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Institute of Current World Affairs
The Crane-Rogers Foundation
Four West Wheelock Street
Hanover, New Hampshire 03755 U.S.A.

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Andrew Tabler is an Institute Fellow based in Damascus and Beirut studying Lebanese reconstruction and Syrian reform.

The Gathering Storm

By Andrew Tabler

MARCH 2005

BEIRUT, Lebanon—Following the shocking assassination of former Lebanese Prime Minister Rafik al-Hariri by an explosion of unknown origin on February 14, the political opposition began skillfully mobilizing domestic and international support to demand the resignation of the pro-Syrian government of Premier Omar Karami. Three days of official mourning ended with a rally of more than 30,000 protesters in Ain Al Mreisse (Martyrs' Square, the seafront area adjacent the blast site). Chants of "*Hey yalla, Souriyya tlai barra*" (Hey hurry up! Syria get out) and "*Hurriya, Siyada, Istiklal*" (Freedom, Sovereignty, Independence) resonated throughout the crowd.

I immediately noticed some interesting dynamics that would last throughout the demonstrations in the two weeks ahead. First, the protesters were largely Christian and Druze, not Muslim. Watching over a series of days, I saw only a handful of Lebanese in anything close to conservative Islamic attire. During the protests of February 28, which led to the resignation of the Karami government later the same day, I saw only one woman with an Islamic headscarf, and that one not in the style worn by Lebanon's Shia population. Muslim protestors I met at each rally were all Sunni, and seemed to represent secular Muslims from West Beirut centered in Hamra and Hariri's headquarters district of Koreitim.

Also interesting on February 28 were the protesters' arrival routes. Since the Interior Ministry had refused to give permission for the rally, the Lebanese Army cordoned off Martyrs' Square — an area largely destroyed during the Civil War and still largely desolate. The Lebanese, never a people to take authority too seriously, circled around the long lines of soldiers, searching for ways to sneak through alleyways leading onto the square. For my part, I scaled the wall at the back of the posh coffee house, "Paul", adjacent to Martyrs' Square. So did several of the notoriously beautiful Lebanese women, who did their best to overcome the same obstacle in stiletto heels and skin-tight clothes. The American media described the protests as "The Cedar Revolution," in reference to Lebanon's famous cedar trees,



focusmiddleeast.com

Rescue workers carry away victims from the blast that killed Rafik al Hariri in the Lebanese suburb of Ain el Mreisse. The site is now cordoned off as international investigators try to determine the "who" is to blame.

About the Author

In the "rationale" Andrew Tabler submitted with his fellowship application, he said, "I would like to examine how increased pressures by external actors function in Lebanese and Syrian politics and society.

"I would begin this investigation by looking at how these external factors have affected



Syria's four-year-old reform efforts. The reason for starting here is straightforward: Washington and Brussels are currently

pressuring Syria in hopes of changing its political and economic positions. Much of Washington's grievances are formally documented in the Syrian Accountability and Lebanon Sovereignty Restoration Act, a Congressional initiative US President George W. Bush signed into law in December 2003.

"The European Union has 'encouraged' Syria to reform as part of its preparation for the yet-to-be-signed Syrian-EU Association Agreement. More high-profile EU-funded programs in Syria seem to be carried out every day in the name of preparing the country for the Agreement's political, economic, social and cultural aspects.

"Added to the EU's positive pressures are various other externally funded reform efforts, including United Nations programs designed to tackle Syria's demographic problems (Syria has the youngest population outside the Palestinian Territories), various Nongovernmental Organization programs, not to mention Washington's Greater Middle East Initiative."

a caricature of which is centered in the Lebanese flag; others referred to it as the "Gucci Revolution."

After making it onto the square, I could see wave after wave of protestors arriving from Christian-dominated East Beirut. Their origins were obscured at first by the fact that the Army sent all approaching protestors, including those from largely Muslim West Beirut, around the security cordons to the northeast side of Martyrs' Square adjacent to East Beirut. A closer look, however, showed that the major waves that arrived around mid-day and into the afternoon that eventually filled the square were pouring in from Christian areas.

Another point of interest was the opposition's ability to manipulate and therefore control the demonstrations for maximum effect. During the first demonstrations near the bombsite on February 18, political-party flags from Christian and Druze factions competed with red-and-white Lebanese banners. By February 28, Lebanese banners dominated as far as the eye could see.

To energize the crowd, the Hariri-owned TV channel Al-Mustaqbel (Future), as well as the Maronite-Christian Lebanese Broadcasting Company (LBC) focused their TV cameras on well-lit, concentrated patches of protestors waving anywhere from two to four Lebanese flags apiece. To a casual viewer wondering whether to defy the government's ban on the protest, it seemed clear that the protests were on, and worth attending.

