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## **Syria: Political Conditions and Relations with the United States After the Iraq War**

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Alfred B. Prados and Jeremy M. Sharp  
Analysts in Middle East Policy  
Foreign Affairs, Defense, and Trade Division

# Syria: Political Conditions and Relations with the United States After the Iraq War

## Summary

This report focuses on Syria's internal politics and the impact of hostilities in Iraq on Syria's stability and U.S.-Syrian relations. It outlines the development of the regime currently headed by President Bashar al-Asad and its support base; describes potential challenges to the regime; examines the effect of the Iraq war on Syrian domestic politics and U.S.-Syrian relations; and reviews U.S. policy options toward Syria. It will be updated when significant changes take place and affect these relationships. For more information on Syrian foreign policy issues, see CRS Issue Brief IB92075, *Syria: U.S. Relations and Bilateral Issues*, by Alfred B. Prados.

For over three decades, the Asad family has controlled and ruled Syria. Although few observers believe that the Syrian political system faces an imminent rupture, Syria's precarious long-term economic outlook coupled with continued uncertainty over the future of neighboring Iraq could have a serious impact on Syrian politics. Economic pressures from the loss of oil revenues and population growth could push the question of reform to the forefront of Syrian politics. Many analysts believe that Syria's efforts to reform its economy and political system have stalled, and it remains unclear whether or not the Syrian government will be able to control the reform process indefinitely. Events in Iraq also may impact Syria's domestic stability. Some analysts believe that movement toward Iraqi Kurdish independence could embolden Syria's Kurdish population of an estimated two million to demand greater political participation in Syria. In addition, there is much concern that conflict in Iraq could radicalize homegrown Syrian Islamists, who potentially could target Syria's secular government or export radicalism to Iraq.

Syria has been at the forefront of a number of important U.S. policy issues in the Middle East, including the Arab-Israeli conflict, the Syrian occupation of Lebanon, and the war on terror. Since the toppling of former Iraqi dictator Saddam Hussein's regime in April 2003, U.S.-Syrian relations have taken on a new dimension. The United States has taken a keen interest in the Syrian regime's behavior, in particular demanding Syrian cooperation in monitoring the Iraqi-Syrian border in order to curb the infiltration of foreign fighters into Iraq. In addition, following the terrorist attacks of September 11, 2001 and again prior to Operation Iraqi Freedom, the United States has spoken out against authoritarian regimes like Syria and promoted reform in the "broader Middle East."

Some U.S. officials have advocated stern policy measures toward Syria in order to demonstrate U.S. dissatisfaction with its perceived interference in Iraq, its support for Palestinian terrorist groups, and its violations of Lebanese sovereignty. On November 20, 2003, Congress passed the Syria Accountability Act (P.L. 108-175), which authorized the President to impose economic sanctions on Syria. Some Members also have proposed funding groups inside Syria to promote political reform and condemned human rights violations against reformists in Syria. Others have cautioned against isolating Syria and have advocated offering incentives to secure cooperation in stabilizing Iraq and fighting international terrorism.

## Contents

|   |    |
|---|----|
| Introduction .....  | 1  |
| Political Scene .....   | 1  |
| Development of the Asad Regime .....  | 1  |
| Structure of Government and Society .....                                   | 3  |
| Pillars of the Regime .....   | 4  |
| The Alawite Sect .....  | 4  |
| The Ba'th Party .....   | 4  |
| The Military and Security Establishment .....                               | 5  |
| Other Support Groups .....  | 6  |
| Sunni Business Elites .....   | 6  |
| Peasantry .....   | 7  |
| Workers/Wage Earners .....  | 7  |
| Religious Minorities .....  | 8  |
| Christians .....  | 8  |
| Ismailis and Druze .....  | 8  |
| Domestic Policy Challenges in Syria .....                                   | 9  |
| Syria's Stagnant Economy .....  | 9  |
| A Future Without Oil? .....   | 10 |
| Reform in Syria .....   | 10 |
| Government-Sponsored Reform .....   | 10 |
| The Internal "Reformers" .....  | 11 |
| Syrian Dissidents Abroad .....  | 12 |
| Sectarianism in Syria: The Kurds .....                                      | 13 |
| The Status of Kurds in Syria .....  | 13 |
| Influence of Iraqi Kurds in Syria .....                                     | 14 |
| Islam in Syria: A Potential for Extremist Activity? .....                   | 14 |
| Religious Identity in Syria .....   | 14 |
| The Syrian Muslim Brotherhood .....   | 15 |
| Extremism and the Impact of the U.S. Presence in Iraq .....                 | 15 |
| U.S.-Syrian Relations: Issues of Concern .....                              | 17 |
| Terrorism .....   | 17 |
| The Iraq Factor .....   | 17 |
| Weapons of Mass Destruction .....   | 18 |
| Syria and the Middle East Peace Process .....                               | 19 |
| Syrian Involvement in Lebanon .....   | 19 |
| U.S. Policy Toward Syria: Differing Approaches and Options for Congress ... | 21 |
| Using Sanctions and Implementing the Syria Accountability Act .....         | 21 |
| Funding Reform Initiatives in Syria .....                                   | 23 |
| Working with the European Union .....                                       | 24 |
| Exploring Selective Engagement .....  | 25 |
| Conclusions .....   | 25 |

## **List of Figures**

|                                      |   |
|--------------------------------------|---|
| Figure 1. Country Map of Syria ..... | 2 |
|--------------------------------------|---|

## **List of Tables**

|   |    |
|---|----|
| Table 1. U.S.-Syria Trade Statistics 2003 ..... | 23 |
|---|----|

# Syria: Political Conditions and Relations with the United States After the Iraq War

## Introduction

Syria occupies a pivotal position in the Middle East. Since the Israeli-Egyptian peace treaty in 1979, Syria has been the leading Arab state in confrontation with Israel, and a comprehensive settlement of Arab-Israeli issues is likely to require Syrian support or acquiescence. Syria has been linked with international terrorism, but on some occasions has cooperated with the United States in pursuing certain terrorist groups that both countries oppose. Syria opposed the U.S.-led military campaign in Iraq in 2003 and has been accused by U.S. officials of facilitating the infiltration of anti-U.S. fighters into Iraq, a charge denied by Syrian leaders. Also of concern to the United States are reported Syrian efforts to expand its weapons of mass destruction capabilities. With a relatively new and largely untested leadership, Syria seems to be reviewing and evaluating its internal and regional policies as Syrian policy makers try to maintain a dialogue with the United States while continuing to pursue what they regard as Syrian national interests.

The type of regime that evolves in Syria will affect the achievement of U.S. goals in the region. Many observers, including some Members of Congress, believe that the present regime in Damascus is seriously complicating efforts to resolve the Arab-Israeli conflict, fight international terrorism, reduce weapons proliferation, and inaugurate a peaceful, democratic, and prosperous Iraqi state. Critics point in particular to the dictatorial nature of Syrian politics and the country's moribund economy still based largely on Soviet models. Some call for a process of internal reform in Syria or alternatively for the replacement of the current Syrian regime. Others, however, are concerned that a successor regime could be led by Islamic fundamentalists who might adopt policies even more inimical to the United States, including support for organizations like Al Qaeda, which the present Syrian regime regards as a potential threat.

## Political Scene

### Development of the Asad Regime

The death of Syrian President Hafiz al-Asad on June 10, 2000 removed one of the longest serving heads of state in the Middle East and a key figure in regional affairs. The late President Asad, a former air force commander and minister of defense, came to power in a bloodless coup in November 1970, and was elected to repetitive seven-year terms thereafter by referendum, most recently in 1999. Hardworking, ascetic, and usually cautious, the late President exercised uncontested

authority through his personal prestige, his control of the armed forces and other centers of power, and his success in exploiting regional developments to Syria's advantage. While maintaining that he had inaugurated a Syrian version of *perestroika* through political reforms and approval of a nominal (and severely restricted) multi-party system, the elder Asad seems to have done little to open up what remained an authoritarian regime.<sup>1</sup>

**Figure 1. Country Map of Syria**



Source: Map Resources. Adapted by CRS. (K.Yancey 1/6/05).

