

# **RESHUFFLING THE CARDS? (I): SYRIA'S EVOLVING STRATEGY**

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## RESHUFFLING THE CARDS? (I): SYRIA'S EVOLVING STRATEGY

### EXECUTIVE SUMMARY AND RECOMMENDATIONS

Syria's foreign policy sits atop a mountain of apparent contradictions that have long bedevilled outsiders. Its self-proclaimed goal is peace with Israel, yet it has allied itself with partners vowed to Israel's destruction. It takes pride in being a bastion of secularism even as it makes common cause with Islamist movements. It simultaneously has backed Iraqi Sunni insurgents and a Lebanese Shiite armed group. The U.S. has wavered between different approaches in unsuccessful attempts to persuade Damascus to clarify its stance, from a peace process focus in the 1990s to isolation and pressure under George W. Bush in the following decade. Barack Obama, having turned an old page without settling on a new one, seems intent on engagement on bilateral issues, albeit more cautious than ambitious. It might work, but not in the way it has been proceeding. Syria might amend its policies, but only if it is first reassured about the costs – in terms of domestic stability and regional standing. That will entail working with Damascus to demonstrate the broader payoffs of a necessarily unfamiliar, and risky, journey.

At the heart of the problem is a profound mismatch of expectations. The West wants to know whether Syria is ready to fundamentally alter its policies – loosen or cut ties to Iran, Hamas and Hizbollah; sign a peace deal with Israel – as a means of stabilising the region. Syria, before contemplating any fundamental strategic shift, wants to know where the region and its most volatile conflicts are headed, whether the West will do its part to stabilise them and whether its own interests will be secured.

From Syria's vantage point, there is good reason to cling to the status quo. For almost four decades, it has served Damascus well. Despite a turbulent and often hostile neighbourhood, the regime has proved resilient. It has used ties to various groups and states to amass political and material assets, acquiring a regional role disproportionate to its actual size or resources. One does not readily forsake such allies or walk away from such a track record.

But satisfaction with the past does not necessarily mean complacency about the future. On virtually all fronts, Syria can see peril. Its economy is wobbly. The country lacks significant natural resources or human capital, most con-

spicuously a qualified workforce and entrepreneurial business class. Its infrastructure is obsolete. And unlike years past, when the Soviet Union and then Saudi Arabia offered support, Iran or Iraq provided cheap fuel and Lebanon was prey to its plunder, Syria no longer can count on a foreign rent. All this, coming amid an increasingly competitive global market and financial crisis, calls for structural reforms that the regime almost certainly cannot undertake without Western help and a more pacified regional environment.

In terms of societal dynamics, regime policies are fanning Islamist sympathies that, over time, could jeopardise its secular foundation. Cuts in subsidies and the collapse of the welfare system, as well as high unemployment and inflation rates, have chipped away at the regime's ideological pillars. Its pan-Arab rhetoric gradually has been replaced by a "resistance" discourse that has more in common with Islamist movements than the Baathism of yore. Clashes between government forces and Islamist militants are not uncommon, their frequency ebbing when the regime more clearly espouses regional Islamist causes – which further harms its secular outlook. The posture of the past few years – close ties to Iran, Hamas and Hizbollah, promotion of resistance against Israel and support for what was a Salafi-oriented Iraqi insurgency – encouraged trends that threaten longer-term social cohesion.

Recent gains in the region could prove short-lived. However vindicated leaders felt by events in Iraq (where they opposed the U.S. war), Lebanon (where the Western-backed coalition was unable to bring Damascus to its knees, and Hizbollah stood its ground against Israel) or Palestine (where its Islamist allies have gained influence), they remain preoccupied by lingering conflicts and persistent fault lines. The spread of sectarianism, uncertainty on its eastern and western borders, stalemate in the Arab-Israeli peace process and threat of confrontation over Iran's nuclear program cloud the horizon. The potential for domestic spillover of regional tensions haunts the regime and helps explain why, in addition to economic and social fears, it might be searching for a different way forward.

Syria's ambivalence – its reliance on existing alliances and longing to break out of the current mould – is perhaps best embodied in its Iranian-Turkish balancing act. Syrian doubters argue that the regime will not cut its ties to Iran. They are right. Tehran remains a valued and indispensable partner, especially in a context of regional uncertainty. The long relationship provides military assets and security cooperation, as well as diplomatic leverage in dealing with Western and Arab countries.

But that is only half the picture. Budding ties with Ankara show a different side. For Damascus, they are an opportunity for economic stimulus through increased tourism, investment and the possibility of a more integrated region in which it could be central. More, they are of huge strategic value as a gateway to Europe and a means of bolstering regime legitimacy in the eyes of its own and the Arab world's Sunni population.

Besides, not all is tranquil on the Iranian front. The relationship became increasingly unequal as Tehran's fortunes soared. Excessive proximity harms Syria's posture in Arab eyes and cannot mask deep disagreements. Syria warily watches Iran's growing reach, from Iraq (which Syria believes must remain part of the Arab sphere and where it objects to Iran's backing of sectarian Shiite parties) to Yemen (where Syria has sided with Riyadh in what appears as a proxy war against Tehran). As long as Syria's environment remains unsettled, in short, it will maintain strong ties to Iran; at the same time, it will seek to complement that relationship with others (Turkey, France, and now Saudi Arabia) to broaden its strategic portfolio and to signal a possibly different future.

President Obama's effort to re-engage was always going to be a painstaking and arduous task of overcoming a legacy of mutual mistrust. Syrian doubters have their counterparts in Damascus, who are convinced Washington never will truly accept that the Arab nation can play a central regional role. The administration's slow and cautious moves are not necessarily a bad thing. There is need for patience and realism. The region is too unstable for Damascus to move abruptly; relaxation of U.S. sanctions is tied to Syrian policies toward Hamas and Hizbollah that are hostage to a breakthrough with Israel for which conditions do not seem ripe. Neither side is ready for a leap, and both have domestic and foreign skeptics with whom to contend.

But the pace is less worrying than the direction. The temptation in Washington seems to be to test Syrian goodwill – will it do more to harm the Iraqi insurgency, help President Abbas in Palestine or stabilise Lebanon? On its own, that almost certainly will not succeed. The U.S. is not the only one looking for evidence. So too is Syria – for proof that the risks it takes will be offset by the gains it makes. The region's volatility drives it to

caution and to hedge its bets pending greater clarity on where the region is heading and, in particular, what Washington will do.

A wiser approach would be for the U.S. and Syria to explore together whether some common ground could be found on regional issues. This could test both sides' intentions, promote their interests and start shaping the Middle East in ways that can reassure Damascus about the future. On Iraq, it may not truly exercise positive influence until genuine progress is made toward internal reconciliation. The U.S. could push in that direction, test Syria's moves and, with the Iraq government, offer the prospect of stronger economic relations with its neighbour. Syria claims it can press Hamas to moderate views but only if there is real appetite in the U.S. for an end to the Palestinian divide. Both could agree to try to immunise Lebanon from regional conflicts and push it to focus on long-overdue issues of governance. Given the current outlooks and suspicions in Damascus and Washington, these are all long shots. But, with little else in the Middle East looking up, it is a gamble well worth taking.

This is the first of two reports on Syria's evolving foreign policy. The second, to be published shortly, will take a closer look at specific changes in Damascus's regional approach and the prospects for U.S.-Syrian relations.

## RECOMMENDATIONS

### **To the U.S. Administration and Syrian Government:**

1. Devise a process of mutual engagement revolving around concrete, realistic goals, notably:
  - a) containing Iranian assertiveness in new arenas such as Iraq or Yemen (rather than aiming to drive a wedge between Damascus and Tehran);
  - b) working toward national reconciliation in Iraq, by combining U.S. leverage with the Iraqi government and Syrian access to the insurgency and former regime elements;
  - c) encouraging the Lebanese government to refocus on issues of domestic governance and containing the risks of a new Hizbollah-Israel conflagration; and
  - d) combining Syrian efforts to restrain Hamas and reunify Gaza and the West Bank with U.S. adoption of a more welcoming approach to intra-Palestinian reconciliation.

**To the U.S. Administration:**

2. Establish an effective line of communication by:
  - a) sending an ambassador to Damascus, part of whose mission should be to build a direct link with President Bashar al-Assad; and
  - b) identifying a senior official to engage in a strategic dialogue aimed at exchanging visions for the region and determining a blueprint for future bilateral relations.
3. Recalibrate U.S. efforts on the peace process by:
  - a) displaying interest in both the Palestinian and Syrian tracks;
  - b) working at improving Israeli-Turkish relations as a step toward resuming Israeli-Syrian negotiations under joint U.S.-Turkish sponsorship; and
  - c) making clear that, consistent with past Israeli-Syrian negotiations, any final agreement should entail full Israeli withdrawal from the Golan Heights, firm security arrangements and the establishment of normal, peaceful bilateral relations.
4. Restart bilateral security talks related to Iraq, beginning with border issues, either immediately or, at the latest, after parliamentary elections in Iraq.

5. Soften implementation of sanctions against Syria by streamlining licensing procedures and loosening restrictions on humanitarian or public safety grounds.

**To the Government of Syria:**

6. Facilitate access for U.S. diplomats to relevant officials upon arrival of a new ambassador.
7. Utilise existing security cooperation mechanisms with countries such as the UK and France to demonstrate tangible results, pending direct talks with the U.S.
8. Articulate proactively its vision for the region in talks with U.S. officials.
9. Consolidate improved Syrian-Lebanese ties by demarcating the border and providing any available information on Lebanese "disappeared".
10. Clarify what immediate, positive contributions Syria could make in Iraq, Palestine and Lebanon and what it would expect from the U.S. in turn.

**Damascus/Washington/Brussels,  
14 December 2009**

## RESHUFFLING THE CARDS? (I): SYRIA'S EVOLVING STRATEGY

### I. INTRODUCTION: READING DAMASCUS

Syria is, once again, an object of global interest and, after a prolonged period during which the U.S. sought to marginalise and isolate it, a target of Washington's diplomatic engagement.<sup>1</sup> The reason is straightforward. In a region where so much seems frozen and so many players paralysed, Syria appears to be one among few actors capable of significantly shifting its policies and thus ushering in new dynamics. Improving U.S.-Iranian relations is a worthy investment but one that, at best, will be long in the making. Iraq's stabilisation is an equally ambitious project with no early returns in sight. The Israeli-Palestinian horizon is heavily clouded, encumbered by a weak and divided Palestinian leadership, a right-wing Israeli government and substantial gaps between the two sides. In comparison, Syria is what some U.S. analysts have taken to describing as a "low-hanging fruit", potentially ripe for a strategic realignment that would fundamentally transform the regional landscape – altering its allies' calculations and generating new opportunities.<sup>2</sup>

Yet, despite optimism at the dawn of the Obama presidency, little has occurred to date to validate this thesis. Instead, perceived lack of movement threatens to revive the view in Washington that the Syrian regime is structurally incapable of change. The tug of war between these rival conceptions – Syria as ripe fruit versus Syria as unmovable object – obscures the debate. It also stands in the way of the necessary, more nuanced inquiry into the factors that drive Syrian policy and which, to many, remain mysterious. Interpretation is made difficult by a series of interrelated obstacles: a legacy of competing clichés; ambiguous, enigmatic and flexible decision-

making that mingles shifting tactics and enduring strategy; policy-making mechanisms that tend to generate discrepancies between words and deeds; and recent adjustments to Damascus's foreign policy that only add to the overall confusion.

### A. A BATTLE OF COMPETING CLICHÉS

Within policy circles, the debate typically has revolved around two broad, familiar lines. Schematically, some believe that Syria is awaiting the right circumstances and appropriate Western policies to realign and move away from an unnatural and potentially damaging Iranian-Hizbollah-Hamas axis. Recovery of the Golan, improved relations with the U.S. and Europe and a strengthened economy are, under this view, the benefits Damascus needs to manage its repositioning. Others counter that the regime views militancy and its current alliances as critical to its survival. A peace deal with Israel, under this interpretation, would deprive it of its principal currency.

Because so little is known about Syrian decision-making and because its power system remains for the most part opaque, even these rough views often are reduced to even more simplistic clichés, myths and conventional wisdoms that prevent clear-headed thinking or policy-making. A nation ruled by a religious (Alawite) minority, some say, by definition cannot cope with regional normalcy. A peace agreement would threaten the regime, exposing it to challenges from the Sunni majority. Appearing to fight for the Golan, in this line of thought, is more valuable than recovering it. Other presumptions follow. Lebanon matters more than the Golan; the regime thrives on the Israeli-Arab conflict; and it has become so dependent on and subordinate to Iran that it cannot afford to alienate it.<sup>3</sup>

<sup>1</sup> This report should be read in conjunction with Crisis Group Middle East Briefing N°27, *Engaging Syria? Lessons from the French Experience*, 15 January 2009, and Crisis Group Middle East Report N°83, *Engaging Syria? U.S. Constraints and Opportunities*, 11 February 2009; as well as the companion report that will be published shortly.

<sup>2</sup> Crisis Group interviews, U.S. analysts, Washington, February 2009.

<sup>3</sup> These are commonly held views among U.S. analysts and policymakers. Danielle Pletka, vice president of defence and foreign policy issues at the American Enterprise Institute, wrote: "Assad – broadly disliked at home, a member of a mistrusted Alawite minority, comically inept at managing his country's resources – can maintain his grip on power only as long as he is seen as a vital instrument in Israel's defeat". *The New York Times*, 21 December 2008. A former official

Syrian diplomats and official media offer their own truisms.<sup>4</sup> Under their brush, the country is painted – somewhat contradictorily – as the Middle East's last secular bulwark; the champion of (in effect an Islamist) resistance; a victim of aggression which merely seeks recovery of its rights; or a central player whose interests and influence extend throughout the region. Like its detractors', Syria's discourse ascribes clear-cut, unequivocal motivations to the regime – fixated on liberating the Israeli-occupied Golan – thereby playing down the complexities and ambiguities of the country's policies.

At the root of such simplistic answers is an effort to uncover Syria's deep-seated motivations: What does the regime want; is it capable of making peace with Israel; can it cut ties with Iran; is it willing to play a constructive role in Iraq or the Palestinian theatre; can it forsake hegemonic ambitions in Lebanon? Yet these questions can no more be answered in the abstract than Syrian intentions can be rigidly defined, as if they were predetermined, impervious to circumstance or context. Syria's past behaviour has been highly dependent on the actions of others, the regional landscape and the risks it presents, as well as the domestic situation and its constraints. The same will be true in the future. In other words, rather than seek to discover Syria's intentions, it is far more useful to identify the kinds of factors and dynamics to which its regime responds.

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in the Bush administration commented: "Since the threat from Israel has been the essential myth for retaining the authoritarian grip of the Alawite minority in Damascus, losing it would eliminate the al-Asad regime's *raison d'être*". J. Scott Carpenter, "Can the al-Asad Regime Make Peace with Israel?", Washington Institute Policy Watch no. 1508, 21 April 2009. For Michael Rubin, "Diplomats seeking to flip Assad are asking him to commit political suicide. Syria has less than 20 million citizens compared to Egypt's 80 million; for Damascus to work in the same coalition as Cairo is to subordinate himself to it. Absent the crisis of resistance, Assad has little reason to justify rule by his Alawite clan". "Syria can't be flipped", *Forbes.com*, 12 November 2008.

<sup>4</sup>Damascus has invested very little in its media and diplomatic apparatus. Journalists working for state-controlled media typically are under-qualified, underpaid and deprived of access to decision-makers; their most notable foreign policy contribution is to wage slander campaigns against other Arab states. A small number working for Arab outlets, along with the independent daily *Al-Watan*, tend to convey more nuanced and meaningful messages to foreign audiences. However, they do so in ways that are so cryptic that their meaning usually gets lost. Syria's diplomatic network, with notable exceptions, is staffed by loyalists who espouse a rigid, official line that often fails to reflect more nuanced thinking in the capital. Most matters of any significance are directly handled from Damascus through meetings between visitors and a very small circle of high-ranking officials.

## B. SYRIAN COMPLICATIONS AND CONTRADICTIONS

Ambivalence and paradox are at the heart of Syria's posture. Damascus has shown willingness to engage in substantive negotiations with Israel but also reluctance to commit to any meaningful concession. It claims as a core strategic interest reaching a peace agreement with Israel, a country its principal allies are vowed to combat or even destroy. Its ties to Iran are both deep and deeply problematic; historically, it has strived to simultaneously preserve and offset them. Its association with a so-called rejectionist front both empowers and isolates the regime. It attaches importance to relations with key Arab states but also derives popular credibility from promotion of an agenda that clashes with their own. In the Palestinian arena, support for Hamas has provided Damascus with leverage and influence but also has restricted its room for manoeuvre, linking its fortunes to those of a particular slice of the Palestinian movement.

The current regime retains powerful interests, ambitions and leverage in Lebanon and yet has presided over a profound transformation in bilateral relations. Damascus fears instability in Iraq, yet sees it as a card in dealing with Washington and Baghdad. More broadly, the regime's foreign policies have helped it win over an Arab public that is progressively drifting away from the secular, nationalistic outlook on which Syria's power structure depends.

Such contradictions have their own logic, reflecting a foreign policy guided above all by the regime's interest in preserving internal stability and the nation's regional role – the one being closely tied to the other. These concerns form the thread running through apparently conflicting positions and explain the seeming dichotomy between stable, long-term pillars of Syrian policy and short-term, at times puzzling tactical shifts or even reversals. On the one hand are time-honoured principles, a certain (often frustrating) way of doing business in which officials take great pride and to which they attribute their perceived success:<sup>5</sup> prudence and patience verging on inertia. On the other, and running in parallel, are interim adjustments that are designed to promote the broader, more constant strategic objectives – by either blunting attempts to undermine Syrian interests or pocketing other parties' concessions at minimal

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<sup>5</sup>One boasted: "As a rule, we don't make strategic mistakes. We were right at every key turn, in rejecting Camp David, adopting the positions we took in the Iran-Iraq war, navigating the civil war in Lebanon and refusing the Oslo Accords. We retained our credibility and influence". Crisis Group interview, Syrian diplomat, November 2007.

cost to itself.<sup>6</sup> Frequently missing from policymaking is what comes in between – mid-term goals and the plans to attain them.

All this helps shed light on a foreign policy that has tended to react and adapt to shifting regional dynamics, balance between competing actors, defuse potentially threatening crises, exploit mistakes committed by others and seize opportunities that arise from their actions. Hence the futility of asking “what Syria wants” – a question to which Syrian officials themselves may have no answer before they are faced with a concrete choice and engage in internal deliberations. Reading Syria's foreign policy is further hindered by its complicated strategic posture, which typically leads it to cater to different audiences by resorting to different modes of discourse.<sup>7</sup>

The interaction between long-term rigidity and tactical flexibility has been most in evidence in the past several years. At the height of its isolation, when the U.S., France and others sought to marginalise and weaken the regime, Syria behaved in a fashion – such as supporting the Iraqi insurgency and heavily intervening in Lebanon – that conformed to widespread stereotypes. Over the past two years, in contrast, it has displayed a more pragmatic, flexible side, taking decisions and seizing opportunities in unexpected ways.<sup>8</sup>

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<sup>6</sup> A prominent businessman said, “[late President] Hafez Assad's style was just to sit at home and wait. He would wait for others to come to him and events to unfold. Syrian foreign policy historically has been reactive, rarely proactive”. Crisis Group interview, Damascus, February 2009. Such an approach did not rule out occasional gambles or significant strategic shifts (such as the rapprochement with Iran in 1979 and the U.S. in 1991). Overall, however, the late president nurtured a foreign policy based on strategic patience that he developed into an art form. When pressed, he would respond with inertia; he also would juggle conflicting relationships and seek to capitalise on shifting regional dynamics. He made a point of choosing his own timing before taking more dramatic moves, doing so only if he deemed it necessary for regime survival or when a significant, tangible payoff appeared in the offing. See Patrick Seale, *Asad of Syria: The Struggle for the Middle East* (Berkeley, 1988).

<sup>7</sup> A Turkish official who has dealt with Syria remarked, “Bashar has two lines of speech, one for the region and one for the West. He doesn't say the same thing on BBC and Al-Jazeera. It's double-talk. Here it is acceptable. His interlocutors must understand this is not unusual in the region. Americans might think it devious. He sees it as being polite”. Crisis Group interview, February 2009.

<sup>8</sup> Over recent years, Syria has shifted its policies toward Lebanon and Iraq, as discussed in the companion report to be published shortly.