The Shia Muslim station, NBN, and the state-owned TV at first covered the protests only during regularly scheduled newscasts. By mid-afternoon, as protestors began filling the square, all stations switched to live coverage. When Parliament began its first session after the assassination and began discussion of an inquiry into the killing, Future and LBC featured split screens, the right hand side showing the Parliament session and the left the gathering protestors. Future set up two-large screen TVs adjacent to the protestors' main podium, allowing the crowd to react to the heated parliamentary debate.

Dedicated members of the opposition were now encamped in makeshift



Opposition protestors from the Druze-based Progressive Socialist Party march from the blast site to Parliament, the first step in opposition's effort to topple the pro-Syrian Karami government.



Party flags gave way to Lebanese banners in the protests of February 28, which brought down the Karami government, at least for a while.

tents in the town center around the Statue of the Martyrs, the recently restored symbol of Lebanon's independence struggle from France. "We will wait here as long as Syria remains on Lebanese soil," one diehard protestor told me. "We are willing to lose our jobs, and our lives, for this cause."

Popular reaction to the crisis

The reaction of Lebanese to the blast was remarkably similar to that of Syrians: extreme sorrow and frustration, but qualified approval of Hariri's record. Hariri was the father of Lebanon's post-war reconstruction and creator of the political middle ground where all of Lebanon's religious groups (known as "confessions") felt comfortable pursuing a national agenda. He was the deal maker, the bridge between Syria, Saudi Arabian money and European (especially French) influence.

"Hariri was the future," said one man to me a few days after the assassination. "He was a real statesman. We will miss him."

Other reactions were more mixed. "Look at our high debt," said one bank employee. "To build a road in this country costs ten times more than it should because so many people are getting their cut. Hariri got a big cut, but at least he

of Lebanese society: Syria was somehow responsible, if for no other reason than it happened on its watch. Syria needed to get out of Lebanon.

In Syria, reaction was mixed as well. Hariri was well liked in Syria. He'd made frequent trips to consult with Syrian officials and business leaders over the years. He even had a residence in the wealthy Damascus neighborhood of Abu Rumanieh next to that of his old friend, Syrian Vice President Abdel Halim Khaddam. Everyday



With all roads to Martyr's Square blocked by the Lebanese Army, Lebanese in trendy clothes scale the wall behind the posh coffee shop Paul in Saifi.

and his people did something for Lebanon with it. He didn't deserve to be killed."

I have observed similar reactions for years. When Hariri's government implemented gasoline taxes and Value-Added Tax (VAT) in 2002, average Lebanese cursed the prime minister's name. They accused him and his government of being terribly corrupt, and openly wondered why Finance Minister Fouad Siniora was asking the people to make sacrifices when he had been largely responsible for overseeing so many ballooning deficits in the years after the war.

All this aside, Hariri's death crystallized one thing in the minds of a large part

Syrians liked what Hariri had done for his country. The Damascus elite, who bought their style in the Beirut shopping district of Verdun, a short walk from Hariri's Beirut home, liked him because he brought the world to their doorstep. They also liked it that wares of globalization and style sophistication were brought to them through Muslim-owned enterprises. A little-known carryover from pre-war, Maronite-dominated Lebanon is the fact that a majority of the country's "Wakilat", or exclusive national agencies for purchasing big-ticket items, from computers to automobiles, remained Christian-owned. Their monopoly status ensured that prices remained high and largely out of the reach of less-well-off Lebanese. In 2002, Hariri tried to launch legislation to abolish the exclusive agencies. The initiative was eventually dropped, however, largely due to growing political resistance from those surrounding Lebanon's Syria-supported President Emile Lahoud.

Lahoud, Syria's Lynchpin

Syria's ally and Hariri's nemesis, Lahoud was appointed President amid great fanfare in 1998, and was seen as a clean break from his predecessor, the openly pro-Syria Elias Hrawi. The former had been the transition figure from the 1970s civil war to the "pax Syriana" the solution to the civil war that relied heavily on the role of Syrian military and intelligence forces in Lebanon. Lahoud was named President as reward

for his role in implementing a Lebanese-Saudi Arabian-Syrian settlement to the Lebanon War, supported by the United States and approved by the United Nation's Security Council. The settlement is referred to in Lebanon and Syria simply as "Ta'if," since it was signed by the Lebanese National Assembly in 1989 in the town of Ta'if, Saudi Arabia.