President Bashar al-Asad, who succeeded his father in 2000 in a smooth transfer of power, has pursued some political reforms, but many observers believe he remains circumscribed by power elites who had served under his father and have a vested interest in maintaining the status quo. A British-educated ophthalmologist who had held the rank of colonel in the Syrian Army, Bashar had no government position at the time of his father's death, but had become increasingly active in an anti-corruption drive and in bringing the Internet to Syria, although access remains drastically curtailed in Syria's tightly controlled society. The new president released

<sup>1</sup> Alasdair Drysdale, and Raymond A. Hinnebusch, *Syria and the Middle East Peace Process*. New York, Council on Foreign Relations, 1991, pp. 39-40.

approximately 600 political prisoners and initially permitted somewhat freer discussion of political issues; however, starting in 2001, probably under conservative pressure, the government curtailed the activities of several “civic forums” that emerged after Bashar became president and arrested several outspoken critics of the regime, including two Members of Parliament. Observers have described President Bashar al-Asad’s modernization programs as akin to the Chinese model, with emphasis on economic reform while retaining one-party rule.

## Structure of Government and Society

The Syrian Constitution of 1973, as amended in 1984, provides for a republican government consisting of a president, up to three vice presidents (there are currently two) appointed by the president, a cabinet, and a 250-member one-house legislature elected by adult citizens including women. The president is nominated by the decision-making branch of the ruling Ba’th (Renaissance) Party (see below), agreed to by the legislature, and proposed to the electorate in a referendum. In practice, power is concentrated in the office of the presidency and key aides. Prime Ministers typically deal with routine administration and economic policy, but the more sensitive issues such as defense and foreign affairs are exclusively within the president’s domain. The U.S. State Department describes Syria as “a republic under a military regime with virtually absolute authority in the hands of the President,” and goes on to say that despite their right to vote, citizens “do not have the right to change their government.”<sup>2</sup>

In actuality, the nature of the regime depends more on the interplay of societal factors than on the structural institutions that constitute Syria’s political system. As in several countries in the Middle East, the Syrian population is divided along both ethnic and religious sectarian lines. A majority of Syrians, roughly 90% of the population, are ethnic Arabs; however, the country contains small ethnic minorities, notably Kurds. Historically, Syrian Kurds have been much more passive than their fellow Kurds in Iraq, Turkey, and Iran; however, recent rioting over perceived government neglect and discrimination points to the possibility that Syrian Kurds are becoming more assertive and influenced by the advances made by their ethnic kin in neighboring countries. Of more importance in Syria are religious sectarian divisions. In addition to the majority Sunni Muslims, who comprise over 70% of the population, Syria contains several religious sectarian minorities including three smaller Muslim sects (Alawites, Druze, and Ismailis) and several Christian denominations. Despite the secular nature of the Ba’thist regime, religious sects are important in Syria as symbols of group identity and determinants of political orientation, as noted below.<sup>3</sup>

Further, within these ethnic and sectarian communities are important tribal and familial groupings, which often provide the underpinning for political alliances, both

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<sup>2</sup> U.S. Department of State, *Country Reports on Human Rights Practices — 2003, Syria*, Feb. 25, 2004.

<sup>3</sup> There are several other very small ethnic minorities (Circassians, Turcomans, Armenians) and a minuscule Jewish community; most Jews left Syria after the removal of travel restrictions on them in the 1990s.

tactical and long-term. Moreover, superimposed on the preceding pattern are divisions along socio-economic lines: peasantry, workers, mercantile classes, middle class wage earners, public sector employees, military officials, and political elite. Finally, geographic differences and local attachments divide Syrian society; for example, rivalries between Syria's two largest cities of Damascus and Aleppo and longstanding isolation of the Alawite heartland east of Syria's Mediterranean coast have had effects on Syrian political life. To retain legitimacy, Syrian leaders, while authoritarian, find it necessary to adopt policies that will accommodate, to some degree, the various power centers within this diverse population. Three such centers, in particular, form the principal pillars of support for the Asad regime.

## Pillars of the Regime

**The Alawite Sect.** The Alawite religious sect, which evolved from the Shi'ite sect of Islam, constitutes approximately 12% of the Syrian population. Formerly the most economically deprived and socially disadvantaged group in Syria, the Alawites rose rapidly in the ranks of the military establishment and the ruling Ba'th Party in the 1960s and have dominated political life in Syria since then. The Alawite community as a whole, and the Asad family in particular, constituted an important power base for the late President Hafiz al-Asad and at least for the time being have rallied behind his son and successor. Though committed to maintaining the primacy of the Alawite community, the Asads have sought with some success to coopt support from other sects; in fact, many senior positions including that of prime minister are held by members of the Sunni Muslim majority. However, most key positions, particularly in the security institutions, remain in Alawite hands and some observers believe that any weakening of the central regime or an outbreak of political turmoil could precipitate a power struggle between entrenched Alawites and the majority Sunni Muslims, who comprise over 70% of the population. Others see the possibility of a split within the Alawite community itself, possibly over succession issues.<sup>4</sup> In the past, sectarian cohesiveness has been sufficient to avoid a major split within the Alawite leadership.

**The Ba'th Party.** The socialist, pan-Arab Ba'th Party, whose rival wing governed Iraq, came to power in Syria in 1963. The Syrian branch of the Ba'th, with an estimated 2 million members, is the senior partner in a multi-party coalition called the National Progressive Front, which won 167 out of 250 seats in the 1998 elections and again in the 2002 elections to the Syrian parliament, a largely consultative body with little effective power.<sup>5</sup> Although the Syrian Constitution specifies a leading role for the Ba'th Party and the party provides the regime with political legitimacy, the Ba'th is more an instrument for the execution of policy than an originator of policy. Although many Ba'thists are not Alawites, there is a complex synergistic relationship between the party and the community, and one commentator, writing some years ago,

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<sup>4</sup> A power struggle involving both the Asad family and senior officers from other Alawite families took place in the early 1980s. Van Dam, Nikolaos, *The Struggle for Power in Syria*. New York, St. Martin's Press, 1996. pp. 118-135. Later, after the death of President Hafiz al-Asad in 2000, there was brief concern that the late president's exiled brother might seek the presidency; however, this did not materialize.

<sup>5</sup> Scott Wilson, "Syria's Ba'thists Under Siege," *Washington Post*, Sept. 24, 2004.



went so far as to say that “it is not, in any real sense, the Ba’thists who run this country. It is the Alawites...”<sup>6</sup> Another commentator describes the system as “Alawi-dominated Ba’thist rule.”<sup>7</sup>

Still, barring a major governmental change, a Syrian leader would need to enjoy the support of the Ba’th Party apparatus. The party’s top decision-making body, known as the “Regional Command,” sits at the top of Syria’s policy-making process and membership in this body is a stepping stone to top positions in Syria. In June 2000, when senior Syrian officials were orchestrating the succession of Bashar al-Asad to the presidency after the death of his father, one of their first steps was to arrange for Bashar to be elected Secretary General of the Regional Command, replacing his late father. Other vacancies were filled by officials supportive of the new president.

Some commentators speculate that the collapse of Ba’thist rule in neighboring Iraq could undermine the pivotal role of the Ba’th in the Syrian regime; however, there is little evidence that such a fundamental change in the political scene is under way. There are indications, however, that the overthrow of Saddam Hussein’s regime may have emboldened Syrian citizens to test the limits of their government’s toleration of open criticism. For example, a Syrian film maker was quoted in a recent news report as saying that “[w]hen you see one of the two Ba’th parties broken, collapsing, you can only hope that it will be the turn of the Syrian Ba’th next.” A human rights lawyer, however, pointing to the absence of political life for four decades, commented that “[i]f the regime left today, there would be no one to run this country.”<sup>8</sup>

**The Military and Security Establishment.** The role of the armed forces and national security services has figured prominently in most Syrian regimes and predates by some years the establishment of the Ba’thist regime. Factionalism within the armed forces was a key cause of instability in Syria in the past, as military cliques jockeyed for power and made and unmade governments with considerable frequency. This situation changed abruptly after 1970 as the elder Asad gained a position of unquestioned supremacy over the military and security forces. The late President appointed long-standing supporters, particularly from his Alawite sect, to key military command positions and sensitive intelligence posts, thereby creating a military elite which could be relied upon to help maintain the Asad regime in power.