Within Syria, ordinary citizens and informed observers alike appeared taken aback by the speed with which the new approach was adopted and put into place.<sup>9</sup> Some foreign analysts and officials in turn revised their previously (and firmly) held beliefs.<sup>10</sup> Syrian officials, confronted with such evolving assessments, essentially took the position that nothing had changed aside from Western perceptions, that their positions remained unaltered and that their policies merely had been misunderstood.<sup>11</sup>

### C. AN OPAQUE DECISION-MAKING PROCESS

Although Syrian decision-making is obscure and often as impenetrable as that of an authoritarian state can be, there is evidence that it is consultative and can even be competitive. Many issues witness a contest between various lines of thought that coexist within the regime, each reflecting a slightly different worldview, diverging private interests or personal rivalries. Some decisions ultimately reflect a balance between diverse institutional power centres; others, a more decisive victory by a particular one. Policy choices and shifts can be subtle and hard to detect; sometimes, they flow from power struggles that have nothing to do with foreign affairs. In the words of a French official with substantial experience with Syria:

Beyond differences in terms of diplomatic visions, the real struggle can take place elsewhere. Domestic politics, internal security issues or relations within the ruling family are essential. Conflicts may derive from stakes that are most evident to the domestic elite and nearly invisible to us. Tensions don't necessarily stem from situations that fit our own criteria.<sup>12</sup>

Further confusion arises from the fact that officials occasionally take initiatives or make pronouncements that are inconsistent with the authorised line – in an attempt to influence it; as a means of drawing attention to themselves; in order to express frustration; or, quite simply, out

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<sup>9</sup> Crisis Group interviews, Damascus, 2008.

<sup>10</sup> The shift was perhaps most striking in France. See Crisis Group Briefing, *Lessons from the French Experience*, op. cit.

<sup>11</sup> “I can't tell you how many diplomats and others have said the same thing: they tell us ‘continue with what you are doing, you are surprising us with your creativity and wisdom’. We just laugh because our view is that we have not changed one iota. In fact, it is the rest of the world that came to see things our way; and they saw they could not do anything without us. We always said we were in favour of talks with Israel, better relations with the Europeans, stability in Lebanon, etc. So we see this as vindicating our approach”. Crisis Group interview, Syrian official, September 2008.

<sup>12</sup> Crisis Group interview, Damascus, October 2008.



of ignorance.<sup>13</sup> Seeking to describe how the process currently works, one official said:

Overall objectives are set by the president with input from those around him. Then, it's up to others to suggest how to achieve them. For instance, if the minister of foreign affairs makes an interesting proposal, the president will give him some leeway – but only up to a point, because he still has to contend with other tendencies. Moreover, the leadership tends to maintain multiple, parallel channels on any given issue. But, in the end, the president always remains in a position to arbitrate and distribute roles. The balancing and real decision-making takes place at the top. No one else is even fully in the picture.<sup>14</sup>

There are important downsides to such a top-heavy, centralised, deeply compartmentalised and – when it comes to implementation – excessively bureaucratic system. Follow-through often is lacking, as the process creates considerable room for either active or passive obstructionism. Policies frequently are adjusted or rectified, even after apparently final decisions are made.<sup>15</sup> A senior official sought to apply a positive gloss: “In a sense, unfulfilled promises reflect a certain style of leadership. The father used to say little, and his decisions were final. Today, the president may settle on a proposal which his advisers later discourage him from carrying through. I see it as a sign of a dynamic debate”.<sup>16</sup> A foreign official who has worked closely with the regime explained:

In dealing with Syria, we always need to ask ourselves, “are they reluctant to do this or simply can't they do it?” We must always test them. We should not take any promise as a given, if only because many are beyond their capacity. This is a systemic problem. Syria is an authoritarian system of a particular kind, in which the ruler isn't necessarily obeyed. Besides, the system is largely inefficient. People step on each

other's toes; institutions lack capacity; and things are disorganised. All of this contributes to uneven responses. This has been a big problem with the West and the Europeans in particular. They come and hear promises on which Syria doesn't deliver.<sup>17</sup>

Amid the confusion surrounding policy, one thing seems clear: significant evolutions are taking place. These are limited, are not primarily motivated by the desire to placate Western powers and are driven by factors that long have been at the core of Syrian thinking. They also reflect more recent considerations, ranging from an assessment of the price of isolation and disturbing regional trends to growing domestic challenges. All these have led Syria to seek a broader strategic portfolio. Among the varied signs of its evolution, arguably the most significant has been its deepening ties to Turkey – in terms of both the strengthening relationship itself and what it says about Damascus's long alliance with Tehran.

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<sup>13</sup> A Syrian official put it as follows: “the disconnect you may notice at times between what some officials say and what the regime actually does has always been a feature of Syrian politics. Many who speak don't have a clue and play no role. Those who are familiar with the Syrian political scene ought to realise which statements are worthy of interest”. Crisis Group interview, Damascus, June 2008.

<sup>14</sup> Crisis Group interview, Damascus, June 2008.

<sup>15</sup> This is true in all fields, not only foreign policy. “There are several centres of power. Much-needed legislation can be enacted and then, within a few months, is amended and amended again. The reason is that the legislation interferes with the interests of people influential enough to step in and have their way”. Crisis Group interview, prominent lawyer, Damascus, May 2009.

<sup>16</sup> Crisis Group interview, senior Syrian official, Damascus, May 2008.

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<sup>17</sup> Crisis Group interview, October 2008. In a separate interview, he added: “We base ourselves on the assumption that they will not hold all their promises. So we are not disappointed when they hold some of them”. Crisis Group interview, May 2008. A former U.S. official summed up a widely-held feeling: “Just about every leader who has attempted to deal with President Bashar al-Assad has come away frustrated. The list includes Colin Powell, Tony Blair, Nicolas Sarkozy [although this was to change], Hosni Mubarak and Saudi Arabia's King Abdullah. The cause of their frustration is the disconnect between Assad's reasonableness in personal meetings and his regime's inability or unwillingness to follow through on understandings reached there. It is unclear whether this is because of a lack of will or a lack of ability to control the levers of power. Either way, it raises questions about the utility of a policy of engagement”. Martin Indyk hearing, Subcommittee on the Middle East and South Asia of the House Committee on Foreign Affairs, 24 April 2008.

## II. PLAYING TURKEY AGAINST IRAN?

### A. A SYRIAN BALANCING ACT?

As recently as 1998, relations between with Turkey were highly antagonistic. Syria, a country born of the Ottoman Empire's dismemberment in 1920, built its identity on rejection of anything related to its former masters.<sup>18</sup> Following the Baath party's 1963 seizure of power, Turkey – a non-Arab power with supposed expansionist designs – became the perfect foe for a regime drawing heavily on pan-Arabism as a source of legitimacy.<sup>19</sup> Relations were shaped by intractable disputes over territory, water and foreign policy. Syria condemned Turkey's annexation of the Alexandretta/Hatay district (awarded to Syria in 1920 and transferred to Turkey by France, then Syria's mandatory power, in 1939); its strategic alliance with Israel; and its alleged plundering of the Euphrates River, on which a significant portion of Syrian agriculture depends.

In turn, Syria retaliated by hoarding the waters of the Orontes River and providing a rear base to the Kurdistan Workers Party (PKK) which was waging guerrilla warfare on Turkish soil.<sup>20</sup> Relations began to improve marginally in the 1990s, as both sides shared a common threat perception in the emergence of a Kurdish autonomous region in Northern Iraq.<sup>21</sup>

The turning point came in 1998 when Ankara staged army manoeuvres along the Syrian border, accompanied by aggressive statements by the Turkish military and political leadership, demanding that Damascus sever connections to the PKK and expel its leader, Abdullah Öcalan. Fearing military escalation against a far superior enemy, Damascus relented. The episode often is invoked to argue that Syria will only respond to force or the threat thereof.<sup>22</sup>

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<sup>18</sup> Crisis Group interview, local journalist, Damascus, September 2009. Syrian school and university textbooks refer to the "Ottoman occupation".

<sup>19</sup> Crisis Group interview, local journalist, Damascus, September 2009.

<sup>20</sup> Julie Gauthier, "The 2004 Events in Qamishli: Has the Kurdish Question Erupted in Syria?" in Fred Lawson (ed.), *Demystifying Syria* (London, 2009).

<sup>21</sup> See Crisis Group Middle East Report N°81, *Turkey and Iraqi Kurds: Conflict or Cooperation?* 13 November 2008, p. 1; Haim Malka, "Turkey and the Middle East: Rebalancing Interests", in Stephen Flanagan and Samuel Brannen, *Turkey's Evolving Dynamics: Strategic Choices for U.S.-Turkey Relations*, Center for Strategic and International Studies (2009), p. 47.

<sup>22</sup> Crisis Group Report, *U.S. Constraints and Opportunities*, op. cit., p. 16. "History suggests that only force, or the threat of force, can win substantial concessions from Syria. In 1998,

The assumption is disputable – in 1982, Syria reacted very differently to the advance toward its borders of Israeli troops that had invaded Lebanon<sup>23</sup> – and there also is more to learn from the Turkish experience. Turkey did not merely threaten Syria; it quickly and decisively shifted its tone and policy once Damascus had complied.<sup>24</sup> The immediate fallout was the establishment of the "Adana Protocol", a security cooperation mechanism that served as a discreet channel of communication to resolve PKK-related concerns. Turkey showed as much tact and patience in this phase as it had bluntness and forcefulness during the preceding one.<sup>25</sup>

Economic and political cooperation progressed in tandem. The two sides immediately discussed mutually beneficial projects.<sup>26</sup> Relations deepened as they found common cause regarding the Iraqi and Lebanese crises. In 2003, both opposed, to varying degrees, the U.S.-led invasion of Iraq; Syria strongly backed Turkey's position at a time when Ankara embarked on a diplomatic tour seeking regional support for its efforts to avert the war.<sup>27</sup> Later, when U.S.-Syrian relations reached their nadir, and Damascus faced international isolation as a result of the struggle for power in Lebanon, Ankara stood

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Turkey threatened military action unless Syria stopped supporting Kurdish terrorists. Damascus promptly complied. Israel may have no choice but to follow the Turkish example". Max Boot and Jeane J. Kirkpatrick, *Los Angeles Times*, 23 August 2006.

<sup>23</sup> For a detailed account of the confrontation as seen from Syria's perspective, see Patrick Seale, op. cit., pp. 376-383.

<sup>24</sup> According to a Turkish official, "Syrian officials show significant trust toward Turkey. Why? Our two countries had a long history, for the most part problematic; we were at odds over border issues, water issues and (as a result of the former) PKK issues. When the PKK problem was solved, our reaction took the Syrians by surprise. Although we had demonstrated our strength, we then moved on to quickly and resolutely change our approach". Crisis Group interview, Turkish official, May 2008. For a comprehensive study and bibliography on recent Syrian-Turkish relations, see Fred Lawson, "The Beginning of a Beautiful Friendship: Syrian-Turkish Relations since 1998" in Fred Lawson (ed.), op. cit.

<sup>25</sup> A Turkish official said, "The Adana mechanism consists of two channels of communication. Within the embassy, our staff maintains continuous contacts with their Syrian counterparts. Co-chairs also meet every six months. The channel is a one-way street, essentially. We inform them of PKK operatives, the flow of weapons or explosives, and so forth. For the most part, they don't confirm the intelligence. But they tend to act on it, and we take the long view in assessing results". Crisis Group interview, Turkish official, June 2009.

<sup>26</sup> For details, see Fred Lawson, "The Beginning of a Beautiful Friendship." op. cit.

<sup>27</sup> See also "Ankara Calls Summit on Iraq", APS Diplomatic Recorder, 16 January 2003.

by its neighbour.<sup>28</sup> In contrast, however, military cooperation has moved slowly and remains limited.<sup>29</sup>

This honeymoon of sorts reached new heights in September 2009. The two sides agreed to lift visa restrictions<sup>30</sup> and connect their gas and electricity networks.<sup>31</sup> As these steps illustrate, a long common border helped convince them of the need for cooperative solutions. A senior policy-maker remarked, "as a neighbouring country, Turkey has more direct influence on us, both positively and negatively, than Iran. Although the Iranians may not like this, they don't interfere out of fear of generating friction with both of us".<sup>32</sup>

The Syrian-Turkish warming up is viewed by many in the West – and marketed by some in Damascus<sup>33</sup> – as the corollary to a Syrian-Iranian cooling off. In the words of a U.S. official, "there are indications that the

Syrian-Iranian relationship is a bit shaken up – and, as a result, ties with Turkey are expanding".<sup>34</sup> Turkey's historical rivalry with Iran and current efforts to stave off Tehran's influence in the region (most notably in Iraq)<sup>35</sup> lend apparent credence to this perception. But the notion that there exists an inverse correlation between Syrian ties to the two countries – that one automatically comes at the expense of the other – is misleading. Damascus's relationships to Ankara and Tehran differ in ways that are fundamental and that offer instructive insights on both.

Close ties between Syria and Iran go back some forty years. Even during the Shah's reign, Damascus gradually had come to consider Iran a possible counterweight to Iraq – whose assertive and ambitious regime was competing with Syria for influence within the Arab world. In the 1970s, Syria also developed ties with Iranian clergymen in an effort both to bolster the Alawite community's religious credentials and to reach out to Lebanon's increasingly powerful Shiites.<sup>36</sup> By 1979, when the Islamic revolution toppled the Shah, Damascus thus already enjoyed ties to the incoming elite. The latter's militant outlook, notably its strong hostility to Iraq, the U.S. and Israel, coincided with the Syrian regime's own interests. In the Syrian narrative, the collapse of the anti-Israeli Arab front – triggered chiefly by Egypt's signing of the Camp David agreement – turned Iran into a providential ally, compensating for the "loss" of both Egypt and Iraq. A Syrian official explained:

The 1978 Camp David accords between Egypt and Israel removed a key player from the Arab front that had opposed Israel. Coming on the heels of Camp David, the Iran-Iraq war meant that Iraq too was now removed from the Arab-Israeli equation. We were against this war. To us the priority was Israel.<sup>37</sup>

Relations were forged and tested over a series of critical challenges and crises. These include Lebanon's civil war (1975-1990), the 1991 Gulf War, Syria's negotiations with Israel in the 1990s, the 2003 U.S.-led invasion of Iraq and, as of 2004, international pressures to disarm Hizbollah, the Shiite Lebanese movement that Tehran had helped found. On several of these occasions, the two states' agendas neatly overlapped; on others, they did not, resulting in at times messy conflict. Most strikingly,

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<sup>28</sup> In January 2004, Bashar became the first Syrian president in decades to visit Turkey, barely one month after President Bush signed into law the Syria Accountability and Lebanese Sovereignty Restoration Act, which imposed sanctions against Syria. A Syrian official said, "in 2005, Turkish President Ahmet Necdet Sezer was the only statesman to visit Syria. The opening with Turkey was extremely important because it came at a time when we were under intense pressure. Relations had been very tough with the Turks for a long time. But these kinds of gestures turned them around". Crisis Group interview, Damascus, January 2009. A senior Turkish official commented: "The U.S. pressured Turkey in 2004-2005 to isolate Syria. Turkey said, 'no, it is not our policy'. The new government was determined to have good relations with all its neighbours. Bashar knows what we did and feels indebted to Turkey". Crisis Group interview, May 2008. See also Emile Hokayem and Omer Taspinar, "Syria loves Ankara but will the relationship last?", *The Daily Star*, 19 April 2005.

<sup>29</sup> A Turkish official said, "military cooperation started with the Adana mechanism. Protocols were signed. We've had joint sports activities for at least six years, such as show jumping contests. Since 2005 or 2006, contacts between border commands have been established. More recently, we held a joint exercise along the border. It was a first and provoked considerable hue and cry from those who thought we were deserting our traditional allies. But there were 30 participants from each side, no guns, not even paintballs. Honestly, it was more of a get-together". Crisis Group interview, June 2009. See also "Turkey and Syria conduct military drill, Israel disturbed", *Today's Zaman*, 28 April 2009.

<sup>30</sup> See *Today's Zaman*, 17 September 2009; *Hürriyet*, 8 November 2009.

<sup>31</sup> See *Al-Thawra*, 21 August 2009. Despite complications deriving from the ongoing drought, significant progress also has been made on water sharing. *Today's Zaman*, 29 March and 13 August 2009.

<sup>32</sup> Crisis Group interview, Damascus, November 2008.

<sup>33</sup> See for instance Sami Moubayed, "Turkish-Syrian Relations: The Erdogan Legacy", SETA Foundation for Political, Economic and Social Research Policy Brief no. 25, October 2008.

<sup>34</sup> Crisis Group interview, Washington, September 2009.

<sup>35</sup> See Crisis Group Report, *Turkey and Iraqi Kurds*, op. cit.

<sup>36</sup> For a history of Syrian-Iranian relations, see Hussein Agha and Ahmad Khalidi, *Syria and Iran: Rivalry and Cooperation* (London, 1995); and Jubin Goodarzi, *Syria and Iran: Diplomatic Alliance and Power Politics in the Middle East* (London, 2006).

<sup>37</sup> Crisis Group interview, official formerly involved in Syrian-Iranian relations, Damascus, February 2009. Syria sided with Iran, in contrast with most Arab countries.

Iran's and Syria's respective Lebanese proxies, Hizbollah and Amal, fought each other mercilessly; Syrian troops repeatedly attacked the former, causing many victims.<sup>38</sup>

Historically, mutual interests have thus coexisted with strong disagreements and more muddled areas of cooperation. In the 1980s, Syria sought Iranian support to pressure both Israel and Iraq even as it denounced the Islamic Republic's ambitions to transform the political system in Lebanon and topple Saddam Hussein's regime. In the 1990s, with Iraq defeated and increasingly inward-looking, the relationship centred on safeguarding Hizbollah's armed status and building up its capabilities within a Lebanese context in which Damascus largely enjoyed a free hand. During that period, Syria and Iran adopted divergent approaches toward the U.S.-sponsored peace process, which Damascus supported and Tehran denounced. Finally, throughout much of the George W. Bush administration's tenure, outside pressure arguably brought the two partners closer together than ever, even as differences simmered, notably concerning Iraq.

Shifting rationales and persistent disagreements notwithstanding, the relationship has remained remarkably resilient. At bottom, Damascus relies on Tehran as a key ally at times of international pressure and as a core component in its strategic balancing act, playing one regional power against the other and juggling militancy with international respectability. In turn, Syria provides Iran with a foothold in the Arab and Arab-Israeli theatres. At this point, the cornerstone in the relationship likely has become Hizbollah, which both spearheads Tehran's regional aspirations and protects Damascus's core interests in Lebanon; even so, combining these two objectives requires frequent adjustments in a partnership whose terms must be constantly renegotiated.<sup>39</sup>

At the heart of this relationship appears to be a tightly knit, opaque security cooperation mechanism. Iran supplies military hardware to Syria, which in turn serves as a corridor for Hizbollah-bound weapons. Other alleged areas of collaboration include Iranian support for Syria's

internal security apparatus<sup>40</sup> and the construction of a nuclear facility currently under investigation by the International Atomic Energy Agency (IAEA).<sup>41</sup> In practice, little is known about how the two leaderships interact or coordinate policies. However, two things appear clear.

First, as seen, the record demonstrates remarkable ability to manage and overcome even strong disagreements.<sup>42</sup> From the onset, the relationship was built around both converging and conflicting interests, addressed through frequent consultation, finely-tuned concessions and, at times, threats of reprisal. In some cases, Iran has retaliated economically, for instance by withholding oil supplies in the 1980s; it also could regulate the flow of arms to Syria. For its part, Damascus has used other ties – with Saudi Arabia in the 1980s (along with hints of a possible rapprochement with Saddam Hussein's Iraq); with the U.S. in the 1990s; and, most recently, with Turkey – to remind Tehran of its options.

Secondly, whereas ties with Turkey seem to be progressing steadily, cumulatively and comprehensively, those with Iran remain fraught with paradoxes, contradictions and tensions. Still, it would be a mistake to view the rapprochement with Ankara as an index of a crisis with Tehran; rather, both sets of relations are evolving according to their own inherent logic.

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<sup>40</sup> Crisis Group interview, Western military attaché, Damascus, October 2009.

<sup>41</sup> The facility was destroyed by Israel in September 2007. U.S. officials believe it was a joint North Korean, Iranian and Syrian venture. Crisis Group interviews, Washington, December 2009. The IAEA first visited the site in June 2008, but its work was hampered both by Israel's destruction and Syrian obstacles. The investigation suggested that construction activities began sometime in 2001 and continued until August 2007. The containment structure appears to have been similar in dimension and layout to that required for a biological shield for nuclear reactors, and the overall size of the building was sufficient to house the equipment needed for a nuclear reactor of the type alleged. The examination also indicated that the site's pumping capacity was adequate for a nuclear reactor. The inspectors reported the presence of a significant number of natural uranium particles. Syria claimed they were from the missiles used to destroy the building. It rejected the agency's request to investigate three additional locations and refused to answer a series of detailed questions. Should Syrian non-cooperation persist, the IAEA could order special investigations of the sites; at that point, non-compliance potentially could trigger UN Security Council action. See "Implementation of the NPT Safeguards Agreement in the Syrian Arab Republic", Report by the Director General, International Atomic Energy Agency, 5 June 2009.