More than a bit of explanation is in order. Since their creation following World War I, Syria and Lebanon have had an odd, symbiotic relationship — socially, economically and politically. Both achieved independence after World War II following rather unsuccessful French colonial administration. Free movement of individuals across the Lebanese-Syrian frontier has always been necessary, since familial ties transcend the limits of the modern state. As with the US and Canada, six-month visas are issued on the spot, not based on passports but on one's "hawiyya," or identity card.

Each was also important to the other's livelihood. Lebanon was very much the international face of the Levant before such terms as globalization even existed. It was a place of beautiful mountains and women, good food and long beaches. It was, as was often rightly said, the playground of the Arab World.

At the same time, it didn't seem to "do" very much, other than serve as a place to study, have a good time



and live a good life — if you could afford it. Those that could afford it were overwhelmingly Christian, particularly Maronite Christian (Maronites are members of one of the Eastern Rites of the Catholic church. They trace their founding to St. Maron and are one of the main religious groups in Lebanon.), and those that could not afford it were overwhelmingly Shia Muslim.

Lebanon is home to 17 different “confessions”, otherwise known as religious sects. Despite over 80 years of state building, they remain, arguably, the primary political units. What is unarguable is that the political system is built to accommodate each confession according to their share of the population based on a census — a census that was last carried out in 1932. Called the National Pact, an unwritten agreement forged in 1943 allots certain positions to representatives from specific confessions. The 1932 census showed that the largest confession was that of the Maronite Christians, who were therefore awarded the position of President. Sunni Muslims, theoretically the second largest group in the country, were awarded the position of Prime Minister. Shia Muslims, who were supposedly the third largest confession, were awarded Speaker of Parliament. The Council of Ministers, responsible to the President, was made up of representatives from all of Lebanon’s confessions, including Druze, Catholic, Orthodox and Protestant Christians, on an *ad-hoc* basis.

This system worked reasonably well, albeit with hiccups. In 1958, Syria formally merged with Egypt to form the United Arab Republic. Shortly thereafter, elements of the Muslim population in Lebanon rallied in support of their country joining the UAR as well. The Maronite president, Camille Chamoun, asked for US assistance to keep Lebanon from falling under what Washington believed was the UAR’s increasingly Soviet-influenced domination of the Arab World. In Lebanon and elsewhere in the region, the UAR was seen as a Sunni-Muslim-dominated political construct aimed at maintaining the Sunnis’ historic political hegemony over the Arab World’s minority communities. President Dwight Eisenhower complied with Chamoun’s request, and sent troops ashore to keep Lebanon in the Western orbit.

The system was maintained despite, widespread changes in Lebanon’s demographic makeup. Maronite, Catholic and Orthodox Christians, as well as the country’s small Jewish community, had smaller families, in line with rising education levels and standards of living. The Shia, and to a lesser extent, Sunni communities, continued to reproduce at much higher rates, in line with each community’s overall economic development.

When members of the PLO arrived in Lebanon in the early 1970s, following their post-1973 ouster from Jordan during what is called “Black September”, their ostensible mission was to continue resistance against Israel. Attacks against Israel, which followed the 1973 War, resulted in Israeli military attacks on Lebanon. The Leba-

nese confessions were divided over how to handle the situation. The Maronite-dominated government demanded that the PLO respect Lebanese sovereignty and stop launching attacks on Israel from Lebanese territory. The Muslim community largely supported the attacks, accusing the Lebanese government of ignoring the country’s Arab identity, and therefore its responsibility to resist “Israeli aggression”.

In response, the PLO began acting as “a state within a state”, providing “security” for Palestinian and Muslim areas of Lebanon. In 1975, an incident over a school bus ignited open warfare between the Christian-dominated state and the PLO and its Lebanese Muslim supporters.

Thus began the Lebanese Civil War, as it is known in the West, or “The Lebanon War” as it is known in Arabic — a 15-year marathon, and a subject I cannot address here for space reasons. Various Lebanese groups throughout the war called upon their neighbors and allies to intervene to “stabilize” the situation. In June 1976, Lebanese President Suleiman Franjeh asked Syrian President Hafez al-Assad to send troops to end the civil war. Assad complied, and Syrian troops have been stationed in Lebanon ever since.

Why would a Maronite Presidency, which sought US assistance in 1958 to repel Syrian influence via the UAR, ask for Syrian assistance in 1976? Because in 1963, power in Syria began to shift from Syria’s Sunni majority to that of a minority Muslim group called the Alawis, who were prominent in the country’s armed forces. This culminated in a military coup in 1970 by Lt. General Hafez al-Assad, the Alawi defense minister. So in many ways, Franjeh’s request of 1976 was an invitation for a minority-controlled Syria to come to the assistance of a similarly minority-controlled Lebanon.