President Bashar al-Asad does not have the deep connections to the Syrian armed forces that his father had. Upon the death of his older brother Basil, who had been considered the heir apparent, Bashar returned from advanced medical studies in London to Damascus in 1994 at the late President Asad’s request and held several military positions, notably as commander of the Presidential Guards with the rank of colonel. Upon his elevation to the Presidency, Bashar inherited a ready-made

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<sup>6</sup> David Hirst, *The Guardian*, June 26, 1979.

<sup>7</sup> Van Dam, p. 100

<sup>8</sup> Neil MacFarquhar, “Hussein’s Fall Leads Syrians to Test Government Limits,” *New York Times*, Mar. 20, 2004.

politico-military apparatus which assured a smooth succession but also limited the new President's freedom of action, in the view of some commentators. Several key officials, including Syria's long-time minister of defense, have recently retired, as the President has sought to put his own stamp on the government, but some observers doubt that the "old guard" has yielded that much power. There appear to be conflicting viewpoints as to whether "a new leadership is indeed emerging," or whether recent changes are "simply the natural erosion created by senior officers reaching retirement age."<sup>9</sup>

## Other Support Groups

Although the preceding entities have long formed the mainstay of the Syrian regime, there are other groups on which Syria's leadership can rely to some degree to broaden its support base. During his multi-term tenure, the late President Hafiz al-Asad was able to garner support from various ethnic, sectarian, and socio-economic groups not necessarily represented in his core constituency. Various motives influenced members of such groups to support or acquiesce in the Asad regime. Some welcomed the relative stability of the Asad regime after two decades of instability and repetitive military coups. Others felt a sense of pride in Asad's consistently nationalist stands on regional issues. Secular-minded Syrians and members of religious minority groups approved of his opposition to a theocratic state and his measures to suppress the fundamentalist Muslim Brotherhood. Still others were overawed by pervasive and often heavy-handed police and security controls. It appears that for the time being at least the younger Asad has benefitted from these sources of additional support which his late father was able to coopt. At the same time, some observers have warned that discontent is growing as a result of the President's "apparent inability to curb the excesses of the powerful and super-rich clique of regime leaders."<sup>10</sup>

Examples of groups that have given some support to the regime include the following.

**Sunni Business Elites.** The well-to-do and mainly Sunni Muslim business community, largely eclipsed during a period of extreme socialist measures in the 1960s, has undergone a partial revival since the gradual adoption of more pragmatic economic policies under the Asads. Along with surviving remnants of the old bourgeoisie, this community includes a new commercial and, to a lesser extent, industrial class that has been able to find a niche in what might be called Syria's post-socialist economy. According to one commentator, writing in the mid-1990s, "Syria's political leadership has been able to improve its standing within both the petty and the grand bourgeoisie."<sup>11</sup> Another commentator, writing in the same time frame, notes that under Asad, "the enriched Alawi [variant spelling] officers and their families built up a kind of coalition with the rich urban bourgeoisie, the Sunni

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<sup>9</sup> Michael Collins Dunn, "Changes to the Old Guard," *The Estimate*, June 28, 2004.

<sup>10</sup> Nicholas Blanford, "As Reform Falters, Syrian Elite Tighten Grip," *The Christian Science Monitor*, Sept. 30, 2003, p. 6.

<sup>11</sup> Volker Perthes, *The Political Economy of Syria*. London, I. B. Tauris, 1995, p. 121.

Damascene in particular, but others as well, including Christians.”<sup>12</sup> One of these commentators cautions that the regime cannot take support from the business class for granted, since some members of this class favor political change.<sup>13</sup> In a more recent commentary, one observer suggests that disenchantment has grown among the older Sunni Muslim business class, who were “traditionally content to profit while others ruled,” because it feels squeezed out by better connected rivals.<sup>14</sup>

**Peasantry.** During its formative years the Ba’th Party drew considerable support from the country-side, and many rank and file Ba’thists came from peasant stock. Land reform measures enacted by Ba’thist regimes gained additional support from the peasantry. This support has continued, although to a greater degree among middle and well-off peasants, who have gained material and social benefits under the Asad regimes and continue to serve in the Ba’th Party apparatus. Poorer peasants, though not opposed to the regime, became less enthusiastic in their support for it and tend to regard government-sponsored peasant organizations more as instruments of the regime than as organizations advocating their interests.<sup>15</sup> Peasant support for the regime may have increased in recent years, as the government has shifted economic development policies from industrial expansion to the agricultural sector, including large-scale irrigation projects. In a 2003 report, U.S. State Department officials note the success of the Asad regime in giving peasant farmers a stake in society.<sup>16</sup>

**Workers/Wage Earners.** In earlier years, the Asad regime enjoyed strong support from the working classes and wage-earning middle classes, both of whom profited directly or indirectly from the expansion of the public sector. Support for the regime eroded somewhat in the 1980s among both groups as they sustained real income losses during an increasingly sluggish economic environment and a slow-down in the previous public sector expansion. Furthermore, in more recent years, the religiously fundamentalist Muslim Brotherhood, long at odds with the Ba’thist regime, has made inroads among the lower middle classes who had formerly been strongholds of the Ba’th and other secular nationalist groups.<sup>17</sup> Perhaps in an effort to reverse this trend, the government recently approved a 20% salary increase aimed at an estimated two million workers and pensioners.<sup>18</sup> The average public sector wage in Syria is between \$120-150/month.

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<sup>12</sup> Nikolaos Van Dam, *The Struggle for Power in Syria: Politics and Society under Asad and the Ba’th Party*. London, I. B. Tauris, 1996, p. 142.

<sup>13</sup> Perthes, pp. 121-122.

<sup>14</sup> Alistair Lyon, “Reform Makes Slow Headway in Ba’thist Syria,” *Reuters News Wire*, Mar. 15, 2004.

<sup>15</sup> Perthes, p. 120.

<sup>16</sup> U.S. Department of State, *Background Note: Syria*, Oct. 2003.

<sup>17</sup> Samir Al-Taqi, “A Reconciliation in Damascus,” *Daily Star (Beirut)*, June 16, 2004.

<sup>18</sup> “Syria said responding to US sanctions by raising public sector salaries,” *Al-Hayat (London)*, May 19, 2004. The article also noted a provision in a proposed draft “unified workers’ law” raising the salary ceiling for 1.2 million public sector workers.

**Religious Minorities.** In addition to the Alawites, the Asad regime has been able to rely to varying degrees on other religious minority groups who share Alawite distrust of Syria's Sunni Muslim majority and see a secular regime as insurance against a wave of Sunni-dominated religious fundamentalism. Conversely, Alawite leaders seem comfortable with other religious minorities.

**Christians.** Christians, consisting primarily of Greek Orthodox along with some smaller sects, comprise approximately 10% of the Syrian population. Most Syrian Christians are Arabic-speaking and have traditionally tended to identify with Arab nationalist movements, which they see as an antidote of Islamic fundamentalism. At the same time, like other Christians in the Middle East, Syrian Christians feel a certain affinity for western civilization on religious and cultural grounds.<sup>19</sup>

| <b>Religions in Syria</b> |      |
|---------------------------|------|
| Sunni Muslim              | 74%  |
| Alawite                   | 11%  |
| Christian                 | 10%  |
| Druze                     | 3%   |
| Ismaili                   | 1.5% |
| Source: U.S. State Dept.  |      |

Christians have been well represented in Syrian government organizations under the Asad regime. According to one commentator, “[m]any Christians apparently prefer the al-Asad regime or any Alawi-dominated successor to any Sunni fundamentalist alternative.”<sup>20</sup> Two other commentators, discussing the make-up of the Syrian armed forces, describe Christians as “disproportionately represented in the Syrian officer corps.”<sup>21</sup> The good relations that generally exist between the Syrian regime and its indigenous Christian community contrast markedly with the often tense relations between the Syrian regime and the Christian community in neighboring Lebanon. Whereas large numbers of Lebanese Christians resent Syrian domination of the Lebanese political scene, Syrian Christians tend to look on the Asad regime as a protector.

