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December, 1994

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REPORT DOCUMENTATION PAGE

Form Approved OMB No. 0704-0188

1. AGENCY USE ONLY *(Leave blank)*	2. REPORT DATE December 1994	3. REPORT TYPE AND DATES COVERED Master's Thesis

4. TITLE AND SUBTITLE Businessmen and Butchers: The Domestic Roots of Syria's Changing Foreign Policy	5. FUNDING NUMBERS
6. AUTHOR(S) Meyer, Michael B.	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey CA 93943-5000	8. PERFORMING ORGANIZATION REPORT NUMBER
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)	10. SPONSORING/MONITORING AGENCY REPORT NUMBER

11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.

12a. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution is unlimited.	12b. DISTRIBUTION CODE

13. ABSTRACT *(maximum 200 words)*

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Syria's increasingly pro-Western foreign policy was a byproduct of economic liberalization policies (*infiraj*), begun in the early 1980s. For economic liberalization to succeed, Syria had to attract foreign -- primarily Western -- capital. In addition, the liberalization changed Syria's class structure, expanding and promoting to positions of influence a new class of Western-educated and/or -looking entrepreneurs. Both of these developments pushed Syria in new foreign policy directions well before the collapse of the USSR. Its behavior in the Gulf War and at the Madrid Conference was more a reflection of altered Syrian internal politics than of the recognition that the United States was the only true superpower in a changed international system.

This thesis has important policy and theoretical applications. It identifies the driving forces of Syria's current foreign policy behavior, and it pushes theorists to take seriously the domestic roots of foreign policy-making.

14. SUBJECT TERMS Syria, Foreign Policy	15. NUMBER OF PAGES 91
	16. PRICE CODE

17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UL

NSN 7540-01-280-5500

Standard Form 298 (Rev. 2-89)

Prescribed by ANSI Std. 239-18 298-102

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BUSINESSMEN AND BUTCHERS: THE DOMESTIC ROOTS OF SYRIA'S CHANGING FOREIGN POLICY

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Submitted in partial fulfillment
of the requirements for the degree of

MASTER OF ARTS IN NATIONAL SECURITY AFFAIRS

from the

NAVAL POSTGRADUATE SCHOOL
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EXECUTIVE SUMMARY

In the Summer of 1991, Syrian President Hafiz al-Asad announced his intention to involve Syria in bilateral peace negotiations with Israel. To many analysts, this was not a surprise considering that Syria faced the post-Cold War world without a major sponsor to provide assistance and weapons. Asad's regime had for years been subsidized by Soviet assistance and Arab aid. With a reduction of Soviet military support -- arms and advisors -- and having faced a major reduction in Arab aid over the course of the 1980s, the 1990s indeed looked bleak to Damascus. A majority of authors mention these external factors as major motivators for Asad joining the peace process and, hence, "snuggling up" to the West.

This thesis opposes the conventional argument that, in recent years, Damascus has sought closer ties to the United States because of international forces. Instead, I argue that Asad's reconciliation with the United States and the West has been prompted predominantly by internal factors. Furthermore, I believe that Syria did not, in 1990 or 1991, decide to defect from its Soviet ally and attempt to court the United States. Rather, as far back as the early-1980s, Syria began to pursue initiatives designed to improve diplomatic and commercial ties to the West.

As Arab aid was drastically curtailed in the early and middle part of the last decade, Syria entered a period of severe economic crisis. Economic structural problems, after having been masked for so long by the infusion of aid from the Gulf states, became evident by the mid-1980s. Asad realized that a floundering public sector only served to endanger the status and position of the regime in the long term. Therefore, in a bid to stimulate the economy, he approved policies of economic liberalization that allowed the private sector to expand and share the burden of recovery with the public sector.

For economic liberalization to succeed, Asad recognized that it was necessary for Syria to attract Western capital. Additionally, liberalization empowered a "new class" of Western-educated and/or -looking businessmen. As the regime integrated this new class into its coalition upon which it depended for support, businessmen became more successful at pressuring Asad to expand commercial contacts to the United States and the West.

To improve the state of the economy and to improve the chances that the regime would survive for years to come, Syria pursued new foreign policy directions beginning in the early 1980s. The objective of foreign policy modifications, which began well before the collapse of the Soviet Union, was better relations with the United States.

Syria's decision to negotiate with Israel in Madrid was one born of domestic considerations. Though the demise of the USSR served as the final catalyst for Syrian participation in talks, Asad sent a delegation to Madrid because of internal, and not international, politics.

I. INTRODUCTION

A. SYRIA'S MODIFIED STANCE TOWARDS PEACE NEGOTIATIONS

In July of 1991, Syrian President Hafiz al-Asad announced his decision to actively involve his country in peace talks with Israel to convene that October in Madrid. His acceptance came in a letter to US President George Bush and followed months of shuttle diplomacy between Middle Eastern capitals by US Secretary of State James Baker. Syria took this step after a decade and a half of avoiding talks offered on similar terms. Asad had previously rejected peace conferences since the proposed format had placed the Arabs at a disadvantage vis-a-vis Israel. What drove Syria to the peace table in 1991? Were external factors most important in Asad's calculations or did internal determinants weigh more heavily on the minds of those in the regime?

Most scholars and policy-makers erroneously attribute Asad's willingness to negotiate in 1991, despite a proposed format that still favored Israel, to shift of power in the international environment. By the Summer of 1991, the Soviet Union, Syria's main provider of military assistance and arms, was on the verge of collapse. America stood as the world's sole superpower. The forging of a solid political coalition against Iraq and the subsequent decimation of Saddam Hussein's military only reinforced the point that the United States would not let "pariah" states threaten American and Western interests. Those ascribing to the external perspective to explain Asad's modified stance towards talks, reluctant as he may have been, note that Syria feared international isolation and perhaps even feared becoming a future American target. Analysts believe that Asad opted to bandwagon with the United States and the West in the post-Cold War era in an effort to realize his ultimate foreign policy objective -- the return of Israeli occupied Arab lands, particularly the Golan Heights.

I argue, however, that Asad's decision to attend talks in Madrid represented one step in a long progression designed by Syria to improve ties with the United States. Syria could be seen reaching out to America years before the Gulf War and the collapse of the Soviet Union. Positive diplomatic initiatives directed at the United States stemmed more from adverse factors within Syria, which arose early in the last decade and challenged the regime, than they did from external circumstances. A floundering economy, overwhelmingly dominated by state-led enterprises, was failing the country. Thus, Asad was prompted to speed up fiscal reforms beginning in the middle of the 1980s.[1]

Because the public sector was unable to provide for the dissatisfied Syrian populace by the early-1980s, a program stressing gradual economic liberalization was pursued by the regime. This was designed to share the responsibility of the overburdened and inefficient public sector with the growing private sector. As a necessary evil, the regime was forced to share a portion of its political power with new influential elements of society.

While the regime maintained its control over society, the coalition upon which it depended for support in Syria grew to include business leaders and economists. A "new class" of entrepreneurs, seeking more lucrative markets, and civilian technocrats, looking to further liberalize the economy, were increasingly empowered. Entrepreneurs and technocrats pushed the regime for access to the West.

This pressure, coupled with Asad's recognition that Syria needed the United States to deliver peace in the Arab-Israeli

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[1]A campaign of gradual economic reforms had begun after the 1973 October War. *Infiraj*, meaning economic opening of the economy by mixing the public and private sectors, was curtailed at the end of the 1970s since it primarily benefitted opponents of the regime.

conflict, led Asad to pursue improved commercial and diplomatic relations with America, even as far back as the early-1980s. Asad realized that his regime needed the West in order to survive well before the collapse of the Berlin Wall or the decline of the Soviet Union. As a result, Syria, although largely behind the scenes, began to modify its foreign policy to one that was more conciliatory toward Western interests.

When Asad accepted terms for a peace process that did not meet historical Syrian demands in 1991, it should have been no surprise. The traditional demands were originally drawn up after the 1973 War -- a time when Asad's prominence had reached a pinnacle on the international scene. Those demands included:[2]

- No bilateral negotiations with Israel and no separate deals with Israel. The Arab states must form a single bloc that would negotiate opposite the Jewish state.
- Negotiations or conferences must be held under the sponsorship of the United Nations (UN) with the participation of the USSR.
- Israel must completely withdraw from territories occupied by Israel during the 1967 War, particularly the Golan Heights, as called for in UN Resolution 242 and echoed in Resolution 338. Only then would Syria agree to talks with Israel.

After a decade and a half of struggle in the internal and external arenas, the regime's optimism faded. The regime had likely faced the fact by 1991 that the above idealistic demands for a conference would not be met.

Because US-Syrian cooperation was at a high point following the Gulf War and because Asad trusted, relatively

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[2]These demands were reviewed for me by Talcott Seelye, Ambassador to Syria from 1978 to 1981, during a personal interview, Washington, D. C., 21 June 1993.

speaking, the Bush administration, President Asad agreed to the US President's terms for negotiations. Asad approved of sending a separate Syrian delegation, along with delegations from other Arab states, to Madrid to engage in direct talks with an Israeli team of negotiators. He accepted American and Soviet sponsorship of the conference with the UN playing only an observer role. Lastly, Asad dropped his previous demand that the Golan be liberated from Israeli control before facing an Israeli negotiating team.[3]

M. Zuhair Diab writes, "The [Bush] initiative met some of the Syrian demands for a comprehensive settlement based on Resolutions 242 and 338 and the principle of 'land for peace.'"[4] The opportunity represented Syria's best chance to further cement ties with the United States after exhibiting a near decade-long desire to improve relations with the West.

Only after a six- or seven-year period characterized by gradually improving US-Syrian relations did Asad throw his hat into the peace ring. This was no hastily-constructed swing in policy. The decline of the Soviet Union, an external factor, served as a final catalyst for the Asad regime's altered approach to peace negotiations. However, the change in position toward negotiations stemmed predominantly from internal factors which negatively impacted upon Syrian prosperity and threatened the regime's status in the eyes of society.

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[3]Thomas L. Friedman, "Syria's Move Toward Peace Talks: Is it Primarily to Improve US Ties?," The New York Times 17 July 1991: A6.

[4]M. Zuhair Diab, "Have Syria and Israel Opted for Peace?," Middle East Policy Volume III, Number 2, 1994: 83.

B. SYRIA'S INITIATIVES APPLIED TO THEORY

There are various factors, such as external and internal ones, to consider when examining Asad's modified position toward peace talks. Likewise, there are conflicting theoretical approaches one may take when attempting to analyze Syria's moves. The first approach employs parts of an international relations theory and the second uses segments of a theory of political economy.

I choose Steven Walt's popular international relations, balance-of-threat theory from his book The Origins of Alliances to evaluate Syria's case from the external perspective. Many analysts use terms Walt defines when they write of Syria's behavior over the past two decades. According to these experts, Syria "balanced" with the Soviet Union during the 1970s and 1980s against US-Israeli collusion. Balancing is presented by Walt as "allying with others against the prevailing threat."[5] These same experts believe that Syria's foreign policy changed in the 1990 - 1991 period.

At the end of the Cold War, the analysts figure that Syria's sole alternative was to "bandwagon" with the United States. In Walt's words, bandwagoning is "aligning with the source of danger."[6] Analysts believe that Syria could not beat the US-Israeli partnership, so it "joined forces with the dominant power"[7] in a final bid to retrieve occupied Arab territories from Israel.

Though the behavior of many nations may neatly fit into one of Walt's two categories of balancing or bandwagoning, I refute the assertion that Syria was adhering to one behavior or the other. Syria, throughout the 1970s and 1980s, was

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[5]Stephen M. Walt, The Origins of Alliances (Ithaca: Cornell University Press, 1987) 17.

[6]Ibid.

[7]Ibid., 172.

neither a balancer nor a bandwagoner. It was instead a "straddler" that walked the fence between the United States and the Soviet Union in an attempt to meet national objectives.

Syria straddled East and West because the Asad regime figured that by playing both cards, it would best enhance its possibility for survival and increase the chance of seeing the return of the Golan Heights. Asad sent a delegation to Madrid as part of an ongoing diplomatic process designed to improve relations with the United States. This movement was quietly set in motion in the early 1980s at the prompting of businessmen and technocrats who levied pressure on the regime from within Syria.

To clarify the political dynamics of this movement, which sprung from an acute economic crisis in Syria, I apply the theories of political economy as portrayed in Alan Richards' and John Waterbury's A Political Economy of the Middle East. Their work assists in explaining Syria's foreign policy modifications, especially as they relate to Syrian-US relations, which actually began in the mid-1980s.