Syrian intervention did not end the civil war in 1976, but Syrian forces were heavily involved in the war’s conclusion in 1990. In return for supporting Washington’s efforts to push Iraqi forces, led by Syria’s archrival Saddam Hussein, out of Kuwait, Damascus was given a free hand to end the Lebanon War in autumn 1990, on the basis of the 1989 “Accord for National Reconciliation”, now known simply as Ta’if. The accord restructured the political system in Lebanon by transferring power away from the Maronite presidency to a Cabinet divided equally between Muslims and Christians. The ratio of parliamentary seats for Christians and Muslims was adjusted from 6:5 to 5:5. Last, but certainly not least, the Cabinet, which is led by a Sunni Muslim, was officially made the executive body. A major architect of the accord was a Lebanese contracting and real-estate tycoon who made his fortune in Saudi Arabia. His name was Rafik al-Hariri.

The presidency was not neutered, however. The heads of the Army, Sûreté Générale (General Security) and the Governor of the Central Bank remained Maronite

and appointed by the President. The President also retained the right to preside over cabinet meetings.

Ta'if caused major divisions within Lebanon's Maronite Community. Conscious of their eroding demographics and political power, some Maronites supported the pact, especially given its backing by Alawi-led Syria. Others vehemently opposed, including General Michel Aoun, the Maronite military commander who was appointed interim Prime Minister and President by outgoing President Amin Gemayal in 1988, when security problems in Beirut made convening Parliament impossible.

Throughout 1990, one Christian militia after another supported the Ta'if Accord as *the* solution to the Lebanon War. Aoun held out, and launched a "War of National Liberation" against Syrian forces in Lebanon. But when Saddam Hussein invaded Kuwait, and the George H.W. Bush administration needed Syria's help in securing Iraq's western border, Aoun soon found himself internationally and domestically isolated. In 1990, Lebanese Army Forces under the command of General Emile Lahoud, with strong support from Syrian Army forces, laid siege to Lebanon's Presidential Palace in Baabda — the last bastion of Aoun's control. Aoun fled to the French Embassy and eventually into exile in Europe. After years of political obscurity, he has recently resurfaced as an exile figure and during the George W. Bush administration has testified on Capital Hill in support of the Syrian Accountability and Lebanese Sovereignty Restoration Act (SALSA).

Implications for the Lebanese political system

Hariri's assassination has sparked a crisis of massive proportions. Syrian presence in Lebanon has been part of the mortar holding the Lebanese political system together since the civil war's end in 1990. That said, nationalist sentiment has been growing for months, especially since Syria decided to extend now-President Lahoud's term by three years (half a normal term) on September 3, 2004. At the moment, the opposition is tapping into what they claim is widespread and cross-sectarian resistance to Syria's presence in Lebanon. It is this power, along with sustained pressure by the United States, the European Union, France, the United Nations and the Arab League, that caused Syrian President Bashar al-Assad to announce a withdrawal of Syrian troops to the Bekaa Valley, then to the Syrian-Lebanese border.

As I write, external pressures seem to be working. Still, the sentiments of two important groups in Lebanon have yet to be fully heard. The first are the Maronites of KISRWAN and the METN. These areas are extremely divided over the Syrian withdrawal. They understand that Syria's departure will open up a constitutional can of worms, and they already know what's inside. Since Lebanon's last census in 1932, their "majority" has been eroded to the benefit of Lebanese Shia.

"We know Shia are the largest group in Lebanon,"



The opposition used foreign language banners to get their message directly to the international community.

said one Maronite friend from a large village in KISRWAN. "Some Maronite parties, such as the Lebanese Forces or the Aounists, say we can maintain our power based on participation of large Maronite communities in Brazil and North America. This is funny, because these people don't even live here, and have nothing to do with our everyday life. We trade more with Syria than with them, and see Syrians more often."

The second and more widely covered group are the Lebanese Shia. In terms of party affiliation, most Shia these days side with charismatic Hezbollah leader Hassan Nasrallah, not Parliamentary Speaker Nabil Berri. "Berri is so boring, and says nothing that matters to us," says Ali, a Shia driver. "Nasrallah makes sense, and makes us feel proud of our position. He makes us feel like we are doing something to improve our situation. He was also the hero of pushing Israel out of South Lebanon. A single visit to the Israeli-run prisons (which are now museums showing torture devices) tells you all you need to know about the intentions of Israel."

Following Assad's troop-pullout speech on March 5, Nasrallah called for a rally opposing "foreign intervention" in Lebanese politics. This is in reference not only to US pressures on Syria, but also to the French-sponsored United Nations Security Council Resolution 1559. The Resolution calls on all foreign forces (read, "Syria") to leave Lebanon, but also for all militias to be disarmed.