<sup>42</sup> As a Syrian observer remarked, "there are tensions and conflicts between Syria and Iran, but the culture dictates that these not be openly discussed". Crisis Group interview, Syrian academic, Damascus, March 2008.

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<sup>38</sup> Hizbollah was born in the early 1980s with heavy Iranian assistance in the wake of the Islamic revolution. In the 1990s, a time of unprecedented Syrian control over Lebanon, the Islamist movement joined the Lebanese political system and generally abided by its rules, while fine-tuning its pressure on Israel based on Damascus's fluctuations. Syria and Iran took opposing sides in the struggle over control of Tripoli, in North Lebanon, where Tehran threw its weight behind the Islamist movement Tawhid against factions supported by Damascus. See Jubin Goodarzi, op. cit., pp. 143-157, 200-201 and 256-259.

<sup>39</sup> See Crisis Group Middle East Report N°69, *Hizbollah and the Lebanese Crisis*, 10 October 2007, pp. 21-22.

## B. LOGIC AND LIMITATIONS OF SYRIAN-IRANIAN RELATIONS

The complex nature of the relationship with Iran is perhaps best illustrated by the wide variety of terms Syrian officials use to describe it. Some call it a “strategic alliance” – a characterisation that would have been unthinkable during the presidency of Hafez al-Assad, who made a point of rejecting any fixed alliance.<sup>43</sup> For others, it merely is a “marriage of convenience” between two countries that have fundamentally incompatible world-views, brought together solely by shared opposition to U.S. and Israeli policies. Reality seems closer to a pragmatic, narrowly-defined, ever-changing and time-tested partnership.

For all the strategic benefits it has brought Syria, the relationship suffers from considerable limitations. Over the years, the two have signed numerous bilateral economic agreements covering virtually every field; the stream of technical delegations visiting their capitals has grown markedly since 2005.<sup>44</sup> In January 2007, Syria produced its first automobile, the “Cham Car”, the result of a \$60 million joint venture with Iran Khodro, an Iranian carmaker. And, in March 2008, the governments reportedly signed agreements that would increase the value of technical services Iran provides to Syria from \$1 billion to \$3.5 billion.<sup>45</sup>

Yet, upon closer examination, Iranian economic support often amounts to little more than ink on paper.<sup>46</sup> Official

figures notwithstanding, few projects appear to have materialised.<sup>47</sup> Public investments are few,<sup>48</sup> while private sector Iranian investors reportedly complain of Syria's unfavourable business climate.<sup>49</sup> Trade traditionally has been minimal.<sup>50</sup> In comparison, Turkey has substantially more to offer. For Ankara, Syria is a gateway to the Middle East; to Syria, Turkey is the door to Europe. Both share considerable interests in developing overland trade routes and a regional oil and gas pipeline network. Historically, business elites from the two countries were closely integrated and constituted a driving force in the expansion of commercial ties.<sup>51</sup> Turkish policy aims, in

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Syrian sources, claimed Tehran invested some \$400 million in Syria in 2006, amounting to 66 per cent of Arab and half of all non-Arab investments. More reliable sources estimate Iranian investments at around 6 per cent of the total. “Iran to provide Syria \$3.5b in technical services”, *Tehran Times*, 9 March 2008; Sylvie Sturel (ed.), *L'essentiel d'un marché. Syrie* (Damascus, 2009).

<sup>47</sup> “Iran might support Syria economically if Syria suffered a severe crisis (as during the Iran-Iraq war), but as of yet it is not doing much. The Cham car factory is a very small project. Things may change but not in the short term. When it comes to military cooperation, on the other hand, there is no doubt that it is real”. Crisis Group interview, former senior Syrian official, Damascus, November 2007.

<sup>48</sup> According to a high-ranking Syrian official, “Iranian ‘investments’ essentially go through Iranian state-owned companies, which more often than not carry out Syrian government-funded projects. That aside, we have a few joint ventures, such as two small motor vehicle production plants. In contrast, Arab investments amount to 50 per cent of all foreign investment”. Crisis Group interview, Damascus, October 2009.

<sup>49</sup> An EU official said, “Believe it or not, but Iranian businessmen complain to us about Syria's hostile conditions, regarding taxes, trade barriers and the like”. Crisis Group interview, Damascus, November 2009.

<sup>50</sup> Syrian officials only recently claimed that there was trade potential. “For the first time, six months ago, I joined a twenty-person delegation of Syrian businessmen on a visit to Iran. We were struck by how little we know about the Iranian market and realised there is considerable potential. We signed over twenty contracts. Iran has developed the heavy industries we lack. It is a great place to buy construction materials. And it is a huge market for our goods, such as sweets and garments. The Iranians were surprised we had such good chocolate”. Crisis Group interview, senior official, Damascus, October 2009. In the course of that visit, the two sides announced their intent to raise annual bilateral trade from \$340 million to \$1 billion (by an unspecified date). Syrian Arab News Agency, 12 May 2009. In comparison, and despite the impact of sanctions, Syria-U.S. trade generally exceeds \$400 million a year. [www.census.gov/foreign-trade/balance/c5020.html#2008](http://www.census.gov/foreign-trade/balance/c5020.html#2008). Trade between Syria and Turkey was estimated at \$1.8 billion in 2008, with a 2009 projection of \$2.5 billion. Xinhua, 8 February 2009.

<sup>51</sup> According to a Turkish official, “The volume of trade crossed the \$1 billion threshold in 2007, and we expect it to continue growing. This excludes transit trade, which is considerable.

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<sup>43</sup> An official who was closely involved in Syrian-Iranian relations during Hafez al-Assad's presidency said, “our relations with Iran are based on a range of common interests. For us, the core is the Israeli-Arab conflict, in the sense that Iran's positions serve our own. Then there is convergence on the need to resist U.S. hegemony and unilateralism, which aim at imposing a regional order suiting American interests. Finally, we have very specific common interests, such as opposing Kurdish secessionism. But this is by no means an ‘alliance’ in the sense that we must harmonise our positions on all matters. Historically Syria has opposed such binding alliances as a matter of principle”. Crisis Group interview, Damascus, February 2009.

<sup>44</sup> See Nimrod Raphaeli and Bianca Gersten, “The Iran-Syria Alliance: The Economic Dimension”, *Middle East Review of International Affairs*, 9 July 2008.

<sup>45</sup> See *Tehran Times*, 9 March 2008.

<sup>46</sup> See Nimrod Raphaeli and Bianca Gersten, op. cit. “Between Syria and Iran, there is much empty talk and little concrete action. This is very apparent in the energy field. Agreements were signed to provide Iranian gas through Turkey or to build a refinery with Venezuela. These are fine words. In practice, Egypt is the only country to sell gas to Syria, via the Arab gas line”. Crisis Group interview, senior oil industry executive, Damascus, March 2009. An Iranian report, citing unnamed

part, to cultivate such economic cooperation and interdependence in order to stabilise the relationship.<sup>52</sup>

In the military realm, Iran is a long way from filling the Soviet Union's shoes. Until the late 1980s, Syria depended heavily on Moscow's assistance, which included weaponry and training, but also funds needed to sustain an expensive armed force amid a ramshackle economy.<sup>53</sup> Tehran has become a key arms supplier<sup>54</sup> but does not cover Syria's outsized military expenditures. An official acknowledged, "Iran helps us with some weapons but, unlike the Soviet Union, it does not maintain our army as a whole. The military apparatus, a key pillar of power, has become a huge burden on our budget. Maintaining it at current levels would require a sponsor. Syria hasn't found one in Iran".<sup>55</sup>

Moreover, Moscow viewed its military assistance as part of an effort to reach a worldwide balance of forces between the two superpowers; to that extent, it provided Syria with a sense of protection and deterrence. Not so with Iran, whose aid cannot remotely offset Israel's military dominance and whose support, therefore, cannot address Syria's need for a safer strategic posture. While Syrian-Iranian cooperation in bolstering Hizbollah's

capabilities and enhancing Damascus's missile stockpile arguably serves as a deterrent vis-à-vis Israel, it also increases the risks of a lopsided confrontation by stoking Israeli fears. Nor would the Lebanese movement's or Syria's own missiles be of much value in defending Syrian territorial integrity in the event of war.<sup>56</sup> Some Syrians worry that they possess far fewer retaliatory options than Iran, making them a much more attractive military target. An analyst said, "if Iran were attacked, it could strike back in Lebanon, Gaza, Iraq, Afghanistan, even Yemen. Syria is a more appealing target. The next war could well play out here".<sup>57</sup>

The association with Tehran has proved problematic in other respects. During the recent Bush presidency, outside pressure and threats against their respective regimes pushed Syria and Iran closer to one another. By 2006, they announced a formal "alliance", crossing a threshold Damascus had studiously avoided until then.<sup>58</sup> But the growing intimacy came at a cost, of which the regime was keenly aware. Deepening ties to Iran harmed those with Arab countries, undercutting one of the state's core strategic interests. Indeed, underscoring its Arab credentials is of particular importance to a regime whose foundations are Baathism – a pan-Arab ideology; whose regional role and championing of Arab causes remain critical sources of legitimacy; which needs a modicum of Arab coordination on the peace process; fears the rise and spread of sectarianism; and is eager for greater economic investment from the Gulf.<sup>59</sup>

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Turkish investments in Syria have reached \$400 million, and they include a recent project to build a cement factory. This represents small, private investment. But it adds up and has a significant economic impact, because such projects tend to be more labour-intensive. We don't spend any public money. Regardless of what might be claimed, I don't believe Iranian investment will exceed that amount". Crisis Group interview, May 2008.

<sup>52</sup> Ahmet Davutoğlu, "Turkey's Foreign Policy Vision: An Assessment of 2007", *Insight Turkey*, January-March 2008, pp. 77-96. See also Soli Ozel, "Divining Davutoğlu: Turkey's Foreign Policy Under New Leadership", German Marshall Fund analysis, 4 June 2009.

<sup>53</sup> On Syrian-Soviet relations, see Thomas Collelo (ed.), *Syria: A Country Study*, Federal Research Division of the Library of Congress (1987). Asked about what specific roles the Soviet Union once played and are no longer assumed by a third party, a senior Syrian official said, "the USSR built major infrastructure projects such as the Euphrates dam and served as an outlet for cheap Syrian products. Most importantly, it provided huge amounts of weapons for which we didn't have to pay". Crisis Group interview, Damascus, October 2009.

<sup>54</sup> A Syrian official said, "in the 1990s, Syrian-Iranian relations acquired an economic dimension, but this did not match existing political ties. What business deals existed principally revolved around military matters. If we needed explosives, no one in the West would provide them to us. So we had no choice but to turn eastward. Our relations with North Korea were born of the same logic and reflected the vacuum created by the Soviet Union's collapse". Crisis Group interview, official formerly involved in Syrian-Iranian relations, Damascus, February 2009.

<sup>55</sup> Crisis Group interview, Syrian official, Damascus, May 2008.

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<sup>56</sup> Syria might have seen the December 2008-January 2009 war in Gaza as a warning sign. The conflict illustrated Iran's failure to provide the Islamist movement with either sufficient military support to protect its territory or diplomatic leverage to bring the fighting to a quick end. Among non-officials in particular, the experience exacerbated feelings of vulnerability. A businessman commented, "the intensity of Israeli retaliation against Hamas's rocket fire was not solely directed at Gaza; it was a warning destined to Syria and Hizbollah, giving them a taste of what a future confrontation would look like". Crisis Group interview, prominent Syrian businessman, Damascus, February 2009. Another businessman with close ties to the regime, said, "we are weak, and we know it. All the bravado is designed for domestic consumption, targeting poor Syrians who don't know better. But I know where we stand. How could we want war?" Crisis Group interview, Damascus, February 2009.

<sup>57</sup> Crisis Group interview, Damascus, October 2009. Commenting on Israel's military operations against Gaza, another analyst said, "there simply is no more room for small wars in the region. Between Israel and Syria, it is now either peace or a major confrontation. I can't imagine a war by proxy or attrition". Crisis Group interview, Damascus, January 2009.

<sup>58</sup> See Sami Moubayed, "Ahmadinejad meets al-Assad", *Al-Ahram Weekly*, 26 January 2006.

<sup>59</sup> "Iran cannot substitute for an Arab umbrella for Syria". Crisis Group interview, Syrian academic, Damascus, May 2007.

For a country that traditionally has promoted its interests by juggling multiple, competing relations, using these to magnify its influence far beyond its actual size, the tilt toward a quasi-exclusive relationship with Iran and estrangement from Arab counterparts was worrying. To this day, officials consistently emphasise Syria's deep Arab roots, frame relations with Iran more in pragmatic than ideological terms and stress that national interests take precedence over any foreign ties.<sup>60</sup>

Meanwhile, officials had to contend with the growing perception – both within and outside Syria – that the country had become the target of a “Shiitisation” campaign through active Iranian proselytising.<sup>61</sup> Although the phenomenon is quite limited,<sup>62</sup> it played dangerously at a time of regional sectarian polarisation and fed into Syria's own acute sectarian sensitivities. In recent years, rumours also have spread in Syria that the regime had lost control over several key figures who now appear to be more loyal to Tehran. In this respect, the rapprochement with Turkey serves another useful purpose, symbolising proximity to an emerging Sunni power that currently enjoys considerable popularity among Syrians, other Arabs and the West.<sup>63</sup>

Events of the past decade also have introduced a degree of asymmetry to the Iranian relationship that has proved both embarrassing and uncomfortable to Damascus. The Bush administration's policies isolated Syria and

knocked it off-balance, while simultaneously strengthening and emboldening Iran. The invasions of Afghanistan and Iraq conveniently removed two of Tehran's most important strategic challenges,<sup>64</sup> even as it continued its nuclear program. Pressure on Syria, coupled with neglect of the peace process, intensified its dependence on Iran. In Lebanon, Hizbollah, which Damascus all but controlled in the 1990s, achieved far greater autonomy, gaining both popularity – first through Israel's withdrawal<sup>65</sup> and then by confronting it in the 2006 war – and political independence, as Syrian troops left the country in 2005.

Whereas the Shiite movement had relied on Syria to protect its armed status, it increasingly had to devise its own ways of doing so, notably via greater participation in the domestic political system. The relationship evolved from one chiefly based on Syrian dictates and guarantees into a negotiated partnership in which both sides are forced to work out common positions.<sup>66</sup> Hamas's electoral victory in 2006, followed by its takeover of Gaza a year later and the ensuing siege and souring of relations with Saudi Arabia, also increased the Palestinian movement's need for outside material support and may have provided Tehran with greater leverage and influence than in the past.<sup>67</sup>

All in all, Syria's manoeuvring room seemed to diminish as Iran's power grew. Whereas Tehran long relied on Damascus as a gateway to the Arab-Israeli conflict and as an Arab cover for its regional role,<sup>68</sup> it was gaining in

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<sup>60</sup> See, for instance, Crisis Group Middle East Report N°63, *Restarting Israeli-Syrian Negotiations*, 10 April 2007, p. 18. A Syrian official said, “with respect to our relations with Iran, one should not forget that we are above all an Arab country, with a place on the Arab scene and a leading role in Arab public opinion. Along with Lebanon and Iraq, Syria is at the root of Arabism. We don't want to be lectured by anyone on Arabism or Arab interests”. Crisis Group interview, Damascus, March 2009.

<sup>61</sup> See, eg. Andrew Tabler, “Catalytic Converters”, *The New York Times Magazine*, 29 April 2007. Such accusations were fuelled by the Syrian opposition (see APS Diplomat News Service, 23 July 2007) but were picked up by others. Sunni religious figures are said to have petitioned against the Iranian embassy's alleged proselytising. Crisis Group interview, prominent Sunni sheikh, Damascus, May 2008.

<sup>62</sup> See Crisis Group Report, *Hizbollah and the Lebanese Crisis*, op. cit., p. 21.

<sup>63</sup> A local businessman with close ties to the regime commented: “The way things were going, the Iranians were poised to dramatically increase their domination. After the U.S. withdrawal, Iraq could fall under Iranian influence. Lebanon could follow suit. We would end up encircled by Iran. What kind of a balanced relationship could we enjoy? In time of need, we used to turn to Iran, Russia, Egypt and Saudi Arabia. Now there is mostly Iran. In this sense, Turkey's rise as a major economic, diplomatic and even military regional power is a new factor”. Crisis Group interview, Damascus, February 2009.

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<sup>64</sup> “Iran benefited from U.S. policies in major ways. After 9/11 the U.S., with little regard for regional implications, decided to go after not only the Taliban regime in Afghanistan but also the Saddam Hussein regime in Iraq – both of them historic enemies of Tehran. The removal of Saddam Hussein and subsequent civil strife removed the last hurdle for Iran to play an important role in the region, placing Iran in a position where it could possess huge influence in Iraq”. Presentation by a Syrian academic attended by Crisis Group, Damascus, May 2007. See also Crisis Group Middle East Briefing N°28, *U.S.-Iranian Engagement: The View from Tehran*, 2 June 2009, p. 4.

<sup>65</sup> “After 2000, Hizbollah grew into a full-fledged movement. Syria no longer could dictate its will, due to Hizbollah's immense popularity and legitimacy acquired through Israel's withdrawal”. Crisis Group interview, Syrian academic, Damascus, May 2007.

<sup>66</sup> Crisis Group Report, *Hizbollah and the Lebanese Crisis*, op. cit., pp. 21-22.

<sup>67</sup> Iran was quick to offer financial assistance to the elected Hamas government, as the U.S., Europe and Israel imposed economic sanctions. See BBC, 22 February 2006.

<sup>68</sup> In the 1980s, Iran gained access to Lebanon in large part thanks to Syria; from there, it also gained traction with Palestinian armed factions. Syria's geographical position and Arab character were important to Tehran's efforts to assume a role

autonomy and ability to promote its agenda. The two countries traditionally have had divergent interests and goals in the Arab-Israeli arena. As a Syrian analyst remarked, "Iran supports Hamas and Islamic Jihad for ideological reasons and to enhance its regional influence; Syria supports them as an integral part of its overall strategy to resume and navigate the Middle East peace process".<sup>69</sup> Such differences arguably have become more pronounced and problematic from Syria's viewpoint in light of Iran's greater assertiveness and self-confidence.<sup>70</sup>

While security cooperation appears to have remained tight regardless of friction, diplomatic initiatives have been less consensual or harmonised. Syria's decision to attend the November 2007 U.S.-sponsored Annapolis conference designed to jump-start the Middle East peace process, for example, was staged by Syria in a manner meant to project autonomy vis-à-vis Iran – a message whose intended target was not only the West, but also Tehran.<sup>71</sup> According to a senior official:

We didn't consult Iran beforehand. They learned of our final decision to attend by watching television. It was our choice, which we turned into a statement, saying in essence: "We don't compromise on our national decisions and interests. Syria has good relations with Iran, but we will retain our independence".<sup>72</sup>

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in the conflict with Israel. They also were a bridge allowing Iran to cross the Persian-Arab divide. See Goodarzi, op. cit.

<sup>69</sup> Crisis Group interview, Syrian academic, Damascus, May 2007.

<sup>70</sup> Signs of discontent rarely are publicised. When they are, this can take such subtle forms as a critical reference in a newspaper. For example, a Syrian daily recently editorialised: "A divergence has become manifest over the past two years, regarding the [two countries'] ability to show flexibility in negotiations, and defend their interests through new approaches that don't negate their ultimate goals. Syria has stood by its fundamental positions but has changed the way it handles some files. In Iran, we notice that political calculations, often of an ideological kind, dominate the internal scene and prevent Tehran from positioning itself [constructively]". *Al-Watan*, 23 August 2009.

<sup>71</sup> Similar dynamics were at play at the time of the Syrian-Soviet alliance, when Damascus constantly sought to reaffirm its independence and sovereignty. "Even when the USSR was our only friend and arms provider, we rejected any form of inferiority. We didn't let them build a single military base for example. Independence is a pillar of our strategic doctrine". Crisis Group interview, Syrian official, Damascus, June 2009. See also Seale, op. cit., p. 397.

<sup>72</sup> Crisis Group interview, Damascus, October 2008. In contrast, Syria reportedly closely coordinated its decision-making with Hizbollah. "There might have been some misgivings within Hizbollah, among the rank and file or even within the larger circle of leaders, regarding our position toward Anna-

In the aftermath, Iran sought to host a gathering of Palestinian factions opposed to Annapolis after Syria had declined to do so. This turned into a diplomatic tug of war. In the words of a Syrian journalist:

When Syria cancelled the anti-Annapolis meeting, Iran stepped in and sought to pressure the Palestinian factions to attend a gathering on its soil. At one point, it sent a plane to Damascus to collect delegates. Some were intelligent enough not to pack their bags; others headed for the airport, where they were prevented from boarding.<sup>73</sup>

Tensions surfaced anew in the wake of the 13 February 2008 assassination in Damascus of Imad Mughniyeh, a Hizbollah official accused of organising violent attacks against U.S. and Israeli targets. After Iran announced that the two countries would carry out a joint investigation, Syrian authorities, visibly irritated, denied this.<sup>74</sup>

A Hamas leader familiar with both countries claimed that by mid-2008, the juxtaposition of heightened U.S.-Iranian tension and signs of relaxation between Israel, Syria and Hamas caused anxiety and displeasure in Tehran.