As Alan Richards and John Waterbury write:

> There are two great games being played out in the Middle East...the more conventional great game in which regional and superpower politics intersect...[the other] is a quiet game that seldom makes headlines...It is the game of peoples and governments, states and societies, sometimes in cooperation but more often at odds, trying to advance the prosperity and development of the regions nations.[8]

Richards and Waterbury list Walt's works as a reference for the first great game. A Politic Economy of the Middle East

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[8]Alan Richards and John Waterbury, A Political Economy of the Middle East: State, Class, and Economic Development (Boulder: Westview Press, 1990) 1.

though, is concerned with the quiet game. This is a game of "economic growth" and its associated structural change. As part of economic growth, according to the authors, "Some groups' wealth and power may increase faster than those of other groups." These groups form classes, and classes "mold state policy." Additionally, write the authors, "The process of economic growth and structural transformation creates unintended outcomes to which state actors must respond."[9]

The authors' theories of political economy paint a representative picture of what happened to Syria during the last two decades. Economic growth occurred in Syria in the 1970s and 1980s, bringing with it fiscal structural change. As part of this structural change, a new class of business leaders and civilian technocrats seized a share of the Asad's power base formerly occupied exclusively by the military-state, bureaucratic complex. To ensure the regime's long-term survival, Asad and his top officials, as primary state actors, responded to the new class' and technocrat's requests to improve economic and diplomatic ties to the West. As a result, the regime modified Syria's foreign stance toward the United States beginning in the mid-1980s.

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[9]Ibid., 8 - 10.

II. EXTERNAL FACTORS

A. SYRIA, AN "ATYPICAL" STATE

Most analysts attribute Syria's decision to actively become involved in the peace process with Israel to forces which occurred outside Syria and beyond its immediate control. Around 1990, believe these individuals, the Soviet Union's decline and the emergence of the United States as the only true superpower (and facilitator able to deliver peace in the Middle East) forced Syria into compliance with terms for a peace conference that were once considered unacceptable. According to the external line of thought, Syria balanced with its Soviet sponsor against the United States and Israel until the end of the Cold War. Then, when the Asad regime could no longer play the Soviet card, Syria bandwagoned with America to obtain its support.

Steven Walt's theories in The Origins of Alliances help explain the broad external forces and conditions that contribute to a country's alliance choices. However, Syria presents an atypical case that does not fit into Walt's categories for describing the behavior of a nation. Under Asad, Syria has proven to be a straddler and neither a balancer nor a bandwagoner. Upon examination, an external-oriented argument fails when attempting to explain the motivations behind Syria's approach to the peace process. This chapter shows that Walt's theories do not serve as the best frame of reference for explaining why Asad modified Syria's approach to talks.

B. LITERATURE ATTRIBUTING BEHAVIOR TO OUTSIDE FACTORS

An abundance of literature links Syria's modified foreign policy in the post-Cold War world to a redistribution of power in the international arena. Alfred Atherton, a former

secretary of state for the Near East and South Asia (1974 - 1978) and ambassador to Egypt (1979 - 1983) states:

> With the end of the Cold War and the shift in Soviet Middle East policy, Syria no longer had a superpower mentor to help it achieve strategic parity. When Iraq emerged as a threat to the region's power balance with the eruption of the Gulf crisis in 1990, al-Asad saw an opportunity to end Syria's isolation; improve relations with the only remaining superpower, the United States...Joining the military coalition against Iraq alongside the "Western imperialists" marked a historic reversal...for Syria. Al-Asad put himself in a position to participate in postwar councils -- and to exert a claim to US sympathy for Syria's goal of recovering the Golan Heights in any renewed Arab-Israeli peace process.[10]

Talcott Seelye likewise writes:

> It was unquestionably Soviet disengagement from the region that forced Asad to abandon his "military parity" strategy and softened him up for the Bush-Baker peace initiate of 1991. The weakening of Syria's client relationship with the USSR deprived Asad of his principle patron and forced him to look for alternative connections. With the indisputable emergence of the United States as the dominant outside power in the area, Asad concluded that he could best achieve his regional objectives by cooperating with Washington.[11]

Pulitzer-prize winner Thomas Friedman notes, "He [Asad] undoubtedly drew the lesson...that there is only one superpower in the world and it is not the one that supported his Government for the last 20 years -- the Soviet Union."[12]

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[10]Alfred Leroy Atherton, Jr., "The Shifting Sands of Middle East Peace," Foreign Policy Spring 1992: 129.

[11]Talcott W. Seelye, "Syria and the Peace Process," Middle East Policy Vol. II, No. 2, 1993: 106.

[12]Friedman, A6.

Finally, Patrick Garrity notes, "The Syrians...used the Gulf crisis as an opportunity to improve their ties with the United States, implementing a policy decision that had actually been made prior to the war in light of growing weakness of Syria's superpower patron, the USSR."[13]

These observations represent the prevailing view and deserve some merit. However, they relate the Asad regime's security plight to events outside of Syria's borders which arose at the very end of the 1980s and during the beginning of the 1990s. An external argument provides neither an accurate nor complete explanation as to why the regime adopted a foreign policy stance previously rejected. Additionally, the widely accepted international relations theories found in Walt's writings, which rely upon external determinants, can not be accurately applied to explain Syria's behavior.

Regarding Syrian behavior, Walt's writings are lacking in two areas. First, the Asad regime's diplomatic moves and contacts between East and West in the preceding two decades does not fit into Walt's neat categories of how a country should behave (balancing or bandwagoning) in the presence of a superpower competition. Second, Walt's theories fail to consider sources of domestic forces that were more threatening to the regime than were external forces in the 1980s.

C. SYRIA AS A "STRADDLER"

Regarding President Asad's diplomacy from 1970 to 1991, Syria maintained extensive contacts with the Soviet Union and the United States. There existed a feeling of hostility between Washington and Damascus during the late-1970s and early-1980s that drove Syria closer to the Soviet Union. Despite the chilling of US-Syrian relations during the first

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[13]Patrick J. Garrity, "Implications of the Persian Gulf War for Regional Powers," The Washington Quarterly Summer 1993: 155.

years of President Ronald Reagan's administration, history reveals numerous positive US-Syrian exchanges and a thawing of relations between America and Syria that began well before the start of the 1990s. The regime did not merely rework its approach to relations with the United States in 1990 and 1991. Throughout his rule, Asad has yearned for US diplomatic and financial backing while simultaneously milking the Soviets for weapons. To accomplish this, Syria simultaneously straddled the United States and the Soviet Union.

Walt's predictions as to how a nation will respond to a threat -- in this case Syria responding to Israel -- do not include a category for straddling. Walt refers to only two categories of behavior, balancing and bandwagoning, to describe states' reactions to external threats. According to him, a threatened state will select one or the other of these options. Balancing is "allying with others against the prevailing threat," while bandwagoning is an "alignment with the source of danger."[14] Though it can generally be said that Syria and the Soviet Union balanced against Israel and the United States in the 1980s, neither option accurately explains Syria's behavior in the past two decades. Based on the history of Syria's foreign policy, there were times when Syria was both balancing and bandwagoning. Thus, as the next section shows, Syria was a straddler in its turbulent relations with the Soviet Union and with the United States.

D. HISTORY OF SYRIAN RELATIONS WITH THE SUPERPOWERS

1. Asad's Perspective Developed

The Syrian-Soviet relationship had been developing for fifteen years before Hafiz al-Asad ousted Salah Jadid in the 1970 coup. Asad's loyalties, or at least his potential for

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[14]Walt, 17.

working with the Soviet Union, were viewed with a certain amount of skepticism by the Kremlin. The new Syrian leader represented an uncertain variable, according to journalist and author Helena Cobban, "because of his perceived rightist preferences regarding domestic policy."[15] Additionally, Asad had criticized Jadid's reliance on the Soviet Union. The Middle East Watch writes, "He was expected to distance his regime from the Soviets when he came to power in 1970."[16]

Soviet-style communism was a far cry from Ba'thism. Galia Golan writes, "There was little to bind the two sides ideologically except for the broadest interpretation of the Ba'th's particular brand of Arab nationalist socialism."[17] Despite any possible Soviet reservations, however, Asad "promised them [the leaders in the USSR] more predictability in the Arab-Israeli theater than had the more impetuous strategic predecessors."[18] Each party had an interest in the other for very practical reasons.

The new president assumed the reigns following a humiliating defeat to Israel, including the loss of the Golan Heights, just three years before in the Six Day War. According to Sandra Mackey, "He emerged from isolation carrying a new set of convictions: that Israel was by its nature an expansionist power, and that only through immense effort on the part of the Arabs could this expansionism be

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[15]Helena Cobban, The Superpowers and the Syrian-Israeli Conflict: Beyond Crisis Management (New York: Praeger, 1991) 113.

[16]Syria Unmasked: The Suppression of Human Rights by the Asad Regime, Middle East Watch (New Haven: Yale University Press, 1991) 138.

[17]Galia Golan, Soviet Policies in the Middle East from World War Two to Gorbachev (Cambridge: Cambridge University Press, 1990) 143.

[18]Cobban, 114.

contained."[19] Professor Raymond Hinnebusch, a respected expert on Syrian affairs writes:

> Asad and his faction...rejected the legitimacy of Israel, but for them, the 1967 defeat forced the realization that Syria could do little to reverse the establishment of the Zionist state. This marked the end of Syria's messianic revolutionary activism and the beginning of realpolitik of limited goals.

Asad, unlike his predecessors, would craft a scaled-down Syrian policy with the aim of recovering lands occupied by Israel after 1967.

One of the few individuals outside of Asad's inner circle with repeated access to the Syrian President, biographer and British journalist Patrick Seale refers to Asad as a "creature of the 1967 War." Since that time, Seale believes that Asad's ultimate objective has remained consistent -- the retrieval of Arab lands lost by returning "Israel to behind its Six Day War frontiers and to contain it."[20] This goal has served as his regime's dominant foreign policy concern, guiding all his foreign policy moves up to and through the Madrid Conference.

Early in his rule, Asad recognized that only with Soviet military and diplomatic support would this be possible.[21] He visited Moscow just two months after his ascension to power, and half a dozen other times between early-1971 and October

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[19]Sandra Mackey, Passion and Politics: The Turbulent World of the Arabs (New York: Dutton Publishers, 1992) 295.

[20]Radio Program on Asad and Syria's Role in the Peace Process, British Broadcasting Service, London, 20 January 1994.

[21]Raymond A. Hinnebusch, "Revisionist Dreams, Realist Strategies: The Foreign Policy of Syria," in Ed Bahgat Korany and Ali E. Dessouki (eds.) The Foreign Policies of Arab States: The Challenge of Change, Second Edition (Boulder: Westview Press, 1991) 387.

1973, with the intention of further expanding the relationship.[22]

The Soviets recognized the practicality of keeping the Asad regime as a partner. A presence in the Middle East was important to the USSR due to spreading US influence in the region and because of the Middle East's proximity to the southern Soviet border. When Soviet officials and forces were expelled from Egypt by President Anwar Sadat in 1972, Syria replaced Egypt as both a tactical and strategic location from which to project Soviet power throughout the Middle East. The Soviets relocated their Mediterranean-based ships to Syria after their removal from Egyptian ports.[23]

Asad's diplomatic persistence paid dividends, as scores of advisors accompanied new and advanced weapon systems destined for Syria. A new air defense system complete with SAM(surface-to-air missile)-2s and SAM-3s was installed, the air force received MiG-21 and Su-7 fighter aircraft, and T-62 tanks were delivered to the army.[24] As history shows, however, advisors and hardware did not ensure a Syrian-Egyptian victory against Israel in the 1973 October War.

2. Gains After the 1973 October War

Despite a military defeat in that conflict and a post-war settlement which returned only a portion of Syrian land lost in 1967, Asad's hopes of obtaining a long-term equitable settlement vis-a-vis Israel were actually heightened. Syria

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[22]Pedro Ramet, The Soviet-Syrian Relationship Since 1955: A Troubled Alliance (Boulder: Westview Press, 1990) 87 - 91; and Patrick Seale, Asad of Syria: The Struggle for the Middle East (Berkeley: University of California Press, 1988) 188.

[23]Alasdair Drysdale and Raymond Hinnebusch, Syria and the Middle East Peace Process (New York: Council on Foreign Relations Press, 1991) 150 - 151.

[24]Ramet, 95 - 101.

emerged, in the eyes of its neighbors and to the superpowers, as a rather formidable military power and as state deserving attention. Unlike the Six Day War, Syrian forces had performed well in combat versus the Israelis. Drysdale and Hinnebusch remark:

> The October War demonstrated that the Arabs could fight, and it shattered their "fear barrier"...Israel had, for the first time, been seriously challenged militarily. Its belief in security through military superiority was shaken.

Furthermore, it was readily apparent that Israel would not have been nearly as successful without the massive US military resupply effort.[25]

As a result of the 1973 October War, Asad gained a recognition unparalleled by any previous Syrian leader; his stature improved both at home and abroad. In the words of Moshe Ma'oz, another of Asad's biographers:

> Asad's prestige and popularity soared in Syria during the war and thereafter...many of his followers now regarded Asad as the new pan-Arab leader, the worthy successor to Nasser...Asad's position in the Arab world was elevated during that period...and several Arab countries...gave her [Syria] financial and diplomatic support. In the international community Asad became a celebrity as major television stations and newspapers from various countries competed for interviews.[26]

President Asad figured that his new-found influence would translate into an improved regional position vis-a-vis Israel. His modus operandi for reacquiring Syrian lands lost in 1967

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[25]Drysdale and Hinnebusch, 107-108.

