

CAN ASSAD WIN THE PEACE?

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SUMMARY

- As Syria transitions into a post-conflict phase, its government is trying to survive in much the same way it has over the last eight years. This involves a series of short-term fixes, heavy reliance on foreign allies, and a process of endurance it calls the “long breath”.
- Damascus wants to create a functional system that serves its ambitions, particularly its desire to re-establish strong central control rather than succumb to external demands.
- Crippling Western sanctions have led to increasingly drastic shortages of fuel and electricity, disrupting the supply – and increasing the price – of essential goods such as food.
- As a result, the state is increasingly relying on an array of racketeers, oligarchs and war profiteers to circumvent the sanctions, further entrenching Syria’s corruption networks.
- The West’s expectation that an economic war will eventually force the regime to acquiesce to its demands is short-sighted and counterproductive.

Introduction

After eight years of war, the Syrian government has reasserted control over much of the territory it lost to opposition and foreign forces. As it attempts to recover from the conflict, the regime is shifting its focus to a domestic economic crisis that European policy has intentionally amplified. Yet, far from forcing a political transition as planned, European countries' punitive approach to Syria has strengthened the government's influence over the population. While European capitals are loath to accept the survival of a leadership in Damascus that has waged a long and brutal military campaign against opposition groups and civilians alike – a campaign that resulted in the deaths of hundreds of thousands of civilians, the detention of tens of thousands more in government prisons, and an unknown fate for thousands of others – they should now recognise that a policy of economic pressure and isolation will only reinforce the Syrian government's worst impulses.

In its stand-off with the West, the Syrian government believes that it has time on its side. Although it has always lacked a comprehensive survival strategy, one should not equate this with weakness. Relying on the unwavering financial, political, and military support of its foreign allies, the regime has proven effective at withstanding pressure longer than its adversaries – albeit at the expense of the population. Indeed, the deterioration of Syria's economy has only led to greater reliance on illicit trade for the supply of basic goods, expanding the role of the country's security apparatus and increasing the regime's dependence on corruption networks.

In this context, European policymakers should reassess their approach to Syria, partly by accepting that the regime is here to stay. Although they need not normalise their diplomatic relationships with Damascus, European capitals should consider how to engage with it – either directly or indirectly – in ways that serve their interests and, more importantly, the interests of the Syrian people. By providing even limited economic and civic-engagement opportunities rather than embracing a policy that will only strengthen the regime's grip, Europe can still help improve Syrians' lives.

This paper analyses the ways in which the regime has drawn on various structures

and stakeholders to ensure its survival and reassert its authority in Syria, along with the challenges it still faces in working to reconstitute a centralised state and to balance the interests of its allies and opponents. With the regime attempting to regain its pre-war role in the Middle East and to adjust to the demands of rival powers in the region, the paper examines the implications of the post-conflict transition for European policy.

The regime's post-conflict aims

For the regime, economic survival takes priority over reconstruction, refugee returns, and even the recapture of areas of Syria still held by opposition forces. Leaders in Damascus [view](#) these areas in the context of what they call the “long breath” – that is, the process of enduring until they have retaken all Syrian territory (either through reconciliation and negotiation or through military offensives), revived the economy, and normalised the regime's relationships with foreign governments. In this, they rely on opposition groups' foreign backers to lose interest – as they strongly suspect the United States eventually will in north-eastern Syria – or to realise that indefinite financial and political support will not achieve regime change. Recent military clashes around Idlib fit with the strategy: frustrated with Turkey for not upholding its end of a de-escalation deal and convinced that Turkish President Recep Tayyip Erdogan's position has weakened, the Syrian government sees an opportunity to pressure Ankara (with Russian support) and eventually recapture the province.

Despite its focus on economics, the regime maintains that it will fight until all Syrian territory is back under its control. And it continues to reject all aspirations for autonomy among Kurds and other groups – as shown by, for example, President Bashar al-Assad's [February 2019 speech](#) on the implementation of Law 107. He made clear that the law transfers administrative and bureaucratic powers to local councils, but stops short of providing them with political rights. Intended to boost the economic resources available to local communities in cooperation with the private sector, the law reflects the regime's whole-hearted rejection of federalism and any form of autonomous administration.

As it regains control of the country, the government aims to continue to balance the interests of its foreign allies that have a major presence in the country – primarily Russia and Iran – while simultaneously working with them. Historically, the regime has proven adept at managing these kinds of dynamics, as seen in its pre-conflict relationships with: Arab separatists and Tehran; Turkey and Saudi Arabia; and anti-Iranian Iraqi political factions and Baghdad. While the Syrian war has shown it has no more reliable ally than Tehran, Damascus is cautious about dealing with a theocracy – especially a Shia Persian one, given that Syria’s culture is staunchly Arab and its population largely Sunni. The Syrian government is particularly sensitive to popular opinion about its relationship with Tehran, to the extent that it has even clamped down on Shia public events in recent years. Thus, the regime aims to capitalise on its allies’ support without becoming entirely dependent on them.

Growing public discontent

Despite the regime’s long history of persecuting those it views as a political threat, many civilians in Syria remain committed to improving their economic situation through public expressions of dissent. For instance, when a Syrian television channel aired a segment on queues for food and other products in Turkey, [Syrians were quick to point](#) out how much more severe the gas queues in their country were. Others have taken to [writing open letters](#) with titles such as: “My friend the Prime Minister, what if you gave up your luxury cars?”, in an effort to contrast their dire economic situation with the luxurious lifestyles of senior officials. One Syrian television channel has even produced sketches in which popular actors satirise the government for failing to deal with the country’s problems, focusing on its [smart card initiative](#) and [rampant smuggling and bribery](#). [Another sketch](#) depicts a government minister hiring an actor to teach him how to show remorse in public and then berating a low-level government employee for corruption – in a nod to the former interior minister’s actions when on an official trip to Aleppo last year.