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polis. But at the highest level we coordinate very closely. Tensions were absent. They know our positions and the rationale behind our policies. With Iran, things were different. We didn't have time to inform them beforehand, so we did it afterwards". Crisis Group interview, senior Baath official, Damascus, April 2008. Deputy Foreign Minister Faysal Muqdad, Syria's representative at the conference, visited Tehran on his return from Annapolis.

<sup>73</sup> Crisis Group interview, Syrian journalist, Damascus, December 2007. "Iran understood Syria's position on Annapolis after we travelled to Tehran to explain it; Hamas did as well, on the ground that Syria had to present its views. Khaled Meshal [the Damascus-based Hamas leader], declined Iran's invitation to attend the anti-Annapolis meeting in Tehran, as he understood this would be viewed by Syria as a hostile act. This is an illustration of the subtleties and nuances of our relationships". Crisis Group interview, senior Syrian official, Damascus, December 2007.

<sup>74</sup> Iranian Foreign Minister Manouchehr Mottaki visited Damascus for talks related to the assassination. At a press conference in Tehran, Iranian Deputy Foreign Minister Ali Reza Sheikh Attar announced that Syria and Iran had agreed to form a joint investigation to "look into the root causes and dimensions of the assassination to identify the perpetrators of this dirty crime". IRNA, 15 February 2008. The following day, Syria's state news agency, quoting "an official Syrian source", denied media reports on the formation of "a joint Syrian-Iranian-Hizbollah committee" into the murder, "stressing that such reports are baseless". SANA (Syrian press agency), 16 February 2008.



As Iran saw it, the combination of the Annapolis summit, the [May 2008] resumption of Israeli-Syrian talks and the [June 2008] Hamas-Israel cease-fire, was designed to placate Tehran's Syrian and Palestinian allies in advance of a possible U.S. military strike against the Islamic Republic. This led to tensions in the Iranian-Syrian relationship, though they abated as prospects of a strike receded.<sup>75</sup>

Disagreements between Damascus and Tehran have been most palpable and profound regarding Iraq, one of the founding pillars of the Syrian-Iranian entente. Iran saw its benefit in the U.S.-led invasion and welcomed the ensuing sectarian political system that simultaneously handed the country's Shiite majority a dominant role and ensured the durable fragmentation of Iraq's polity and intrinsic weakness of its state<sup>76</sup> – dynamics that have raised concerns in Damascus.<sup>77</sup> More generally, deepening Iranian influence with its neighbour fuels disquiet in Syria, which wishes to play a central role, extract political and economic gains from interaction with Baghdad and make certain that Iraq remains firmly anchored in the Arab world. As of 2006, as resistance to U.S. occupation drifted toward a sectarian civil war, Damascus came to the realisation that Iraq's instability could backfire and harm its own interests. From Syria's perspective, Iraq's civil war was far more dangerous and difficult to manipulate than had been Lebanon's.<sup>78</sup>

<sup>75</sup> Crisis Group interview, Hamas official, October 2008.

<sup>76</sup> Crisis Group Middle East Report N°38, *Iran in Iraq: How Much Influence?*, 21 March 2005.

<sup>77</sup> According to a Syrian analyst, "a weak, confessional state in Iraq is a major concern. We risk having one small one to our left and a big one to our right. Syria's unity and territorial integrity could be jeopardised. A weak state in Iraq is far more dangerous than a strong one". Crisis Group interview, March 2008. An academic explained: "Why does Syria want a strong state in Iraq? First, out of fear that the Kurdish problem in Iraq could spill over; Syria's Kurds clearly have been inspired by the Iraqi experience. A second concern relates to jihadi returnees who are now unleashing their anger in their countries of origin rather than Iraq". Crisis Group interview, March 2008. Another analyst said, "as the U.S. withdraws from Iraq, how will the vacuum be filled? We worry that this once again will be settled violently. We need a strong, united government in Baghdad – to draw a parallel to Germany, a strong state institutionally, not militarily". Crisis Group interview, Damascus, January 2009.

<sup>78</sup> Comparing Iraq to Lebanon, an analyst said, "a weak state in Lebanon is very different from a weak state in Iraq. Lebanon's national identity is weak, whereas Iraq's is strong, making it difficult for a neighbour like us to effectively interfere. In addition, confessional clashes in Iraq have been contagious, affecting the region as a whole. Everyone here knows the situation is too dangerous to play with. Finally, in Lebanon we were given a green light to intervene. In Iraq, it's the exact

Syrian officials rejoiced at the outcome of Iraq's January 2009 provincial elections, which witnessed the defeat of some of the more sectarian-oriented parties, an outcome they described as a setback for Tehran.<sup>79</sup> A diplomat said, "on Iraq, we can agree with the U.S. to a large extent, even regarding the issue of Iranian influence. We cannot afford to be squeezed between an extended Iranian sphere of influence in Iraq and a Hizbollah-dominated Lebanon".<sup>80</sup> An official echoed this view:

With Iran, we have areas of convergence and of divergence. Iraq belongs to the latter. We are dead set against the kind of federalism Iran supports because it is the recipe for Iraq's partition.<sup>81</sup> The constitution itself is a basis of division; the Iranians not only acquiesced in it, they surreptitiously promoted it. Iraq's unity has become our priority; that is not the case for Iran. Also, we are a secular state and encourage any evolution toward a non-sectarian Iraq; Iran does the opposite. It comes down to the basic difference between our two countries: one secular, the other Islamist. In that regard, we see the latest elections as a good sign for the future, notably because the religious

opposite". Crisis Group interview, Damascus, January 2009. As of 2006-2007, Syria's posture vis-à-vis Iraq significantly evolved, as noted in a previous Crisis Group report: "Whereas during the war's early stages it was most concerned about the heavy U.S. troop presence, this changed with the dramatic deterioration of the situation in Iraq, the growing risk of partition, mounting regional sectarian and ethnic tensions, the spread of jihadi militancy and the worsening refugee crisis. Syria's priorities changed accordingly". Crisis Group Middle East Report N°77, *Failed Responsibility: Iraqi Refugees in Syria, Jordan and Lebanon*, 10 July 2008, p. 18. See also Crisis Group Report, *U.S. Constraints and Opportunities*, op. cit., pp. 23-24. In his speech to the 2009 Arab summit, Bashar suggested the degree to which Syria's reading of the conflict had changed: "There is no doubt that the stability of Iraq is important to all of us, because it is not possible for our Arab region, in particular, and for the Middle East, and perhaps further, in general, to witness stability while Iraq is as turbulent as it is today. The stability of Iraq is intricately connected to its unity, which in its turn, is linked to Iraq's Arab identity". SANA, 29 March 2008.

<sup>79</sup> "The elections reduced Iran's role in Iraq. We are pleased about that". Crisis Group interview, Syrian official, Damascus, February 2009.

<sup>80</sup> Crisis Group interview, Syrian diplomat, Damascus, May 2008. See also Crisis Group Report, *U.S. Constraints and Opportunities*, op. cit., p. 24.

<sup>81</sup> The Islamic Supreme Council of Iraq, a close Iranian ally, has advocated a form of sectarian federalism that was widely perceived in Iraq and beyond, notably in Syria, as reflecting Tehran's views. Evidence of Iran's actual role in promoting the idea remains elusive; nor is it clear that Iran would benefit from Iraq's virtual break-up. See Crisis Group Middle East Report N°70, *Shiite Politics in Iraq: The Role of the Supreme Council*, 15 November 2007.

parties, and above all ISCI [Islamic Supreme Council of Iraq], were cut down to size. The Iranians obviously don't share our satisfaction.<sup>82</sup>

The escalating crisis in Yemen exposed another rift. Violence between government forces and rebels beholden to Zaydism – a form of Shiism that, in practice, is closer to Sunnism than to the Twelver Shiism predominant in Iran and Iraq – has fuelled sectarian tensions; it also has drawn Riyadh and Tehran into what could grow into a proxy war.<sup>83</sup> (Sanaa has accused Iran of supporting its Zaydi opponents, whom Saudi Arabia has engaged militarily in its border area with Yemen.) On 11 November 2009, in response to Riyadh's growing military involvement in the conflict, Iranian Foreign Minister Mottaki warned against outside interference<sup>84</sup> – a statement Saudi Arabia read as an implicit admission that Tehran saw Yemen as part of its sphere of influence.<sup>85</sup> The same day, Damascus strongly endorsed Saudi policy.<sup>86</sup>

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<sup>82</sup> Crisis Group interview, Damascus, May 2009. A senior official said, "On Iraq, my impressions are more positive since the last elections. The polls came out in favour of those politicians who adopted a more nationalistic stance. ISCI's defeat is a positive sign. It indicates that sectarianism is receding, and it means that the Iraqi people are rejecting Iranian influence. Iraq could be seen as being under Iran's control. Now it is moving toward a more nationalistic and therefore pan-Arab outlook. That's why we sent three delegations since the elections and signed many agreements". Crisis Group interview, Damascus, June 2009. The January 2009 provincial elections were deemed encouraging albeit inconclusive. "We are made very comfortable, very happy even, by the signs we see in the latest Iraqi elections. They show the Iraqi people's craving for a centralised government within a unified Iraq. The Islamic parties have lost the people's trust. ISCI's setback in particular is reassuring because the party embodies a sectarian, Islamic, federal – by which I mean partitionist – agenda. These dynamics point to the kind of Iraqi state with which we can live. Of course I am more hopeful than optimistic. These are mere signs. But let's build on them". Crisis Group interview, Syrian official, Damascus, March 2009.

<sup>83</sup> For background, see Crisis Group Middle East Report N°86, *Yemen: Defusing the Saada Time Bomb*, 27 May 2009.

<sup>84</sup> *Tehran Times*, 11 November 2009.

<sup>85</sup> See for instance Al-Arabiya, 12 November 2009.

<sup>86</sup> In its statement, Syria "condemned violations of Saudi Arabia's security and territorial sovereignty. Syria reiterates its absolute rejection of all actions that might endanger the Kingdom's security as well as Saudi Arabia's legitimate right to defend its sovereignty and the safety of its territory". SANA, 11 November 2009. A Syrian official explained: "Our statement of support to Saudi Arabia wasn't designed as a response to Iran. We were articulating our own position and were about to announce it anyway. We see the situation in that part of the Arab world as very critical. The draft of our statement, along with Mottaki's, was sent to the minister. There were high-level consultations, and they decided to

At a less tangible level, the imbalance between the two countries has generated or perhaps reinforced a mode of interaction with Iran that has caused considerable resentment among some Syrian leaders. In their view, Iran has tended to treat them as junior partners.<sup>87</sup> Official dealings are said to be relatively cold and strictly businesslike, unlike those involving Turkey. This was illustrated in May 2009 during quasi-simultaneous visits to Damascus by the Iranian and Turkish presidents. At their joint press conference, Presidents Assad and Ahmadinejad spoke without any apparent prior coordination; in contrast, the Turkish-Syrian summit appeared aimed at projecting an image of harmony. A security official explained: "With Iran, it essentially boils down to military and security cooperation; there is little beyond that. So there is not much to put on display publicly".<sup>88</sup>

For various reasons, there is – for the time being at least – less friction at the heart of Turkish-Syrian relations. In both Ankara and Damascus, officials insist on the closeness, cordiality and warmth of the bilateral relationship, notably between the two leaders.<sup>89</sup> In Iraq, the na-

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proceed. Now the Iranians are trying to back-pedal and 'explain' what Mottaki really said. He made a mistake. They had been saying they weren't helping the rebels. But the statement made them appear so angry and nervous that it conveyed the opposite message". Crisis Group interview, Damascus, November 2009.

<sup>87</sup> A Syrian journalist put it as follows: "Relations with Iran are based on mutual interests, but more recently Tehran has been treating Damascus almost as a lackey. This may help explain why Syria has more ostensibly displayed its independence". Crisis Group interview, Damascus, December 2007.

<sup>88</sup> Crisis Group interview, Damascus, May 2009.

<sup>89</sup> A Turkish official said, "[Prime Minister Recep Tayyip] Erdoğan and Assad enjoy mutual trust. That may be the single most important aspect of their relationship. This trust exists on both a personal and institutional level. We never tricked our counterparts. We always keep them closely informed. For instance, if anything is cooking in Turkey that involves Israel, we advise them, formally or informally. They don't enjoy the same kind of trust with the Iranians. Both sides know it is a ruthless bilateral relationship". Crisis Group interview, Turkish official, October 2008. Another echoed this view: "Syrians favourably compare our approach to that of Iran. Operationally, ours involves a partnership, more balanced, less brutal. That is one reason why we witness great willingness, energy, and enthusiasm even from the Syrian public". Crisis Group interview, Turkish official, May 2008. A Syrian official said, "Erdoğan and Assad have excellent, personal relations as well as shared interests. Their convergence of views over the Iraq conflict played a significant part. They made headway on extremely difficult issues. The quality of their relationship enabled Erdoğan to become a trusted intermediary with Israel". Crisis Group interview, Syrian official, Damascus, May 2008.

tional agendas broadly coincide.<sup>90</sup> On the Israeli-Arab front, Turkey's ability to interact with the range of players – Israel (at least until the spiralling war of words that began with Prime Minister Recep Tayyip Erdoğan's criticism of its war in Gaza); so-called moderate Arab countries; Hamas and Hizbollah – and calls for a comprehensive peace fit Syria's outlook and, in a sense, mirror Damascus's own aspiration to intercede between all sides.

None of this is meant to suggest that harmony with Turkey will persist or to downplay the centrality of Iranian ties. Among lower-ranking Turkish officials, and warm ties between Assad and Erdoğan notwithstanding, feelings of superiority can be found beneath the surface; some go so far as to depict Syria as a new Turkish province.<sup>91</sup> As ties deepen, Ankara likely will acquire increased leverage in Damascus, an evolution that could prove as unsettling to Syria as has been the case with Tehran.

Interests over a range of issues likewise could diverge. The economic imbalance between the two – in terms both of size and sophistication – raises questions as to the viability and equity of deepening "interdependency". Already, Syria's massive trade deficit with Turkey, generally kept unspoken to protect the wider relationship, generates considerable unease.<sup>92</sup> Water issues, to which Damascus has given a low priority in deference to other matters, could come to the fore as Syria's resources dwindle. Ankara's stated goal of addressing its Kurdish population's demands might revive Syria's own latent Kurdish-related fears. Unlike Iran, Turkey also could become a role model of sorts for the Syrian people, a prospect that sits uneasily with some members of the Syrian elite. Ankara's democratic experiment and the rise of an Islamist party supported by an emerging,

business-oriented and conservative middle class might constitute a worrisome precedent.<sup>93</sup>

The many shortcomings of Syrian-Iranian ties also are testimony to their strength. A former U.S. official pointed out, "it might well be a marriage of convenience rather than an ideological alliance. But that only makes it more solid – ideological brethren tend to engage in the kinds of intense disputes that convenient partners do not".<sup>94</sup> Nor should one expect problems to trigger a perceptible downturn in relations. From the outset, the relationship has been as enduring as it has been paradoxical; its long-established and repeated ability to withstand tensions points to resilience far more than it does to frailty. Moreover, Syria traditionally has courted other partners, as a means of both diversifying its strategic portfolio and compelling Iran to take greater account of its interests.

The anomaly occurred during the Bush presidency, when pressure and marginalisation led Damascus to turn far more heavily and exclusively toward Iran. In that respect, Syria is ending an atypical hiatus. In the words of a senior Turkish official, "Bashar is eager to multiply relations, with us and with others, with a view to lessen his dependence on Iran, not to cutting ties with it".<sup>95</sup> Syrian officials essentially say as much, both explicitly<sup>96</sup> and by continually dispatching delegations to Iran to reassert loyalty whenever the need is felt.

Indeed, such signals tend to be more frequent and pronounced whenever Syria initiates a more assertive foreign policy initiative. The 2008 onset of talks with Israel was followed by a highly publicised visit to Tehran by an important military delegation,<sup>97</sup> most likely in response to Israeli statements that Syria should cut its ties to Iran. As a Syrian official explained, "The delegation was meant to dissociate talks over the Golan from the notion of a strategic shift away from Iran".<sup>98</sup> In August 2009, as U.S. engagement efforts with Syria intensified, Assad travelled to Iran to congratulate Ahmadinejad on his controversial electoral victory.<sup>99</sup>

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<sup>90</sup> "The Iranians are keen to have a loose government in Baghdad, whereas we stand for a strong government. Iran's agenda is to help its Shiite allies and expand its sphere of influence. Our interest is in Iraq's unity, even under a federal but sustainable state. To us partition is an absolute red line. We share these views with Turkey not Iran". Crisis Group interview, Syrian official, Damascus, March 2008. In the words of a Turkish official, "In our assessment, Syria's position is very clear and focused on Iraq's unity, integrity, sovereignty and stability. Destabilising its neighbour would not serve Syria's interests at this stage. Turkey and Syria's views on Iraq are nearly identical". Crisis Group interview, October 2009.

<sup>91</sup> Crisis Group interview, Turkish academic, Damascus, November 2009. See also "Süriye 82. vilayet gibi" [Syria: just like an 82nd province], *Taraf*, 25 July 2009. A deputy from Turkey's ruling party, Mustafa Öztürk, said, "if the people of [the Turkish-Syrian border province of] Hatay are going to open up to the world, they should think of Syria as the 82nd [Turkish] province". *Başak*, 31 July 2009.

<sup>92</sup> Crisis Group interviews, economists and journalists, Damascus, November 2009.

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<sup>93</sup> A Syrian official involved in relations with Turkey expressed his concern about the increasing influence of the "Fethullah Gülen sect", an Islamic movement whose networks extend into the Middle East. Crisis Group interview, December 2008.

<sup>94</sup> Crisis Group interview, Washington, October 2009.

<sup>95</sup> Crisis Group interview, May 2008.

<sup>96</sup> In an interview, Foreign Minister Muallim spoke of complementing the "go-East" option with a "go-West" one, insisting they were not mutually exclusive. *Al-Watan*, 19 June 2008.

<sup>97</sup> See *Tehran Times*, 28 May 2008.

<sup>98</sup> Crisis Group interview, Syrian official, Damascus, May 2008. The visit also coincided with Assad's statement to a British parliamentary delegation in which he rejected the notion of cutting ties with Tehran. *Al-Watan*, 29 May 2008.

<sup>99</sup> *Al-Watan*, 16 August 2009.

The contrast between Syria's ties with Turkey and Iran brings to light not only their differences but also their complementary nature. For Damascus, Tehran remains an indispensable partner in a context of ongoing regional instability and strategic uncertainty. The relationship provides much-needed military hardware; diplomatic leverage in dealing with Western and Arab countries (insofar as the existence of close ties – and attempts to break them – are a prime reason for their interest in Syria); and popular legitimacy (inasmuch as it facilitates Syria's alliance with Hizbollah and certain Palestinian factions). The partnership with Ankara serves separate purposes. It could stimulate Syria's economy through increased tourism, investment and, more importantly, the prospect of a more integrated region in which Damascus might play a key role; enhance its international respectability; and help manage relations with Israel.

In an environment where fundamental issues remain unresolved – including the future shape of Iraq; the direction of the Israeli-Palestinian conflict; the nature of Sunni-Shiite and inter-Arab relations; and the Iranian nuclear crisis – Syria has chosen to hedge its bets. In particular, as long as the current situation of neither peace nor war that defines its relations with Israel endures, Damascus most likely will seek to maintain – and play on – the duality of its relations with Tehran and Ankara.<sup>100</sup>

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<sup>100</sup> Rather than wedded to static “alliances”, Syria appears interested in building fluid partnerships which can be both very strong and narrowly focused on specific issues. An adviser to President Assad explained: “Right now we are part of a configuration that brings together Iran, a major Shiite power whose influence is steeped in its military capabilities and oil and gas reserves; Turkey, a major Sunni power; Qatar, an oil-rich Gulf state; and Syria, a key Arab player with a secular outlook. Who would have expected a working association between these four? It is a strong combination with considerable potential. In the right circumstances, our collective credibility among Islamist movements could enable us to make them evolve and include them in a new regional make-up”. Crisis Group interview, Damascus, February 2009. A high-ranking decision-maker said, “as a general matter, one should not deal with countries but with issues. We can side with Iran on some issues and against it on others”. Crisis Group interview, Damascus, June 2009.