[26]Moshe Ma'oz, Asad: The Sphinx of Damascus, A Political Biography (New York: Weidenfeld and Nicolson, 1988) 96.

switched to diplomacy. A weakened military was unable to wage another campaign. Additionally, it seemed to the regime that the United States was willing to hear out Syrian grievances. Asad stated, "If political action will give us back our lands -- we will welcome it."[27] Consequently, his thoughts and rhetoric turned toward achieving a comprehensive and real peace to include all Arab states. Asad believed that if the Arabs presented a cohesive bloc, their chances to obtain a favorable solution would be enhanced. Therefore, Syria formally acknowledged UN Resolution 242 (338 was also accepted at the end of the war), which "explicitly accepted Israel's right to exist within secure borders."[28]

3. Flirting with the United States

At the end of 1973, the Syrian leader had reason to be optimistic that a just settlement could be reached and Arab lands would be returned. Despite Sadat's wavering loyalties to the comprehensive Arab cause, Egypt still played a pivotal role in Asad's envisioned power equation opposite Israel. Additionally, the United States, particularly Secretary of State Henry Kissinger, seemed interested in serving as an impartial broker, willing to deliver a lasting peace for all parties involved. Lending credence to the proposition that Syria viewed the US initiatives as the only credible means to deliver peace is Kissinger's comment that Syria's Deputy Prime Minister and Minister of Foreign Affairs, Abd al-Halim Khaddam, saw America's cooperation in negotiations as "essential." Kissinger notes that this was "revolutionary," since Khaddam, in general, loathed the US."[29]

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[27]Ibid., 102.

[28]Drysdale and Hinnebusch, 108.

[29]Henry Kissinger, Years of Upheaval (Boston: Little, Brown and Company, 1982) 849.

Asad and the regime appeared willing to place Syria's fortunes in the able hands of Kissinger and America. Seale notes:

> Only the United States had leverage over Israel, and Kissinger...was the world-acclaimed magician of diplomacy. Flattered and intrigued by his presence, Asad was ready to put considerable trust in him...Asad believed that the United States wanted Arab friendship and an honorable settlement.[30]

Asad was hesitant to negotiate in a step-by-step fashion preferred by Kissinger. However, during a reassuring visit to Damascus by President Richard Nixon, "'Nixon replied [to Asad] that the purpose of interim diplomacy...was to nudge the Israelis backwards upon the Heights, step by step until they reach the edge, then tumble over.' It is no wonder, then, that Asad interpreted Nixon's words as a US commitment to Syria."[31] Under the Nixon administration, Syrian-US relations were restored after having been broken off following the 1967 War. The United States gave Syria a financial grant as a result of Asad's conciliatory gestures and as an incentive to barter even more. For a time, trust between Washington and Damascus soared.[32] During this period, Asad enjoyed being courted by both the East and West while he straddled between the opposing camps. Here, Syria was neither truly balancing nor bandwagoning.

Mutual trust and admiration between the United States and Syria, however, proved to be short-term following Nixon's

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[30]Seale, Asad, 231, 239.

[31]Ma'oz, 100 - 101.

[32]William B. Quandt, Peace Process: American Diplomacy and the Arab-Israeli Conflict since 1967 (Washington D. C.: The Brookings Institution, 1993) 220.

demise. Unfortunately for Asad and Syria, US motives for Syrian involvement in the peace process were very different than Syria's reasons for participation. The Syrian-US and Syrian-Egyptian relationships after 1974 would only worsen when two linking factors became increasingly evident. Kissinger's need to deliver a settlement and a strong US commitment to Israel prevented American diplomats from acting in the interests of Arab states. US diplomats, with no great concern for the rifts that such action would create in the Arab world, hoped to conclude separate peace treaties between Israel and the individual Arab states. Knowing that this would spell disaster for the Arab cause and for his country, Asad vehemently objected to bargaining in intervals. Even more discouraging was the knowledge that Sadat had every intention of "defecting" to the United States in an effort to receive benefits for his country, even at the expense of the comprehensive Arab cause.

Egypt, through the efforts of US diplomacy, was gradually eliminated from the Arab coalition through two disengagement agreements -- Sinai I and Sinai II. Damascus was, by this time, disillusioned with the US role of mediator. Drysdale and Hinnebusch write, "Asad had come to believe that Washington's strategy was to keep Israel strong while dividing the Arabs, whose only hope for obtaining a comprehensive peace settlement was to maintain their solidarity and refuse to settle for less than UN Resolution 242."[33] Then, due to US efforts at Camp David, Egypt abandoned its struggle against Israel in 1978-1979.

Early in his administration, President Jimmy Carter tried acting in an impartial manner toward the Arab-Israeli conflict and showed interest in Syrian concerns. For instance, Asad was welcomed in the United States in 1977. Here, he meant to

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[33]Drysdale and Hinnebusch, 184.

promote his country's and the Arabs' position. Though Carter may have initially sought to serve the best interests of both Israel and the Arabs by seeking a comprehensive settlement, he ultimately bowed to domestic political pressures. Carter signaled his bias towards Israel when he commented, "I need to have American Jewish leaders trust me before I can make progress."[34]

Hafiz al-Asad, though still willing after Camp David to conclude a peace agreement with Israel, was reluctant to compromise for anything less than a settlement including all Arab states. Recognizing that the relationship between Damascus and Washington had soured, the Syrian leader yearned for better relations with the United States in the future. Asad, writes Drysdale and Hinnebusch, "could not afford to burn his bridges with the United States. He understood that Washington alone could restrain a more powerful Israel."[35] Secretary of State Cyrus Vance visited Asad a week after Camp David to sadly bid him farewell.

Vance's remembrance of Asad's remarks were to provide a hint for what Syria's foreign policy was to become over the next decade:

> I remember Asad said something to me along the lines that he was...now going to sit on the side of the road and observe events. If circumstances changed, he would not hesitate to change his position, although as in the past he would always be guided by the paramount interests of Syria.[36]

In the name of Syria's and the regime's best interest, Asad reconsidered the Syrian-US relationship. Here Asad calculated

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[34]William B. Quandt, Camp David: Peacemaking and Politics (Washington, D.C.: The Brookings Institution, 1986) 57.

[35]Drysdale and Hinnebusch, 185.

[36]Seale, Asad, 309.

that Syria's situation required Asad to shy away from harmful US diplomatic schemes. This must not be confused with Asad making a decision to balance against the US.

4. Asad's Situation Worsens

The paramount interests of Syria at the end of the 1970s necessitated a reevaluation of Syria's ties with other countries. Seale writes:

> The passage from the 1970s to the 1980s brought significant changes in the style and thinking of Syria's ruler. Optimism faded. A certain trust in the future gave way...as the world showed itself a complex and cruel place.[37]

As Asad accepted a new agenda, he attempted to form new alliances. The Front of Steadfastness and Resistance in 1977 and, later, the Arab Eastern Front were without cohesion and, thus, largely ineffective.[38] Hinnebusch notes, "By 1980 Syria had seldom been so isolated...and more likely to be left on its own devices in case of Israeli attack."[39] The situation for Syria would only get worse before it would improve.

a. Israeli Aggression and Strengthened Ties with the United States

While his Arab "friends" failed him, his adversary and its major backer, Israel and the United States, presented Asad with valid reason for concern. The victory of Israel's Likud party and the appointment of Menachem Begin as Prime Minister in 1977 ushered in a more dangerous era for Syria in

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[37]Ibid., 337.

[38]Ibid., 310 - 311, 314.

[39]Hinnebusch, "Revisionist Dreams," 387.

the Levant. Begin's expansionist attitude toward Israel's place in the region resulted in the building of additional Jewish settlements in the Israeli-controlled and -occupied lands won in 1967. Included was the annexation of the Syrian Golan Heights in 1981, including the erection of Jewish settlements there. Then came the Israeli invasion of Lebanon, a vital strategic area for Syria, in 1982. Syrian forces were routed early in June. Israeli forces destroyed 400 Syrian tanks and 80 aircraft during the attacks.

A British journalist in Lebanon at the time noted:

> The sheer speed and depth of the mass Israeli invasion stunned...the Syrians...As we passed their tanks, the soldiers by the roadside looked at us and I noted that their eyes seemed unusually large. They gazed at us in an uncomprehending way and they repeatedly looked around them, at the hills above, at the sky, towards the sea. They were frightened.[40]

With what Asad interpreted as the onslaught of Israeli aggression, Syria's neighborhood was becoming an increasingly dangerous place.

A major factor that led to Asad's growing insecurity was the expansion of the US-Israeli relationship in the early 1980s. This bond became both tighter and more formal for several reasons. First was Jewish political influence over American politicians. As one of the most powerful and effective lobbies in the United States, the American Israel Public Affairs Committee (AIPAC) donated large sums of money to pro-Israeli individuals seeking elected positions in the US government. There was, of course, no corresponding pro-Arab

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[40]Robert Fisk, Pity the Nation: The Abduction of Lebanon (New York: Macmillian Publishing, 1990) 215.

lobby to counter this sentiment in the United States or, likewise, to promote Syrian interests in the USSR.[41]

More significant in boosting Begin while alienating Asad was the overarching ideology of the Reagan administration which included integrating Israel into US Cold War policies. Reagan, during a 1979 campaign speech, recognized that "only by full appreciation of the critical role the state of Israel plays in our strategic calculus can we build the foundation for thwarting Moscow's designs in our national well being."[42] Along with the US President, most of his foreign policy officials and advisors held the conviction that, as in other geographic regions, the Cold War was to be played out in the Middle East. Israel would serve as our main accomplice there.

As America's major ally in the region, Israel signed a 1981 Memorandum of Understanding with America, elevating Israel to the position of strategic partner. As a result, Israel became privy to increased aid and weapons assistance. Despite the fact that Israel violated US-set terms under which US-supplied weapons could be employed in Lebanon, US gave Israel over $27 billion during the Reagan years. This amount was a third more of all US aid granted to Israel in the previous thirty-two years (1948 - 1980).[43]

b. Syrian Relations with the United States Sour

As the US-Israeli courtship matured in the early-1980s, the previously-established atmosphere of cooperation between the United States and Syria dissipated, at least in

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[41]Ahmed S. Khalidi and Hussein Agha, "The Syrian Doctrine of Strategic Parity," in Judith Kipper and Harold H. Saunders (eds.) The Middle East in Global Perspective (Boulder: Westview Press, 1991) 200.

[42]George W. Ball and Douglas B. Ball, The Passionate Attachment: America's Involvement with Israel, 1947 to the Present (New York: W. W. Norton and Company, 1992) 108.

[43]Ibid., 109.

outward appearance. In the eyes of the Reagan administration, Syria was a location where the Soviet bear had been allowed to set foot. The administration's overwhelming perspective was that Syria was a "Soviet surrogate whose interests could be disregarded and whose punishment represented a victory over Moscow."[44] To US policy-makers, Syria presented a clear threat. Initially and foolishly under the Reagan administration, US diplomatic initiatives set out to isolate the Asad regime, as American military operations aimed to thwart Damascus' influence in the region.

In the early-1980s, the United States and Syria clashed over policies and events in the Levant. For instance, when the Reagan administration drafted the Reagan Peace Plan of 1982, it ignored Syrian interests and failed to consult Damascus. The plan called for a confederation between Jordan and the Israeli occupied West Bank and the Gaza Strip. Though the plan eventually proved ineffective due to opposition by Begin and the Likud, at least American drafters had considered Israeli, Jordanian, and Palestinian concerns.[45]

Then, in 1983, the United States, Israel, and Lebanese Christians drafted the May 17 agreement. This document made an Israeli troop withdrawal contingent upon the removal of Syrian forces from Lebanon. In what proved to be a mistake, the US and Israel did not seek Asad's approval. Drysdale and Hinnebusch note:

> Washington expected to force the accord on Syria..."Lets leave the Syrians on the outside looking in," Reagan told Israeli Foreign Minister Yitzak Shamir." Secretary of State George Schultz failed to include Damascus on his itineraries until the agreement was signed...not wishing to give the Syrians a chance to raise objections...In Syrian

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[44]Drysdale and Hinnebusch, 188.

[45]Quandt, Peace Process, 345.

> eyes, the May 17 agreement rewarded Israel for its invasion and was taken by Asad as an insult.[46]

To add insult to injury, Damascus was criticized for its noncompliance with the treaty by Deputy Secretary of State Kenneth Dam, who spoke of Syria's "willingness to sabotage progress in Lebanon."[47] Quandt notes that "the United States and Syria seemed to be on a collision course,"[48] after the May 17 agreement. For a few different reasons, US-Syrian relations would get worse before improving.

Syria demonstrated its animosity toward Washington's policies by allowing aggressive acts to occur in Lebanon. In the Spring of 1983, the US embassy was attacked by a suicide car bomber. Then on 23 October 1983, 241 US Marines perished at the hands of an Islamic extremist driving a van loaded with explosives. Since Syria had ties to Shiite extremist groups in Lebanon and since guerrillas were trained on Syrian-controlled, Lebanese territory, Syria was partially to blame for the events. Reagan ordered US troops home from Lebanon in early 1984.