Even Syrians who remained loyal to the regime in the last eight years are increasingly discontent with its behaviour. “For eight years people kept their mouths shut, because there was a war against their country,” said one resident of Damascus. “They

were promised the situation, their future, would be better once the war was over, and instead it became worse. People are frustrated.” Another Syrian described the situation as “worse than during the war when bullets were flying”. The government’s recently launched [anti-smuggling campaign](#) has also produced a backlash from the public and officials. They openly criticised the government for its selective approach to implementing the campaign, accusing it of pursuing easy targets rather than those at the top. This is due to the fact that customs officers [raided retail outlets](#) across the country and punished proprietors who sold illicitly traded products – yet did nothing to pursue those who provided the goods, popularly known as “smuggling whales”. These so-called whales are regime-affiliated individuals who, after eight years of war, run what is effectively a formalised industry operating under the government’s auspices.

During the anti-smuggling campaign, [Safwan Qirbi](#), head of the parliamentary services committee, has accused customs officials of blackmailing, intimidating, and extorting local shop owners, while protecting smugglers and facilitating their work. One television channel withdrew the invitation to participate in a talk show it had made to [Fares Shehabi](#), a member of parliament from Aleppo, after he publicly named and shamed Khodr Taher, [a notorious smuggling kingpin](#). In an interview that was eventually removed [from the channel’s website](#), Shehabi complained that the state was knowingly refusing to intervene in the activities of Taher and others like him. Perhaps due to power struggles within networks surrounding the regime, the [Interior Ministry](#) quickly reversed a ban on dealings with Taher it had issued after Shehabi made the complaint – with no explanation. The incident hinted at the extent to which these powerful networks benefit from high-level political protection.

Meanwhile, the introduction of Law 16 – which significantly expanded the authority and powers of the Religious Endowments Ministry, thereby increasing its influence over society – provoked a negative reaction from both the streets and government employees. Widely seen as part of an attempt to appease conservative Syrians (a priority for the government due to the opposition’s sectarian narrative on the war), the legislation initially stated that the ministry’s employees would be exempt from paying taxes and would be permitted to interfere with local media outlets,

educational organisations, and government administrations. The law also promoted recruitment by the ministry, lending it the ability to hire foreign clerics, and allowed it to care for the families of slain pro-government fighters.

The public and bureaucratic reaction to these provisions eventually led the government to pass a diluted version of the law, which excluded its most controversial elements. In a climate in which many had lost family members and their livelihoods in the fight against an opposition that came to be dominated by religious extremists, a significant number of Syrians saw the law as handing power to Islamists through the back door. Such sentiments have given rise to an authentic Syrian voice of dissent among those loyal to the regime, who demand that the government become more efficient, stamp out corruption, and address the most pressing issues in the country.

Nonetheless, one should not interpret such dissent as clearing the way for another popular uprising against Assad. Syrians in areas the regime controls are not calling for its downfall or the removal of the president. The focus of their complaints is very much socio-economic woes rather than Assad or an overhaul of the political system. This is due to both fear of repercussions and an acceptance that there is now no viable alternative to the regime. Perhaps most importantly, few Syrians living in Syria have an appetite for another conflict. As one young businessman based between Beirut and Damascus said: “it’s between the devil you know and the one you don’t – and, frankly, people are really tired of war. So, we accept the devil we know.”

Civilians are primarily concerned about poverty, unemployment, life opportunities, personal dignity, and access to a rapidly decreasing supply of basic goods. They worry about how to earn a living without becoming caught up in the corruption networks that stretch across all levels of society, and about how to access more effective public services. As the situation worsens, their focus is on securing access to basic supplies. Among the loyalist community, many of those who voice their resentment of the current situation largely blame the West for the economic crisis. While there is frustration with how state institutions are managing the crisis, there is growing consensus that the Western-imposed blockade largely overshadows government

incompetence. For instance, one prominent Syrian businessman who stayed and invested in Syria throughout the war stated: “the economic situation we are in today is 70 percent the West’s doing and 30 percent the government’s doing.” And, although they continue to blame the regime for Syria’s plight, many of those who rose up against Assad now accept that there will be no political transition and are more focused on survival and getting on with their daily lives as best they can.

Cooperation between the regime’s foreign allies

Although the Syrian government has relied on Iran and Russia for its survival, its relationships with the countries are complex and often misunderstood in the West. Crucially, neither Iran nor Russia is willing or able to remove the other from Syria. They are not outright rivals but rather allies of the regime with both common and competing interests; they are aware that the preservation and stability of the Syrian state – and thus the return on their investment in protecting it – depends on mutual cooperation.

Throughout the war, Iran’s primary interest has been in supporting the regime, largely through the provision of funding for paramilitary groups, military training, and foreign fighters. As evidenced by the multiple memorandums of understanding it has signed with the government, Iran has also invested in economic interests that could prove profitable in the long term, such as energy infrastructure and a lease on Latakia port. The January 2019 signing of a [strategic economic cooperation agreement](#) highlights the extent to which, given intensifying external pressure, Damascus depends on Iranian support.