**Ismailis and Druze.** Support from two other religious sectarian communities is harder to assess. Ismailis, who belong to a small branch of Shi'ite Islam and comprise approximately 1% of the Syrian population, held high positions in an earlier Alawite-dominated coalition; however, they do not appear to have played a major role in the Syrian political scene in recent years. Druze, a small sect comprising approximately 3% of the Syrian population and generally regarded as an off-shoot of Shi'ite Islam, were major participants in a coup that brought the Alawite-dominated wing of the Ba'th Party to power some years ago. However, their leaders quickly quarreled with their erstwhile Alawite allies and, like the Ismailis, they no longer appear to be major actors in the regime.

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<sup>19</sup> Colbert C. Held, *Middle East Patterns: Places, Peoples, and Politics*. Boulder, CO, Westview Press, 2000, p. 248. Exceptions include very small communities of Armenian and Assyrian (or Nestorian) Christians, who are ethnically distinct from Arabs.

<sup>20</sup> Van Dam, p. 133.

<sup>21</sup> Drysdale and Hinnebusch, p. 29.

## Domestic Policy Challenges in Syria

For over three decades, the Asad regime has demonstrated its continued resilience in maintaining political stability in Syria. Although few observers believe that the Syrian political system faces an imminent rupture, Syria's precarious long-term economic outlook coupled with continued uncertainty over the future of neighboring Iraq could have a serious impact on Syrian politics. Economic pressures from the loss of oil revenues and population growth could push the question of reform to the forefront of Syrian politics. Many analysts believe that Syria's efforts to reform its economy and political system have stalled, and it remains unclear whether or not the Syrian government will be able to control the reform process indefinitely. Events in Iraq also may impact Syria's domestic stability. Some analysts believe that any movement toward Iraqi Kurdish independence could embolden Syria's Kurdish population, estimated at two million, to demand greater political participation in Syria. In addition, there is much concern that conflict in Iraq could "radicalize" homegrown Syrian Islamists, who could potentially target Syria's secular government or export radicalism to Iraq.

### Syria's Stagnant Economy

Since the end of Soviet financial and military support for Syria in the late 1980s, many have since questioned the ability of the Syrian economy to grow on its own and keep pace with its rapidly rising population. According to the World Bank, continued population growth in Syria requires that the economy grow at over 5% per annum in order to improve the overall welfare of the Syrian people.<sup>22</sup> Because its closed nature makes Syrian economic data difficult to obtain, recent estimates suggest that the economy has been averaging about 2% growth over the past few years, a figure close to, or even below its annual increase in population (2.4%).<sup>23</sup> With little net improvement in the economy, unemployment could be as high as 25% among working-age Syrians. Furthermore, Syria's economy is still dominated by an inefficient public sector, which employs 73% of the labor force but only generates 33% of Gross Domestic Product (GDP).<sup>24</sup> With a bloated bureaucracy that is slow to respond to commercial opportunities, Syria receives little foreign investment and depends heavily on remittances from Syrians working abroad. Corruption is endemic, costing Syria an estimated \$4 billion annually.<sup>25</sup> The national budget, which ran a deficit in 2004, devotes an estimated 40-50% of government revenue to military and intelligence spending, leaving little for infrastructure investment and education. Most importantly, Syria's external debt is estimated to hover around \$21 billion or

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<sup>22</sup> World Bank, *Country Brief: Syrian Arab Republic*, October 2001. Available online at [<http://lnweb18.worldbank.org/mna/mena.nsf/Countries/Syrian+Arab+Rep/2531ADE2426CE87485256AFF005759AD?OpenDocument>].

<sup>23</sup> Population growth figures are based on recent CIA estimates. See Central Intelligence Agency, *The World Factbook 2004*, January 2004. Available online at [<http://www.odci.gov/cia/publications/factbook/index.html>].

<sup>24</sup> Euro-Med Partnership, "Country Strategy Paper 2002-2006," no date.

<sup>25</sup> "Prospects 2004: Shifts Likely on Arab-Israeli Front," *Oxford Analytic*, Dec. 22, 2003.

96% of GDP, one of the highest percentages in the Middle East.<sup>26</sup> Some speculate that Syria faces a potential “day of reckoning,” when the government may have to cope with an economy that can no longer keep pace with population growth or depend on dwindling oil reserves for revenues.

**A Future Without Oil?** Syria’s largely state-controlled economy depends on revenues from its domestic oil production, which accounts for an estimated 40-50% of state income and 60-70% of Syrian exports. Syria has one of the smallest known reserves of oil in the Middle East, and most energy experts believe that, barring significant new discoveries, Syria will exhaust its oil and gas reserves in a decade, thereby depriving Syria’s largely state-based economy of badly needed revenues.<sup>27</sup> Syria lost a valuable source of extra oil income when the United States halted illegal shipments of Iraqi oil to Syria after the U.S. takeover of Baghdad in April 2003.<sup>28</sup> Income from Syrian oil revenues is already on the decline, as Syrian population growth has forced more oil to be allocated for domestic consumption rather than international export.<sup>29</sup>

## Reform in Syria

**Government-Sponsored Reform.** After President Bashar al-Asad came to power in 2000, there was much optimism that the young leader would surround himself with western-oriented technocrats who would vigorously liberalize the economy and the political system. Although Syria did experience a brief moment in 2000 when intellectuals and dissident politicians were able to advocate publicly for more political freedoms (popularly referred to as the “Damascus Spring”), the regime reversed course in early 2001, arresting a number of outspoken critics and putting an end to discussions of political reform in public discourse. In place of a focused and comprehensive reform plan has been a series of haphazard steps, such as the

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<sup>26</sup> Middle East Economic Digest, DataBank: Economic Indicators 2002, June 4-10, 2004. Syria’s debt to countries of the former Soviet Union is in arrears and is estimated to be between \$10-\$12 billion.

<sup>27</sup> U.S. Department of Energy’s Energy Information Administration, *Country Analysis Briefs: Syria*, April 2004. Available online at [<http://www.eia.doe.gov/emeu/cabs/syria.html>].

<sup>28</sup> From 2000 - 2003, Iraq under Saddam Hussein had reportedly been providing Syria with between 120,000- 200,000 barrels per day at discounted prices from a pipeline between the northern Iraqi city of Kirkuk and the Syrian port of Banias. These deliveries were in violation of U.N. sanctions against Iraq and allowed Syria to export more of its own oil for sale on the international market. Over the past few years, Syrian oil production has averaged around 535,000 barrels per day. Overall, some estimate that the 2003 Iraq war cost Syria at least \$2 billion a year, of which \$1 billion came from reduced trade and the other \$1 billion from the lost illegal oil deliveries. See “Syrian Reforms Gain Momentum in Wake of War,” *Washington Post*, May 12, 2003.

<sup>29</sup> With no recent major discoveries of oil and natural gas, Syria hopes to attract investment from foreign energy companies in order to acquire the technology required to extract more oil and gas from existing sites. The following are some U.S. energy companies with business interests in Syria: ConocoPhillips, ExxonMobil, Occidental, Petrofac, Devon Energy, Gulf Sands, Veritas DGC, and the Improved Petroleum Recovery Group (IPR).

introduction of two private banks, the launching of private universities, and the appointment of several reform-minded ministers. Critics charge that Syria has taken only cosmetic steps toward reform and that corruption is so embedded in the political system that any meaningful change is difficult because of the close business ties between politicians and businessmen.<sup>30</sup> According to Nabil Sukkar, a former economist at the World Bank who runs a think tank in Damascus, “we should be growing by 6 to 7 percent a year if there was clarity of vision and a proper reform program.”<sup>31</sup> The Syrian government believes that change must be gradual and that the “shock therapy” espoused by East European reformers in the early 1990s would lead to drastic increases in unemployment and political unrest.