These two attacks received special attention from Reagan, not only because of the carnage they caused -- almost three hundred dead and over one hundred wounded -- but also because of Reagan's staunch anti-terrorism stance. By the mid-1980s, the United States and the West would, on many occasions, charge Syria with either direct or indirect links to terrorism.

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[46]Drysdale and Hinnebusch, 191.

[47]Barbara M. Gregory, "U. S. Relations with Lebanon: A Troubled Course," American-Arab Affairs, Winter 1990 - 1991: 66. Mr. Dam made this statement before the Committee on Foreign Relations, United States Senate, 11 January 1984.

[48]Quandt, Peace Process, 348.

Additionally, Damascus served as the headquarters for rejectionist Palestinian organizations which had a hand in several operations aimed at Western assets and individuals. One of the groups with offices in the Syrian capital, Abu Nidal, was responsible for attacking ticket counters in the Rome and Vienna airports in December 1985.[49]

On 17 April 1986, Nezar Hindawi, a Jordanian with reported links to Syrian intelligence, attempted to plant a bomb on an Israeli El Al jetliner at London's Heathrow airport. Hindawi was convicted in a British court for attempting to destroy the aircraft, and Syria was held partially responsible.[50] Along with the United Kingdom and West Germany, the United States withdrew its ambassador from Damascus shortly after the conclusion of the Hindawi trial. Vice President George Bush remarked, "We are convinced that their [Syria's] fingerprints have been on international terrorist acts." A US State Department spokesman said, "The Syrian government is already well aware of our concern over its support for terrorism."[51] In another blow to relations between Damascus and Washington over the terrorism issue, Damascus was held responsible for the December 1988 downing of Pan Am 103 over Scotland.

For several reasons, some justified and some not, Syria and the United States had fallen into disfavor with one another. A common misperception, though, is that diplomacy between the two nations was altogether hostile and that

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[49]Seale, Asad, 467.

[50]Jill Smolowe, "Questions about a Damascus Connection," Time, 20 October 1986: 53.

[51]"Syria: Terrorism Accusations Levelled by US," MEED 10 May 1986: 27. Syria has been included since 1979 on the State Department list of nations supporting, sponsoring, or harboring terrorist organizations.

Damascus and Washington failed to cooperate on any issue until 1990.

Syria's attempts to gain US favor and, conversely, American moves to work with Syria in recognition of Damascus' undeniable position in the region, began well before 1990. Despite uneasy feelings between Syria and the United States throughout the 1980s, there existed a state of tacit acknowledgement and hesitant respect for the another beginning around 1983. As in the 1970s, Syria remained a straddler in the 1980s and not a balancer against the United States. While refusing to burn his bridges with the United States, in the name of Syria's interests, Asad felt it necessary to strengthen his ties with the USSR to guard against Israel.

5. Soviet-Syrian Cooperation vs. US-Israeli Collusion

As mentioned, with the conclusion of negotiations between Israel and Egypt in 1979, the United States cemented its role as the prominent superpower in the Middle East. Asad realized that until the United States acknowledged Syrian concerns, diplomatic channels could not be pursued as the only means to achieve an equitable settlement opposite Israel. The Syrian leader also recognized the role of his Soviet provider as the party willing to assist Syria in countering Israel. A Middle East Watch publication notes:

> In his hour of need...the Soviets once more provided strong support to Asad. Since the Camp David accords...(Syria and the Soviet Union had been among the biggest losers as a result) Asad had become their most important regional ally.[52]

Mutual misgivings were bridged between Damascus and Moscow in the name of individual security concerns.

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[52]Syria Unmasked, 139.

In a speech delivered in Damascus on 8 March, 1980, Asad stated:

> Israel is backed by the United States with large quantities of sophisticated weapons...We know that we need the assistance of this big friend [the Soviet Union] in our current battle."[53]

In June 1980, an article appeared in Tishreen, the official government newspaper, stating that Syria "is seriously preparing to take an advanced and qualitative step towards closer cooperation with the Soviet Union."[54] In dire straights, it appeared that Asad would comply with Soviet policy-makers requests despite their reservations.

As part of a marriage of convenience, the regime signed a Treaty of Friendship and Cooperation with the Soviet Union on 8 October 1980, which Seale states "was far from being a strategic alliance."[55] The treaty promised to respect Syria's nonaligned status, while calling for increased economic, political, military, scientific, technological, cultural, and social cooperation. In exchange, Moscow had been allowed to expand its port privileges at Latakia and Minat al-Baida.[56] The provisions of the agreement were vague in nature, as was probably the desire of both parties. Asad hoped for the best case scenario where arms, assistance, and even troops, if the situation warranted such a move, would be provided without exceptional Soviet meddling in either

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[53]"President Hafiz al-Asad: Speech, 8 March, 1980, in Walter Laqueur and Barry Rubin (eds.), The Israel-Arab Reader: A Documentary History of the Middle East Conflict, Revised Edition (New York: Penguin Books, 1991) 621.

[54]Ramet, 143.

[55]Seale, Asad, 397.

[56]Ramet, 143, 145.

external or internal affairs. Meanwhile, the Soviets desired an increased physical military presence and an expanded political influence in the Mediterranean.

After signing the treaty, Asad worked hard to convince Moscow that Syrian differences with Israel fit into the overall superpower struggle for the Middle East. Seale notes:

> To grab the Kremlin's attention, Asad argued that the United States was planning to use Israel and Lebanon as a springboard for further aggression, a thesis which seemed borne out by Reagan's decision in August 1982 to send US Marines to Beirut. He [Asad] knew it would be to his advantage if the Soviet authorities saw the Middle East as a decisive prize in East-West competition.[57]

Until the United States was willing to take Syrian interests into account, Asad needed enhanced Soviet military and political support.

Allegations by Asad of US-Israeli collusion, backed by fear of that alliance, fell on sympathetic ears in the Kremlin. The Soviets supported a call by Asad to expand Syrian forces both quantitatively and qualitatively. Since diplomacy would not work as a means to solve the Syrian-Israeli conflict on terms favorable to Asad, then perhaps military might or the threat of force would work in achieving goals. Asad stated in 1981:

> If the military balance is needed to liberate the land and repel the aggression, it is needed equally to implement the just peace...Peace could never be established between the strong and the weak.

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[57]Seale, Asad, 398.

Syria had first mentioned the term "strategic parity" or "strategic balance" in 1974.[58] At that time, it supposedly implied equality with Israel on military, social, and economic fronts. During the 1980s, however, the term came to be associated almost exclusively with the acquisition of military might. Asad believed that only by meeting Israel head-to-head could the country first deter the Jewish threat and eventually negotiate an honorable peace.

In November 1982, Asad visited Moscow for two reasons. First was to pay his last respects to the deceased Soviet Premier, Leonid Brezhnev. The other purpose of the trip was the acquisition of additional arms after a poor showing by Syrian troops using Soviet-made weapons against American arms in Lebanon earlier in the year.[59] Andropov told Asad, "Take from the Red Army stocks. I will not allow any power in the world to threaten Syria."[60] Consequently, the arms floodgates were opened over the course of the next few years.

Advisors and weapons including modern battle tanks, combat aircraft, surface-to-air missiles (SAMs), surface-to-surface missiles, and artillery pieces poured into Syria. As part of the deliveries, the Syrians acquired the capable high altitude SAM-5 and the formidable MiG-29 air-to-air fighter aircraft.[61] As the inventory of arms grew, so too did the number of troops to employ these weapons. By 1986, the number of Syrians in uniform stood at approximately 400,000 -- up

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[58]Ma'oz, 177.

[59]Talcott W. Seelye, "The Syrian Perspective on the Peace Process," Arab-American Affairs Summer 1986: 58. Seelye writes, "Soviet humiliation at the appalling military equipment losses suffered at the hands of the Israelis during the Lebanese fighting in 1982 has resulted in a more substantial Soviet arms commitment to Syria."

[60]Seale, Asad, 398.

[61]Cobban, 52 - 56.

from 225,000 just years before. Approximately five percent of the Syrian population in the mid-1980s served in the armed forces.[62]

With advanced weapons, some of which would realistically allow Syria a deep strike capability for the first time, the stakes stood much higher for Israelis, should they decide to attack Syria. While Syria's military potential grew in the mid-1980s, Asad's autonomy to launch an attack employing these weapons without Moscow's approval was reduced. According to Seale:

> The Soviet Union wanted greater influence over its protege, an instinct natural in a patron, so to secure the weapons and protection he needed Asad had to surrender a certain freedom of action. While he retained control over tactical and operational matters, he lost some control over ultimate strategy. His aspiration for parity with Israel had become a Soviet benefaction, to give or withhold...Asad was more constrained than before, but he was also a good deal safer.[63]

While Syria's position in the 1980s meant a great deal to Moscow, steps were taken to ensure that Syria did not drag Israel and its US backer into a full-scale confrontation. That would have been disastrous for the USSR, since the Soviet bear was already bogged down in Afghanistan.

6. Cracks in the Soviet - Syrian Relationship

Moscow recognized that Asad's nationalist and anti-Israeli position was important in hedging US power in the region. Even though Syria was a valuable ally to the Soviets, Asad's policies, more than a few times, conflicted with Soviet interests. For example, he had irritated his providers in the 1970s by attacking the PLO in Lebanon in 1976 and by

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[62]Seale, Asad, 398.

[63]Ibid., 399.

supporting Iran in the first Persian Gulf war against Iraq, another recipient of Soviet aid in the Middle East. The Syrian President had also ignored the USSR while counting on the US to deliver peace in the 1970s.

Although Asad was somewhat more subordinated to Soviet control after signing the treaty, he still proved himself to be a thorn in the Soviet's side. For example, in 1980, Asad deployed Syrian forces along Syria's common border with Jordan to pressure King Hussein. He did this without consulting the Soviets. In 1981, Asad moved surface-to-air missiles into Lebanon's Bekka Valley. Again, this was done without the USSR receiving a courtesy call from Damascus. Syrian forces then engaged in fighting in Lebanon without previous coordination.[64] Asad's actions in the early-1980s, even as the Soviet Union provided his military with scores of weapons, proved that he was anything but a Soviet a puppet.

Under Soviet President Mikhail Gorbachev, Asad was to find that his military and foreign policies would not be as graciously received and financed. Golan writes that no longer would the Soviets turn a blind eye as differences were to emerge "over Asad's ambitions in Lebanon, the demands of Damascus for strategic parity with Israel, and Syrian's fundamental hostility to Israel as well as to many of the countries, from Egypt to the Gulf, with which Moscow was now pursuing improved relations."[65] Soviet domestic economic constraints, ideological modifications, and fear of becoming involved in a Middle East conflict opposite the United States led to a drastic decline in weapons transfers during the Gorbachev era. The estimated value of arms transferred to Syria from the USSR during the 1980 - 1984 time period was

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[64]Ibid., 397.

[65]Golan, 278.

$2.9 billion, in comparison to somewhere between $1 and $1.3 billion from 1985 to 1989.[66]

By the end of the decade, Syria's armed forces numerically equaled those of Israel. In some categories of weapons the Arab state's arsenal exceeded Israel.[67] However, stark indicators that Moscow preferred a change in its policies toward the Arab-Israeli conflict became embarrassingly evident to Asad.

During an April 1987 Soviet state-sponsored dinner at the Kremlin in front guests, Gorbachev delivered a less than welcome message to Asad and the Syrian delegation, which had just that day praised the USSR as its "cornerstone in Syria's independent policy....against Israeli aggression."[68] Gorbachev began his address with a reaffirmation that the Soviet Union would "assist Syria further in maintaining her defense capacity at the proper level." He mentioned that considering:

> revolutionary changes are underway in the Land of the Soviets [and that] realistic analysis of the present-day world which has markedly changed recently,...The stake on military power in settling the [Arab-Israeli] conflict has become completely discredited.

Furthermore, Gorbachev stated that, "The absence of...relations [between Israel and the Soviet Union] cannot be considered normal."[69] Gorbachev's 24 April delivery would

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[66]Cobban, 119; Golan, 279.

[67]Khalidi and Agha, 193. Relying on a number of sources, including The Military Balance published by the International Strategic Studies in London, authors Ahmad Khalidi and Hussein Agha provide a ratio chart for Syrian forces opposite Israel in 1982 and in 1989.

[68]Foreign Broadcast Information Service, Soviet Union edition, 28 April 1987: H3.

[69]Ibid., H7.

serve as the Syrian regime's first official, but not the only, wake-up call.

In February 1989, after a visit to Damascus, Soviet Foreign Minister Edward Shevardnadze commented that "more arms" did not equate to "greater security" for Syria.[70] Alexander Zotov, Soviet ambassador to Syria, announced that Syria's military assistance requests for the next five years would need to be "scrutinized critically" at a 18 September 1989 news conference.[71] Two months later, Zotov announced that Syria should adopt "reasonable sufficiency" in its struggle against Israel. This was a clear indication that the Soviet Union, though it would still supply weapons to Asad's forces, no longer intended to support Syria's drive for "strategic parity."[72]

By the late-1980s, Syria's defense posture had been greatly strengthened from that of 1982 when Asad's forces had been routed in Lebanon by Israel. However Asad's attempt to play the Soviet card to obtain a military edge over Israel fell short. Israel was no closer to returning occupied Arab lands than it was in 1973 or 1982. Fortunately for Syria, when Soviet support was reduced at the end of the 1980s, Asad had not chosen, to slam the door on the United States.