As the conflict continued, Tehran became aware of the regime’s concerns about Iranian influence. The confessional and ethnic makeup of Syria makes the state resistant to the notion of expanding Iranian-Shia influence: the majority of the population is Sunni Arab, the business elite is largely Sunni, parliament and the army are largely Sunni, and Sunni religious institutions are among the most powerful players within the system. Iran initially attempted to expand its influence in Syria, largely through funding – a process that the regime has monitored and shut down where necessary. Today, public displays of Shi’ism only occur in historically Shia

neighbourhoods in Damascus, Homs, and Aleppo. Although martyrdom posters of Shia fighters hang in the areas they come from, people from other sects receive the same treatment. Meanwhile, most of the Shia memorabilia in Syria has been there since before the war, in Shia neighbourhoods and areas near Shia shrines such as Sayda Zaynab and Sayda Roqaya, in Damascus's old city. Iran has funded pilgrimages to these sites, but this has had little impact in other areas.

Shi'ites constitute only around 1 percent of the population, with Druze, Christians, and Alawites outnumbering them. It is misguided to believe, as some in the West do, that Iran is expanding Shia influence in Syria. It is neither buying up property nor facilitating demographic changes through the resettlement of Shi'ites from Afghanistan, Iran, Iraq, and Lebanon in areas the Syrian opposition formerly held (along the Lebanese-Syrian border or elsewhere). Iran is not converting Syrians or replacing them with pro-Iranian populations.

As such, Iran's funding of Shia and non-Shia militias in Syria has not pushed Syrians towards allegiance to Tehran over Damascus. As the war has wound down, Iran has had less need to support such groups, many of which have disbanded or been integrated into the army.

Iran has strategic interests in Syria such as maintaining and protecting what it sees as a forward defensive policy against external threats, primarily those from Israel. This means shifting the arena of confrontation with Israel further away from Iran, towards the Israeli border. The war has provided Iran and Hezbollah with the opportunity to expand their line of deterrence against Israel from southern Lebanon to most of Syria, which they have done in coordination with the regime.

Beyond this, the group's role in Syria is limited to providing military support in areas of active conflict: as the number of front lines decreases, so could the number of Hezbollah fighters there – as Hezbollah leader Hassan Nasrallah [suggested](#). As with Syria's other allies, the group does not interfere in the government's political decisions. Hezbollah operates within limits the regime sets, including its timeline for maintaining a presence in the country. Neither Iran nor Hezbollah is willing to jeopardise the gains it has made in the war by pursuing an agenda that could

destabilise the Syrian state.

For the regime, its relationship with Russia is less controversial than that with Iran. As a result, the Russian presence in Syria is much more visible – whether it be in Syrian army officers displaying Russian trinkets in their offices, shops selling Russian memorabilia, or widely circulated pictures of Russian and Syrian military personnel sharing meals and entertainment. Due to the historical relationship between Syria and former Soviet states, many older Syrian officers speak Russian and openly talk of the strong ties between the forces. Since the onset of the conflict, Russia has established joint military bases and signed a 50-year military deal with the regime. As one Syrian official quipped: “the most the Russians will leave behind is a bottle of vodka, which is fine, while the Iranians could leave behind *husseiniyehs* [Shia congregation halls], and we don’t accept that.”

In an attempt to maintain a sphere of influence in Syria independent of Iran’s economic and military one, Russia has also backed several units within the military, as it prefers working with state institutions to non-state actors. Moscow has actively worked to integrate both pro-government militias and former opposition groups into a more official military infrastructure, through the creation of the 5th and 6th Corps. This is intended to reduce the level of access and influence Iran has over pro-government militias, while also strengthening the military as an institution – an entity that is reliant on Russian support and that Moscow also sees as key to maintaining the stability of the state.

Russia has also heavily invested in key Syrian industries, establishing a monopoly in lucrative sectors such as gas and phosphates. It aims to maintain a long-term business presence in Syria as it expands its economic and diplomatic foothold in the Middle East.

Simultaneously, Moscow has a strong interest in protecting the Syrian regime on the international stage, a role made easier by its unique position as the only power that has relationships (at varying levels) with every player involved in the Syrian conflict. In the last two years, there has been a series of reconciliation initiatives, truces, and initiatives to re-establish government control in opposition-held areas largely as a

result of Russian brokerage and guarantees. (Several opposition factions refused to deal with Iran and did not trust the Syrian state without Russia acting as a guarantor.)

Yet Russia has not turned Syria into a client state nor established a position from which it can dictate internal reforms. The Syrian government is intent on demonstrating to both the international community and the Syrian population that it remains sovereign. This can be seen in the decisions the regime has taken in recent years that are at odds with Russian political and military interests. Damascus has consistently rebuffed Moscow when it attempts to influence internal issues such as political reform, as it recently did in relation to constitutional issues (although they already largely agree on how a constitutional council should look and operate).

Many Western observers overestimate Moscow's ability to pressure the Syrian government into political concessions in return for sanctions relief, pointing to the economic benefits Russia has gained from participation in the conflict. Syria sees Russia as a reliable and savvy long-term investor with the financial ability and practical know-how to capitalise on business opportunities.

However, some Syrian security officials remain concerned that Russia and Israel are establishing a new force in the southern province of Quneitra that will protect Israel's border, an effort that allegedly involves Israeli-backed groups that fought with the Syrian opposition. Former opposition fighters complain that Russia is actively choosing to work with those with strong links to Israel (and Jordan) – which they describe as little more than mercenaries during the war – over rebel groups that helped the government re-establish control of the area. In this way, Russia's pursuit of its interests in Syria sometimes conflicts with that of the regime.