**The Internal “Reformers”.** Individuals who came forward during the “Damascus Spring” of 2000 were quickly labeled in the Western media as “reformers.” These Syrian reformers published manifestos calling on the government to lift its emergency laws, improve human rights conditions, and allow a free press.<sup>32</sup> Activists began to hold political discussion groups or salons - activities which were not tolerated under the late Hafiz al-Asad.

The window of opportunity for these reformers to challenge the government was quickly closed in early 2001, as the Asad regime began arresting activists, shutting down weekly satirical newspapers, and banning civil society groups altogether. In August and September 2001, the government arrested two independent members of Parliament, Riad Sayf and Ma'mun Humsi, on charges of attempting to change the constitution illegally. Some observers attributed Syria's quick shift in policy to the influence of hardliners, who had close ties to the late President Hafiz al-Asad. Others suggest that the Palestinian *intifada* and the election of Ariel Sharon as Prime Minister in Israel in 2001 caused Syria to retrench and use the Israeli-Palestinian conflict as an excuse to delay reforms. Since the 2001 crackdown, activists who were not detained have periodically issued petitions calling for reforms and have staged several small-scale demonstrations. Although the government did release approximately 100 political prisoners in January 2004, most observers believe that the government crackdown three years earlier effectively curbed most reform-related activities.

Although media reports categorized these individuals as reformers, analysts note that the advocates for reform are not a monolithic group, mixing traditional Arab nationalists together with economic reformers and democracy and human rights

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<sup>30</sup> Bassam Haddad, “Reform in Syria: Waiting for the Wrong Time,” *Arab Reform Bulletin*, June 2004.

<sup>31</sup> “As Reform Falters, Syrian Elite Tighten Grip,” *Christian Science Monitor*, Sept. 30, 2003.

<sup>32</sup> See the “Manifesto of the 99,” translated from the original Arabic version by Suha Mawlawi Kayal, *Middle East Intelligence Bulletin*, Document File: Syria, Statement by 99 Syrian Intellectuals, 5 October 2000. Available at [[http://www.meib.org/articles/0010\\_sdoc0927.htm](http://www.meib.org/articles/0010_sdoc0927.htm)].

advocates.<sup>33</sup> Representing the Syrian intellectual elite, the poets, journalists, professors, communists, lawyers, and physicians who have spoken out for change have not come to a consensus on how far their government should go in reforming the economic and political system. Some reformers, who have close ties to the Asad regime or are the children of former officials, are wary of being depicted as opposition figures, and many maintain their steadfast support for Syria's stance against Israel and a process of Arab-Israeli normalization. Other reformers have taken more of a public stance against government policies, holding sit-ins and hunger strikes to protest restrictions against political parties and the imprisonment of thousands of dissident activists. Opposition figures also are divided over U.S. and European policies toward Syria. Some activists believe that a combination of pressure tactics and incentives from the West accelerate the reform process. Others believe that Western involvement in Syrian affairs will only strengthen the hand of the Asad regime, which might exploit such policies to tout the regime's nationalist credentials in defiance of external interference.

Observers have noted that, since the 2003 Iraq war, the discourse of reform in Syria has been infused with more calls for minority rights in Syria. In October 2004, 2000 Assyrian Christians in the northeastern city of Hasakah held a demonstration demanding equal treatment by the local police. In addition, an Armenian activist, Vahan Kirakos, has launched a campaign for the Syrian presidency in an effort to promote equal rights for all Syrian citizens. Syria's constitution stipulates that the President must be a Muslim.<sup>34</sup>

**Syrian Dissidents Abroad.** Syrian expatriates in the West have started to take a more active role in encouraging the United States and Europe to pressure the Syrian government. In 2003, a U.S.-based Syrian, Farid Ghadry, started the Reform Party of Syria (RPS), an opposition party that is committed to seeing a "New Syria," which embraces real democratic and economic reforms.<sup>35</sup> In November 2003, the RPS held a closed-door conference in Washington, D.C. The RPS also has reportedly started a radio station called "Radio Free Syria."

Some analysts believe that the Syrian exile groups have little credibility inside Syria and have adopted the techniques of Iraqi exile groups, such as the Iraqi National Congress, whose leader, Ahmed Chalabi, has now fallen out of favor with the United States. According to Professor Joshua Landis, an expert on Syria at the University of Oklahoma, after the U.S. ousting of the Iraqi regime in April 2003, some Syrian exiles made exaggerated claims of U.S. support for their activities vis-à-vis Syria; when their claims were met with ambivalence by internal Syrian opposition figures, some exiles labeled dissidents inside Syria as regime collaborators.<sup>36</sup>

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<sup>33</sup> Interview with Professor Joseph Bahout, Lebanese political scientist and research associate at the Institut Français du Proche-Orient in Beirut, June 2004.

<sup>34</sup> "New Hope of Syrian Minorities: Ripple Effect of Iraqi Politics," *New York Times*, Dec. 29, 2004.

<sup>35</sup> For more information on the RPS, see their website at [<http://reformsyria.org/>].

<sup>36</sup> Interview with University of Oklahoma Professor Joshua Landis, July 2, 2004.



## Sectarianism in Syria: The Kurds

**The Status of Kurds in Syria.** Since its independence in 1946, Syria has defined itself as an Arab state, despite the presence of a large, ethnically distinct Kurdish population in Damascus and in several non-contiguous areas along Syria's border with Turkey and Iraq. Syria's Kurds are the largest distinct ethnic/linguistic minority in Syria (7%-10% of total population), of which several hundred thousand have been denied Syrian citizenship under a 1962 census that determined that some Kurds were "alien infiltrators," who illegally entered Syria from Turkey.<sup>37</sup> Syrian Kurds inhabit agriculturally-rich areas, which also contain several of Syria's most valuable oil and natural gas fields. In an attempt to curb Kurdish demands for greater autonomy, successive Syrian governments since the 1950s have periodically arrested Kurdish political leaders, confiscated some Kurdish land and redistributed it to Syrian Arabs in an attempt to "Arabize" Kurdish regions, and bribed local Kurdish tribal leaders in order to foster disunity among various Kurdish groups.<sup>38</sup>

Prior to the 2003 Iraq war, a combination of changes in regional politics and changes in Syrian leadership had temporarily alleviated some of the governmental pressure on Syria's Kurdish community, which culminated in the 2002 visit by Syrian President Bashar al-Asad to the Kurdish town of Hasaka in northeastern Syria — the first visit by a Syrian head-of-state to the region in 40 years. As previously mentioned, Syria's new President, for a time, tolerated a more open political atmosphere, which included turning a blind eye to Syrian Kurdish political and cultural activities. At the same time, Syrian support for the former Saddam Hussein regime in Iraq, prior to its overthrow by U.S. forces, had engendered antipathy from Iraqi Kurdish groups, who reportedly retaliated by supporting Syrian Kurdish groups. Nevertheless, most analysts considered Syrian Kurdish aspirations to be less ambitious than Iraqi Kurdish aspirations; whereas Syrian Kurds demanded more civil rights in Syria, Iraqi Kurds demanded a large degree of autonomy, or even a near-complete separation from the Iraqi state. According to Ahmad Barakat of the Syrian Kurdish Democratic Progressive Party, "Our problem is very different from that of the Kurds in Iraq...their aim in Iraq is to get a state of their own. But in Syria, we just want our culture and freedom as Syrian nationals."<sup>39</sup>

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<sup>37</sup> George, Allen. *Syria: Neither Bread nor Freedom*, London: Zed Books Ltd, 2003. p. 5

<sup>38</sup> Scholars note that Syrian Kurds, unlike Iraqi Kurds, have had greater difficulty in forging a unified movement due to local feuds, geographic boundaries, divisions between urban-rural Kurds, and Syrian government policies to divide Syria's Kurds. See, Gary C. Gambill, "The Kurdish Reawakening in Syria," *Middle East Intelligence Bulletin*, vol. 6 no.4, April 2004. Additionally, some observers caution that, although Syria's Kurds face restrictions against publishing in Kurdish, restrictions on citizenship and restrictions on property ownership, overall, the plight of Syria's Kurds does not drastically differ from the economic hardship faced by many average Syrian Arab citizens. See, Tish Durkin, "A Separate State for the Kurds? Some Would Settle for Asphalt," *National Journal*, Vol. 34 Issue # 6, Nov. 16, 2002.