Hezbollah remains the lone armed militia in Lebanon, a carryover from its years of resistance against Israeli occupation of South Lebanon. Today, Hezbollah concentrates its attacks on what is called the Shebaa Farm — territory currently under Israeli control that Israel insists is Syrian land and Lebanon claims as Lebanese.

Strangely enough, Shia and pro-Syrian Maronite communities around Tripoli are reportedly finding common ground. The outgoing Interior Minister, Sulieman Franjeh, grandson of the former Lebanese President of the same name who asked Syria to intervene in Lebanon in 1976, has also warned about Lebanese Christian leaders who “drew maps for a new Lebanon and sent them to Western leaders.” In the coming period, the real horse-trading will be between Shia and Maronite groups as they come to grips with the deeper implications of greater democratization in Lebanon. Some hold out the country as a democratic model that should be emulated in Iraq and elsewhere in the region.

Michael Young, the very sharp opinion editor for the Beirut English-language newspaper, *The Daily Star*, says the current system should be maintained.

“Nobody wants to go there,” he told me recently, referring to changing the constitution to reflect Lebanon’s current demographics. “If the constitution is changed, you will see a mass exodus of Christians from Lebanon, pure and simple.”

Others are more skeptical of maintaining the old system.

“Lebanese democracy is a façade,” one Beirut mini-mart station cashier told me on the first day of protests, and who refused to tell me his religion. “As long as you have a system that reserves power for certain groups over others, the longer these big families will dominate our lives. They are like political plantations that only some are allowed to harvest. The protests today are being staged by those with strong contacts with the West and can speak foreign languages. The rest of us, no matter what religion we are, are just trying to find jobs and make good lives.”

Cycles of Pressure and Syrian reform

Hariri’s assassination has sent shockwaves not only throughout Lebanon, but Syria as well. As international investigators comb the bombsite in an attempt to determine who did it, the assassination has placed Damascus under intense scrutiny, with calls from the US, France, the UN and the Arab World to withdraw Syrian army and security services from Lebanon as early as April.

How will these pressures affect Syria’s much beleaguered “reform process”? While it might be too early to tell, the record of the last one and a half years is telling. Many if not most regimes in the Middle East slow, if not

stop, economic reform in times of heightened external or internal threat. As pressure on Syria has mounted over the last few years, it has become something of an anomaly, however. The pressure has increased since the US invasion of Iraq in April 2003 and Israel’s bombing of an alleged terrorist camp in Syria the following October, and observers have been baffled by relative bursts of progress in economic reform in the months following each crisis. While Syria has so far weathered US sanctions reasonably well, early indications show that Hariri’s assassination hit Syria’s EU supporters pretty hard — a fact that could have serious implications for Syria’s heavily EU-assisted reform programs.

When the United States invaded Iraq in March 2003, many noted that Syria was caught in a US-Israel vise. In the years leading up to the war, Syria’s uncompetitive merchandise — a result of the lack of real economic reform — had found good sanction-bucking markets in Iraq. In addition, the Syrian state received up to 200,000 barrels-per-day of Iraqi crude at heavily discounted prices. When the US halted Iraqi trade with Syria, economic reform quickly emerged as a national priority.

After two years of delays, the Syrian government in April 2003 announced the appointment in April 2003 of a Credit and Monetary Council (CMC), the country’s long-dormant banking oversight body, whose operation was a prerequisite for launching the state’s premier reform measure: private sector banks. On April 29, the applications of three private banks were approved.

In the months that followed, a number of seemingly significant reforms were enacted, including a presidential decree that separated ruling Ba’ath Party institutions from state policymaking and a law abolishing harsh penalties on foreign exchange trading. Deposit rates were reduced for the first time in 22 years and a French administrative-reform team issued their conclusions on how to clean up the Syrian bureaucracy. Rumors circulated that Syria would receive its first independent prime minister since the Ba’ath Party’s seizure of power in 1963.

Progress slowed in August, however, even as Syria received good news that the US Army had reopened the Iraqi border to Syrian trade. The following month, Deputy Prime Minister and Ba’athist Naji al-Otri was tapped to lead a government containing a record number of party members. Almost immediately, Washington increased its rhetoric against Damascus, including details of Syria’s alleged Weapons-of-Mass-Destruction (WMD) capabilities. On October 5, — the 30th anniversary of the October 1973 War — Israel bombed what it alleged was a Palestinian terrorist camp outside Damascus in response to a massive suicide bomb in Haifa for which Islamic Jihad claimed credit. Bush called Israel’s action “justified”, and dropped his opposition to the Syrian Accountability and Lebanese Sovereignty Restoration Act (SALSA), a congressional bill that outlined a series of economic and po-

litical sanctions designed to pressure Damascus to halt its support for Hizbollah and Palestinian militant groups and pull its forces out of Lebanon. The vise seemed to be tightening.