Syria's repositioning neighbours

Damascus ended 2018 on a diplomatic high, having seemingly persuaded some of its former regional adversaries to work with it at little cost. Despite mounting Western

pressure to halt this process of normalisation, Gulf Arab states are actively working to re-establish ties with Syria, either to capitalise on economic opportunities or to reshape the regional order in their favour.

Its wariness of foreign powers notwithstanding, the Syrian government is trying to slowly piece back together the role it once played in the Middle East. Its efforts are aided by Gulf Arab governments' desire to bring Damascus back into the fold. While countries such as Saudi Arabia and the United Arab Emirates have been unequivocal in their hostility to Iran's expanding influence in the Middle East, they are equally concerned about the influence of the Muslim Brotherhood growing due to the activities of Turkey and Qatar. By re-engaging with Damascus, Gulf Arab governments – particularly those in Abu Dhabi and Riyadh – hope to limit the potential expansion of the Brotherhood. Damascus has signalled its readiness to go along, with Assad using a recent speech to rail against Turkey, its occupation of Syrian territory, and Erdogan.

In March 2019, Syria participated in the Arab Inter-Parliamentary Summit in Jordan for the first time in eight years. The UAE, Bahrain, and Kuwait have signalled their readiness to normalise relations with the Syrian government through gestures such as opening embassies in late December 2018 and resuming flights with Syria. Bahrain also followed suit by purchasing shares in Syria's banking sector. The [recent meeting](#) in Damascus between Iraqi, Syrian, and Iranian officials is also significant: it signals that their countries are willing to work together in overcoming the numerous barriers – economic, physical, and strategic – they face. Plans to reopen the border between Iraq and Syria form part of this normalisation process, as does a joint Iraqi, Syrian, and Iranian project to establish a transnational rail network.

To Syria's south, Jordan, which had previously thrown its weight behind the Syrian armed opposition, albeit to maintain its perceived security interests along its northern border rather than out of a strong commitment to regime change, now accepts that Assad has won the war. Like Israel, it is primarily focused on using its influence to moderate Syria's relationship with Iran along its border, even though there are limited Iranian-linked forces in the area. More broadly, Amman is now

actively re-engaging with Damascus, eager to benefit from reconstruction, investment, and trade arrangements that can help alleviate its economic woes. The closure of the Naseeb crossing in 2015 blocked Jordan's direct access to Syrian, Lebanese, and Turkish markets. Corruption and the cost of hosting around 650,000 Syrian refugees have increased the economic strain on Jordan and contributed to unrest in the country. Keen to see the return of Arab investment in Syria, the regime has in recent months hosted numerous Jordanian political and economic delegations, promising favourable rates for Jordanian businesses in return for their participation.

To the West, Beirut's relationship with Damascus – which never entirely broke down during the Syrian war – has grown more complicated. While the Lebanese government maintained an official policy of neutrality on the conflict, some factions financially supported the armed opposition in Syria while others, particularly Hezbollah and the Syrian Social Nationalist Party, actively fought alongside pro-regime forces. Lebanon's 2016 presidential election and 2018 general election ushered in a more pro-Damascus parliament, signalling a potential shift away from the policy of neutrality. As one former Lebanese MP put it, “we're seeing the return of the Lion King” – suggesting the restoration of Syrian influence in Lebanon. This claim may be premature, but an increasing number of Lebanese political factions – even those opposed to the Syrian government – are privately acknowledging that a turn to Damascus would help ease some of Lebanon's economic and infrastructure problems.

The issue of Syrian refugees in Lebanon remains an underlying concern for all the country's political factions. They fear that the West, in its persistent refusal to officially accept the legitimacy of the Syrian government, will essentially [hold refugees hostage](#) in neighbouring states until its demands are met. They worry about the effects of [large-scale naturalisation](#) of refugees on Lebanon's demographic makeup and [economic situation](#).

But Syria's re-engagement with its neighbours has slowed since late 2018, dampening the regime's optimism about the effort. The Arab League has not welcomed Syria back into the organisation as many expected and US and European pressure, including threats to impose punitive measures on entities that become involved in Syria, has

slowed any economic rush back to Damascus. While the reopening of the Jordanian border crossing has created a small increase in trade, it has also led to new complications: much to the chagrin of Syrian traders, Jordan has limited the quantity of Syrian produce in its market so as to not undermine the production of local goods. Meanwhile, the Saudi market remains closed to Syrian products. And there is still no route through Turkey (and beyond) for Jordanian products.

Still, in attempting to recover the regional role it once had, Damascus expects that other countries will eventually come round and contribute to stabilising its economy. The regime is not inviting Western states to contribute aid to, or assist in reconstruction, in Syria. As a recent Syrian Foreign Ministry [statement](#) made clear, the regime believes that, if anything, these countries should pay compensation for the death and destruction they have caused. Instead, Damascus is courting states and non-state actors that have expressed an interest in working with it but have not demanded political reform, including not only Russia and Iran but also China and others.

Threats to stability

The West's introduction of increasingly punitive sanctions on Syria – namely, recent US restrictions aimed at curtailing Iranian crude oil flows into Syria but also longer-standing measures blocking transactions with Syrian banks – has dashed the regime's expectations of a return to growth through investment and reconstruction. This has exacerbated the problems of an economy ravaged by the rise of war profiteers, inflation, low salaries, unemployment, arbitrary military conscription, bureaucratic incompetence, and widespread government corruption. The recent measures have led to increasingly severe shortages of fuel, severely restricting the country's energy supply – which has had a significant knock-on effect on the [wider economy](#), including in raising the price of essential goods such as food. According to [Syria's Central Bureau of Statistics](#), the average expenditure of a family in the country in 2018 was £S325,000 per month (\$630) – a figure that is relatively high due to the scarcity of basic goods, which fosters reliance on the black market. Yet the average wage of a government employee remains between £S35,000 (\$65) and £S52,000 (\$100) per

month, depending on position. The United Nations [says](#) that 69 percent of the population are in extreme poverty, with 90 percent of families spending more than half of their income on food (the price of which has risen eight-fold since 2011).