<sup>39</sup> "As war looms, the voice of Kurds is heard in Syria," *Christian Science Monitor*, Nov. 20, 2002.

**Influence of Iraqi Kurds in Syria.** The combination of pent-up Kurdish grievances with Kurdish assertiveness in neighboring Iraq came to a head in March 2004, when demonstrations broke out in the Kurdish regions of Syria following a clash between Syrian Kurds and Arabs at a local soccer match. When the rioting subsided, media sources reported an estimated 33 Kurds had been killed. Both during the riots and afterward, analysts speculated about the causes of the clashes between Kurds and Syrian authorities and the consequences for future Syrian stability. The Syrian government initially blamed the unrest on “foreign elements” interfering in Syrian domestic affairs. Others believe that Iraqi Kurdish groups could have played a role and, according to *Janes Intelligence Review*, Kurdish activists acknowledged that the scale of the rioting was magnified by inspiration from Iraqi Kurds’ demands for Kurdish autonomy in Iraq.<sup>40</sup> A spokesman for the Patriotic Union of Kurdistan (PUK), an Iraqi Kurdish party that shares power in governing northern Iraq, recently claimed that “the situation in Iraqi Kurdistan has given Syrian Kurds the strength to demand the same.”<sup>41</sup> Iraqi Kurdish groups have traditionally maintained offices in Damascus.

In the aftermath of the Kurdish riots, some speculated that the Syrian government had lost some control over the Kurdish regions and, despite its crackdown on Kurdish instigators, the government would continue to face mounting protests from Kurdish groups demanding more autonomy and equal rights. With the future governing structure of Iraq still undecided, many see Iraqi Kurdish groups using Syrian Kurdish grievances against the Syrian government to counter any support the Syrian government may give to Sunni groups in Iraq bent on preventing Kurdish separatism. On the other hand, some analysts see a possible strengthening of the Asad regime, as Kurdish violence may lend support for the argument that stability is of a higher priority than political reform.

## **Islam in Syria: A Potential for Extremist Activity?**

**Religious Identity in Syria.** Syria, although over 70% Sunni Muslim, features a number of religious minorities, including the politically-dominant Alawite sect, an off-shoot of Shiite Islam. Alawites were historically a rural underclass in Syria until the time of the French mandate (1920-1946), when French authorities encouraged religious minorities to join the army. Over time, Alawites came to dominate the Syrian officer corps and, beginning in the early 1960s, gradually took hold of the reins of power in Syria. In order to divert attention from the sectarian nature of its rule, the Asad family, acting through the Ba’th party apparatus, has historically emphasized Syria’s secular Arab identity and integrated many Sunni elites into the ruling political structure. Indeed, it is taboo in Syria to publicly mix politics and religious affiliation.<sup>42</sup>

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<sup>40</sup> Anders Strindberg, “Syria Shifts Policy as Sanctions Loom,” *Janes Intelligence Review*, May 1, 2004.

<sup>41</sup> “Syrians Test Limits Of Political Dissent; Asad’s Government Talks of Reform,” *Washington Post*, Apr. 11, 2004.

<sup>42</sup> Article III of the 1973 Syrian constitution states that the President of Syria must be a  
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**The Syrian Muslim Brotherhood.** Since the rise of political Islam as an opposition vehicle in the Middle East decades ago, culminating in the 1979 overthrow of the Shah of Iran, U.S. policymakers have been concerned that secular Arab dictatorships like Syria would face rising opposition from Islamist groups seeking their overthrow.<sup>43</sup> Although Syria faced violent challenges from such groups during the decades of the 1970s and 1980s, the Syrian security state has by and large succeeded in eliminating any organized Islamist opposition. Once considered the most imminent threat to Syrian stability, the Syrian Muslim Brotherhood, formerly the largest Islamist opposition group,<sup>44</sup> has been largely in exile since its crushing defeat at the hands of the Asad regime in 1982, when Syrian forces attacked the Brotherhood's stronghold in the city of Hama and killed approximately 10,000 people. Since then, the government has attempted to coopt the forces of political Islam by continuing to outlaw the Muslim Brotherhood and keep its activists in prison, while promoting Islam as a social force for national unification.<sup>45</sup> Over the past twenty years, the Syrian government has financed the construction of new mosques, aired more Islamic programming on state television, and monitored the sermons of clerics, many of whom are on the state's payroll. At the same time, the Syrian government, like other dictatorships in the region, has used the threat of "homegrown" Islamist violence in order to justify one-party rule and has frequently exaggerated its threat in order to bolster its own appeal to Western governments. Syria has received some favorable attention for its reported cooperation with U.S. intelligence agencies in detaining and tracking Al Qaeda operatives in the Middle East and in Europe, although some U.S. officials have discounted these contributions.

**Extremism and the Impact of the U.S. Presence in Iraq.** Some observers believe that the Syrian government's tactical manipulation of Islamic identity, coupled with a growing popular frustration with the U.S. presence in Iraq and the ongoing Israeli-Palestinian conflict will lead more Syrians to join militant Islamist groups.<sup>46</sup> Since the start of the Iraq war in March 2003, U.S. officials have

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<sup>42</sup> (...continued)

Muslim and that Islamic jurisprudence is a main source of legislation; however, the constitution does not explicitly make Islam the state religion.

<sup>43</sup> Observers have noted that despite recent U.S. calls for democracy in the Middle East, historically speaking, U.S. policymakers tend to view secular Arab republics (like Egypt) or moderate Arab monarchies (like Jordan and Saudi Arabia) as better for regional stability than Islamic theocracies (like Iran).

<sup>44</sup> The Syrian Muslim Brotherhood, an off-shoot of its larger Egyptian counterpart, has been banned in Syria since 1958, and according to a 1980 law, known membership in the group is punishable by execution. See, Ghada Hashem Telhami, "Syria: Islam, Arab Nationalism and the Military," *Middle East Policy*, Vol. 8 Iss.4; Dec. 2001.

<sup>45</sup> See, International Crisis Group (ICG), "Syria Under Bashar (II): Domestic Policy Challenges," *ICG Middle East Report #24*, Feb. 2004.

<sup>46</sup> There also has been renewed concern in the West that social and economic stagnation in Arab and Muslim-majority countries would lead to increases in religious extremism among young people, spawning a new generation of recruits for international and domestic terrorist groups. As the gap between the rich and the poor in Syria widens, observers are concerned that an Islamist social agenda may become more attractive to the unemployed and  
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repeatedly accused the Syrian government of tacitly permitting Syrian and other foreign fighters to cross into Iraq. There has been much debate over the role of the Syrian government in fostering the infiltration of militants into Iraq.<sup>47</sup> Some speculate that even if the government is not actively encouraging militants to cross into Iraq, Syria stands to gain by exporting its own extremists to Iraq, where they are free to conduct terrorist operations. Others suggest that Syria has a vested interest in preventing foreign infiltration into Iraq in order to prevent radicals from returning to Syria in the future to bolster Islamic movements there. Over the past year, several foreign students at Syrian Islamic schools were involved in terrorist bombings in Israel and Turkey, leading Syrian authorities to curtail foreign study of Islam in Syrian colleges. In April 2004, four people were killed in the diplomatic quarter of Damascus during a clash between a Syrian Islamic fundamentalist group and Syrian authorities.<sup>48</sup> The group had reportedly detonated a car bomb outside a former United Nations building. The bombing was the first widely-reported act of domestic Syrian-Islamist terrorism in several years.