After a few weeks, reforms again kicked into high gear. Long-anticipated cuts in Syria's high tax rates were passed in November, along with legislation against tax evasion. In December, the state finalized its marathon eight-year technical negotiations with the EU toward forming an Association Agreement, and cut deposit rates in public sector banks by three percent. Two private banks opened their doors to the public in January 2004, and a Presidential decree the following month abolished the country's dreaded economic-security courts.

In early 2004, reforms slowed and the prospects for deeper change seemed uncertain, especially following Kurdish riots in March and the April terrorist bombing of a UN building in the Damascus neighborhood of Mezze. Just to see where things stood, Damascus threw the US a bone. The Syrian Petroleum Company (SPC) announced in March its acceptance of a \$750-million bid by a venture involving US-based Occidental Petroleum to develop two major gas fields near Palmyra, with estimated reserves of 5-6 trillion cubic meters. The venture followed earlier success in Syrian gas by Conoco Phillips, whose \$430-million gas-recycling project (the largest US investment in Syria) is scheduled for completion sometime in 2005. The French government, which was backing a competitive bid from energy giant Total, was reportedly furious over the announcement.

Washington didn't take the bait. On May 15, the Bush Administration announced that it would enact two of five penalties outlined under SALSA, including a ban on US exports to Syria other than food and medicine and a ban on already non-existent Syrian flights to the US. While it was not the worst it could have done, Washington unexpectedly rolled out two other penalties few saw coming. Under section 311 of the US Patriot Act, the president instructed the secretary of the treasury to issue a "notice of proposed rulemaking" concerning a measure to require US financial institutions "to sever correspondent accounts with the Commercial Bank of Syria (CBoS) based on money-laundering concerns." The second was the International Emergency Economic Powers Act (IEEPA), which allowed the Bush Administration to seize the US assets of the Syrian regime and those associated with it.

At this point, Damascus turned to Europe for help. At the demand of the UK, France, Netherlands and Germany, Syria accepted stiffer language in the proposed text of its Association Agreement concerning WMDs. As European capitals considered their positions, EU-sponsored reforms were further integrated into Syrian reform programs. A new measure, the Institutional Structural Modernisation Facility (ISMF), began putting European experts at the disposal of Syrian ministries to help them

accelerate and implement reform.

Enter Abdullah Dardari. A former *Al Hayat* newspaper bureau chief, Dardari spent the last five years with the United Nations Development Program (UNDP) in Damascus and New York. In the final days of 2003, Dardari was appointed Minister of State for Planning Affairs and charged with heading the defunct State Planning Commission (SPC) — the agency that once was, among other things, in charge of determining Syria's annual shoe production. Dardari was charged with formulating Syria's five-year plan, which is due to start in early 2006.

In the late summer of 2004, Dardari went into a public-relations offensive designed to help shed some light on Syria's reform plans. In Arabic- and English-language media, his intelligent and down-to-earth nature addressed concerns over the pace of Syria's reform process head on. Dardari even unofficially renamed his upcoming project the National Indicative Plan (NIP) — a term that seemed to do away with Syria's socialist terminology of the past 30 years. Most embassies and foreign observers were impressed. After all, the planning process was being carried out with heavy UN and EU assistance. Structure, so it seemed, was on the way.

At least where Syrian domestic policy was concerned. In mid-August, various Lebanese officials were summoned to Damascus and were instructed to amend Lebanon's constitution to extend the term of President Emile Lahoud by three years.

As Hariri arranged passage of the legislation on September 3, France, a major backer of Hariri's reform efforts, sponsored what became UN Security Council Resolution 1559, which among other things demanded "all foreign forces" to leave Lebanon. Suddenly, it seemed that Paris and Washington had found common cause in pressuring Damascus.

But only on the international scene. As the November US Presidential elections approached, the EU announced in late August it had accepted Syria's commitments on WMDs and agreed to initial the text of its Association Agreement with Syria. On October 19, Syria and the EU initialed the Agreement's text in a ceremony little covered in Syria or abroad. Only one photo of the ceremony exists, featuring EU Commissioner Chris Paton and Syrian Foreign Minister Farouk as-Shara collectively grimacing.

Somewhat unexpectedly, Damascus went on the reform offensive, this time using the media. Ahead of a high-profile Expatriates Conference in the first few days of October, President Bashar al-Assad reshuffled the cabinet, appointing Syrian journalist Mehdi Dakhlah Minister of Information. As editor of the state's flagship daily, *Al-Ba'ath*, Dakhlah was well known for his open criticism of Syria's reform process. On the eve of his appoint-



The only photo available of the October 19 initialing of the yet to be ratified EU-Syria Association Agreement. This photo truly speaks a thousand words.

ment, many speculated that if he was not appointed minister, he would instead be sent to jail.