Some Syrian towns and villages are slowly returning to normality, while others, such as Zabadani, have been so ravaged by the war that their former residents are unwilling to return. Similarly, two and a half years after the Islamic State group (ISIS) was forced out of Deir ez-Zor, the city still lacks access to basic services such as gas and electricity. Jobar also remains empty due to a lack of basic services. In contrast, Madaya is full of residents, while activity in its commercial district is picking up again. Many residents of Eastern Ghouta have been there since before the government retook the area, despite the military's bombardment of it. And some internally displaced persons are returning home, but severe damage to basic infrastructure has deterred others from doing so.

A small number of refugees are returning to Syria from Jordan, Lebanon, and Turkey, but a lack of infrastructure, uncertainty about military conscription, safety concerns, and the absence of economic opportunities are preventing many more from doing so. Beyond the lip service it pays to refugees in asking them to come home and to help rebuild the country, the government can do little to facilitate this. Damascus is undoubtedly aware that a large influx of returnees would increase the economic strain on the state, as it would be forced to provide employment, housing, infrastructure, and basic services to them.

Having never received the post-conflict economic boost it expected, the government has not prioritised large-scale reconstruction. Instead, it has attempted to facilitate localised, community-based reconstruction projects initiated by private companies, religious institutions, and non-governmental organisations. In Aleppo, for example, the Armenian Church Relief Committee has teamed up with a French Christian non-governmental organisation to fund and rebuild Christians' homes. Other residents have self-funded the reconstruction of their own homes and commercial properties.

From the outside looking in, it seems as though Damascus will be incapable of ensuring its own survival while also serving the people's interests and stabilising Syria.

The state has increasingly relied on an array of racketeers, oligarchs, and war profiteers to circumvent the sanctions. And it has loosened legislation to allow businessmen to import fuel, while Iran and Russia have attempted to send fuel tankers to Syria (Iran's are currently held up in the Suez Canal). Meanwhile, small legitimate businesses and returning Syrians struggle to navigate between a cumbersome bureaucracy and security services that run extortion rackets. Many Syrians have burned through their savings trying to keep their businesses afloat and, having now lost hope, cut their losses and sought stability elsewhere. In some cases, the surge in smuggled foreign products on the market has prompted them to abandon businesses they had sustained throughout the war.

As some of its employees based in Damascus point out, the UN has been forced to place restrictions on the basic services it provides in Syria due to the demands of foreign donors. For instance, when the UN planned to provide water pipes for residents of Douma instead of delivering water by truck, Western donors prohibited it from doing so, claiming that this counted as reconstruction. Similarly, donors put a stop to the UN's attempts to pay the legal fees of residents of Eastern Ghouta, arguing that this amounted to the provision of financial aid to the government.

Government officials acknowledge the hardships the country currently faces, warning the population to brace for tough times ahead as they seek solutions to problems such as electricity and gas shortages. While the regime has relied heavily on Russia and Iran to offset these shortages, the US Office of Foreign Assets Control (OFAC) has [severely restricted](#) the flow of basic goods into Syria by threatening shipping and insurance companies with punitive measures. Yet, ironically, Western sanctions have entrenched Syria's corruption networks. The regime has proven capable of managing the challenges associated with the measures, albeit in a fashion that brings out some of its worst tendencies.

Endemic bureaucratic incompetence

Syrian government institutions are rife with corruption. Yet factors such as incompetence, ignorance, and bureaucratic rivalry also play a major role in the ways they function. These problems have become ever more acute due to significant brain

drain and a refusal to increase government salaries in the face of rampant inflation throughout the war, which have ensured that most current decision-makers have little technocratic experience and few qualifications, let alone a strategic vision for the country.

Another notable example of governmental dysfunction involves the introduction of smart cards to control and ration the distribution of fuel across various provinces. Under the system, Syrians register for a card that gives them access to a limited amount of petrol in a given period of time. Yet this has shut out Syrians who cannot register for a card due to administrative issues – especially those in [formerly opposition-held areas](#) who do not have an official identity card, and those whose cards the government has [inexplicably cancelled](#). Moreover, as the fuel crisis worsens and government rations become smaller, many Syrians who have a smart card are unable to access enough fuel to do their jobs, forcing them to turn to the black market once again (this has been a particularly serious issue for drivers employed in public transport). “This is just another example of an initiative that hasn’t been thought through at all and has made our situation worse,” said one resident of Damascus. “With the amount on the card allocated to me, I can only go to work and home. I can’t even leave my province because the smart card doesn’t allow me to fill up petrol in another province.”

A reinvigorated security state

Since the beginning of the war, the regime has retained its authoritarian character and has sought to reimpose its monopoly on violence. As it expands the areas under its control and hence reduces its reliance on militias, the government increasingly views these groups as non-essential. Aware that militias have provided employment to thousands of men, Damascus is now integrating them into the army’s 5th and 6th Corps, a process that helps it reassert control over their activities and ambitions.