7. Exchanges with the United States During the 1980s

During the 1980s Asad masterfully pumped the Soviet Union for arms while keeping diplomatic channels open to the West. This was despite Reagan's less than conciliatory policies toward Syria. Both Syria and America recognized the utility of ties to one another. For the reason of mutual recognition

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[70]Golan, 280.

[71]Drysdale and Hinnebusch, 166.

[72]Cobban, 120.

of the others' important role in regional affairs, a relationship characterized by cooperation on a few key issues was maintained, uneasy as though that cooperation may have been at times. In the 1980s, Syria straddled both East and West.

After a few years of mutual hostility, there is evidence that as early as 1983, relations between Damascus and Washington were actually improving. Despite the failure of the May 17 agreement, Secretary Schultz traveled to Damascus on 6 July 1983 to consult with Asad and keep negotiations over Lebanon ongoing. The Syrian President, as Seale mentions, was willing to cooperate:

> Asad in turn did not want a severance of contact and kept the door open to Washington, agreeing to the formation of a US-Syrian working commission to consult on Lebanon. A couple of weeks later, in an evident gesture of goodwill, he engineered the freeing of David Dodge, the acting president of the American University of Beirut who had been abducted by a pro-Iranian group a year earlier. Syrian agents actually rescued Dodge from Tehran, an index of Asad's interest in a relationship with the United States.[73]

Despite ideological differences, Damascus and Washington were able to find common ground on matters of importance.

Just months after labeling Syria a hindrance to peace, Assistant Secretary of State Richard Murphy, a proponent of improved relations with Damascus,[74] testified with quite a different message before a congressional committee in July 1984. He labeled Syria a "helpful player" in Lebanon. Barbara Gregory writes, "The...new and more conciliatory approach toward Damascus was essentially a concession to

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[73]Seale, Asad, 412.

[74]"Syria," MEED 27 May 1988: 28.

Syria's...political and military influence in Lebanon."[75] Reagan, and later President George Bush, were dissatisfied with Syria's presence in Lebanon. However, both presidents were generally willing to cede to Syrian interests there in the name of keeping diplomatic channels open between Washington and Damascus.

Syria built on its relationship with the United States by taking initiatives which it hoped would appease America. For instance, in 1987 after the Hindawi trial, Asad closed the offices of Abu Nidal in Damascus. The organization apparently had a hand in the operation at Heathrow, though likely outside of Asad's direct control. Syrian members were threatened with imprisonment if they opted to engage in further actions, and non-Syrian members were asked to leave the country.[76] Additionally, Mohammed al-Khouli, implicated in the Hindawi affair, was removed from his post as chief of air force intelligence and coordinator between all intelligence agencies. His sacking was in response to pressure by the British over Hindawi affair in London.[77]

These events lead to increased diplomatic exchanges between Syria and the United States. On 2 September 1987, US Ambassador William Eagleton returned to his duties in Damascus after an absence.[78] Nine months later, as a demonstration of good faith, Edward Djerejian was posted to Damascus as Eagleton's replacement. The move was viewed "as a fresh sign of the improvement in relations with Washington," since Djerejian had been working closely with Richard Murphy. The

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[75]Gregory, 69.

[76]"Syria," MEED 13 June 1987: 43.

[77]"Al-Khouli Takes Back Seat in Intelligence Shake-up," MEED 2 January 1988: 20.

[78]"Syria," MEED 12 September 1987: 46.

Middle East Economic Digest (MEED) notes that the United States and Syria stepped up consultations by mid-1988 over the issues of Lebanon and peace in the region.[79]

In 1989, in another move to please the West, Asad agreed to meet with representatives from Amnesty international in Syria to discuss human rights. This lead to the release of 3,000 incarcerated prisoners two years later.[80]

Even more significantly in May 1989, Syria dropped its objections to Egypt's readmission into the Arab League at the Casablanca Arab Summit. According to Diab, at Casablanca, Asad "revived his favored, regional axis of Saudi Arabia - Egypt - Syria," with the result of "restoring good American - Syrian relations."[81] In December, full diplomatic ties were reestablished and flights were resumed between Damascus and Cairo.

American delegations headed by significant figures traveled to Syria in the Spring of 1990 to begin formally cementing a relationship. Former President Jimmy Carter and Senator Bob Dole both received the message from Asad that Syria was prepared to work toward a just and comprehensive peace in the Middle East. As a sign of Syrian good will after the meetings, an American hostage held in Lebanon, Robert Polhill, was released in April.[82]

Later in 1990, in an attempt to build a coalition of states against Iraq, including Arab nations, President Bush enlisted President Asad's help. In exchange for participation in Desert Shield and then Desert Storm, the United States

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[79]MEED 27 May 1988, 28.

[80]Mahmud A. Faksh, "Asad's Westward Turn: Implications for Syria," Middle East Policy Volume II, Number 3, 1993: 57.

[81]Diab, 82 - 83.

[82]Itamar Rabinovich, "Syria in 1990," Current History January 1991: 31.

agreed to turn its head when Syrian troops stormed Beirut to consolidate their hold over Lebanon in October 1990. As a reward for Syria having sent troops to the Gulf, Saudi Arabia and Kuwait, two Gulf countries with extensive ties to the United States, contributed almost $2 billion to Syria.

Asad's bid to cultivate better relations with the United States and its allies, which began well before the demise of the Soviet Union, were not taken out of a spirit of good will towards the United States. Nor do these moves represent a desire to abandon its relationship with the Soviet Union. In 1990 and 1991, as throughout his entire rule, Asad was walking the fence. Again, Syria was neither truly balancing or bandwagoning. At the turn of the decade, Asad was successful at straddling because it was to the United States' interest to have Syria as an accomplice against Iraq in the Gulf War.

The Gulf War simply served as a catalyst for Asad to align some of his interests with those of the United States. Simultaneously, it was not in Syria's best interest to alienate itself from the Soviet Union. Syria continued to receive weapons from the Eastern Bloc even though the amount of arms had been largely curtailed since the late 1980s.

Mustafa Tlas, the Syrian Defense Minister, traveled to Moscow in February, 1991, to seek additional arms for Damascus' stockpile. According to Professor Fred Lawson, "The Syrian delegation argued that accelerated shipments of military assistance were necessary to offset the advanced armaments and other war materiel dispatched to Israel by the United States in the Fall and Winter of 1990 - 1991."[83] Before later reneging on his promises, President Gorbachev vowed to further assist Syria with its defenses. Asad's ploy to receive additional arms from the Soviet Union is not in

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[83]Fred Lawson, "Domestic Transformation and Foreign Steadfastness in Contemporary Syria," Middle East Journal Winter 1994: 57 - 58.

line with Syria's supposed bandwagoning effort with the United States.

Asad, the ultimate politician, has amazingly been able to protect the regime and Syrian interests, despite changes to Syria's external environment. He has done this by neither steadfastly siding with or against either superpower. He has masterfully courted both the Soviet Union and the United States. Walt's theories on balancing and bandwagoning, therefore, do not accurately apply to Syrian behavior. Syria was a straddler during the 1970s, 1980s, and into the 1990s.

E. INTERNAL VULNERABILITY AS ASAD'S MAJOR CONCERN

My second criticism of applying international relations-based theories such as Walt's when predicting with whom a state will ally is that this approach subordinates domestic developments to external events and circumstances. No state reacts solely according to what happens outside its borders. Walt acknowledges this himself.

In The Origins of Alliances, Walt discusses Anwar Sadat's motivations for seeking closer ties to the United States after the October War. As one of the Egyptian President's decisive factors, Walt mentions that "a host of economic troubles posed a growing threat to Sadat's regime."[84] As was the case with Sadat's government, the Asad regime's credibility was severely challenged beginning in the early-1980s due to an economic crisis. The regime's major threat originated not as much from Israel as it did from elements within Syrian society.

Unlike Walt, many political scientists consider an examination of a state's internal environment equally or more important when identifying a regime's key threats. Randall Schweller, in a critique of Walt's theories, credits Steven David with "arguing that...[the] state-centric perspective

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[84]Walt, 177 - 178.

ignores the 'often fatal nature of the international and domestic political environment that characterizes the Third World. Author Deborah Welch Larson, also cited in Schweller, "offers an institutional approach that measures state strength by the nature of its state-society relations."[85] It is these state-society relations, a topic covered in the next chapter, which I believe drove Asad to seek closer ties to the United States and modify his position towards the peace process.

Examining outside factors in isolation from the picture inside Syria does little to explain Asad's decision to approach the peace table in 1991. Though external circumstances served as the final catalyst, only an understanding of Syria's internal economic and political environments in the 1970s and 1980s leads to an understanding of Asad's foreign policy modifications.

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[85]Randall L. Schweller, "Bandwagoning for Profit: Bringing the Revisionist State Back In," International Security Summer 1994: 77.

III. INTERNAL FACTORS

A. PEACE TALKS TO ATTRACT WESTERN CAPITAL

Only by examining Syria's internal situation during the 1970s and 1980s is it possible to understand why Asad sent a delegation to Madrid in 1991. Daniel Pipes writes:

> Domestic factors usually determine the main directions in interstate relations. Other reasons can account for specific actions, but the central lines of a state's foreign policy invariably derive from the nature of its domestic life."[86]

An economic crisis, originating from domestic shortcomings, surfaced in the early part of the last decade and endangered the credibility of the Syrian Ba'thist regime. Though Asad had marginally liberalized the economy in the 1970s, by the early-1980s, the economy was still built principally on a failing public enterprise system. Fearing political upheaval in the long term, Asad began a second, more encompassing economic liberalization campaign in the mid-1980s designed to satisfy the Syrian populace and key political supporters.

Civilian economists, led by US-trained economist Muhammed Imadi, opened the economy for tradesmen to work their magic, and a new class of businessmen arose in Syria. Technocrats, who orchestrated the economy and received financial kickbacks from their friends in the business world, and the members of this new business class, who were charged with expanded the economy, caught Asad's ear in the process. Consequently the coalition upon which the regime depended for support grew, and these newly empowered individuals gathered influence.

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[86]Daniel Pipes, Greater Syria: The History of an Ambition (Oxford: Oxford University Press, 1990) 150.

Technocrats and the new class pressured the regime for access to financial markets outside Syria.

Primarily for internal reasons, and in the name of its own survival, the regime was forced to pursue improved diplomatic and commercial ties to the United States. Though Asad's modified foreign policy may not have become evident until the imminent demise of Syria's Soviet sponsor around 1990, subtle domestic maneuvers were afoot as early as the mid-1980s. These moves, indirect as though they may seem, were designed to make Syria more attractive to the United States and to improve relations with the West.

To substantiate my claim that internal events drove Syria to Madrid, major economic developments in the past two decades are highlighted. Next, inadequacies are presented that led the regime, in the mid-1980s, to modify foreign policy to one more in-line with US interests. Attending peace talks was a late edition to policies authored in the mid-1980s designed to pull Western capital into Syria.

B. ECONOMIC GROWTH IN THE 1970s

The 1970s was a time of impressive economic advances in Syria and of improved prosperity for most of the country's citizens, especially with regard to developing countries' standards. Average growth in gross domestic product for 1970 - 1979 was a remarkable ten percent.[87] One major factor which fueled this improvement in the economy and increased revenues across the entire Middle East was the oil boom of the 1970s and early-1980s. Like other countries there, Syria increased domestic crude output to bolster earnings. Oil

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[87]Kais Firro, "The Syrian Economy under the Asad Regime," in Moshe Ma'oz and Avner Yaniv (eds.), Syria under Asad: Domestic Constraints and Regional Risks (New York: St. Martin's Press, 1986) 36.

became Syria's largest export by 1974, unseating cotton as the major cash-producer.[88]

Due to labor shortages in the Gulf, Syrian workers in search of opportunity eagerly flocked there to work in the expanding oil industry. Remittances from approximately 400,000 persons, almost 15 percent of all Syrians who worked, sent home a sum equivalent to $774 million in 1980.[89]

Large-scale foreign aid from Gulf nations' oil earnings was also introduced into the Syrian economy. Saudi Arabia, enjoying overwhelming prosperity, lent Asad money for Syria's struggle as a front-line Arab state against Israel.[90] Peak lending to the public sector occurred from 1979 - 1981 at an amount of over $4.8 billion.[91] This windfall went, of course, to buy weapons and to develop a new and somewhat modified Syrian economy that had been adversely affected by the 1973 War with Israel.[92] Israeli operations had destroyed $4.5 billion in capital goods. To revitalize infrastructure after the 1973 October War, the Syrian economy was slightly

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[88]Economist Intelligence Unit (EIU) Syria Country Profile for 1986 - 1987, 12.