The move seemed to work. Levels of expression increased, and new private sector-publications seemed to open all the time. While “red lines” about matters dealing with the President, his family, and sectarian issues largely remained in place, information on Syria’s reform problems began reaching both the people, and the international community.

How Hariri’s February 14 assassination will affect Syria’s reform process is anyone’s guess. The fact that French President Jacques Chirac is openly furious over the assassination and the fact that it happened on Syria’s security watch in Lebanon does not bode well for Syria’s EU-assisted reform programs. Some EU consultants have already been told not to expect their contracts to be renewed, and talk of the Association Agreement and its benefits have already been ordered out of the newsletters and promotional materials of EU funded projects. Nevertheless, France and the EU have supported President Assad and his reform efforts under difficult circumstances before.

Studies on the introduction of VAT, state-bank and insurance reform, and national strategies on ICT and industry are expected to yield draft legislation in the months ahead. If the past year is any indication, when these drafts and studies will see the light of day will likely be a function of regional factors.

All eyes are now on two issues. First and foremost is the Ba’ath Party Conference, scheduled for sometime this summer (the date is still not announced).

The Ba’ath Party says it is set on reforming itself, and

four committees have been assigned to deal with reform issues. These include (1) Arab nationalism and unity, (2) socialism and (3) freedom and democracy, while a fourth will work on the reorganization of the party. The committees include members from outside the party (or at least not closely connected to its leadership). On the freedom and democracy committee, for instance, some people supposedly closer to the opposition were appointed. How this process will be affected by outside pressures remains uncertain.

The second issue is the tenth Five Year Plan (now called the National Indicative Plan) brought forth by Abdullah Dardari’s State Planning Commission (SPC). In

many interviews in the Syrian and international press, Dardari has outlined a market-led economic plan that he claims will stand in sharp contrast to Syria’s socialist past.

* * *

In Memoriam: The last time I met Rafik al Hariri was July 2003. As a journalist based in Lebanon, I usually interviewed the Prime Minister twice a year. The first was always shortly before the release of an annual publication I edited on Lebanon; the second followed the passage of Lebanon’s annual budget.

I always assume that important persons I interview want to spend as little time as possible answering my questions, especially if they concern a complex political environment. In the summer of 2003, Hariri was treading water in a sea of troubles. As the political and financial architect of post-civil war Lebanon, he and his core group of ministers were trying to push through economic reforms to reduce Lebanon’s deficit, which currently amounts to \$35 billion — some 185 percent of GDP.

Hariri had faced and overcome obstacles before, and had even engineered his re-election in 2000 through a skilful campaign in West Beirut. When he was campaigning, people liked Hariri. When he was trying to get the Lebanese to accept cutbacks in the state bureaucracy or the imposition of gasoline and a VAT, people cursed his name and the names of the people around him. The person they cursed most was Fouad Siniora, Hariri’s financier of many years, then Lebanon’s Minister of Finance.

I spent a lot of time at the Finance Ministry during my years in Lebanon. The reason was simple: these people worked their tails off trying to curb the fiscal deficit and reduce the national debt. Teams from the World Bank,



An invitation for tea and a candid chat at the conclusion of my last interview with the late Lebanese Prime Minister Rafik al Hariri in July 2003.

seconded to the Finance Ministry, worked three shifts a day, looking for opportunities to reduce Lebanon's debt servicing costs.

In November 2002, Hariri used his close personal ties to French President Jacques Chirac to persuade the premier to host what was called the "Paris II Donors' Conference". In a bid to fend off Lebanon's financial collapse and a much-feared slip of the Lebanese Lira's peg of 1500 per US Dollar, Hariri secured some \$4.3 billion in financial assistance — \$3 billion in loans and \$1.3 billion in development funds. The money came largely as a reward for budget-austerity measures and promises to privatize state assets. While Siniora was successful in getting the state to tighten its belt, Hariri's government was faced considerable resistance to the sale of the state's two mobile phone networks — a key part of the plan outlined at the Paris II conference.

Siniora and his policy wonks believed that privatizing state assets would attract foreign investment while putting quick money in the state coffers, allowing the government to carry out further debt swaps and repayments. Jean-Louis Kordahi, the Minister of Telecommunications, opposed him. Kordahi and others believed that the networks should remain in the hands of the state,

managed by foreign firms, thus allowing the state to secure a steady stream of revenue in the years to come. While Kordahi was the point man on what was called "the cellular issue", everyone knew the real person standing in the way of Hariri's plans was Lebanese President Emile Lahoud.