### III. BETWEEN MILITANCY AND PRAGMATISM: SYRIA AT A CROSSROADS

To outside observers, Syria's intentions remain enigmatic. Its enduring ties to Iran and radical groups point in one direction, its growing bonds with Turkey and France in another,<sup>101</sup> raising the question whether it ultimately will be able and willing to move beyond its present ambivalence or will find it more comfortable to retain its militant, spoiler role even as it seeks to normalise its international status and improve relations with the West. A U.S. official put it as follows: “Assad might wish to recover the Golan, but at the end of the day will he consider the resulting benefits worth the price of forsaking his current comfort zone, undertaking a strategic realignment and jeopardising Syria's existing alliances, the leverage it derives from them and its leadership role with the Arab street?”<sup>102</sup>

History justifies a measure of caution. The current strategic posture has served the regime well; for three decades, in spite of a turbulent and often hostile neighbourhood, it has endured and displayed remarkable stability. Syria has used its ties to various groups and states to amass political and material assets, bolstering its regional role by virtue of its alliances. Change could put that at risk. As evidence of reluctance to shift course, sceptics highlight its record in negotiations with Israel, what is perceived as its uncompromising and inflexible stance and its concurrent support for violent groups, as well as the regime's alleged tendency to offer minimal gestures in response to U.S. demands – just enough to placate Washington, not enough to signal a genuine strategic choice.<sup>103</sup> They argue that continued militancy, identification with the resistance camp and belligerence toward Israel are, for the regime, important resources whose loss would come at a cost to its legitimacy, longevity and strategic weight.<sup>104</sup>

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<sup>101</sup> Under President Nicolas Sarkozy, and following resolution of the Lebanese crisis in May 2008, Paris rapidly normalised relations with Damascus. See Crisis Group Middle East Briefing N°27, *Engaging Syria? Lessons from the French Experience*, 15 January 2009.

<sup>102</sup> Crisis Group interview, Washington, November 2009.

<sup>103</sup> Examples include, inter alia, the 2003 temporary closing of “media offices” belonging to Palestinian factions based in Damascus, as well as the construction of a “sand berm”, trenches and watchtowers along the Iraqi frontier. See Crisis Group Middle East Report N°23, *Syria under Bashar (I): Foreign Policy Challenges*, 11 February 2004.

<sup>104</sup> See, eg, Carpenter, “Can the al-Asad Regime Make Peace with Israel?”, op. cit.

Yet the picture would be incomplete without consideration of potential counter-pressures, elements that are pushing Syria in a different direction. Whether they can suffice to trigger a genuine realignment – and what such a realignment might mean – is uncertain; at the very least, they are likely to be cause for serious readjustments. They also highlight the importance, in Syrian calculations, of the regional picture as a whole and of Damascus's position within it. In particular, should a decision on an agreement with Israel present itself, Syria is likely to balance its regional posture prior to and after a putative accord is reached and compare a familiar but increasingly uncomfortable status quo to an untried but potentially more rewarding alternative.

## A. ECONOMIC PRESSURES

Relatively sound at a macroeconomic level in terms of growth, foreign debt and currency reserves, Syria's economy nonetheless faces numerous, weighty challenges. The country lacks significant natural resources or human capital, most notably a qualified workforce and truly entrepreneurial business class. Its infrastructure is inadequate and aging. In contrast to years past – when the Soviet Union and Saudi Arabia provided support, when Iran or Iraq offered cheap fuel or when it in effect plundered Lebanon – Syria no longer can rely on a foreign rent. Its adjustment to a highly competitive, global economy is belated and sluggish, opposed by strong domestic interests, and undertaken with little outside support. Foreign direct investment almost certainly will remain limited unless Arab investors shift their focus from financial products and real estate to the industrial and agricultural sectors or to infrastructure building and until Syria offers a more attractive environment for Western multinationals, currently driven away by, inter alia, excessive bureaucracy, corruption, cronyism and inadequate services.<sup>105</sup>

Current circumstances have worsened matters. Although the precise effects of the global financial crisis are hard to assess, key Syrian exports such as cereals or phosphates have plummeted, severely impacting the commercial balance. In 2007, Syria reportedly became a net oil products importer for the first time since the 1980s.<sup>106</sup> That same year, the onset of a severe drought exacer-

bated the effects of man-made desertification – itself a reflection of the absence of water-management or protection policies – harmed wheat as well as cotton production and reportedly led to the internal displacement of hundreds of thousands, pushing similar numbers beneath poverty levels.<sup>107</sup> Meanwhile, the price of basic consumer goods has skyrocketed.<sup>108</sup>

Syria arguably has weathered the economic and financial storm better than others. Its relative underdevelopment, paradoxically, has meant low corporate and personal debt levels, limited foreign direct investment and small-scale tourism, thus cushioning the worldwide recession's impact. Some economists even saw a silver lining in the crisis. As a result of contracting Gulf state economies, Syria might suffer less of a brain drain; moreover, some Gulf-based investors might be willing to relocate to Syria, where operational costs are lower and construction projects have not ground to a halt.<sup>109</sup>

Yet, this hardly paints an optimistic picture. Even if less acute than elsewhere, the crisis nevertheless threatens two pillars of growth: exports and remittances from the large diaspora.<sup>110</sup> Syrian expatriate construction workers, forced to return from the Gulf, likely will burden an already saturated labour market. Members of the business elite, who had put capital into financial markets, were hit hard and appear more reluctant to invest than ever. More broadly, the overall economic environment generated by the downturn has made it both more urgent and more complicated for the government to address systemic flaws and shortcomings. In the words of a local economist, “these aren't circumstances where you can just continue improvising and hope it will work out in the

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<sup>107</sup> Integrated Regional Information Networks (IRIN), 2 September 2009.

<sup>108</sup> See for example *Al-Watan*, 23 August 2009. An economist said, “we faced 18 per cent inflation in 2008. Since 2007, the trade deficit has grown from 105 billion SYP to 185 billion SYP (roughly \$4 billion). The 2009 outlook is bleak. We are suffering from the drought and need to import 1,8 million tons of wheat. Cotton exports are dropping precipitously. The price of phosphates is falling. Both the price and production of oil are declining. All in all, we anticipate a 260 billion SYP (approximately \$5.5 billion) budget deficit in 2009. All aspects of the Syrian economy point downward”. Crisis Group interview, government adviser, Damascus, February 2009.

<sup>109</sup> Crisis Group interview, Syrian economist, Damascus, February 2009.

<sup>110</sup> Syria's diaspora is generally estimated at around 15 million. See, eg, BBC News, 28 May 2008. According to the World Bank, remittances to Syria reached \$850 million in 2008. [http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/RemittancesData\\_Nov09\(Public\).xls](http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/RemittancesData_Nov09(Public).xls).

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<sup>105</sup> In 2009, Syria ranked 143rd of 183 countries in the World Bank's “ease of doing business” classification. [www.doingbusiness.org/EconomyRankings/](http://www.doingbusiness.org/EconomyRankings/).

<sup>106</sup> See “Syria Economic Report”, Bank Audi, July 2009. Anticipations of a steep decline in Syrian oil production have been somewhat softened by new discoveries and renewed interest by Western oil companies. *The Wall Street Journal*, 14 September 2009.

end. Now, better governance has become key. That's a tall order in a country like Syria".<sup>111</sup>

The net effect has been to compel the government to press ahead with long-delayed reforms, despite considerable debate and criticism over economic policy.<sup>112</sup> To date, the transition has involved trade liberalisation, which has opened the market to foreign goods, the introduction of private banks and insurance companies and spending cuts, notably targeting subsidies. The impact, in some ways, has been severe: broad swathes of the population have been left to fend for themselves as they confront rising costs of living; local industry largely has failed to adapt; more broadly, the private sector has been unable to satisfy growing employment needs; and foreign investors are deterred by the lack of structural reform.<sup>113</sup> Critics denounce the changes as primarily benefiting a business elite involved in trade and enjoying close ties to the leadership; they argue little has been done to cushion the impact on ordinary citizens or to address core problems in the transition to a free-market system.

Some policymakers acknowledge the need for more far-reaching changes, recognising that neither standing still nor turning back the clock is sustainable. In particular, many among the leadership appear to have reached the conclusion that a functional economy requires a modicum of rule of law, which itself necessitates restoring some professionalism and independence to the country's devastated judiciary.<sup>114</sup>

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<sup>111</sup> Crisis Group interview, Damascus, February 2009. Over time, official Syrian forecasts darkened dramatically. See, eg, interviews given by Abdallah Dardari, vice prime minister, economic affairs, to Bloomberg, 19 November 2008 and Reuters, 4 February 2009.

<sup>112</sup> See *Tishrin*, Economic Supplement, 27 November 2009, pp. 2-3.

<sup>113</sup> For a sample of arguments between Syrian economists and analysts, see <http://joshualandis.com/blog/?p=4506>.

<sup>114</sup> The bar association, one of several strong professional associations set up during French occupation, was a vocal critic of several Syrian governments. It clashed with the current regime in the late 1970s and was severely repressed. See Middle East Watch, *Syria Unmasked: The Suppression of Human Rights by the Asad Regime* (New Haven, 1991). The judiciary subsequently fell victim to widespread corruption and cronyism; most lawyers and judges are remarkably ignorant of the law. A prominent foreign investor said, "a few months ago, I was telling someone very close to the president about the distinction between democracy and justice and that, without the latter, economic development is impossible. He told me Syria needed neither. Recently, I saw him again, and he had changed his mind. He described efforts they had to make to strengthen the judicial system". Crisis Group interview, Damascus, March 2009.

As a short-term measure, the regime ordered steps to curb abuses in the the informal economy. Beginning in early 2009, it launched an unprecedented anti-corruption campaign, reaching both petty embezzlement schemes<sup>115</sup> and powerful figures once believed to be above the law.<sup>116</sup> A senior official said, "pervasive corruption undermines our efforts. We've reached a stage where something serious needs to be done. Until recently we could coexist with endemic corruption. But in a cut-throat, competitive global economy hit by a deep crisis, this simply can't go on".<sup>117</sup> The effort was far from comprehensive in that the informal sector has become an integral, if not structural part of the system. Syria lacks the necessary institutional capacity;<sup>118</sup> more importantly, eradicating corruption among civil servants likely would require granting them a significant pay raise that the state cannot afford due to both lack of funds and fear of inflation. There additionally are reasons to doubt Assad would be willing to confront some of the wealthiest businessmen, whose support he will need during a rough economic transition.

Ordinary Syrians greeted the moves with a mix of surprise, satisfaction and scepticism. As one put it, "I commend this effort, but corruption is simply beyond control. This is akin to stacking up a few sand bags to

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<sup>115</sup> Hundreds of arrests were made in the health, telecommunications and local administration sectors in particular. A local journalist said, "I've never witnessed as prolonged and expansive an anti-corruption effort in Syria. It's a first for everyone here". Crisis Group interview, Damascus, June 2009.

<sup>116</sup> The most striking example concerned Hasan Khalluf, head of the customs enforcement unit, whom many had long suspected of involvement in smuggling. He was arrested in February 2009, reportedly due to his network's implication in a bomb attack on Syrian soil. Around the same time, several governors were removed; some of them were long believed to have been corrupt. The head of an intelligence service also was asked to retire, allegedly on similar grounds. According to a Syrian expatriate with close ties to the regime, "Bashar ordered the arrest of a mere corporal. Because he played an important role within the informal economy, high ranking officials tried to intercede on his behalf, but to no avail". Crisis Group interview, Damascus, June 2009. Similar examples abound.

<sup>117</sup> Crisis Group interview, Damascus, February 2009.

<sup>118</sup> According to a senior official, the fight against corruption at best would be incremental. "Beyond targeted crackdowns, Syria simply doesn't have the institutional framework to systematically fight corruption. We ratified the UN convention on corruption which initiates a process designed to provide us with the necessary capability, through technical assistance and regular reporting. The Khalluf affair had a profound psychological impact. Nobody thought this was possible. That said, others will take his place and this is why, ultimately, a robust framework is necessary". Crisis Group interview, Damascus, February 2009.

confront a tsunami".<sup>119</sup> Still, these are initial, early steps that, at a minimum, appeared designed to alter the rules of the game by redefining what is permissible and what is not. In the words of a businessman with close regime ties, "on the one hand, there is the kind of routine corruption that permeates and regulates relations between state and society. On the other, there is excessive greed that undermines the country's economy and even its security. The idea is to draw a line between the two and impose a clear cost to the latter".<sup>120</sup>

The same mixed verdict applies to the regime's early efforts to bring into line a business elite that has for decades enjoyed state subsidies while engaging in tax evasion and cronyism. A senior official said:

The Syrian industry has profited beyond all measure from past policies. But industrialists have not behaved as responsible citizens. Now we are applying the notion of constructive destruction: they need to be competitive. Some seek to pin their failure on government policies. But they possess the capital necessary to manage the transition. If they squandered it by speculating in the financial markets, that's their problem. We must ensure that competition prevails, not the rule of oligarchies.<sup>121</sup>

In one striking example, the long duopoly over the lucrative mobile phone sector, until recently dominated by businessmen closely affiliated with the regime, is due to end following the decision to introduce a third operator.<sup>122</sup> As in the case of steps to curb corruption, the question with regard to anti-competitive practices is how far the leadership is prepared to go and at what pace.

The reform process has been both slow and guarded, and the leadership almost certainly will carefully manage the pace of change.<sup>123</sup> So far, the regime has tackled

issues that were in some ways the easiest and most overdue. Still, by prying open its economy, even modestly, Syria is setting in motion a process with potentially far-reaching consequences. Brought to its logical conclusion, it could compel the government to develop alternatives to public employment, further reduce the state's role and satisfy public demands for better services, a more robust regulatory system and more modern infrastructure. The introduction of private banks and insurance companies, for example, inevitably creates its own dynamic and generates new needs. A Syrian government consultant said:

In recent years, insurance companies have been allowed to emerge, but they can't function properly in an environment where relevant norms, rules and regulations [regarding such matters as housing construction or driving] either don't exist or aren't implemented. They engage in a form of collective lobbying on behalf of new legislation and, indirectly, a stronger judiciary. The gradual shift from traditional, family businesses to professional companies affects the economy as a whole, as they need a more market-friendly environment. Pressure is also emanating from newly-established private banks. They are calling for easing foreign currency regulations and combating the black market.<sup>124</sup>

A senior official put it as follows:

The easiest reforms, such as liberalising the banking sector, are behind us. Now we must tackle issues such as the labour law, which is highly contentious even in developed countries. The key is to guarantee freedom of work, movement and capital. Each one of these areas needs a strong regulatory structure, which means building new institutions. For that, we lack human resources and experience. We will need transfer of know-how and foreign expertise. Some argue that we risk a dangerous social disruption. My answer is: should we stop now, wait for a severe social crisis to arise due to our defective economy and act

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<sup>119</sup> Crisis Group interview, Damascus, April 2009.

<sup>120</sup> Crisis Group interview, Damascus, April 2009. He drew a contrast with Bashar's earlier efforts which fizzled: "In the late 1990s [as he was groomed to assume the presidency], Bashar tried to present himself as a moderniser and enemy of corruption. He soon basically relinquished the corruption file. Presumably, he realised that the system could resist. After that, he focused on other things. You simply can't open the domestic front when you face so many foreign challenges".

<sup>121</sup> Crisis Group interview, Damascus, February 2009.

<sup>122</sup> For details, see *Syria Today*, September 2009.

<sup>123</sup> A senior policymaker said, "the notion of a 'right' pace is subjective. What is important is to keep moving. Our objective is to move as fast as we can without incurring excessive risks. We are and must be cautious. With the economic crisis, some Syrians are starting to understand why we are not moving as fast as they wish. Some of those who were eager to introduce a stock exchange [finally launched in March 2009] now are trying to slow things down. We say, 'let's get it going,

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but with enough checks and controls". Crisis Group interview, Damascus, October 2008. "The Damascus Stock Exchange was resisted by many, notably within the party, who saw it through a socialist lens, as a factor contributing to greater concentration of wealth. The president is the one who pushed ahead". Crisis Group interview, stock exchange official, Damascus, March 2009.

<sup>124</sup> Crisis Group interview, Damascus, March 2009. "Reforms have generated resistance from vested interests in all fields. For example, parliament rejected attempts to liberalise the banking sector in 2001. Still, the government ultimately pushed through, thus setting a precedent; as a result, establishing an insurance sector proved much easier. The whole reform process is slowly picking up speed". Crisis Group interview, Syrian business consultant, Damascus, April 2009.

only then? Or should we push ahead while preserving social cohesion as best we can? Pointing to the risks doesn't provide us with an alternative. This country needs an economic policy.<sup>125</sup>

To engineer deeper reforms – transitioning the workforce toward the private sector; streamlining a dysfunctional bureaucracy; refurbishing its obsolete infrastructure; cutting back corruption and cronyism – will require a fundamental restructuring. Several core features of the country's political economy could be called into question: the state's redistributive functions, including through recruitment within a bloated administration; the implicit partnership between the informal and public sectors; and acquiescence in the business elite's illicit activities.

The prospect of such a transition, however carefully managed, by definition is daunting and entails significant political risk. To navigate such uncertain waters, the regime will need considerable external help, particularly from the West, and a pacified regional climate. Both of these in turn likely would require adjustments in diplomatic posture and foreign policies. An official harbouring grave doubts about the wisdom of the current reform effort stated:

The president is taking risks of such magnitude that he absolutely needs the regional climate to be right. Personally, I think that – short of signing a peace deal with Israel – we simply cannot win this gambit and undertake such profound changes.<sup>126</sup>

## B. SOCIAL DYNAMICS

The regime is caught in a contradiction, having an interest in promoting a secular outlook even as it pursues policies that risk fostering the reverse. Historically, the three institutional pillars of secularism comprise an extensive state apparatus at the service of a socialist-inspired economy; dominance by the Baath party and its pan-Arab rhetoric; and a far-reaching security apparatus exercising tight control over the public sphere. All three have been eroding.

Saddled with a rapidly growing population and an archaic economic system, the state currently faces ever greater

challenges in providing jobs and services. It has been forced to slash subsidies and, more generally, surrender its role as ultimate welfare provider and social safety net. It has retreated from the countryside, where the drought has compounded an ongoing rural exodus. With high unemployment and inflation rates (in the latter case, affecting housing and basic consumer goods in particular) as well as new consumption patterns resulting from a more open economy, the gap between haves and have-nots is more visible, plainly challenging the state's self-proclaimed ideological principles. A once robust public sector middle class has been hit hard by the economic transition and progressively is being replaced by a smaller but highly visible, economically liberal, socially conservative and religious middle class connected to the private sector.<sup>127</sup> Yet, even as young job-market entrants are steered away from public employment, the private sector is too frail to offer a genuine alternative.

Baath party membership remains high, but individual motivation and overall vision virtually have dissipated. Syria's foreign policy, which long ago shed the elusive quest for Arab unity, contradicts Baathist doctrine as much as does its economic orientations. The National Command – in theory the source of party ideology – has not revisited its original tenets in any meaningful way, and there even is talk that it may eventually disband. The party newspaper, *Al-Baath*, is on life-support. The Baath has had no role in a series of critical issues or debates in which, in theory, it ought to have played a predominant part – addressing the country's rural predicament, industrial liberalisation, administrative reform, youth development and new personal status legislation.

During signal events – the 2007 presidential plebiscite and protests against the 2008-2009 Gaza war – Baath leadership and participation were secondary. In both cases, the security services played a key part in mobilising demonstrators, while the business elite took the lead in organizing festivities during the plebiscite, and Islamic associations drummed up popular opposition to

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<sup>125</sup> Crisis Group interview, Damascus, February 2009. "We've been talking about a market economy for five years. But apart from banks and a stock exchange, there have been few practical changes. Most officials remain steeped in socialist ideology. That's what they've known all their lives. To really change clothes, one has to begin by undressing". Crisis Group interview, government economic adviser, Damascus, February 2009.

<sup>126</sup> Crisis Group interview, government economic adviser, Damascus, May 2009.

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<sup>127</sup> "State employees feel the crunch. Salaries have increased by 60 per cent overall since 2005, while inflation reached 45 per cent during the same period. However, needs today are different; consumption requirements much higher. People have to pay their phone bills and car loans. This explains why they feel squeezed. It is typical of transition phases. More broadly, we've witnessed a turn to the right worldwide, not just in the West and in Israel. In Syria, this has translated into a turn toward religion. The new middle class is business-oriented and religious. The old middle class, comprising party cadres and civil servants, is disappearing. Many people within the system are incapable of grasping this change, or simply resent this societal shift toward the right, the private sector and religion". Crisis Group interview, senior Syrian official, Damascus, February 2009.



the war. Likewise, pan-Arab rhetoric has been replaced by a “resistance” discourse that owes more to Syria’s Islamist allies than to the state.