[89]Victor Lavy and Eliezer Sheffer, Foreign Aid and Economic Development in the Middle East: Egypt, Syria, and Jordan (New York: Praeger Publishers, 1991) 17, 31. The figure of $774 million for 1980 compares to a paltry $7 million drawn from Syrian worker remittances in 1970.

[90]EIU Syria Country Profile for 1991 - 1992, 52.Later in the decade, Syria was promised an annual $1.8 billion from the Gulf States at the Baghdad Summit of 1978. Amounts received were below this level, however, due to the changed economic fortunes of the pledging states.

[91]Lavy and Sheffer, 32.

[92]Firro, 44 - 45.

reorganized.[93] To help in the rebuilding effort, the government channelled increased funds from financial sponsors in the Gulf into industry, transportation, and communications.[94]

Additionally, as part of the general scheme to pump money into the reconstruction effort, the Asad regime decided to recruit the help of Syria's business community. A policy of *infiraj*, akin to *infitah* policies in Egypt, instituted a program of limited liberalization to recruit assistance from the private sector. This two-stage process was welcomed by businessmen after a period of nationalization pursued by preceding Syrian heads of state during the 1960s. President Asad cautiously encouraged privatization during the 1970s primarily in the service and commercial sectors.[95]

Yahya Sadowski notes, "Private entrepreneurs were encouraged to help rebuild the economy by establishing small firms, often acting as subcontractors or agents...of the government." The plan was largely successful. Coupled with Gulf oil, the Syrian economy was greatly expanded within three years.[96]

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[93]Yahya M. Sadowski, "Ba'thist Ethics and the Spirit of State Capitalism: Patronage and the Party in Contemporary Syria," in Peter J. Chelkowski and Robert J. Pranger, Ideology and Power in the Middle East: Studies in Honor of George Lencowski (Durham: Duke University Press, 1988) 172.

[94]Hossein Askari and John Thomas Cummings, Middle East Economies in the 1970s: A Comparative Approach (New York: Praeger Publishers, 1976) 461.

[95]Volker Perthes, "The Syrian Economy in the 1980s," The Middle East Journal, Winter 1992, 49.

[96]Sadowski, "Ba'thist Ethics," 165, 171 - 172. Sadowski attributes Asad's decision to liberalize the economy to recommendations from those Syrian leaders closest to him. Referred to as "al-Jama'a," meaning "the group" in Arabic, these individuals had been Asad's trusted supporters during the 1960s. They had ties to private businessmen and pushed

While Syria's financial situation improved in the 1970s, the authors of the new policies also changed priorities within the economy itself. Emphasis shifted from developing the agricultural sector to modernizing and expanding the industrial sector. For instance, although agriculture barely edged out industry in allocations under the 1970 - 1975 Five-Year Plan, twice as much capital was invested in the latter.[97]

During the 1970s, as was the path followed in the Middle East by other countries such as Egypt, Iraq, Tunisia, and Algeria, Syria pursued a policy of import substitution industrialization (ISI) designed to diversify its economy and earn cash from the export of goods.[98] Initially, as is the case in most countries pursuing a strategy of ISI, most industrial energy in Syria went toward producing consumer goods which were rapidly bought up. Products became increasingly available in Syria, and consumption of simple and intermediate goods grew 14% between 1973 and 1981.[99] During the 1970s and into the first few years of the 1980s, the standard of living was improved for most persons. Standard of living in Syria, though, did not improve equally across class lines.

C. BENEFICIARIES OF *INFIRAJ* AND GRAFT

Certain groups found themselves much better off relative to other element in society as a result of *infiraj*. Under the

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reform to improve Syria's economy, and hence regional standing. They also pushed reform, according to Sadowski, because they could line their pockets with kickbacks.

[97]Askari and Cummings, 227.

[98]Richards and Waterbury, 26.

[99]Lavy and Sheffer, 21.

presidency of Hafiz al-Asad, the lifestyle of the middle- to upper-class, playing upon both official and unofficial links to the government, advanced at a much more rapid pace than did that of the average Syrian during the same time period.[100] Concerning this phenomenon, Volker Perthes writes:

> From a societal standpoint, Syria's post-1970 development strategy was inegalitarian. The policies of *infitah*, the large financial capacities of the state after the 1973 October War, and the demands of a growing middle class provided great opportunities...A new enriched stratum emerged.[101]

The first sector of the Syrian populace that benefitted the most from the opening of the economy was made up of individuals whose goal was the supply of goods to meet the consumer demands of society's upper crust. Perthes calls these people the new industrialists. Most of the people in this group have secondary educations and come from merchant or craft families. Unlike the original Syrian industrialists, who focused on heavy industry, the new industrialists concentrated their energies into producing items for consumption by the middle and upper classes of society. According to Perthes, the new industrialists had profit and not politics in mind:

> The new industrialists' production is mainly import-substitution, serving the consumer demands of society's upper half.... The state is not his product, but he is the product of this current state.[102]

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[100]Volker Perthes, "A Look at Syria's Upper Class: The Bourgeoisie and the Ba'th," Middle East Report, May - June 1991, 31 - 37.

[101]Perthes, "The Syrian Economy in the 1980s," Middle East Journal Winter 1992: 54.

[102]Perthes, "The Bourgeoisie and the Ba'th," 33.

Two other groups had an interest in politics under the Asad regime, since the politics of economics benefitted them directly. The first was the state bourgeoisie and consisted of persons in prominent government positions such as Ba'th party officials, ministers, governors, high-ranking military and security officers, and directors in the public sector. Perthes believes:

> This group, owing its position to its loyalty to the regime and often its personal connections to President al-Asad, has acquired not only significant political and economic power but personal wealth as well...mostly by illegal, though not always covert, methods...This group became rich from theft, bribes and commissions.[103]

Heading this list are such names as Rif'at al-Asad, brother of the President and one of three current vice presidents; 'Abd al-Ra'uf al-Kasm, a former prime minister; and Mustafa Tlas, Minister of Defense.[104] Also included in this group, were civilian technocrats who constructed the policies of *infiraj*.

Involved in a mutually profitable relationship with the state bourgeoisie, the new commercial class made money under *infiraj* and, conversely, lined the bourgeoisie's pockets with kickbacks. Made up of a relatively small group of people, oftentimes the sons of the members of the state bourgeoisie, this group is also known as the new class.[105] They are most often middlemen who share profits with government and

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[103]Ibid., 33 - 34.

[104]Ibid., 33 - 35.

[105]Raymond A. Hinnebusch, "Asad's Syria and the New World Order: The Struggle for Regime Survival," Middle East Policy, Volume II, Number 1, 1993: 6.

bureaucratic officials in formal and informal (black market) sectors of the economy. Perthes write that members are:

> traders, contractors, official agents for foreign companies, and investors in services and international finance [using] illegal or manipulative methods to run a business that in itself is generally legitimate...They tend to form monopolies in some sectors of the national economy.[106]

The new class, which invested great sums of money in the food, computer, and oil industries both inside and outside of Syria, were even less committed to Ba'thist-socialist ideology than their fathers' in the regime.[107] The bourgeoisie and the new class continued to make money hand over fist into the 1980s, while the Syrian economy as a whole deteriorated.

D. THE ECONOMY COMES APART AT THE SEAMS -- THE 1980S

Despite impressive developmental strides made in the 1970s, Syria's economic lot worsened significantly in the 1980s. Since government officials were not always forthcoming with statistics and because the black market generated unknown amounts of goods and currency into the economy, it is difficult to ascertain the precise status of the Syrian economy at any one time. However, some key indicators and statistics reveal unfavorable trends which cropped up during the 1980s.

Before 1976, Syria had been barely able to cover payments owed to other countries and international agencies with foreign aid. A balance of payments deficit ensued after the mid-1970s, draining foreign currency reserves. In early 1977,

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[106]Perthes, "The Bourgeoisie and the Ba'th," 35 - 36.

[107]Raymond A. Hinnebusch, "Asad's Syria and the New World Order," 6.

the amount of foreign currency held equaled about $220 million. A US government publication on Syria mentions:

> Only grant aid, largely from Arab oil-producing states...averted an economic crisis. Although grant aid cushioned the economy, foreign exchange reserves continued to dwindle.[108]

In 1982, $185 million was stored in Syrian coffers. By 1984, the total stood at only $100 million after having dipped even lower the preceding year.[109]

External debt also plagued the regime during the late-1970s and into the 1980s. Total debt owed amounted to $411 million in 1973 and increased by $800 million by late 1977. At the end of 1984, the figure had more than doubled from seven years before, standing at $2.5 billion.[110] By the end of 1987, external debt was estimated at $4.678 billion, not including that owed to the Soviet Union for military support. Damascus' debt to Moscow approached $15 billion in the late 1980s.[111] Arrears of over $100 million owed to the World Bank caused the organization to cut off dispensing of new funds to Syria in late 1986.[112]

That same year, the European Economic Community released a report charging that the economy was in "bad shape" due to the regime's practice of ignoring the structural problems inherent in the economy in favor of pursuing politically-oriented goals. The report concludes that "The budget, like

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[108]Syria: A Country Study (Washington, D. C.: United States Government, 1988) 164.

[109]Ibid.

[110]Ibid., 166.

[111]David Butter, "Asad's Policies Win Him No Friends," MEED 8 September 1989: 6 - 7.

[112]EIU Syria Country Profile 1989 - 1990: 50.

the economy as a whole is distorted by the discrepancy between the official exchange rate and the free market rate."[113]

Depreciation of the Syrian currency was labeled as "the most important indicator of the government's economic problems in 1986" by David Butter, a MEED analyst. A fluctuating exchange rate adversely affected the working class in Syria by causing acute price increases for imported foods and basic goods.[114]

While prices rose, figures for Gross Domestic Product (GDP) declined in the middle and latter parts of the decade. This was due to industrial shortcomings exacerbated by agricultural problems, as well. Rizkallah Hilan writes, "The rate of growth of the national manufacturing sector remained moderately positive during the 1970s, attained its maximum between 1980 and 1983, then slumped and became negative from 1986."[115] By late 1989, industrial output measured less than fifty percent of its estimated potential due to import shortages of raw materials and spare parts.[116] Kais Firro notes that this was extremely disappointing since there existed in the regime, "a belief in the value of industry as an instrument of societal development and of 'economic independence.'"[117] Industry and its inherent deficiencies, failed to deliver the country into modernity and toward

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[113]"Syria: EEC Takes Gloomy View of the Economy," MEED 22 March 1986: 29 - 30.

[114]David Butter, "Syria Budgets for More Austerity," MEED 15 November 1986: 57.

[115]Rizkallah Hilan, "The Effects on Economic Development in Syria of Just and Long-Lasting Peace," in Stanley Fischer, Dani Rodrick, and Elias Tuma (eds.), The Economics of Middle East Peace: Views from the Region (Cambridge: The MIT Press, 1993) 62.

[116]Butter, "Asad's Policies Win Him No Friends," 7.

[117]Firro, 53.

"strategic parity" with Israel. Inflation in the early 1980s, writes Perthes, "fluctuated at unprecedented levels around 30 percent, causing severe hardship for the majority of the population."[118] The rate of inflation more than tripled by 1989.[119] Despite the dismal performance of the economy in the 1980s, a ray of hope emerged at the end of the decade.

E. ECONOMIC UPSURGE IN THE LATE-1980S

Optimism was born anew in the latter part of the decade. A MEED article from July, 1988, notes:

> The first half of 1988 has seen a remarkable turnaround in the economy's performance, resulting from a combination of sound management, a bumper agricultural season, and rising oil production...For the first time in years, the government has been able to consider a substantial rise in budget expenditure, including an allocation for external debt servicing.[120]

Due in part to the USSR's demand for agricultural produce and Eastern European desire for cheaply-produced, European-style clothing fashions made in Syria, the Soviets began to accept goods in place of hard currency. This assisted the Syrians in paying the enormous debt owed to the USSR. Then, Damascus registered its first trade surplus in thirty years in 1989.[121]

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[118]Perthes, "The Syrian Economy in the 1980s," 39.

[119]Butter, "Asad's Policies Win Him No Friends," 7.

[120]"Syria: Economic Recovery Takes Root," MEED, 15 July 1988: 39.

[121]Yahya M. Sadowski, SCUDs or Butter?: The Political Economy of Arms Control in the Middle East (Washington D. C.: The Brookings Institution, 1993) 37.

The regime hoped that the discovery of new oil fields in 1984 in the eastern part of Syria would pay large dividends and deliver Syria out of its peril.[122] By 1988, increased oil production reduced the current account deficit to $475 million -- one half of what it had been just a few years before. Optimism faded, though, as technicians discovered that oil was located only in small, isolated pockets.[123] Additionally, reports out of Syria in 1989 indicated that a large oil field probably had been permanently damaged by overproduction.[124] Though the financial situation was gradually improving, Syria was still a long way from having a diversified, vibrant economy able to provide prosperity for the majority of Syrians.

One periodical described the conditions for the average man as disheartening at the onset of the 1990s: "Syria is slipping into economic decrepitude...Any visitor to Damascus can testify to the visibly worsening economic situation."[125] Various factors, some of which accentuated already-existing structural problems, contributed to Syria's economic troubles in the 1980s and early-1990s.