While the security situation in most government-held territories is relatively stable, small turf wars have taken place between rival pro-government militias – largely those in the countryside – over control of smuggling and extortion networks. Such clashes have occurred throughout the last eight years as various groups jostled for

the spoils of war. Having generally turned a blind eye to the battles so as to retain the groups' support, the government has now begun to pay attention to them lest they lead to violent instability among its supporters. Nonetheless, some Syrian security officials have dismissed concerns about the issue, stating that the clashes are to be expected in any transition as a government re-establishes control. Fundamentally, the regime will only allow these militias to exist for as long as it sees them as useful. When one of the groups oversteps its boundaries, Damascus disbands it, arresting its commanders and integrating its fighters into a state organisation. This could be seen in the government's treatment of the Desert Hawks: in 2017 it placed Aymen Jaber, founder of the militia, under house arrest. The militia was later disbanded, with its fighters integrating into various army divisions and corps.

A lack of communication between security organisations often leads one of the services to arrest people who another has granted amnesty – leading opposition groups to accuse the regime of renegeing on its commitments. These amnesties cover only prior attacks on the state. Thus, they exclude subsequent crimes and charges filed for crimes such as murder, kidnapping, looting, and extortion.

The least stable formerly opposition-held territories are in southern Syria. The security environment in the south is exceptional due to the unique interests of both internal and external actors there. Russia provided cover to Israeli-backed opposition groups and persuaded them to participate in reconciliation in the area – something the Syrian government accepted at the time, as it realised that Israel could not [establish a zone of influence there](#) as intended. However, because the Russian-brokered agreement covering the south did not allow the full return of the Syrian state, armed groups continue to control some areas that the government nominally holds. The proliferation of small arms and light weapons, coupled with a lack of state presence, has contributed to rising lawlessness there. This has led to numerous attacks on army positions, as well as assassinations of former opposition members by erstwhile allies who oppose reconciliation.

With its paranoia fuelled by the Western-imposed economic siege on Syria, the regime has adopted an increasingly tough and arbitrary approach to some of its

strongest supporters – a significant shift in comparison to its behaviour in the last eight years. This perhaps explains the December 2018 arrest of Wissam Tair, founder of one of Syria’s largest and most popular pro-government social media sites, [Damascus Now](#). Individuals in the president’s office seemed to perceive Tair, who has an audience of almost three million, as a potential threat when he started conducting polls on government accountability, efficiency, and corruption. After refusing to hand over control of his website, he was arrested on apparently fabricated charges of collaborating with foreign agents. This rattled many government supporters as it demonstrated that no one – not even “the most loyal of the loyalists”, as one Syrian described Tair – was untouchable.

The security services also regularly question civil society activists who work in government-held areas about their contact with the West. And as the West maintains its punitive policies on Syria, emboldened hard-line officials express doubt about the intentions of non-governmental organisations that receive funding from Western donors, prompting the closure of some of their projects. All this has fed a siege mentality in government circles. In a recent speech, Assad stated that, while criticism is a necessary tool within society, the “population” – obliquely referring to prominent intellectuals and other actors who have taken to social media to voice their frustrations – may have been manipulated by external forces to foment instability.

The regime’s survival tactics

Damascus wants to create a functional system in post-conflict Syria that serves its core ambition of survival, one based on re-establishing strong central control rather than succumbing to external demands. As has been the case throughout the war, the regime’s use of the security services is central to this effort.

When Western officials repeatedly use phrases such as “Assad has won the war, but he cannot win the peace”, they betray a form of wishful thinking detached from the reality on the ground, as well as a limited understanding of the regime’s capability to survive – using various tools – without acceding to Western demands. It may also betray a desire to make sure he cannot win the peace, regardless of the negative

effects this has on civilians living in Syria.

While it blames its predicament entirely on the West, the regime is trying to survive in much the same manner as it has in the last eight years – through violence and authoritarian repression, a series of short-term fixes, heavy reliance on foreign allies, and its “long breath”. Yet, fundamentally, these fixes remain detached from the core driver of the problem. Damascus has done little to pursue post-conflict reconciliation or address high levels of mistrust between Syria’s communities. As one Syrian who remained in government-controlled territories throughout the war said: “nothing is being done to heal the rifts within society. Beyond the amnesties and putting opposition fighters in with the army, the government has not done anything to fix the mistrust and animosity amongst the people. There need to be serious mechanisms and initiatives that focus on bringing the people back together.”

The regime is re-establishing its power through the arbitrary use of incentives and disincentives. It directs state institutions and infrastructure to support the local population, while working with charities and religious institutions to provide employment opportunities. Yet it also adopts indiscriminate repressive tactics that harm both its opponents and those loyal to the regime.

As discussed above, the regime has also attempted to survive by pushing through a range of ill-conceived and poorly implemented measures. Indeed, the government’s tactics have increased the financial burden on the most vulnerable in society, thereby fuelling dissent.

In his focus on economic survival, Assad relies on a team of businessmen with little experience in managing a national economy. They provide short-term solutions, such as fundraising through customs and taxation – which allows for an immediate influx of resources but also kills off organic economic activity.

The government is keen to enable more businessmen from Syria, particularly those who remained neutral throughout the war, to re-engage with the country. It sees them as being more capable than, for example, Iran of attracting foreign investment – be it from other Arab states or further afield. While it believes that Iran can help

alleviate some of the economic pressure on Syria, the government sees the Iranian approach to commerce as incompatible with the Syrian one. Syrian businessmen talk of spending months in Iran trying to secure deals, only to give up because they have found the Iranians to be too slow-moving and bureaucratic. This is one possible explanation for the collapse of a telecoms network deal that Iran once appeared to have secured in Syria.