Although vast and powerful, the security apparatus has been hard pressed to manage deep societal changes. By and large, it has prevented Islamist militants from staging attacks on domestic soil, using an effective mix of accommodation and repression. But it has been unable to do more than contain a growing and worrying pattern of sectarian clashes.<sup>128</sup> More broadly, it has failed to insulate society from regional dynamics. The Western versus Islamic and Sunni versus Shiite divides; spread of Salafism, a fundamentalist, revivalist and missionary form of Islam that now permeates other Islamic schools of thought;<sup>129</sup> loss of credibility of Arab regimes coupled with the rise of non-state actors; and declining faith in the peace process all resonate deeply, spreading through transnational media outlets as well as economic and interpersonal networks.

Ironically, Syria’s strategic posture – its close ties to Iran, Hamas and Hizbollah, its promotion of resistance against Israel and support to a Salafist-oriented Iraqi insurgency – has fuelled trends that threaten its social cohesion and stability.<sup>130</sup> Although such dynamics are region-wide and would exist no matter what, Damascus has done more to foster than to curb them.

In addition, a hallmark of Bashar’s rule has been to reach out to non-militant albeit highly conservative constituencies. The regime promoted Sunnis to positions of power,<sup>131</sup>

restored ties to Aleppo – a religious stronghold with whom relations have been tense since the violent repression of the Muslim Brotherhood in the late 1970s and early 1980s<sup>132</sup> – adopted a more religious demeanour<sup>133</sup> and widened the space for a vigorous, if apolitical Islamic civil society.<sup>134</sup> Such measures lessened distrust between the regime and its majority Sunni population, but they are not risk-free. Inasmuch as mainstream Islamist activism aims at a gradual reshaping of society, they represent a clear longer-term challenge.<sup>135</sup>

For the regime, this is a matter of constant, often uncertain and unsatisfactory balancing between competing goals and interests.<sup>136</sup> This was most sharply in evidence in 2008, when it shifted from a more militant to a more pragmatic foreign policy, engaging in indirect talks with Israel, seeking compromise in Lebanon, building a new relationship with France and rebalancing its approach toward Iraq. All this caused tensions with Islamists and threatened the governing *modus vivendi*.

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is far more broad-minded in his nominations than his father ever was”. Crisis Group interview, Damascus, May 2009.

<sup>132</sup> For much of Hafez’s rule, Aleppo essentially was a no-go zone for the regime during night-time. Reciprocal hostility simmered just beneath the surface. In contrast, Bashar has promoted individuals hailing from Aleppo to important posts, established a secondary residence in the city and made a point of inviting prestigious guests there. The Syrian-Turkish summit held in Aleppo to inaugurate the two neighbours’ High Level Strategic Cooperation Council marked the high point of this rehabilitation process.

<sup>133</sup> For example, videos of one of the president’s sons reciting the Koran were leaked.

<sup>134</sup> Islamic charities, educational facilities, cultural products such as religious books and chants, and social (notably female) networks have thrived. Some prominent prayer leaders have acquired a large audience through radio programs. Thomas Pierret, “Sunni Clergy Politics in the Cities of Ba’thi Syria”, in Fred Lawson (ed.), op. cit.; Annabelle Bottcher, “Islamic Teaching among Sunni Women in Syria”, in Donna Lee Bowen and Evelyn A. Early (ed.), *Everyday Life in the Muslim Middle East* (Bloomington: 2002), pp. 290-299. On the charitable sector, see Thomas Pierret and Kjetil Selvik, “Limits of ‘Authoritarian Upgrading’ in Syria: Welfare Privatization, Islamic Charities and the Rise of the Zayd Movement”, *International Journal of Middle East Studies*, no. 4, November 2009.

<sup>135</sup> A senior official defined the challenge: “We have a secular state but we need a secular society more than a secular state; the latter is unsustainable without the former”. Crisis Group interview, Damascus, October 2008.

<sup>136</sup> The same is true, in a way, of Syria’s policy toward its Islamist allies. Hizbollah’s initial goal of Islamising Lebanon’s political system was a source of conflict with Damascus. Later, the movement formally relinquished this aim. Among all Syria-based Palestinian factions, Hamas reportedly enjoys the least freedom of manoeuvre in terms of social, religious and mobilisation activities, precisely because of its greater popular appeal. Crisis Group observations, 2006-2009.

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<sup>128</sup> See, eg, Crisis Group Report, *Failed Responsibility*, op. cit., p. 20.

<sup>129</sup> “Damascene Islam traditionally was highly flexible and pragmatic. But a Salafist influence is taking its toll, as for that matter within all Islamic schools of thought”. Crisis Group interview, businessman with ties to the regime, Damascus, August 2009. An analyst said, “the Salafist trend in Syria receives financial backing from within Saudi Arabia, where 900,000 Syrian expatriates reside. One entry point is the [women’s network] Qubaysiyyat, which has been recruiting within the elite, even within Baathist families”. Crisis Group interview, Damascus, October 2008. On Qubaysiyyat, see *The National*, 12 September 2008. For an overview of Salafist inroads in Syria and the resiliency of the traditional religious elite, see Thomas Pierret, “Les cadres de l’élite religieuse Sunnite: espaces, idées, organisations et institutions”, *Maghreb-Machrek*, no. 198, winter 2008-2009.

<sup>130</sup> A senior Syrian official remarked: “Extremism within our society has worsened as a result of poverty and despair. This pushes people to extremism, and there is a thin line between extremism and terrorism. But this also is due to events in Iraq and Lebanon. Sectarianism in those countries increasingly threatens us”. Crisis Group interview, Damascus, October 2008.

<sup>131</sup> Commenting on the growing number of prominent Sunnis within the regime, a well-connected businessman said, “Bashar

A series of low-level incidents in which security services clashed with jihadist elements reached its apex in September 2008, when a brazen bomb attack targeting a sensitive location on the outskirts of the capital, allegedly linked to military intelligence, prompted a wave of arrests, extending well beyond the most militant, activist circles.<sup>137</sup> At the time, a senior security official said:

We are at a crossroads. The truce with jihadis which stemmed from our support for resistance movements has ended. Since the attack, 800 people have been arrested. All in all, 1,700 jihadists have been detained in Sednaya prison. But we cannot sustain an all-out confrontation for very long if the West continues to snub us. It's up to the West to understand who its allies are. Otherwise, we'll ultimately have to reconcile with the jihadists.<sup>138</sup>

Alongside the crackdown came various measures designed to regulate Islamic educational and charitable activities.<sup>139</sup> A Syrian analyst commented: "The decision has been taken to 'resecularise' Syrian society. This had been impossible while Syria's back was left exposed to outside pressures and conspiracies".<sup>140</sup>

By early 2009, the Gaza war partially had reversed this trend. The extent of Palestinian suffering outraged public opinion at home and within the larger region; in this sense, Damascus's support for Hamas and strong condemnation of Israeli actions resonated widely. More in tune with regime policy, Islamist militants dropped their attacks and confrontational stance. Tensions between government and Islamist networks eased markedly. A security official asserted: "During the war, we did not witness a single incident nor, indeed, suspicious activity of any kind".<sup>141</sup> The Syrian branch of the Muslim Brotherhood, which decades earlier had been brutally repressed after it staged a series of sectarian killings, commended the regime for its posture and, soon thereafter, broke with the

National Salvation Front, an opposition coalition founded by former Vice President Abd al-Halim Khaddam.<sup>142</sup>

The Gaza war illustrated the extent to which popular perceptions of its militant posture matter to the regime – both strengthening its domestic standing and broadening its regional outreach. Under normal circumstances, such perceptions can help mitigate the impact of widely resented domestic policies. During crises such as Gaza, when public outrage soars, Damascus enjoys a clear advantage over its Arab rivals; more generally, anger at Israel outweighs ordinary Syrians' many other grievances. But there is a cost, for sentiments that buttress the regime can also threaten it. A Syrian analyst said, "the regime can handle poverty and Islamisation as long as our foreign policy by and large remains to the people's liking".<sup>143</sup> Yet, a foreign policy to the people's liking is liable to fuel the Islamisation that the regime fears. Following the Gaza war, officials were at pains to emphasise their enduring commitment to the peace process.<sup>144</sup> At the same time, they stressed that the surrounding mood was shifting in ways that could make it increasingly difficult for this to last.<sup>145</sup> In the analyst's words:

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<sup>142</sup> The Brotherhood's Syrian guide, Ali Sadr al-Din Bayanuni, explained the move to Al-Jazeera, 3 April 2009. The day before, in an interview whose timing almost certainly was not coincidental, Bashar had laid the groundwork for possible talks: "The door is always open for dialogue in this regard. The major clash took place between the Muslim Brothers in Syria and the government in the 80s. All those who went to prison in that period are now free". *Al-Sharq*, 2 April 2009. Much speculation ensued as to a possible reconciliation, which has yet to materialise. See for example *Al-Quds al-Arabi*, 10 and 30 August 2009.

<sup>143</sup> Crisis Group interview, Damascus, June 2008. "The assumption is that [in] Syria, a strong security state, popular views don't count. Well in some cases they drive policy. The radicalisation and growing hatred of U.S. policies within society is something that, increasingly, the state can't ignore". Crisis Group interview, Syrian analyst, Aleppo, March 2008.

<sup>144</sup> "Syrian public opinion for now is completely absorbed by the Gaza tragedy. It is an issue that deserves priority. But it doesn't mean that what happened alters the course we have set for ourselves. Peace has been our strategic choice for years. We are not optimistic, however. The war in Gaza said a lot about Israel's willingness to make peace. So even though there is no link between Gaza and the issue of talks with Israel, there is no hurry either". Crisis Group interview, Syrian official, Damascus, February 2009.

<sup>145</sup> Bashar said in an interview, "it is possible that a generation that does not accept peace talks might come. The notion of resistance is growing, and the difference between the operations of the resistance twenty or 30 years ago and those carried out now is very clear. Israel is heading to a future that does not serve its interests. In general, people are turning to support the resistance. First, 'biologically' and second, practically. There is no other option". *Al-Sharq*, 2 April 2009.

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<sup>137</sup> The crackdown targeted some well-known prayer leaders and members of Islamic charities. Some neighbourhoods were placed under virtual curfew. Individuals were reportedly arrested for dressing in Islamic style. A Hamas military wing official claimed he had shaved and changed his clothing habits to avoid unnecessary interrogation. Crisis Group interview, Damascus, November 2008.

<sup>138</sup> Crisis Group interview, Damascus, November 2008.

<sup>139</sup> Al-Jazeera, 17 November 2008. Measures included the unification of curriculums and the restriction of Islamic educational centres to Syrian students. Crisis Group interview, local journalist, Damascus, November 2008.

<sup>140</sup> Crisis Group interview, Damascus, October 2008.

<sup>141</sup> Crisis Group interview, Damascus, February 2009.

The regime believes it will not survive a combination of economic pressures, growing Islamism and an unpopular foreign policy. It can handle the first two by channelling them into support for Islamic resistance movements. People complain about their daily plight. But at least, they can make sense of it. They are far more religious and anti-American than they were in the 1990s.<sup>146</sup>

Current social trends are an asset to a regime that can use them to strengthen its legitimacy – but only so long as they do not deepen to the point of becoming a liability.

### C. REGIONAL CHALLENGES

Viewed from Syria, the regional landscape is decidedly mixed. Damascus emerged largely unscathed from a period of virtually unprecedented pressure from the U.S., France and key Arab states. In many ways, regime policies have been vindicated. Attempts to undermine Syrian interests in Lebanon came at an excessive cost to the latter; a national unity government has been formed, and allies command a strong position, both politically and on the ground. The Israeli-Palestinian morass, bankruptcy of the diplomatic process and ensuing erosion of Fatah's and the Palestinian Authority (PA)'s credibility have weakened Arab rivals (notably Egypt) and bolstered the legitimacy of more militant views (thus to an extent strengthening Syrian allies), while simultaneously reinforcing the sense of Syrian centrality.

Syria also gained something from the Iraq war, in that the U.S. experiment in regime change proved so painful that it reduced any appetite for a repeat. Inter-Arab dynamics, likewise, provide some cause for satisfaction. Egypt's influence has withered; relations with Saudi Arabia recently have warmed up; and Syrian allies (Iran, Turkey and, to a lesser extent, Qatar) have bolstered their leverage.

But the notion that Syria is sitting comfortably atop the status quo is partial and misleading. Damascus assesses the current situation to be neither static nor sustainable; rather, it sees a confluence of ominous tensions and fault lines. In January 2009, just as President Obama was taking office, an official offered a bleak assessment:

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According to a senior official, "the Arab street is moving. Everyone seems to focus on what Israel desires, whereas no one pays attention to the Arab street, under the pretext of authoritarianism, which would make it irrelevant. But one should follow these trends more closely. The opportunity for peace will not last forever. It's crucial to seize that opportunity now". Crisis Group interview, Damascus, June 2009.

<sup>146</sup> Crisis Group interview, Damascus, June 2008.

The situation in the region is on a knife edge. The sudden Gaza flare-up is but an illustration. The Arab world is deeply divided. The roots of the crisis run deep, from the Iraq invasion and the way the war on terrorism has been conducted to the collapse of the peace process and the confrontation with Syria and Iran. Circumstances in Iraq remain far from resolved; that would require an internal power-sharing agreement coupled with a solution that fully incorporates its neighbours. Egypt is dangerously unstable. Saudi Arabia's succession could prove chaotic. Gulf state societies remain fragile. Nor is Syria at its best: we don't have the economy to indefinitely sustain such regional tensions.<sup>147</sup>

Since then, and despite some improvements, there has been no radical change. Notwithstanding the apparent resolution of the government crisis, circumstances in Lebanon – which Damascus sees as its strategic soft belly, which inevitably reflects and amplifies regional tensions and whose fragile political fabric could evolve in ways unfavourable to its neighbour – remain precarious.<sup>148</sup> Sectarian tensions run high, principally opposing Sunnis (a majority of Syria's population) to Shiites (who have become Syria's more reliable allies), and threatening to spill across the border. Iraq could yet become a failed state, not merely reflecting regional tensions but generating them and, again, placing Syria in an awkward posture – allied to Iran which supports Shiite Islamist parties to which Syria is opposed.

Signs of unease concerning evolutions on the Arab-Israeli front are equally perceptible. Syria had become accustomed to, and comfortable with, a set of longstanding Arab-Israeli dynamics: a diplomatic process that might not have succeeded but persisted nonetheless in pursuit of a comprehensive settlement; a relative consensus on the end goal (resolution of the dispute via territorial withdrawals); tacitly agreed mechanisms and rules of engagement to manage violent conflict; and a state-centred process in which Syria held a critical position and could modulate the actions of non-state actors (notably Hizbollah) to increase pressure on Israel when deemed use-

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<sup>147</sup> Crisis Group interview, Damascus, January 2009.

<sup>148</sup> Efforts to contain Iranian influence, the Arab-Israeli struggle, inter-Arab disputes and sectarian friction all play out in Lebanon. In January 2009, a Syrian academic said, "Lebanon remains critical, but its importance has shifted. Before 2005, Syria saw Lebanon as a strategic asset; it used to be taken for granted that it would behave as a friend and ally. After that, it began to look more as a potential threat. Today, we know that the clash between so-called moderates and others, namely the Arab cold war, is very real, and that Lebanon is its main playground. Lebanon is related in one way or another to all regional hot spots". Crisis Group interview, Damascus, January 2009.

ful. In recent years, each of these has been either challenged or changed.

The habitual balance between negotiations and violence has tilted toward the latter; when negotiations revived in 2008 – involving Israel, the PLO, Syria and, albeit indirectly, Hamas – they were short-lived and punctuated by a burst of violence in Gaza. Although Syria often has been accused of obstructing progress on the Palestinian track and has bolstered Hamas, officials see dangers in the current fragmentation of the Palestinian national movement and the territorial split.<sup>149</sup> As faith in a negotiated solution dwindles, popular support shifts to more militant modes of action in which – rhetoric aside – Syria has little to offer and from which it has much to fear. Concurrently, non-state actors that are often Syrian allies but not under its control – particularly Hamas and Hizbollah – are gaining in influence, resonating with Arab public opinion and acquiring an autonomous, unpredictable influence as well as leverage.

The Arab-Israeli fault line increasingly is morphing into an Arab-Persian divide, placing Syria in an uncomfortable position and harming its relations with Arab states upon whom it must rely to achieve some of its main diplomatic goals.<sup>150</sup> Efforts in South Lebanon have focused on containing Hizbollah (by strengthening the UN presence and deploying Lebanese troops) and, through Israeli threats of wide-scale retaliation, heightening the cost of any future confrontation. All this leaves Damascus with few effective tools or means of pressuring Israel without provoking an all-out war.<sup>151</sup>

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<sup>149</sup> Syrians say they fear that, should the divide continue, Gaza would fall under Egyptian domination and the West Bank under Jordan's, hurting their own interests. Crisis Group interview, Syrian official, Damascus, February 2009. According to a well-connected businessman, "the divide between Gaza and the West Bank threatens Syrian interests. It means Gaza ultimately will be absorbed by Egypt and the West Bank by Jordan. It's only a matter of time". Crisis Group interview, Damascus, February 2009.

<sup>150</sup> A Syrian analyst commented on "a shift in the region's centre of gravity from the Israeli-Palestinian conflict toward the Gulf". Crisis Group interview, Damascus, January 2009.

<sup>151</sup> Tellingly, since 2006, the Israeli-Lebanese border – historically Syria's chief point of pressure on Israel – has been as calm or calmer than at any time in recent decades. Crisis Group interview, senior UN official, Beirut, September 2009. A United Nations Interim Force in Lebanon [UNIFIL] official said, "the past two and a half years [since the 2006 war] have been the quietest period ever. Not a single violent incident directly opposing Hizbollah and Israel has been reported. This is a strategic change". Crisis Group interview, Beirut, January 2009.

Should they persist, such trends could – or so Syrian officials believe – threaten the relevance of the comprehensive peace paradigm Syria endorsed in the early 1990s as the acceptable framework and source of legitimacy for its own negotiations. They would adversely affect relations with Western countries and their Arab allies, which traditionally have been underpinned and regulated by the peace process. Washington defined its approach to Damascus at least partly in terms of how best to promote a settlement with Israel, and critical outstanding issues (notably Syrian relations with Hamas and Hizbollah) inherently are tied to this question. Likewise, Syrian relations with more pro-Western Arab regimes partially have been based on common pursuit of this goal.<sup>152</sup>

A clear collapse of the Palestinian track would harm its Syrian counterpart; while Damascus long ago decoupled its efforts to recover the Golan from the Palestinian endeavour, this was in the context of ongoing Israeli-Palestinian talks (and after the Palestinians themselves had sought to strike a deal on their own through the Oslo Accords). The context would be far different, and talks with Israel more difficult to justify, were Syria to pursue them in the face of utter paralysis with the Palestinians, whom it would then appear to be abandoning and betraying.<sup>153</sup>

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<sup>152</sup> A Syrian official remarked: "Talks with Israel definitely would help our bilateral relations with the U.S. They could help rid the relationship of the 'war on terror' framework and help resolve the question of our ties to groups they call terrorists and we call freedom fighters. A tangible, credible peace process in which the U.S. plays a positive role would be of significant assistance. They would be supporting us in pursuing our national priority and addressing our national interests. That changes the relationship". Crisis Group interview, Damascus, May 2009. A U.S. official said, "over time things will become very difficult with Syria if there are no prospects for peace, if only because Syria would then more likely use proxies to make Israel's life more difficult which, in turn, would interfere with U.S.-Syrian relations". Crisis Group interview, Washington, May 2009. Regarding inter-Arab relations, a Syrian official explained: "We are in a context defined by the collapse of the Arab system. The Israeli-Arab conflict was what sustained a minimum of unity, but now everyone goes his own way. Because we alone support the option of resistance, we have become the Arab world's bad conscience. This has generated considerable bitterness from so-called moderate regimes". Crisis Group interview, Damascus, June 2008.

<sup>153</sup> Making a broader point, a Syrian analyst said, "if Israel's purpose in negotiating with us is not comprehensive peace but to take Syria out of the equation and give it a free hand against Hamas or Iran, this will not work. For the Syrians, it would be strategically dangerous to accept that". Crisis Group interview, Syrian analyst, Damascus, January 2009.