Others counter that the terrorist violence in post-war Iraq has only bolstered the position of the Asad regime, with Syrians placing a higher value on social stability than on political freedoms. Some speculate that the Syrian government may even take action to preempt the rise of Islamic extremism by allowing more moderate Islamist groups to operate openly. In May 2004, there were reports that the Syrian government has been conducting talks with exiled leaders of the Syrian Muslim Brotherhood in order to negotiate the group's peaceful return to Syria.<sup>49</sup> The Jordanian branch of the Muslim Brotherhood has long been established and openly participates in the political system. At this time, it is unclear how far along the reconciliation process is between Syrian officials and Islamist activists, though in Syria-dominated Lebanon, the Muslim Brotherhood recently participated in local elections.

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<sup>46</sup> (...continued)

disadvantaged in poor rural and urban areas.

<sup>47</sup> Recently, some U.S. officials have accused Syria not only of facilitating the movement of extremists into Iraq, but also of facilitating the transfer of funds through Syrian banks to insurgents in Iraq. The U.S. Treasury Department has been investigating the state-owned Commercial Bank of Syria for alleged money laundering activities. See, "U.S. Pressing Syria on Iraqi Border Security," *Washington Post*, Sept. 20, 2004.

<sup>48</sup> "Syria Says Isolated Islamist Group Staged Damascus Attack," *New York Times*, May 16, 2004.

<sup>49</sup> "Damascus, Brotherhood Set to Reconcile?" *Daily Star* (Beirut), May 26, 2004.

## U.S.-Syrian Relations: Issues of Concern

Syria is entangled in a number of important U.S. policy issues in the Middle East, including the war on terrorism, on-going turmoil in Iraq, tensions in Lebanon, efforts to resolve the Arab-Israeli conflict, and efforts to curtail the spread of weapons of mass destruction. U.S. officials have taken increasing interest in Syrian actions, demanding that Syria cooperate more effectively in monitoring the Iraq-Syrian border to curb infiltration of foreign fighters into Iraq, end support for Palestinian and Lebanese terrorist organizations, withdraw forces from Lebanon, and support other U.S. objectives in the region. Syrian officials maintain that they are trying to accommodate U.S. concerns.

### Terrorism

Since 1979, Syria has appeared regularly on a list of countries identified by the U.S. State Department as sponsors of international terrorism. On the one hand, State Department officials have credited Syria with helping U.S. efforts to track down members of Osama bin Laden's Al Qaeda organization. On the other hand, Syria has long supported anti-Israeli terrorist groups, notably by providing safe haven for radical Palestinian groups and by supplying the Lebanese Shi'ite Muslim militia Hizballah and allowing it to conduct raids against Israeli targets from Hizballah bases in southern Lebanon. Syria maintains that the Palestinian organizations and Hizballah are engaged in legitimate resistance activity against occupation rather than terrorism.

Discussions during the past two years between U.S. Secretary of State Colin Powell and senior Syrian officials including President Asad have not reached closure on this issue. In testimony before the Senate Foreign Relations Committee on February 12, 2004, Mr. Powell said "Syria has not done what we demanded of it with respect to the closing permanently of these offices [inhabited by radical Palestinian organizations] and getting those individuals out of Damascus." In an interview with a leading London-based Arabic daily on January 19, 2004, Asad said that Palestinian groups had closed the offices in question to ease pressure on Syria but that Syria had no grounds to expel the individual Palestinians who had tenanted these offices, since they had not violated any Syrian laws. In a report to Congress prepared in June 2004, the U.S. State Department averred that several Palestinian groups involved in terrorism continue to maintain a government sanctioned presence in Syria and that Syria has taken no steps to end Iranian resupply of Hizballah using Syria as a transshipment point.<sup>50</sup>

### The Iraq Factor

Syria, which opposed the U.S. military campaign in Iraq, has walked a fine line between constructive and obstructionist policies in Iraq since the overthrow of the Saddam Hussein regime. Experts debate the strategic factors that motivate Syria's

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<sup>50</sup> Department of State, *Syria's Progress in Meeting the Conditions Contained in the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003*, Report to the Congress, June 12, 2004.

policies toward Iraq. Iraq's complex political landscape, which broadly encompasses the Sunni, Shiite, and Kurdish communities, may help explain Syria's conflicting approaches to Iraq. Reported Syrian support of the Iraqi insurgency and ex-Ba'athists could be a Syrian attempt not only to complicate the U.S. mission in Iraq, but to guard against the possibility of Sunni Islamist insurgent leaders seizing power in the future. At the same time, Syria has cautiously engaged with the interim Iraqi government, and the two parties restored full diplomatic ties in November 2004. Although the Syrian media has at times criticized the interim Iraqi government for its dependence on the United States, the Assad regime has maintained quiet relations with both secular and religious moderates in the Shiite and Sunni communities. The Syrian government is eager to reopen its pipeline to transport Iraqi crude oil and is concerned with the increasing influence of radical Islamic politics in Iraq. Syria's relationship with Iraqi Kurdish leaders continues to be tense, as Iraqi Kurds, fearful of neighboring Syria, have joined U.S. officials in demanding more Syrian cooperation in controlling the Iraqi-Syrian border. Syria also fears the impact of Iraqi Kurdish assertiveness on its own Kurdish population.

The U.S. Administration has accused Syria of exerting insufficient efforts to close its porous 375-mile border with Iraq. U.S. officials charge that Syria is providing a sanctuary for former Iraqi Ba'athists coordinating insurgent activities in Iraq and that Syria is allowing pro-Saddam volunteer fighters from Arab countries to transit the Syrian-Iraqi border and augment the ranks of the Iraq resistance. Some U.S. officials state that insurgent fighters obtain passports in Damascus and money collected from donors in Saudi Arabia and elsewhere to facilitate their onward travel to Iraq. Syrian officials reject these charges. The U.S. Chairman of the Joint Chiefs of Staff, General Richard B. Myers, commented that "[i]t's hard to believe Syria doesn't know it's going on .... Whether or not they're supporting it is another question. That said, you could say if Syria wanted to stop it they could stop it, or stop it partially."<sup>51</sup> Still, some U.S. commanders have noted recent steps by Syrians to tighten their border with Iraq and curtail cross-border infiltration.<sup>52</sup>

## Weapons of Mass Destruction

U.S. officials and many informed observers believe Syria has an arsenal of chemical weapons and surface-to-surface missiles, thought by some to serve as a "force equalizer" to counter Israeli nuclear capabilities.<sup>53</sup> A recent unclassified CIA report<sup>54</sup> has stated that Syria has the nerve agent Sarin and may be trying to develop a more toxic nerve agent and that Syria is continuing to expand its missile

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<sup>51</sup> John Hendren, "Few Foreigners Among Insurgents," *Los Angeles Times*, Nov. 16, 2004, p. 1. See also Thomas E. Ricks, "Rebels Aided By Allies In Syria, U.S. Says," *Washington Post*, Dec. 8, 2004, p. 1.

<sup>52</sup> Carla Anne Robbins and Greg Jaffe, "U.S. Sees Efforts By Syria To Control Border With Iraq," *Wall Street Journal*, Dec. 10, 2004.

<sup>53</sup> "Syria Built Arsenal As 'Equalizer,'" *Washington Post*, Apr. 17, 2003.

<sup>54</sup> Central Intelligence Agency, *Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 January Through 30 June 2003*. (Most recent report available.)

capabilities. The report also states that Syria probably has continued to develop a biological capability and has continued long-standing agreements with Russia on nuclear energy, although specific assistance has not yet materialized.