And, although the West condemns them for collaborating with the regime, these businessmen have a role to play in stabilising the economy and thereby allowing the state to function.

Ever since OFAC began to tighten its restrictions on Syrian commerce, the government has studied the methods employed by other governments under sanctions and increased its push for local production. It has also loosened regulations on fuel imports, granting businessmen greater rights in this area – which has the additional benefit of strengthening the symbiotic relationship between oligarchs and the government. For the businessmen involved, such measures provide an opportunity to raise their domestic profile. And, if OFAC or similar organisations eventually sanction them for collaboration, this boosts the government’s narrative that the West wants Syria to remain broken and will punish Syrians for investing in their country.

Despite its focus on the business elite, the government has responded to some popular pressure. There are precedents for several cases in which, as discussed above, the regime [walked back decisions](#) or [retracted them entirely](#). When the Ministry of Education introduced a new curriculum widely seen as increasing the influence of Islam in the primary school system in 2017, secular Syrians loudly objected to it. This forced the head of the ministry to defend his decision in parliament, eventually resulting in changes to the curriculum. The following year, after the passage of a law on discharging wounded soldiers that did not specify how they would be compensated, a group of Republican Guard officers staged a demonstration near the president’s residence. The government subsequently recalled and modified the law. Other popular campaigns launched by those loyal to the regime

have also forced a response from the government: after pro-regime forces recaptured Douma and failed to find Syrians kidnapped from Adra, the families of those who had been taken staged numerous demonstrations until government officials met with them. Similarly, there is an ongoing online campaign in Syria to pressure the government to discover the fate of people whom the opposition kidnapped or killed.

At the same time, the government is attempting to adapt to the various powerbrokers and networks it relies on, which sense a post-conflict change in its needs and interests. Assad does not work only with a small circle of advisers. Rather, he presides over a system that comprises competing and complementary – formal and informal – networks, creating symbiotic relationships predicated on both his survival and their continued cooperation. For example, the regime carefully balances demands from the religiously conservative Sunni elements of society – which can be found within the business elite of Damascus as well as the Religious Endowments Ministry – with efforts to avoid alienating minorities. (These minorities have a different sort of presence in the business elite and wider society.) Similarly, the government tries to balance the interests of various militias, industrialists, and smugglers. The relationships between them sometimes intertwine to varying degrees.

Some of those who provided crucial support to the regime throughout the war have become less useful than they once were, heightening their sense of insecurity. With others having further strengthened their positions due to the regime's overreliance on them, a series of new power struggles is playing out among the networks closest to the regime. An example of this is the public rivalry between Rami Makhlouf, the president's cousin and one of Syria's most notorious oligarchs, and Samer Foz, who rose to prominence by capitalising on the abandonment of businesses in wartime – and who is now one of the leading businessmen in Damascus. Makhlouf controls numerous economic, political, and militia networks that serve as life support for the regime, while also providing tens of thousands of Syrians with employment. Foz has brokered deals with Western and non-Western entities to import much-needed grain and other produce while the regime has been under sanctions. Today, he is opening factories and businesses in Syria, thereby also providing employment where the regime is unable to do so. Neither businessman can eliminate the other: they are

aware that the regime needs them both, and others like them, to sustain the economy and fill its coffers.

Controversial property laws

To help address its financial problems, the government has introduced 45 pieces of property legislation since 2011, including Law 10 – which the West views as designed to permanently displace Syrians who oppose the regime. This law is based on land readjustment, a mechanism sometimes employed in the aftermath of a war or a natural disaster that pools an area into a single unit including houses, commercial districts, and infrastructure.

If applied correctly, such laws can help protect property rights, promote investment, rejuvenate the local economy, and create public-private partnerships. Under the law, the government should buy out the original owners of property, provide them with shares in the newly zoned area, and allocate housing and rent money to tenants from the area under development. However, in practice, the government constructed Law 10 very poorly, hoping to relieve itself of some of the pressure of reconstruction by encouraging investors to foot the bill. This created a system that punishes the poor and benefits Syrian investors close to the regime, as well as the few Syrians who can afford redeveloped plots. While the law does not specifically target Syrians who oppose the regime, they will bear the brunt of the measures given their strong representation in the poorer sections of Syrian society. There is also significant uncertainty about whether Syrians – especially those outside the country – can enforce their property rights and receive compensation for seized property.

Although the resulting public and official discontent has forced the government to adjust its position on Law 10 – with Prime Minister Imad Khamis meeting small business owners from Qaboun to reassure them their interests would be protected – the new system has stark implications for social cohesion and the urban social contract. By favouring investor-funded luxury developments (including hotels, tourism centres, shopping malls, and residential complexes) over large-scale affordable housing projects in a country with more than six million internally displaced persons, the government has demonstrated that its priority is to facilitate

fast capital injections into its starved economy while limiting its spending.

The regime's readjustment of payments on affordable housing in Homs, Aleppo, and Latakia provides another example of this. Historically, Syria's affordable housing scheme provided members of the military and other state employees with the opportunity to make payments on their homes over a lengthy period, in monthly instalments. But the Military Housing Directorate has now adjusted these repayments to the current rate of inflation, increasing the amount residents owe by 400 percent – and deliberately ignoring the fact that state salaries have not been adjusted accordingly. In Latakia in December 2018, for example, the authorities informed residents who had been there since 2007 that their monthly payments would rise to £S70,000-90,000 (\$135-175) – while their salaries remained at £S40,000 (\$75) per month. The government appears to see this as one more valuable cash injection, despite the fact that it comes at the expense of Syria's most vulnerable – and traditionally most pro-regime – groups.