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[122]Maria Kielmas, "Syria's Oil Drive Pays Off," MEED 30 May 1987: 40.

[123]"The Cheering Looks Premature," The Middle East July 1989: 34.

[124]Steven Heydemann, "The Political Logic of Economic Rationality: Selective Stabilization in Syria," in Henri Barkey (ed.) The Politics of Economic Reform in the Middle East (New York: Saint Martin's Press, 1992) 29.

[125]"The Price of Liberalizing," The Middle East September 1991: 20.

F. ROOTS OF THE CRISIS

The Syrian economy was adversely influenced by a combination of factors. Structural inadequacies were masked during the 1970s because of large amounts of aid and subsidized oil received from the Gulf states and Iran. When that assistance was curbed in the early 1980s, domestic economic shortcomings became painfully conspicuous. When the regime realized that, in the long run, it would need access to Western markets to ensure its long-term survival, it began to modify its foreign policy. Changes were initially subtle or indirect, but they were designed to make Syria look more attractive to Western governments and investors.

1. Peripheral Factors

The poor performance of the economy in the 1980s can be partially attributed to some peripheral influences: the decline of oil prices in the early 1980s, a rift in relations between Syria and its Arab allies due to Asad's support of Iran against Iraq, and inflated military spending -- including an expensive intervention in Lebanon.

As global prices for oil declined by the mid-1980s, Syrian petroleum revenues also decreased. Additionally, annual domestic consumption of oil had rapidly climbed since the middle of the preceding decade -- up 45% between 1975 and 1980. The figure grew larger still throughout the 1980s.[126] Also impacting the economy in the 1980s, Gulf nations' generosity, in the form of economic assistance to Syria, ebbed. This was due to fiscal cutbacks within the Gulf countries themselves and dissatisfaction by leaders there of the direction of Asad's foreign policy.

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[126]Firro, 49.

Another factor that had negative consequences for Syria's economy stems from Asad's aggressive regional policies that were often in opposition to the wishes of his generous Arab donors. Beginning in 1983, according to Perthes, "growing political differences between Syria and her wealthier Arab brethren led to a decline in aid."[127] While official transfers, which were made up almost exclusively of contributions from Arab neighbors, peaked at $1.819 billion in 1981, by 1985 this figure was reduced to $1.061 billion.[128] These differences stemmed, in large part, from Asad's conflictual policies towards the Palestinians and from his support of Iran against Iraq in the 1980 - 1988 Gulf War.

Iran supplied Syria with assistance beginning in 1982 after Syria closed the trans-Syria Iraqi oil pipeline. The agreement traded Syrian support against Iraq for one million tons of free Iranian oil; five million more tons was supplied to Syria at a discount. Iran provided Syria with the equivalent of almost a billion dollars annually between 1982 and 1986. In 1986, disagreements arose between Iran and Syria, and Iran decreased the amount of assistance bound for its Arab partner.[129] Iranian aid never equaled the amount of Arab aid Syria lost by opposing Iraq.

To secure and promote Syria's strategic interests in the dangerous Levant, President Asad increased military expenditures drastically in the mid-1970s. Representing a large portion of the overall national budget throughout the next decade, defense allocations remained high until domestic deterrents and failures necessitated that the regime reduce them. Hilan notes:

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[127]Perthes, "The Syrian Economy in the 1980s," 39, 57.

[128]Butter, "Asad's Policies Win Him no Friends," 6.

[129]Ibid.

> National security expenditures make up about 30% of the total of public expenditures (running costs and development costs) in Syria [still in the early 1990s]. They amount to approximately 50% of the running costs, which have risen considerably since 1975.[130]

In dollar costs this equated to an annual increase from approximately $900 million in 1976 to $1.9 billion by 1983.[131]

Beginning with the Lebanese Civil War in 1975, Asad expended tremendous great amounts of resources and deployed thousands of troops to keep Lebanon quiet and free from Israeli influence. The budget outlay to cover the expenses of forces deployed in Lebanon as part of the Arab Deterrent Forces, composed almost exclusively of Syrian troops, soared from $450 million in 1976 to approximately $1 billion a year by the early 1980s.[132] The events in Lebanon may not have actually caused as large a shock to the Syrian economy as the above numbers suggest since the majority of Syria's costs in the Deterrent Force were financed by the Gulf states.[133]

Events outside of Syria only exacerbated economic structural problems that surfaced in the early and mid-1980s. When Arab and later Iranian aid was appreciably trimmed back, these internal, structural problems became evident. Flawed fiscal planning and inadequate social policies were the true culprits behind the economy's demise in the 1980s. Domestic shortcomings were the driving force behind Syria's modified foreign policy.

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[130]Hilan, 59.

[131]Heydemann, 18.

[132]Ibid.

[133]Perthes, "The Syrian Economy in the 1980s," 56.

2. Internal factors

Perthes charges, "Syria's economic crisis was caused mainly by internal factors, namely the government's development strategy."[134] Various authors and analysts disagree as to the degree which the regime exhibited incompetence or at least a lack of concern towards forging a coherent development strategy.

a. Poor Planning

In a harsh criticism of the regime's fiscal policies, Godfrey Jansen writes, "The country has no fiscal or monetary policies: economic plans and the national budget are almost wholly notional."[135] Not quite as scathing in his comments, Hinnebusch writes, "The Ba'th has given fairly consistent direction...but has fallen down badly in translating this into coherent enforced plans or in providing adequate resources to implement them."[136] There are dozens of instances where the government demonstrated poor planning skills.

Major industrial projects were often pursued in haphazard fashion. For example, in the late-1970s and early 1980s, a new paper plant was to be built for $110 million in Dayr al-Zur with Austrian and Italian support. According to Seale:

> It failed to operate on Syrian wheat straw and in any event not enough straw could be delivered to the plant; its large boiler was not designed for

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[134]Ibid., 54.

[135]Godfrey Jansen, "Self-inflicted Wounds," The Middle East International 21 October 1988: 6.

[136]Raymond A. Hinnebusch, Peasant and Bureaucracy in Ba'thist Syria: The Political Economy of Rural Development (Boulder: Westview Press, 1989) 292.

> Syrian heavy oil; its turbine broke down, causing a five-month stoppage; the foreign personnel walked out; the contractors were taken to the International Court; the raw material was switched to wood and cotton lint involving further expensive adjustments to the machinery. In the end it would have been cheaper to continue importing paper than to build the mill.[137]

Numerous similar cases occurred because Syria lacked a coherent economic program, due both to incompetence at the local or project level and apathy toward fiscal planning at the national level.

President Asad, as the dominant voice in domestic and foreign issues, must take primary responsibility for Syria's fiscal doldrums. Reportedly, he gave little personal attention and priority to steering the economy towards prosperity. Until the mid-1980s when the crisis became acute, the economy consistently took a back seat to issues of national and domestic security. During the first decade and a half of Asad's reign, top economic and finance posts were generally filled by incapable individuals and officials with a limited say amongst political insiders.[138]

b. Misallocation Between Agriculture and Industry

Economic architects fell short in the 1970s and 1980s in achieving a harmonious balance between the agricultural and industrial sectors. Starting from the initial years of Asad's rule, state budgets reflected the importance industry held over agriculture -- Syria's traditional source of income. Hinnebusch mentions that declining public funds destined for agricultural projects

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[137]Seale, Asad, 448.

[138]Ibid., 452.

indicate that "agriculture does not seem to enjoy a first rank priority in elite councils."[139]

During the 1970s and 1980s, funds diverted away from agriculture and into industry failed to produce the revenues desired. Over the long term, more money probably could have been available for industry if economic directors would have maintained a larger role for agriculture and then used profits from crops for production of goods. Due to lack of foresight, economic development was not fully realized. Hinnebusch notes, "The critical weakness in the Ba'th effort...is the failure of the public sector to mobilize and invest a sufficient surplus from either agriculture or agro-industry."[140] Emphasis on industry at the expense of agriculture, however, is not an uncommon phenomenon in the Middle East and developing world.

On this subject, Richards and Waterbury write:

> Many have thought of industry as the leading sector of development, a sort of engine that pulls the rest of the train behind it. There is much truth to this picture, but the neglect of the agricultural sector can be disastrous. The agricultural sector provides not only labor, but also food, raw materials for processing, exports, and needed foreign exchange, a domestic market for local industry, and an investable surplus, which may be used to construct industrial facilities.[141]

Other factors beyond the misallocation of funds plagued the agricultural sector, as well.

A severe drought during the 1980s impacted upon industry due to the shortage of certain raw materials derived

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[139]Hinnebusch, Peasant and Bureaucracy in Ba'thist Syria, 292.

[140]Ibid., 303.

[141]Richards and Waterbury, 12.

from agriculture. Additionally, less rainfall meant less water to turn turbines which, in turn, generated electricity for the manufacturing industry.[142]

c. The Failure of ISI

The above highlights the lack of foresight of the individuals in charge of the economy. Syria's industrial problems, though, were varied and complex. Some of these deficiencies can be attributed to dominant economic themes.

As editor of Privatization and Liberalization in the Middle East, Iliya Harik blames the region's governments' nationalistic and socialistic motivations for poor economic performance in the 1970s and 1980s. Governments in the Middle East, like other socialist governments, believed that with central planning, they could best organize their economies into ones that would allow their countries to escape from dependency on advanced countries. As part of their scheme to move towards independence and prosperity, countries in the region nationalized most industries in the 1960s and pursued policies of import substitution industrialization (ISI). Harik states that ISI, "Created pressure on the productive units to meet domestic consumption needs. It also resulted in a shortfall in hard-currency revenue to meet the increasing expenditure on imports of capital goods, raw materials, and intermediate goods."[143] This was the case in Syria.

Richards and Waterbury echo Harik's view that ISI did not serve its intended purpose of enriching states. Instead, "Protection of import-substituting industries created gross inefficiencies at the same time that the industries

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[142]Heydemann, 18.

[143]Iliya Harik and Denis J. Sullivan (eds.), Privatization and Liberalization in the Middle East (Bloomington: Indiana University Press, 1992) 2 - 3.

themselves developed little capacity to earn foreign exchange in highly competitive external markets." These industries served as a sieve that drew on public funds instead of a tool for delivering countries from the developed world.[144] Syria's experience with ISI has proven to be no exception.

Despite a declared "self-reliance" campaign by Syrian officials to manufacture parts for foreign machines, no actual move was made to build factories to produce machine components and gears for local industries. New ISI projects undertaken were not appropriately suited for the Syrian labor force. Perthes notes:

> The new projects were capital intensive and needed a comparatively small but well-trained labor force, and were highly dependent on imported raw materials, semi-finished products, and spare parts. Deficiencies...meant that production fell short of the projects' capabilities, and the resulting products were of poor quality and largely unsuitable for competition in foreign markets.[145]

Instead of first perfecting simple manufacturing processes and developing a solid base for infrastructure, the Asad regime unrealistically set its sights on establishing complex industries.

As author Peter F. Drucker writes, "In the end the very growth of the infant industries defeats them."[146] Like infant industries in many countries, Syria's industries never diversified and failed to mature into money-makers. Instead, the regime was forced to reach deeper into public coffers and

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[144]Richards and Waterbury, 434.

[145]Perthes, "The Syrian Economy in the 1980s," 45, 40.

[146]Peter F. Drucker, The New Realities (New York: Harper and Row, 1989) 151.

increasingly rely on foreign funds, capital, and technicians.[147]

d. Graft and Corruption

Another domestic factor which led Syria into crisis during the 1980s was the presence and tolerance of graft and corruption. Again, Richards and Waterbury provide a useful framework in which to examine this phenomenon. Referring to officials across the Middle East, they write:

> Bureaucrats behaved rationally, not altruistically...Because the top-level managerial career was unstable and subject to arbitrary and unpredictable political whims and infighting, managers increasingly seized the moment to line their pockets and to build an economic hedge against the future.[148]

In Syria, in an attempt to further their spoils, officers and other high-placed government officials engaged in shady practices and formed mutually beneficial relationships with the new commercial class. Hinnebusch writes that "politicized officers have become...a burden on development: paying themselves the best salaries in Syria...and engaging in corrupt business (eg. smuggling), they drain the treasury and frustrate the rational management of the economy."[149]

According to Patrick Seale, the economic policies of President Asad created "instant millionaires at the nation's expense."[150] A press correspondent also noted the negative

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[147]Perthes, "The Syrian Economy in the 1980s," 54.

[148]Richards and Waterbury, 434, 418.

[149]Raymond Hinnebusch, Authoritarian Power and State Formation in Ba'thist Syria: Army, Party, and Peasant (Boulder: Westview Press, 1990) 165.