During the interview, I asked Hariri seven questions, most of which centered on his government's problems implementing the plans outlined at Paris II. He gave me succinct, technocratic answers, demonstrating his solid understanding of economic and financial issues. I then thanked him for his time, and began gathering my notes and tape recorder to depart. As we approached the door, he turned to me and said: "You know, we have fifteen more minutes. Would you like to have tea?"

"Sure," I answered. "I'd like that."

He began some chitchat about Lebanon's beauty, its special role in the Arab World — stuff you hear all the time in Beirut. But as the conversation turned toward Lebanese politics, his famously warm smile, tucked under his bushy moustache, disappeared.

"We don't understand where all this resistance is coming from," he said. "We have toned down our disagreements with Lahoud recently, at the request of the powers that be. But it's getting worse." ('Powers that be' was code for Syria.)

"Do they think Lebanon can afford to wait? What kind of plan do they have for getting us out of our debt problems? At least we have a plan," he added.

A few minutes later he had to go. He walked me to the door and out into the middle of a large antechamber. "Let's see each other again around budget time," he said.

Two months later I left that job, and shortly thereafter moved to Syria. We never met again. □

INSTITUTE OF CURRENT WORLD AFFAIRS

Current Fellows and their Activities

Alexander Brenner (June 2003 - 2005) • **CHINA**

With a B.A. in History from Yale and an M.A. in China Studies from the Johns Hopkins School of Advanced International Studies, Alex is in China examining how the country is adapting to economic and cultural globalization following its accession to the World Trade Organization.

Richard D. Connerney (January 2005 - 2007) • **INDIA**

A lecturer in Philosophy, Asian Religions and Philosophy at Rutgers, Iona College and the University of Hawaii at Manoa, Rick Connerney will spend two years as a Phillips Talbot Fellow studying and writing about the intertwining of religion, culture and politics in India, once described by former U.S. Ambassador John Kenneth Galbraith as "a functioning anarchy." Rick has a B.A. and an M.A. in religion from Wheaton College and the University of Hawaii, respectively.

Cristina Merrill (2004 - 2006) • **ROMANIA**

Born in Bucharest, Cristina moved from Romania to the United States with her mother and father when she was 14. Learning English (but retaining her Romanian), she majored in American History at Harvard College and there became captain of the women's tennis team. She received a Master's degree in Journalism from New York University in 1994, worked for several U.S. publications from *Adweek* to the *New York Times*, and will now spend two years in Romania watching it emerge from the darkness of the Ceausescu regime into the presumed light of membership in the European Union and NATO.

Andrew J. Tabler (February 2005 - 2007) • **SYRIA/LEBANON**

Andrew has lived, studied and worked in the Middle East since a Rotary Foundation Ambassadorial Fellowship enabled him to begin Arabic-language studies and work toward a Master's degree at the American University in Cairo in 1994. Following the Master's, he held editorships with the *Middle East Times* and *Cairo Times* before moving to Turkey, Lebanon and Syria and worked as a Senior Editor with the Oxford Business Group and a correspondent for the *Economist* Intelligence Unit. His two-year ICWA fellowship will base him in Beirut and Damascus, where he will report on Lebanese affairs and Syrian reform.

Matthew Z. Wheeler (October 2002-2004) • **SOUTHEAST ASIA**

A former research assistant for the Rand Corporation, Matt spent two years looking into proposals, plans and realities of regional integration (and disintegration) along the Mekong River, from China to the sea at Vietnam. With a B.A. in liberal arts from Sarah Lawrence and an M.A. from Harvard in East Asian studies (as well as a year-long Blakemore Fellowship in Thai language studies) Matt examined long- and short-term conflicts in Burma, Thailand, Laos and Cambodia.

Jill Winder (July 2004 - 2006) • **GERMANY**

With a B.A. in politics from Whitman College in Walla Walla, WA and a Master's degree in Art Curating from Bard College in Annandale-on-Hudson, NY, Jill is an ICWA Donors' Fellow looking at Germany through the work, ideas and viewpoints of its contemporary artists. Before six months of intensive study of the German language in Berlin, she was a Thomas J. Watson Fellow looking at post-communist art practice and the cultural politics of transition in the former Soviet bloc (Czech Republic, Slovakia, Poland, Croatia, Hungary, Latvia, Romania, Slovenia and Ukraine).

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Phone: (603) 643-5548

Fax: (603) 643-9599

E-Mail: icwa@valley.net

Web address: www.icwa.org

Executive Director:

Peter Bird Martin

Program Administrator:

Brent Jacobson

Publications Design & Management:

Ellen Kozak

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