European policy responses

Western policymakers and diplomats are struggling to devise a coherent strategy for dealing with Syria now that the government they attempted to topple appears to be secure. While becoming more realistic about what can still be achieved, a core group of European governments, working in tandem with the US, are intent on exerting significant economic pressure on Syria. They aim to feed domestic discontent and thereby force the regime into political compromises. This approach involves withholding reconstruction funding and applying an intense regime of economic sanctions on Syria.

But Western countries' expectation that an economic war will eventually force the regime to acquiesce to their demands is **both short-sighted and counterproductive**. Despite the conflict, sanctions, and corruption, the Syrian state has continued to provide basic services in many areas – albeit while bombing and besieging others. There are still state institutions that continue to function, providing services to the population, if to a low standard. Having long endured Western isolation prior to the

conflict – and having refined these survival skills in the last eight years – Damascus knows how to withstand external pressure.

In this climate, Assad is almost certainly not expecting to receive Western aid for reconstruction. And, as discussed above, other state and non-state actors have already indicated their willingness to invest in post-conflict Syria without preconditions on political reform. Therefore, some powerful Western countries underestimate the extent to which the regime’s allies and partners will alleviate some of the economic pressure on Syria in return for investment opportunities. Today, companies from the Czech Republic, Belarus, Serbia, and Romania are – like those from Iran, Russia, China, Jordan, Lebanon, Iraq, and Gulf Arab states – actively looking for economic opportunities in Syria. Others will join the list.

Fundamentally, after more than eight years of brutal conflict, it should be clear that Damascus will not yield to external pressure to make concessions on what it sees as existential issues. Damascus has consistently rejected any foreign-imposed constitutional or political process – as Foreign Minister Walid Moallem [reiterated](#) in a recent meeting with UN Special Envoy for Syria, Geir Pedersen. This, along with its stated goal of winning back all Syrian territory and rejecting any form of federalism, has always been non-negotiable for Damascus. The regime is not about to change its position now, regardless of how much the West tightens the screws.

In this context, the West’s policies risk harming ordinary Syrians. Most Syrians in government-held areas, Idlib province, the north-east, and in exile are not thinking about a new constitution or the outcome of the Geneva talks. Instead, Syrians prioritise survival with dignity. They want to go to work, put food on the table, and ensure that they have a roof over their heads. As one Syrian security official summed up the resentment generated by Western policy among supporters of the regime: “I have no choice but to rely on my friends and they make demands. You [the West] sanction me so I’m hungry, and you send me the whole world’s garbage to us, so of course we will have to rely on our friends. I want to build my own country and feed my people, and it is my right to cooperate with whoever I want if you sanction me.”

Sanctions reinforce the widespread belief in Syria that the West is trying to do

through economic measures what it failed to do through other means. The measures have become a self-fulfilling prophecy in that they now directly contribute to a regime narrative that blames them for increased corruption, a lack of reconstruction, and the deterioration of public services. If anything, they provide the regime with a mechanism to redirect internal discontent away from its own failings, thereby decreasing the likelihood that it will be held accountable by the population. Indeed, the perception of a new economic war on Syria is exacerbating the regime's worst impulses, increasing its reliance on patronage and corruption networks and prompting it to intensify its security crackdown. This risks closing down the space for incremental change, which can only happen once the regime has no choice but to move beyond the conflict narrative.

Publicly, Western countries have changed their main aim in Syria from “regime change” to a “change of behaviour”, according to several Western diplomats who work on Syria. But they do not clearly define the shift in behaviour they demand. For example, many European diplomats emphasise the importance of the Geneva process and the implementation of UN Resolution 2254 but, when pushed, none of them can provide a clear definition of what a political process means, what measures or reforms implemented by the government would satisfy the West, or even what constitutes the regime. By sanctioning prominent businessmen uninvolved in the conflict, newly appointed ministers in departments unrelated to the war effort, and – in future, perhaps – third-party actors interested in investment and reconstruction, Western countries signal that they intend to ensure that Syria remains isolated and broken.

If European capitals such as Berlin, London, and Paris aim to promote true political reform in Syria, they should realise that this is a long game that will not be served by causing the regime to implode. Although it may not thrive under Western sanctions, the regime will revert to its core survival tactics at the population's expense. Rather than embracing a policy that will only strengthen the regime's grip, European governments should look to provide at least limited economic and civic engagement opportunities, thereby helping improve Syrians' lives and laying the groundwork for long-term political change.

The European Union should acknowledge that its current approach has little chance of forcing Damascus into political concessions as it stands, and that it is reducing Syrians' room for manoeuvre. The union should condition its non-blockade policies on progress on issues such as detainee releases and humanitarian access, focusing its attention on these more realistic goals.

As part of this, the European Union should seek ways to help Syrians rebuild their lives in a manner that slowly loosens the regime's hold on Syria and reduces the influence of Russia and Iran there. Rather than blocking the UN's activities in Syria, European donors should assist the organisation in expanding its work in the country, and consider establishing transparent mechanisms that can increase aid flows into the country if the regime meets certain conditions. Plans for regime change are doomed to failure: history demonstrates this does not work in the Middle East and the ones who bear the brunt of it are always society's most vulnerable. Europeans now need to take a smarter approach.

Author's note

This paper is predominantly based on research in regime-held areas of Syria and interviews with government figures, security officials, businessmen, and civilians. It analyses the situation on the ground in regime-controlled areas, the position of the dominant Syrian government, and what this means for European policy on these areas.

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