[150]Seale, 448.

effects of corrupt alliances on the common Syrian. "Class configurations are becoming increasingly polarized as the nouveau riches unabashedly flaunt their wealth and, for the first time, the poor are to be found rummaging in rubbish...looking for food."[151] While the personal accounts of bourgeoisie members were fattened in the 1980s, the middle and lower classes carried the burden of austerity measures adopted by the government.[152]

G. ECONOMIC HARDSHIP ON THE COMMON CITIZEN

The Syrian populace began to feel the effects of fiscal strain in the mid-1980s, as basic commodities were increasingly difficult to find.[153] An American of Syrian birth, who traveled to Damascus in 1988 to visit family, confirms that the atmosphere was indeed dismal. According to this person, "Everyday items were very difficult and expensive for people on the street to buy. There were shortages of food, fuel, and all kinds of goods."[154] Syrians' plight continued from the mid-1980s and into the 1990s.

In 1991, The Middle East reported a sight which would not have been seen five years earlier. "Poor boys and young men eagerly seeking casual employment, be it from cleaning windscreens at traffic lights and road junctions to competing

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[151]"The Corrosion of the Asad Regime," The Middle East, November 1988: 11.

[152]Perthes, "The Syrian Economy in the 1980s," 56.

[153]"Syria: Asad Rewarded for Ending Isolation," MEED, 19 December 1987: 58.

[154]Instructor of Arabic, Defense Language Institute, personal interview, 7 August 1994.

for suitcases to carry at Damascus airport."[155] Despite a slight improvement in the economy in the preceding few years, the less affluent city dwellers and rural peasants in Syrian society continued to face adverse circumstances. These are the same individuals upon whom the Ba'th party and Asad regime based their political platform. The regime figured out in the mid-1980s that letting them suffer would destroy the social contract upon which the government had built its platform. This would mean the ruin of the Asad and his close circle of supporters.

H. A RECIPE FOR CHANGE

The regime and Ba'th party officials, probably out of fear for their coveted positions, set about on a new move to overhaul the ineffective economy in the middle of decade. Therefore, despite serious criticism from conservative elements in Syria, the Eighth Regional Congress of the Ba'th Party convened in January 1985, and recommended that limited reforms be introduced so that private entrepreneurs could be given an enhanced role in the economy. If the public sector was unable to provide for Syrians, then perhaps, it was hoped, the private sector could assist.[156]

The same year represents a transition in Syria's economic history. Whereas economic reform from 1982 to 1985 did little to reorganize the actual layout of the economy, plans after 1985 stressed structural modifications. Heydemann writes:

> This second phase of Syria's selective stabilization program more closely resembled a

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[155]"Syria: The Price of Liberalizing," 20.

[156]Yahya M. Sadowski, "Cadres, Guns, and Money: The Eighth Regional Congress of the Syrian Ba'th," Middle East Reports July - August 1985: 6.

> formal stabilization program and included several measures that might, under the World Bank definition, qualify as structural adjustments rather than stabilization.

The initiatives, along with ones begun even earlier, were orchestrated to make Syria more appealing to foreign investors.[157]

The primary author of this new *infiraj* was the same man who had scripted the original *infiraj* policies of the early 1970s. Dr. Muhammad Imadi, an economist trained in the U. S., returned to his post of Minister of Economy and Foreign Trade in March of 1985 after a sabbatical of several years.[158] His appointment, which was likely based on his expertise, could also be interpreted as a move to attract foreign capital. Then, in 1987, a major cabinet reshuffle occurred, placing reform-minded individuals into influential economic positions. The most significant switch removed Prime Minister Abdel al-Qasm and replaced him with Mahmoud Zuabi, a successful agronomist.[159]

Initiatives taken under Imadi and his fellow technocrats included large reductions in subsidies for consumer items and encouraging more active participation of the new class and the private sector, especially in the import-export business. For example, Legislative Decree No. 10 of 1986 facilitated the creation of joint-stock enterprises in agriculture and tourism. Under this arrangement, private companies were permitted to retain 75 percent of all profits. Beginning in 1987, certain companies were allowed to keep 75 percent of

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[157]Heydemann, 26 - 27.

[158]Ibid.

[159]David Butter, "Parliament Probe Leads to Syrian Cabinet Shake-up," MEED 7 November 1987: 42.

foreign exchange earnings for particular imports -- up from 50 percent under a policy begun the year before.

In May and June of 1991, two other important pieces of legislature were enacted -- Laws 10 and 20. According to Heydemann, "The former further eased restrictions on private-sector investment and the latter reformed the Syrian tax code to remove provisions that penalized business profits."[160] Between May and September of 1991, 40 new investment projects were approved by the government under Law 10.[161]

For fear of loosing credibility over economic issues, Asad realized the private sector had a pivotal role to play in helping Syria escape from its domestically-created economic malaise. Again, Harik's general comments about Middle Eastern countries' experiences shed light on Syria's situation:

> Originally founded on the premise of delinking [from developed countries] and self sufficiency, the patron state found itself achieving neither objective...The main drive for change came from the fact that regimes were losing credibility and legitimacy among the general public in proportion to their ability to deliver...Thus the state moved toward economic liberalization...in the hope that an injection of fresh economic actors and capital would help a declining economy to regain its fortunes.[162]

Stagnation in the 1980s necessitated that the regime change Syria's economic equation and modify its foreign policy stance. Hinnebusch notes, "Private business had to be given

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[160]Heydemann, 28 - 29.

[161]EIU Syria Country Profile, 1991 - 1992: 13.

[162]Harik, 2, 16.

concessions to fill the gap."[163] The new class of entrepreneurs was more than happy to comply, since profit for the state also represented money in their pockets.

Although the public sector continued to receive most of the accolades in front of large crowds, the private sector from the mid-1980s onward became a crucial element in Asad's recovery scheme. Dr. Imadi states:

> We believe in the public sector. It plays an important role in our infrastructure. The idea of our economic reform is not to transfer ownership, it is to add to what we already have....[Economic reform has caused] a change in the mentality of our people...[and it] has many political, economic, and social implications. It shows that we are open to the outside world and it is a great change for the better.[164]

It was the "social implications" which Asad and his lieutenants had to closely monitor to assure that Syrian society was being massaged rather than rocked by economic change.

In the name of long-term economic stability and to protect their coveted positions, the men at the top were forced to play a dangerous game in the mid-1980s. This involved giving the technocrats and the new class enough leeway to mold their fiscal plans and work their business magic while simultaneously holding the confidence of the public sector. However reluctant he may have been, Asad ceded

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[163]Raymond Hinnebusch, 1.

[164]James Whittington, "Syria: Politics, the Economy and the Succession," The Middle East International 16 April 1993: 16.

some direct control over the economy to technocrats and businessmen.[165] Dr. Andrew Rathmell addresses the issue:

> The balance of economic power has been gradually shifting inside Syria and there have been signs that Asad has begun to build a new constituency which incorporates more private sector businessmen....These subtle changes indicate that Asad has been cautiously co-opting new elements into his autocratic state as a method of widening its political and economic base.[166]

Technocrats and businessmen began to mold a new fiscal policy because they figured that the masses were on their side. It became apparent to the populace, at the end of the 1980s, that socialism had failed in Europe and that public sector control of the economy was also failing in Syria. Syrians were tired of making sacrifices in the name of socialist development and in the name of military opposition to Israel. Sadowski writes:

> Syrian civilian technocrats were granted unprecedented authority...Most Syrian's agreed that the economy deserved priority...Many Syrians began to argue publicly that the country's real battle was not with Iraq or even Israel; rather they said, "Our war is against poverty." There is a...conviction that in the future economic development should take priority.[167]

Professor Fred Lawson's findings are similar:

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[165]Volker Perthes, "Incremental Change in Syria," Current History January 1993: 25.

[166]Andrew Rathmell, "Syria's Insecurity," Jane's Intelligence Review September 1994: 416.

[167]Yahya M. Sadowski, SCUDs or Butter, 35 - 38.

> Both private capital and the populace at large evidenced a consistent and growing interest in terminating the 45-year-old state of war with Israel, so that the central administration's attention could be focused on measures designed to improve public services and promote economic growth within Syria itself.[168]

By the turn of the decade the average citizen, who had listened to Ba'thism's promises for so long, realized that one can not eat and clothe himself in idealism and rhetoric.

I. DOMESTIC SHORTCOMINGS DRIVE FOREIGN POLICY

Technocrats and the new class were willing to assist the state in its plight because they themselves profited handsomely. With their assistance came insistence -- insistence that they be allowed more lucrative contacts with the West. Dr. Imadi described Law 10 as a means to "open to the outside world." Technocrats convinced Asad that the provision of services to the Syrian populace over the long run would require regular and reliable cash flow in the form of aid or money from business projects. Cash generated from overproduction of a few oil fields and Gulf aid would not last indefinitely. Regarding Syria's development strategy, Perthes writes, "The goals were to be achieved with the help of foreign financing and by means of an economic opening...to the West."[169] For this to occur, Asad needed, in the late-1980s and early 1990s, to keep diplomatic channels open to the United States and the West.

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[168]Fred H. Lawson, "Domestic Transformation and Foreign Steadfastness in Contemporary Syria," Middle East Journal Winter 1994: 63.

[169]Perthes, "The Syrian Economy in the 1980s," 54.

Ten years before, Egypt, hoping to capitalize on Western developmental capital, had set the example for Syria. Richards and Waterbury describe Egypt's *infitah* strategy under Sadat as a "turning West" and a "geographical restructuring of trade." Another Egyptian goal, according to the authors was "to lure Western investment and technology through joint ventures with Egyptian public or private enterprises."[170]

Unlike Sadat, Asad rejected International Monetary Fund (IMF) aid and, thus, IMF donor country demands up to and past the Madrid Peace Conference. However, Syria's ambitious economic structural adjustments curiously resembled those often recommended when the IMF grants loans to a country. It seems the Asad regime was attempting to stabilize Syria's economy and appear attractive to Western investors without actually turning to the IMF and playing by its rules.

J. TWO SOURCES OF PRESSURE FOR CHANGE

Well before the collapse of the Soviet Union, the regime drifted towards adopting a foreign policy more conciliatory toward the West, particularly toward the United States. This was done in the hope of attracting Western funds and business in a crucial restructuring period. The regime was motivated to undertake policy changes for two interrelated reasons.

The first reason was the cold, hard fact, recognized by Asad after Arab aid began to dwindle in the mid-1980s, that Syria could not hope to prosper without ties to Western markets. A 1989 article in MEED noted, "Asad has had to face the bleak reality that economic recovery will need to be aid-financed, and that this will require political concessions and the trimming of his strategic ambitions."[171] Although the

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[170]Richards and Waterbury, 241.

[171]David Butter, "Asad's Policies Win Him No Friends," 7.

Eastern Bloc could provide weapons, the regime figured out sometime in the mid-1980s that without Western know-how and capital, Syria would be never reach modernity.

A second likely motivation for Syria seeking financial ties to the West is less easily proved. This impetus resulted from informal pressure placed on the regime by the newest members of the regime's coalition -- the civilian technocrats redesigning the economy and new class of businessmen fueling it. There is some evidence that technocrats and businessmen had caught Asad's ear sometime in the middle of the last decade. They had become an integral, although small, part of the regime's base of support.

In exchange for a stable Syrian society in the late-1980s and into the 1990s, beginning as far back as the mid-1980s, the Asad regime sculpted quiet but calculated foreign policy moves designed to pacify elements of society that were rising to importance.

IV. CONCLUSION

Several analysts and authors blindly charge that Syria revised its foreign policy when it accepted an invitation to attend peace talks in Madrid in 1991. They claim that Syria reacted to the demise of the country's principle strategic-military partner, the Soviet Union, and to the end of the Cold War. Not only are these individuals mistaken as to when Syria began to modify its foreign relations with the West, but they have wrongly identified the true causes behind the modifications.

When forging a policy toward the United States, the regime of Hafiz al-Asad was not merely reacting to some late-breaking international forces. By the time Syria sent a delegation to Madrid, Asad had, for at least six or seven years, been gradually shaping a policy more conciliatory toward American interests. Asad's policy modifications stemmed predominantly from internal factors and not external considerations.

While external factors played a role -- the virtual disappearance of Soviet military assistance and the emergence of the United States as the world's only true superpower -- they acted to consolidate a process begun years earlier which was rooted in domestic Syrian politics. External shifts, such as the above, occurred long after the regime began its maneuvering to improve ties with America. Instead, events and circumstances that sprung from economic crisis in the early-1980s prompted Asad to make changes in Syria's domestic and foreign external dealings in the name of regime survival.

The Syrian President, beginning in the mid-1980s, adapted the way his country acted and reacted toward America for two complementary reasons. First, the Asad regime realized the West held the ticket to improved financial conditions within Syria. Second, civilian technocrats who designed policies of

infiraj and businessmen who implemented those policies pressured those at the top into giving them additional access to Western markets. They were successful in this endeavor because the Syrian President respected their ability to generate revenue from their business contacts in the West and, hence, better enable the regime to deliver services to the Syrian populace. Asad allowed the new class political leverage because he relied on the private sector's ability to supplement the decrepid public sector and integrate Syria into the international economic system.

Improved financial ties to the United States and its allies required better Syrian diplomatic relations with the same. In a further continuance of diplomatic actions begun in the mid-1980s, Asad came to the peace table in 1991 to improve Syria's economic lot and ultimately to guarantee the regime's coveted spot within Syrian society.

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