#### IV. AN UNCERTAIN TRANSITION

Regional instability is a double-edged sword, increasing both Syria's incentives for a regional reshuffle and its fears concerning what that might entail. For Damascus to alter its ties with traditional allies during a period of regional turbulence is a high-risk proposition: it would know what it is forsaking without knowing what it might gain. As a result, just as many in the West insist that Syria's behaviour must change in fundamental ways in order to stabilise the region, Syrian officials maintain that the environment's volatility impels them to be cautious, hedge their bets and avoid any precipitous move pending greater clarity on where the region is heading, what others intend to and will do. Only once reassured about the region's direction and, centrally, about its role within it, might Syria contemplate more profound strategic shifts. A Syrian analyst put it as follows:

Syria can develop a vision and engage in tactical moves, but it is not in a position to develop a strategy. The region remains at a crossroads that leads to war, peace or chronic conflict. The path we choose largely will be determined by what others do, and our policies, therefore, result above all from day-to-day reassessments and adjustments.<sup>154</sup>

Several factors likely will weigh heavily in Syria's calculations. It will be careful not to move prematurely and risk alienating current allies without at a minimum having secured complementary ones (regional or more widely international). In this sense, its ability to adjust its strategic stance also will be, in part, a function of its allies' situation and perceptions at the time. The more Iran, Hizbollah or Hamas feel pressured, the more they interpret Syrian moves as betraying them at a critical juncture, the harder it will be for Damascus to display signs of greater autonomy or distance from them. As a result, if the region is polarised – along either political or sectarian lines – and its historic partners are embattled, Damascus will feel compelled to redouble signs of loyalty toward them and thus be pushed back toward axis politics. Conversely, were the U.S. and Iran to engage and Washington to relax its position toward Palestinian reconciliation, Syria's manoeuvring room would be enhanced.

Syria also will want to ensure that, in the wake of a peace agreement, it still will enjoy influence in multiple arenas, such as Lebanon, Iraq or the Palestinian field. It will seek to preserve, even if in a different form, the multiple and at times contradictory relationships which constitute a critical asset and without which its strategic value would

erode. As officials see it, Washington and other Western capitals are interested in Syria because of its ties to Iran, Hamas and Hizbollah, not in spite of them.<sup>155</sup> A senior official said:

Syria can punch above its weight or below its weight. It can be bigger than itself or smaller than itself. It cannot be its actual size. Many, notably in the U.S., want us to cut ties with Iran, Hizbollah and Hamas. Suppose we do. Then we will be weak and have nothing to deliver. At that point, why would the U.S. retain any interest in us? They don't need relations with a weak country. And to be strong, we need good relations with a number of key players. Our ties to our allies may contribute to understanding the issues and finding solutions.<sup>156</sup>

Likewise, Damascus will aspire to play the role of regional transit point for oil and gas traffic as a means of buttressing a fragile and transitioning economy. The ambition is to be at a crossroads of regional trade as well as energy transit and to connect oil and gas pipelines linking Iraq and the Gulf to the Mediterranean and Europe.<sup>157</sup> Going further, some Syrians conceive of their country as the economic bridge between four seas: the Mediterranean, Caspian, Black Sea and Gulf.<sup>158</sup> Consolidating overland trade routes is part of this scheme, as is connecting the aging railroad network to its neigh-

<sup>155</sup> In an interview during a visit to Paris, Bashar applauded France's apparent new understanding of Syria's relationship with Iran: "For the first time, it is not about Syria moving away from Iran and how to isolate Iran. It is a realistic and practical proposal: how to get involved with Iran. If Syria's relationship with Iran is strong, let us view it in a positive manner: How can Syria help in the Iranian dossier?" *Al-Jazeera*, 13 July 2008. In practice, however, Iran appears to have little interest in Syrian intercession. Crisis Group interviews, Tehran, March 2009.

<sup>156</sup> Crisis Group interview, Damascus, October 2008.

<sup>157</sup> "Discussions are ongoing to reactivate the pipeline that stretches from Iraq to the Syrian Mediterranean coast; ultimately, the idea is to replace this antiquated pipeline with a new one whose capacity could reach 1.5 million barrels a day. But Syria's dream is to become a regional gas hub. Iraq's gas reserves are as huge as they are underdeveloped. Several possibilities exist in terms of export routes when it comes to the North: Turkey, Syria, Jordan and Israel are all on the starting block. Syria has even set up the appropriate infrastructure. Then you have the Arab gas line that flows from Egypt and currently stops in [the Syrian city of] Homs. Ultimately, it will be connected to Turkey. Syria's future position in this emerging framework is difficult to foresee: things won't be decided soon, and they involve many players and massive interests". Crisis Group interview, senior oil industry executive, Damascus, March 2009.

<sup>158</sup> See, eg, the editorial in the semi-official *Al-Watan*, 22 June 2009.

<sup>154</sup> Crisis Group interview, Damascus, September 2008.

bours'.<sup>159</sup> Integrating regional electrical grids and water management policies also is on the agenda. In this respect, Damascus not only embraces Ankara's vision of an integrated region, but sees its rapprochement with Turkey as the best means to secure its own role.<sup>160</sup>

In other words, an "either-or" paradigm – either Damascus maintains strong relations with militant allies or cuts them; either it maintains its current regional ambitions and outlook or drops them – inadequately captures the full range of options or preferences and the dynamics at play in its decision making.

For now, the question ought to be what, concretely, one might expect from Syria in three critical areas of concern – Lebanon, Iraq and the Israeli-Arab conflict – and what reciprocal steps the West and others will need to take in order to bring about positive Syrian moves.

□ *In Lebanon*, and regardless of international or regional circumstances, Syria's priority will be to retain its influence; only the degree of that influence and the manner in which it is exercised will be at play. In a closed meeting with the Baath party's central committee on 5 November 2009, Bashar reportedly defined Syria's interests in Lebanon strictly in terms of preserving Syrian security.<sup>161</sup> Assuming such core interests are not endangered – in other words, if the U.S. and others conclusively turn the page on Bush administration policies in which Lebanon was used to weaken and isolate Syria – Damascus potentially could agree to take a step back, allow Lebanese politics to play out and accept greater assertion of Lebanese sovereignty.

To be sure, this will remain a constant tug of war between Syrian ambitions and what others, Lebanese included, can accept. But, to a degree, the process already has begun, as will be more fully discussed in the companion report. It is, for example, what transpired in the context of the May 2009 Lebanese parliamentary elections, whose results Syria accepted despite the fact that they turned to its adversaries' advantage. Although it likely would have preferred

to see its allies prevail, the regime also had qualms about seeing Hizbollah on the front lines – thereby increasing prospects of confrontation with Israel. It also felt relatively comfortable with the situation that resulted from the Doha agreement,<sup>162</sup> convinced its core interests had been protected. Its main focus, as a result, was less on the elections than on their aftermath. There, its strong preference was for a national unity government that would perpetuate the status quo, maintain the existing balance of power and ensure continued Syrian influence.<sup>163</sup>

Once the pro-Western March 14 coalition won, Syria was prepared to accommodate the new reality but, predictably, unwilling to undermine its own position by pressuring its allies to accept a power-sharing formula falling short of their principal demands. The tipping point reportedly came at an October summit between President Assad and Saudi King Abdullah bin Abd al-Aziz, when Damascus and Riyadh settled on a common approach: giving Lebanese politicians the space to sort out their internal problems, while seeking to immunise Lebanon from the wider regional conflict.<sup>164</sup>

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<sup>162</sup> In May 2008, armed Hizbollah militants descended on parts of Beirut in reaction to the government's attempt to challenge the movement's internal telecommunications system, key to its military effectiveness and intelligence capabilities, as well as its high-ranking officials' personal security. The crisis ended with an agreement reached in Doha to form a national unity government in which the Hizbollah-led opposition would have sufficient seats to block any unilateral move by the majority, pending elections in May 2009 under a revised electoral law.

<sup>163</sup> On election eve, an official said, "whoever wins in Lebanon, we want a national unity government. Even if March 8 [the Hizbollah-led opposition] has more weight in the government than it had in the past, it won't be a Hizbollah government; we don't want a repeat of Hamas' experience". Crisis Group interview, Damascus, May 2009. In contrast, in the words of a U.S. diplomat, "there is a strong constituency in Washington that thinks that Lebanon is a strategic U.S. interest and that a March 14 victory is a national imperative. They are focused on the elections results rather than on the formula that will emerge in its aftermath. For its part, Syria appears to care more about what form of government will materialise than about who wins. Syria has an interest in a no winner/no loser situation that gives Hizbollah veto power without the burden of being seen as the dominant force within a ruling coalition". Crisis Group interview, Damascus, April 2009.

<sup>164</sup> In the words of a Syrian official, "for the sake of stability, the country needs a consensus government. Lebanon never was stable when the majority sought to rule the minority. Lebanon needs a cabinet that can take care of the economy and turn away from regional politics. Now our Lebanese detractors know their limits; they realise they can't transform the region. They used to talk of Lebanon as if it were a superpower. But global interest in Lebanon has waned, and realities are

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<sup>159</sup> See, for instance, *Al-Thawra*, 20 August 2009.

<sup>160</sup> "This vision is crucial, not just for Syria but for others. EU states must understand how useful our role could be, to counter Russia's erratic behaviour. We don't claim to be the linchpin between producers and consumers of energy. But in conjunction with Turkey, we have much to offer toward a stable and secure flow. Turkey and Syria are moving toward becoming a unified economic system, which we are expanding to Azerbaijan, a major gas supplier". Crisis Group interview, senior Syrian official, Damascus, October 2009.

<sup>161</sup> Crisis Group interviews, Baathist officials, Damascus, November 2009.

Such an outcome evidently falls short of the hope, harboured by some in the West, that Lebanon would tilt in their direction and by extension both modify regional dynamics and undermine Syrian influence. Still, were it to endure and deepen, it potentially could offer Lebanon the period of tranquillity it requires to restore constitutional rule, implement long overdue internal reforms, build more effective institutions and, over time, strengthen its sovereignty from the bottom up by consolidating a state apparatus whose shortcomings historically have paved the way for outside interference.<sup>165</sup> At the same time, of course, the work of the international tribunal dealing with Hariri's assassination will need to continue, without obstruction.

- Over *Iraq*, the principal U.S. demand has been for Syria to do more to help stabilise the situation, prevent foreign fighters from crossing the border and turn over to Baghdad individuals wanted for their ties to the insurgency or the former regime. Under existing circumstances, this is unlikely to happen, at least to Washington's satisfaction. An effective policy of eliminating cross-border trafficking would require normalised Syrian-Iraqi relations as well as close coordination between their respective forces; an ambitious program to address the wider smuggling issue, which involves tribes and officials on both sides and to which insurgency-related activities were a late add-on; and technical assistance for Syria. For now, modulating the flow of insurgents crossing into Iraq likely will remain a valuable pressure point for Damascus in its difficult negotiations with Washington and Baghdad, both of which in its eyes have shown

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different". Crisis Group interview, Damascus, March 2009. The contents of the Syrian-Saudi agreement remain unknown; the version related in the text reflects what Egyptian officials claim to have heard from their Saudi counterparts. Crisis Group interview, Egyptian official, Damascus, October 2009. A Syrian official at least partially confirmed this rendition: "We converged around the need to place the Lebanese before their responsibilities. Had we agreed with the Saudis on the government's precise composition, it would have materialised faster". Crisis Group interview, October 2009. Instead, it took slightly over a month.

<sup>165</sup> An adviser to Bashar suggested this outcome also would help contain Hizbollah. "Fully incorporating Hizbollah within the government is an opportunity to be seized to make it more accountable, notably vis-à-vis the state. Within a genuine national unity government, it wouldn't have much interest in playing the game of regional confrontation", insofar as the heretofore convenient distinction between the state and Hizbollah no longer would be tenable. Crisis Group interview, Damascus, June 2009. A national unity government in which the opposition holds veto power also ensures that Saad Hariri, the Sunni leader and current prime minister, will need some accommodation with Syria to govern.

only limited willingness to take Syrian interests into consideration.

Among the figures requested by the U.S. and Iraq are some who have achieved considerable notoriety in Syria, developed deep ties to senior Syrian figures (through shared business interests, similar worldviews and several years of socialising) and acquired a degree of political relevance in Iraq on which, at the right time and in appropriate circumstances, Damascus will want to capitalise. For Syria to surrender them to Iraq, which would arrest and possibly execute them, would be both politically costly and at this point offer virtually no return.

That said, Syria's margin of manoeuvre in Iraq would considerably expand were real progress made toward an internal reconciliation, a process which has stalled, in part at least due to U.S. hesitancy to pressure Iraqi Prime Minister Nuri al-Maliki in the critical pre-withdrawal period. As Damascus sees it, facilitating a process of negotiations between the government, remnants of the insurgency and other actors would advance multiple objectives at once. It could help avert a renewed slide toward instability or sectarian strife that – through cross-border spillover – would have a deleterious impact on Syria. It would consolidate Iraq's state, diminish prospects for partition and more firmly anchor Iraq in the Arab world. It would enhance Damascus's political role and leverage within Iraq, while providing it with economic opportunities that would flow from closer bilateral ties. Finally, it would both smooth relations with Washington and satisfy Syria's own Sunni majority.

Officials underscore Syria's potentially useful role in this respect due to its credibility with various constituencies. Syria hosted Saddam Hussein's opponents, objected to the U.S. invasion and occupation, provided early support to the insurgency and opposed sectarianism and partition – positions that earned it support among competing groups. Nor, unlike most of Iraq's other neighbours, is it closely identified with any one actor. A senior official said, "in Iraq, we don't have a fraction of the influence the Iranians have. But we have a reputation. If negotiations take place, we have the necessary credibility to play a role the Iranians simply cannot".<sup>166</sup> A member of the security establishment echoed this view: "Syria is unique in the region in that we have neither a sec-

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<sup>166</sup> Crisis Group interview, Damascus, October 2008. See also Crisis Group Briefing, *Lessons from the French Experience*, op. cit., pp. 4-5.

tarian nor an ethnic agenda in Iraq, contrary to Iran, Saudi Arabia or Turkey".<sup>167</sup>

In keeping with this outlook and these goals, Damascus has sought to ally itself with Iraq's more secular, nationalistic trends.<sup>168</sup> In short, Syria's strong preference would be to use the access to and influence it enjoys with former regime elements and others who are part of what remains of the insurgency in the context of a genuine reconciliation effort.

- On the *Palestinian front*, although it is unrealistic to expect any immediate, significant reassessment of Syrian policy toward Hamas, adjustments can be imagined – though, again, not in the absence of complementary changes by the U.S. and others. As mentioned, Damascus is interested in checking several current trends, notably by reaffirming the viability and centrality of a comprehensive Arab-Israeli settlement and refocusing regional attention on that conflict rather than on Persian/Arab or Sunni/Shiite faultlines. These objectives, in turn, require at least partial repair of frayed inter-Arab relations<sup>169</sup> and, critically, efforts by Washington to reactivate the Israeli-Syrian track.<sup>170</sup>

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<sup>167</sup>This was in a conversation with a senior French official. Crisis Group interview, Paris, April 2009.

<sup>168</sup>When it came to choosing an ambassador to Baghdad, Damascus selected an individual with strong tribal and security credentials. The expectation is that he will help Syria's outreach toward Sunni circles, notably the so-called Awakening councils, local militias that sided with the U.S. in the fight against al-Qaeda. Although relations with Prime Minister Maliki have seriously deteriorated since August, when he accused Damascus of complicity in devastating attacks in Baghdad, Syria earlier had been willing to engage him – contrary to Saudi Arabia, for example, and notwithstanding his widespread image in the Sunni Arab world as a hardline, sectarian politician. Chiefly motivated by potential economic dividends, Syrian officials also saw in his overt nationalistic and non-sectarian platform an indication of deeper trends within Iraqi society. A Syrian official said, "Iraq's future does not hinge on Maliki's tactics or vision. Perhaps in adopting a more nationalistic stance he is pretending to be something that he is not. Still, what matters to us is that he is being forced to respond to the growing view among the Iraqi people opposing a confessional agenda and aspiring to a more united, national outlook". Crisis Group interview, Damascus, May 2009.

<sup>169</sup>There has been progress with Jordan (based, according to Syrian officials, on common fear that Israel would seek to resolve the Palestinian problem at Jordan's expense) and Saudi Arabia (likely driven by a confluence of factors, notably a desire to reach accommodation in Lebanon, a degree of convergence over Iraq and Yemen, and a reading of U.S. policy suggesting the region should do more for itself). Bashar repeatedly has spoken of the need to reestablish mechanisms to "manage differences" among Arabs. See, eg, interviews to *Al-Khaleej*, 9 March 2009, and *Al-Sharq*, 2 April 2009. In the

Within that context, Syria could recalibrate its approach to the Palestinian domestic field and moderate its tilt toward the Islamist movement. The close association with Hamas makes political sense: it provides Syria with a powerful lever in the Arab-Israeli arena and counterbalances what are perceived to be Fatah's overly conciliatory approach to the conflict and excessive deference to the U.S. and its Arab allies. But the relationship has its drawbacks. Hamas rejects negotiations with Israel, remains trapped in Gaza and is dependent on Israel and Egypt; its narrow margin of manoeuvre and capacity for effective action by necessity restricts Syria's, while its Islamist ideology sits uncomfortably with the secular regime.

As a result, Syria sees some benefit in rebalancing its relations with Hamas and Fatah. Indeed, the past several months have seen a relative warming up of ties with Fatah and President Abbas, albeit interrupted as a result of events surrounding the Goldstone report.<sup>171</sup> Pointedly, Syria objected to Hamas's efforts to delegitimise the Palestine Liberation Organisation

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words of an official, "inter-Arab reconciliation once more is part of our political vocabulary. Our position is not, unlike some Arabs, that we should hug and forget the past. There are differences among us based in part on our differing relations to the outside world. How can we, whose territory remains occupied, have the same policy toward the Israeli-Arab conflict as a country that hosts an Israeli embassy? Still, if we can agree on the same broad goals, there shouldn't be the kind of animosity that has divided us. Through talks, we can manage our differences rather than fight over them. And, indeed, we share some broad goals: Arab security and the need for a comprehensive and permanent peace, which entails both the return of all territories and fulfilment of Palestinian national rights". Crisis Group interview, Syrian official, Damascus, March 2009.

<sup>170</sup>This will be discussed in further detail in the companion report to be published shortly.

<sup>171</sup>The Palestinian leadership's decision to delay consideration by the UN Human Rights Council of Judge Goldstone's report on the Gaza war – which found Israel and Hamas responsible for apparent war crimes – was greeted with anger and consternation in Palestine and throughout the region. Mahmoud Abbas, who had visited Syria several times prior and had been received with increased warmth, was due to travel to Damascus soon after this occurred; in what was widely read as a rebuff, Syria asked that the visit be postponed, ostensibly due to scheduling issues. That said, over preceding months, attacks against Abbas in the official media had virtually ceased. A U.S. official conceded that Syria no longer appeared to be undermining the Palestinian president. Crisis Group interview, Washington, August 2009. A Western diplomat concurred: "We've seen some change. During Mahmoud Abbas's last visit to Syria, there were no street demonstrations and he was received by Assad". Crisis Group interview, Damascus, September 2009.



(PLO), for example by opposing a statement by a movement leader that challenged its relevance.<sup>172</sup> Officials also claim to favour reconciliation between the two Palestinian movements on the basis of mutual concessions; as they see it, the end-result likely would be a compromise that maintains negotiations as a core principle, while stepping up forms of “resistance”. As one official put it, “a rapprochement between the two movements would require steps by both sides – and that means they would adopt positions closer to our own”.<sup>173</sup>

For Syria to go further and seek either to pressure Hamas into adopting a more conciliatory stance in talks with Fatah or allow the PA to regain a foothold in Gaza likely would require a change in U.S. and Western attitudes toward the Islamist organisation. Damascus would want to know that Hamas would be accepted as a legitimate interlocutor that needs to be engaged rather than as a pariah that must be defeated. As an official put it: “What does the U.S. want to do with Hamas? To what end should we pressure them? Palestinian reconciliation is headed nowhere, and Egypt insists on handling this alone. All in all, it is not clear what is expected of us, other than pressure the movement to accept Mahmoud Abbas’s terms. It doesn’t make sense”.<sup>174</sup>

## V. CONCLUSION: SYRIA, THE U.S. AND PROSPECTS FOR PEACE

In Western capitals as well as in Israel, considerable time and energy is spent on the questions of whether Syria is genuinely interested in a peace deal; whether it would be prepared to fundamentally shift its strategic orientation – shorthand for cutting ties to current allies; and, if so, what it might take (returning the Golan, neutralising the international tribunal on the murder of former Lebanese Prime Minister Hariri, lifting U.S. sanctions, or providing vast economic support) to entice it to make that move.

At their core, the questions are ill-directed and the conceptual framework underpinning them is flawed. However much Syria aspires to these political or material returns, and notwithstanding the importance it places on the bilateral U.S. relationship, the key for the regime relates to its assessment of regional trends, domestic dynamics as well as the interaction between the two. The end result is a debilitating perceptions gap: outsiders ponder how far Syria might be willing to go in helping reshape the region, while Damascus considers where the region is headed before deciding on its next moves. What Washington can do for Damascus matters; what it can do in and for the region may matter more.

This has consequences for the possibility of a separate Israeli-Syrian deal. On this, Syria’s position has been ambiguous and fluctuating. After Oslo, officials stated clearly that insofar as the PLO had decided to go on its own, Damascus was entitled to do the same. But that was then. At the time, a recognised Palestinian leadership was engaged in substantive negotiations with Israel. Hamas was a relatively marginal political player. Syria exercised tight control over Hizbollah and enjoyed largely undisputed and internationally accepted control over Lebanon. Iraq was contained. Inter-Arab relations were more or less functional, and Iran was both more constrained and less assertive. As a result, Damascus may have deemed a separate peace politically feasible and strategically manageable.

The situation is more complex today. Israeli-Palestinian negotiations are at a standstill and, after wars in Gaza and Lebanon, regional perceptions of Israel have hardened. The rise of Hamas has boosted Syria’s leverage but also added to its constraints; it is one thing to leave behind a Palestinian leadership accused of having sold out core principles, quite another to be disloyal to a militant movement whose steadfastness the regime extols. Hizbollah has gained significant autonomy and could also prove harder to handle, making it more difficult for Syria to deliver security on Israel’s northern border and giving greater voice to its more militant critics. Disapproval

<sup>172</sup> In early 2009, when Khaled Meshal publicly called for an “alternative to the PLO”, Syrian officials appeared taken aback. One said, “we oppose any reference to an alternative to the PLO, although there definitely is a need for internal reform. The PLO has been the reference for several decades. We didn’t state our opposition publicly, because we didn’t think it was the right moment to criticise Hamas openly. But we reacted strongly in private. You might have noticed that Muhammad Nazzal, a Hamas hardliner, went on television from Damascus and opposed this idea. It was no accident”. Crisis Group interview, Damascus, February 2009.

<sup>173</sup> Crisis Group interview, Syrian official, October 2009.

<sup>174</sup> Crisis Group interview, Damascus, June 2009.

also might emanate from Iran, a regional power which has stood by Syria during the worst of its international isolation.

There are, too, far greater regional uncertainties, including the growing sectarian rift and Iraq's and Lebanon's uncertain futures, as well as prospects for violent confrontation over Iran's nuclear program. The day after an agreement with Israel, Syria could face friction with Israel over Hizbollah's likely continued armed status, criticism from Palestinians, anger from Iran and growing confessional tensions flowing from Iraq and Lebanon.

On the domestic front as well, a peace deal reached in an ill-suited regional context could be treacherous and turn out to be a rapidly dwindling source of legitimacy. Even with the Golan in hand, the regime could face internal discontent – whether from constituencies upset at the Palestinians' continued predicament<sup>175</sup> or a restive public opinion frustrated by an underdeveloped economy enjoying insufficient outside support.<sup>176</sup> A senior Baath party official remarked, “we want the Golan back, but we are not desperate to recover it at any cost. Had that been the case, we would have done so when our situation was far worse than it is today”.<sup>177</sup>

As a result, when asked about the potential for a strategic realignment in the context of a peace agreement, officials tend to respond by inquiring about U.S. intentions:

Assuming we were to distance ourselves from Iran, what would be the quid pro quo? What alternative status would we be offered? What does the U.S. want for the region? What we would like is for them to say “this is our vision, this is our plan, will you join us in implementing it?” Then we really could talk.<sup>178</sup>

This does not necessarily rule out the possibility of a separate Israeli-Syrian peace; if core Syrian territorial demands were met, the leadership could find it difficult

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<sup>175</sup> A U.S. official said, “we also need to think of Israel's strategic reorientation. I doubt whether Syria can make peace if the Palestinian track is stuck and Gaza remains besieged. It's not like in the 90s when Muallim used to tell us they did not care about the Palestinian track, since Arafat had betrayed them. Now, it is a factor, and Bashar must take into account domestic opinion. In other words, Israel might have to change policies vis-à-vis Palestinians to get Syrians over the finish line”. Crisis Group interview, Washington, May 2009.

<sup>176</sup> Syria is unlikely to benefit from the same level of support that flowed to Egypt and Jordan after their respective peace deals. In this sense, the notion that an economically weaker Syria might be more likely to strike a deal appears highly dubious.

<sup>177</sup> Crisis Group interview, Damascus, February 2009.

<sup>178</sup> Crisis Group interview, Syrian official, Damascus, June 2009.

to turn down a deal.<sup>179</sup> Officially, Syria is prepared to resume negotiations if Israel commits to withdraw to the 1967 lines, desists from “playing the tracks” (code for engaging Damascus as a substitute for negotiating with the Palestinians) and refrains from “aggression” against the Palestinians.<sup>180</sup> In an interview with al-Jazeera, Bashar stated that Israeli-Syrian negotiations could be completed even without equal progress between Israelis and Palestinians, albeit it generally is understood that talks with the Palestinians at least should be underway:

We discussed this matter with the Palestinians on more than one occasion. ... Our common position is that signing an agreement on one track supports the other tracks. However, what is better or even ideal – especially given the Israelis' propensity to manoeuvre and deceive – is that the tracks move in close coordination; that is not to say in parallel because that would be difficult given the differences between the tracks. If the interval between the two is small, it will not pose a real problem.<sup>181</sup>

On occasion, Syrians have suggested other possible linkages between the two tracks. Several Western officials have heard mention of a so-called shelf-agreement, whose implementation would await a settlement of the Arab-Israeli conflict.<sup>182</sup> Bashar himself once referred to the possibility of a “cold peace”, as long as the Palestinian issue remains unaddressed, more akin to a non-belligerency pact coupled with an exchange of embassies.<sup>183</sup> Under

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<sup>179</sup> An official explained, “Ultimately, we expect Israel to want to restart the Syrian track to give itself more room to manoeuvre in the face of international criticism and pressure. For our part, we have made clear the requirements for peace. Within that framework, if we can get our Golan back from the devil, we would do it. We also made clear that the Syrian track is not an alternative to the Palestinian one. No peace is sustainable if it is not comprehensive”. Crisis Group interview, Damascus, March 2009. Another senior official predicted that Prime Minister Netanyahu would tilt toward the Syrian track by the end of 2009. Crisis Group interview, September 2009.

<sup>180</sup> See, for example, *Al-Watan*, 9 April 2009.

<sup>181</sup> Al-Jazeera, 13 July 2008. “We have agreed with the Palestinians not to let one track be hostage to or used against the other. In other words, if we can advance all the way, we will, and if the Palestinians can, they will. And the understanding is that neither of us will criticise the other for doing so”. Crisis Group interview, Syrian official, October 2009.

<sup>182</sup> “Formally, Syria favours a shelf-agreement, a deal whose implementation would depend on a more global settlement”. Crisis Group interview, French official, Damascus, February 2009.

<sup>183</sup> “On the peace process, Assad said Syria could sign a deal with Israel, but that it wouldn't be more than a treaty on paper, a cold peace of the kind Egypt and Jordan enjoy with Israel”. Crisis Group interview, U.S. official, February 2009. A senior U.S. official concurred. Crisis Group interview, Wash-

this view, Hamas would remain a militant group; Hizbollah, by contrast, no longer would be justified in retaining its arms and would come under pressure to become a strictly political party.<sup>184</sup> Even that picture likely is overly optimistic: Hizbollah's resistance agenda has deep ideological roots, is backed by Tehran and also draws support from its social base's perception of Israel as an enduring threat.<sup>185</sup> There is, therefore, reason to doubt that Hizbollah would relinquish its military capabilities or that Damascus would be able or willing to enforce such an outcome and risk alienating an important actor and critical Lebanese constituency. A senior official said:

If we have peace with Israel, we won't be their bodyguard in Palestine or Lebanon. That is why it all boils down to a comprehensive peace. The idea is not to reach the end point at the same time, but at least to ensure coordination. Without peace on the Palestinian track, and a solution to the refugee issue, we will face big problems even if we do sign peace. It is one crisis, one process. You have different tracks because you have to deal with different governments. But the problem is one.<sup>186</sup>

The overall haziness and confusion surrounding Syria's position on whether it could strike a deal on its own and

what might ensue could reflect the regime's desire to keep its cards close to its chest. Assuming Syria were willing to sign a separate peace, it would make little sense for it to trumpet that stance and gratuitously antagonise its allies before the moment was ripe. In addition, lingering, deep-seated scepticism vis-à-vis Israeli intentions likely has postponed a formal internal review of acceptable conditions for and consequences of a peace agreement.<sup>187</sup> A senior Baath party official explained:

We know that peace will have widespread consequences, including on our future relations with Iran. That is a very complex issue. These relations are not ephemeral. I would even describe them as a strategic partnership. Still, this has not yet been debated internally. There's been no thorough discussion because we have not yet taken Israel's intentions seriously. Only when direct negotiations begin will that debate occur. Such discussions took place in the 1990s but in a very different regional context. Following our disappointment at the time, it won't be easy to convince us again. Israel's leadership is indecisive; public opinion has regressed; and the U.S. for now has relinquished its role.<sup>188</sup>

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ington, April 2009. Assad expressed his position in an interview: "If all our requirements and demands are met and all our rights are returned, Syria cannot say 'no, I reject peace'. However, I always say the signing of a peace agreement on one track does not mean the achievement of peace. We have Palestinian refugees, and there is the Palestine question, which stirs the Arab people in general. If we do not resolve this matter, it will be difficult to achieve [a genuine] peace". Al-Jazeera, 13 July 2008. Some officials scoff at the notion of a shelf-agreement or separate peace. "The idea of a shelf-agreement is unrealistic because Israel has no interest whatsoever in one. And we cannot sign a separate peace like Egypt did and just turn our back on the Palestinians either". Crisis Group interview, Syrian official, Damascus, February 2009.

<sup>184</sup> "Those who say that Syria cannot change its alliances, because it wants to remain an important regional actor, do not understand Syria. We will remain central, and in any event, recovering the Golan is essential for our government's legitimacy. If there is a peace agreement between us and Israel, the situation with Hizbollah will be clear: it will become a political party. Hamas is more complicated, because we cannot ask them to give up the resistance if the occupation continues. It would change nothing if we told Meshal to leave Damascus". Crisis Group interview, Syrian diplomat, March 2009.

<sup>185</sup> Crisis Group Report, *Hizbollah and the Lebanese Crisis*, op. cit.

<sup>186</sup> Crisis Group interview, Damascus, October 2008. He added that peace with Syria could make it easier for Israel to ignore the Palestinian track, thus diminishing prospects of a comprehensive peace.

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<sup>187</sup> Officials point out that Prime Minister Ehud Olmert, despite enjoying considerable freedom in light of his imminent resignation, ultimately was unable to cross the finish line. That feeds doubts about the ability of any successor, let alone a right-wing coalition headed by Netanyahu. That said, the judgment, though harsh, is somewhat nuanced. A senior official commented: "Right or left in Israel is the same to us. We say: 'this is our position toward peace' regardless of who is in power. With Olmert, it was clear from day one that he couldn't deliver, because he was weak. Netanyahu has a different kind of problem because of his coalition. Still, in the final analysis, he is someone whose primary goal is to remain prime minister. He will make peace or wage war depending on which serves that agenda. For that reason, our position has nothing to do with our impressions of him on a personal level". Crisis Group interview, Damascus, June 2009.

<sup>188</sup> Crisis Group interview, Damascus, January 2009. He added: "The belief that Israel is structurally incapable of signing peace, that it will never be capable of finding its place within the region, is increasingly deep-rooted. What we see in Gaza proves it in the eyes of many throughout the region. Even within the party, the 'peace camp' is on the defensive". An official turned on its head the argument according to which Syria was too comfortable with its current posture to consider a shift. "We are asked to change, but is Israel itself willing to consider a strategic shift? It has thrived for 62 years in a state of tension, which enabled it to consolidate its social cohesion without curtailing its economic growth. The state is built around its military and security services, Israeli society is militarised and radicalised, and the surrounding region is unstable and still Israel can claim success. Why would it take the risk of changing its approach today?" Crisis Group interview, Damascus, June 2009.

In a sense, such scepticism could be a blessing in disguise. The disbelief – shared by Syria and its regional allies<sup>189</sup> – that Israel would ever meet the requirements of peace could minimize opposition or efforts to derail the process even as negotiations proceed.

Finally, there is no evidence that the regime – again, unlike in the 1990s – is preparing itself or public opinion for a deal. This is not a leap that either the elite or the wider public can make without the way having been paved; nor can it simply be imposed upon them. At the time of the indirect, Turkish-mediated talks, a journalist commented:

The regime is not structurally ready for a deal. It will take time for it to prepare itself, for mentalities to evolve, for the moment to be ripe. In the 1990s, the regime wasn't really prepared for a deal before 1995. That's when it initiated a poster campaign to prepare the people. We're still far from that now.<sup>190</sup>

In this context, Syrians describe their preferred option as one in which a deal with Israel would catalyse and consolidate the transition from an already relatively tranquil region toward one that is fully at peace. A presidential adviser argued: "A Syrian-Israeli agreement must take place in a better regional climate; then we will take the others – Hizbollah, Hamas, Iran – along with us".<sup>191</sup> This vision collides with the two dominant Western conceptual approaches to a Golan deal – one in which it is conceived as a reward for Syria's prior strategic realignment; the other in which it is seen as a means to secure such a realignment by disrupting relations between Damascus and its allies. Rejecting both capitulation and co-optation, officials implied that a Syrian-Israeli deal should come at the end of a transitional phase, paving the way for a broader resolution of regional conflicts. Another presidential adviser said:

Our detractors are right to think Syria won't abandon its allies, but they are not listening to what Syria is saying. Syria is talking about a *comprehensive* solution. We won't transform our relations according to U.S. or other demands, but we believe those very relations will serve a comprehensive peace. Anyone

interested in peace can see for himself that the Egyptian precedent is not a model to emulate; how did it serve peace? We want peace with rights and dignity, not surrender.<sup>192</sup>

In other words, the issue once again comes down to Syria's assessment of the region as a whole and the degree to which the regime can discern and feel reassured by its strategic direction. This partly has to do with better understanding Washington's role. Officials remain unsure about the new administration's goals, resolve and ability to deliver.<sup>193</sup> Convinced that it is the only country with sufficient leverage over Israel and that enjoys its trust, they look to the U.S. to exercise decisive influence and offer security guarantees.<sup>194</sup> They also wish for a degree of continuity – that Washington ensure consistency in how negotiations proceed over time, regardless of Israeli politics or positions.<sup>195</sup>

But Syria's wish-list does not end there. Unsure about the day after a peace deal and recovery of the Golan, officials fear this could prove a pyrrhic victory, leaving the regime weaker, exposed and vulnerable to a chain of perilous regional trends. Above all, Syria fears being left out in the strategic cold. In the words of an official, "the notion of comprehensiveness has taken on new dimensions due to the interconnectedness of all regional conflicts".<sup>196</sup> For that reason, Damascus is likely to play for time, awaiting a more propitious environment, including progress in at least some of the following areas:

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<sup>192</sup> Crisis Group interview, Damascus, June 2009.

<sup>193</sup> "We hear that the U.S. no longer will provide Israel with a blank check, but we will wait and see. We have to. This is not negligence on our part; we are not the only player, and there are too many unknowns". Crisis Group interview, Syrian official, Damascus, February 2009.

<sup>194</sup> "What is expected from the U.S. is influence over Israel. We know it cannot play the role of honest broker. But it is the only possible third party in the final phase of negotiations, because it is the only one with real influence over Israel". Crisis Group interview, Syrian analyst, Damascus, March 2008.

<sup>195</sup> "In our view, we cannot restart the peace process every time; it is ongoing. It has been halted, not annulled. What was achieved was achieved in the context of that peace process, which the U.S. initiated. Abandoning or short-circuiting that process would mean losing everything that has been achieved". Crisis Group interview, Syrian official, Damascus, March 2008.

<sup>196</sup> Crisis Group interview, Damascus, March 2008. Another official expressed fear that the U.S. would turn its back on Syria once a deal was reached. "For us, U.S. engagement is indispensable in the context of peace talks, because of the various guarantees Washington must provide. But it also should be an opportunity to put on the table many other issues and to strike a deal with Washington going beyond peace with Israel. We have the feeling that if we just signed a peace agreement, the U.S. would drop us the next day". Crisis Group interview, Damascus, January 2009.

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<sup>189</sup> When asked how they would react to an Israeli-Syrian deal and how it might affect their relations with Damascus, Hamas and Hizbollah officials uniformly begin their answer by dismissing the possibility outright. "We don't have to worry about it, because Israel is not willing to fully withdraw from the Golan, and Syria will not make peace without that". Crisis Group interview, Hizbollah leader, Beirut, October 2008; Crisis Group interview, Hamas leader, Damascus, November 2008.

<sup>190</sup> Crisis Group interview, Damascus, June 2009.

<sup>191</sup> Crisis Group interview, Damascus, June 2009.

resumption of relatively credible Israeli-Palestinian negotiations, pacified Syrian-Lebanese relations, progress in the Iran file and real potential that peace will generate significant economic dividends.

Ultimately, the Syrian leadership is likely to make up its mind only when it deems it absolutely necessary – when it is faced with a concrete and attractive peace offer. Then, it will do so on the basis of a cost/benefit analysis that looks at the effect, in terms of domestic stability and regional dynamics, of a settlement. Today,

Syria's incentives – strategic, economic and social – to adjust its posture and policies are high, but so too are the risks such a move would entail. For Washington, the challenge is to adopt regional and bilateral policies that help tilt that balance in the right direction. This is the subject of the companion report.

**Damascus/Washington/Brussels,  
14 December 2009**



## APPENDIX B

### ABOUT THE INTERNATIONAL CRISIS GROUP

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Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

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Crisis Group's international headquarters are in Brussels, with major advocacy offices in Washington DC (where it is based as a legal entity) and New York, a smaller one in London and liaison presences in Moscow and Beijing. The organisation currently operates nine regional offices (in Bishkek, Bogotá, Dakar, Islamabad, Istanbul, Jakarta, Nairobi, Pristina and Tbilisi) and has local field representation in eighteen additional locations (Abuja, Baku, Bangkok, Beirut, Cairo, Colombo, Damascus, Dili, Jerusalem, Kabul, Kathmandu, Kinshasa, Ouagadougou, Port-au-Prince, Pretoria, Sarajevo, Seoul and Tehran). Crisis Group currently covers some 60 areas of actual or potential conflict across four continents. In Africa, this includes Burundi, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic

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*The Arab-Israeli Conflict: To Reach a Lasting Peace*, Middle East Report N°58, 5 October 2006

*Israel/Hizbollah/Lebanon: Avoiding Renewed Conflict*, Middle East Report N°59, 1 November 2006 (also available in Arabic and French)

*Lebanon at a Tripwire*, Middle East Briefing N°20, 21 December 2006 (also available in Arabic and Farsi)

*After Mecca: Engaging Hamas*, Middle East Report N°62, 28 February 2007 (also available in Arabic)

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*Inside Gaza: The Challenge of Clans and Families*, Middle East Report N°71, 20 December 2007

*Ruling Palestine I: Gaza Under Hamas*, Middle East Report N°73, 19 March 2008 (also available in Arabic)

*Lebanon: Hizbollah's Weapons Turn Inward*, Middle East Briefing N°23, 15 May 2008 (also available in Arabic)

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*Engaging Syria? U.S. Constraints and Opportunities*, Middle East Report N°83, 11 February 2009 (also available in Arabic)

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*Gaza's Unfinished Business*, Middle East Report N°85, 23 April 2009 (also available in Hebrew and Arabic)

*Lebanon's Elections: Avoiding a New Cycle of Confrontation*, Middle East Report N°87, 4 June 2009 (also available in French)

*Israel's Religious Right and the Question of Settlements*, Middle East Report N°89, 20 July 2009 (also available in Arabic and Hebrew)

*Palestine: Salvaging Fatah*, Middle East Report N°91, 12 November 2009 (also available in Arabic)

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*Political Transition in Mauritania: Assessment and Horizons*, Middle East/North Africa Report N°53, 24 April 2006 (only available in French)

*Egypt's Sinai Question*, Middle East/North Africa Report N°61, 30 January 2007 (also available in Arabic)

*Western Sahara: The Cost of the Conflict*, Middle East/North Africa Report N°65, 11 June 2007 (also available in Arabic and French)

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<b>Alan Blinken</b>	<b>I.K. Gujral</b>	<b>George Robertson</b>	<b>Uta Zapf</b>
<b>Jorge Castañeda</b>	<b>Max Jakobson</b>	<b>Michel Rocard</b>	
<b>Eugene Chien</b>	<b>Todung Mulya Lubis</b>	<b>Volker Rühle</b>	
<b>Victor Chu</b>	<b>Allan J. MacEachen</b>	<b>Mohamed Sahnoun</b>	
<b>Mong Joon Chung</b>	<b>Graça Machel</b>	<b>Salim A. Salim</b>	
	<b>Barbara McDougall</b>	<b>Douglas Schoen</b>	