## **Syria and the Middle East Peace Process**

Syrian-Israeli peace talks have been stalled since 2000, and Syria continues to demand that Israel return the entire 450 square mile Golan Heights territory which Israel occupied during the Arab-Israeli war of June 1967. Israel rejects Syria's demand and believes talks should begin without pre-conditions; Syria has long insisted that talks resume where it maintains they left off in 2000. Statements by Israeli and Syrian leaders in early December 2004 indicate some possible flexibility on both sides. Israeli Prime Minister Ariel Sharon, in a December 2 press conference, said that he is "ready to meet President Asad under certain conditions." On the following day, the Syrian ambassador to London said that Syria would be willing to negotiate without preconditions and appeared to soften Syria's previous demand that any peace talks resume from the point where they had left off. These comments followed an apparent offer by Asad as relayed by a U.N. envoy in late November to resume negotiations without conditions.<sup>55</sup>

## **Syrian Involvement in Lebanon**

Many Syrian nationalists have long regarded Lebanon as part of a "greater Syria." Currently, Syria keeps approximately 15,000 troops in neighboring Lebanon, ostensibly under an earlier Arab League peacekeeping mandate, and facilitates resupply of the Lebanese Shi'ite Muslim Hizballah, as noted above. Hizballah has continued to launch rocket attacks against Israeli forces near the Israeli-Lebanese border and occasionally against targets in northern Israel. Despite some reduction over the past four years, the Syrian military presence in Lebanon remains divisive and is resented by many Lebanese Christians, though welcomed by some other groups including the Shi'ite Muslim community.

Besides Syria's concern for maintaining its security interest in Lebanon, economic factors also contribute to its continued military presence in Lebanon. Although it is difficult to quantify the economic benefits Syria derives from its occupation of Lebanon, most experts note that the Lebanese economy is vital to Syria's own financial health. The Lebanese economy absorbs thousands of migrant Syrian workers, who would otherwise have difficulty finding work back home. Lebanese banks are valuable sources of capital for Syrian businesses.

On September 3, 2004, apparently under pressure from Syria, the Lebanese parliament adopted an amendment extending Lebanese President Emile Lahoud's six-year term by an additional three years. Many Lebanese, especially from the Christian and Druze religious communities, opposed this step, which drew criticism from western countries as well. On the day before the parliamentary vote, the U.N. Security Council adopted Resolution 1559, sponsored by the United States and France, calling for "a free and fair electoral process in Lebanon's upcoming

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<sup>55</sup> "Is Syria Serious about Peace with Israel?", *Daily Star* (Beirut), Nov. 30, 2004.

presidential election ... without foreign interference” and calling upon “all remaining foreign forces to withdraw from Lebanon.” Syria’s U.N. ambassador maintained that “Syria is not a foreign force in Lebanon, it is there at the request of the Lebanese government,” while Lebanon’s pro-Syrian government described the resolution as interference in the internal affairs of Lebanon.<sup>56</sup> However, in an October 1 report mandated by Resolution 1559 (see above), the U.N. Secretary General stated that “[t]he Syrian military and intelligence apparatus had not been withdrawn as of 30 September 2004.”

On February 14, 2005, a powerful car bomb exploded in Beirut’s hotel district, killing former Lebanese Prime Minister Rafiq Hariri. A self-made billionaire with ties to Saudi Arabia, Hariri had served as prime minister for much of the period since the Lebanese civil war ended in 1990 and was the principal mover behind Lebanon’s economic reconstruction. An opponent of the Syrian-backed extension of President Lahoud’s term, Hariri had resigned on October 20, 2004, and subsequently joined an opposition group calling for withdrawal of Syrian troops from Lebanon. Many Lebanese opposition groups demonstrated against Syria and the pro-Syrian Lebanese government, charging its leaders with responsibility for Hariri’s death. Hariri supporters dismissed a claim of responsibility by a small group calling itself the “Group for Advocacy and Holy War in the Levant,” maintaining that so sophisticated an attack would likely have required the capabilities of a full-fledged state. Syrian and Lebanese officials denied involvement and condemned the bombing, and some observers thought it might have resulted from internal Lebanese political rivalries.

Although U.S. officials said the identity of the perpetrators has not yet been determined, State Department officials expressed outrage to the Syrian government, and on February 15, Secretary of State Condoleezza Rice recalled the U.S. Ambassador to Syria for urgent consultations. In a press statement on February 15, State Department spokesman Richard Boucher said the Syrian military presence “has not provided internal security for Lebanon. And therefore, in light of that kind of event (the car bombing that killed Hariri), we need to look at the whole range of issues that we’ve had, including the Syrian presence in Lebanon.” On February 16, Secretary Rice told the Senate Foreign Relations Committee that the Syrians have special responsibility for destabilization in Lebanon, “given their continued interference in Lebanese affairs.”<sup>57</sup> In an address to NATO on February 21, 2005, President Bush stated that “[j]ust as the Syrian regime must take stronger action to stop those who support violence and subversion in Iraq, and must end its support for terrorist groups seeking to destroy the hope of peace between Israelis and Palestinians, Syria must also end its occupation of Lebanon.” A statement adopted unanimously by the U.N. Security Council, while not mentioning Syria by name, condemned the terrorist bombing in Beirut, called on the Lebanese government to bring the perpetrators to justice, and reaffirmed previous calls for “the restoration of the territorial integrity, full sovereignty and political independence of Lebanon.”

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<sup>56</sup> On two previous occasions, in 1948 and in 1995, terms of Lebanese presidents have been extended.

<sup>57</sup> Joel Brinkley, “Rice Says Syria Is at Least Indirectly Responsible for the Blast,” *New York Times*, February 17, 2005.



## **U.S. Policy Toward Syria: Differing Approaches and Options for Congress**

The 2003 Iraq war and subsequent calls for democratizing the Middle East have led U.S. officials to become more active in policy toward Syria. After the U.S.-led takeover of Baghdad in April 2003, some speculated that Syria could become the next target of U.S. military action. Although the precarious security situation in Iraq has deflated some of this pressure, there are still many officials who believe that the United States should continue to press for a change in Syrian regime behavior by pressuring Syria from within and by isolating it internationally. Others counter that the Syrian government should be offered some incentives to cooperate with the U.S. government in Iraq and in the war on terrorism.

Advocates of a hard-line approach toward Syria see little prospect for a long term relationship with the Syrian regime, which they consider basically antithetical to U.S. interests and values. They dismiss Syria's claims of cooperation in seeking to close the Iraqi border and see Syria's interest in Arab-Israeli peace talks as tactical moves that offer Syria an end to regional isolation, a free hand in Lebanon, and access to financial support from the West. Others believe that quiet diplomacy aimed at encouraging Syria to play a constructive role in regional affairs could yield benefits. Proponents of this approach do not advocate the immediate termination of sanctions without further action on Syria's part; however, they support wider contacts between U.S. and Syrian diplomatic and security officials to discuss sensitive issues, seek common ground, and identify possible areas of cooperation.

As U.S. officials continue to debate using the "carrot or stick" approach with Syria, some options have been laid out by lawmakers and other experts.

### **Using Sanctions and Implementing the Syria Accountability Act**

For some years, an array of legislative provisions have prohibited U.S. aid to Syria, banned the sale of military munitions, and restricted other bilateral trade. Many of these bans and restrictions are based on Syria's designation as a terrorist sponsor. Others result from unmet financial obligations to the United States, Syria's continued enforcement of the Arab boycott against Israel, and specific legislative provisions. Additional sanctions were enacted by Congress in 2003, as Syria continued to engage in activities at variance with U.S. policy.

On December 12, 2003, President Bush signed H.R. 1828, the Syria Accountability and Lebanese Sovereignty Restoration Act, as P.L. 108-175. This act requires the President to impose penalties on Syria unless it ceases support for international terrorist groups, ends its occupation of Lebanon, ceases the development of weapons of mass destruction (WMD), and has ceased supporting or facilitating terrorist activity in Iraq (Section 5(a) and 5(d)). Sanctions include bans on the export of military items (already banned under other legislation) and of dual use items (items with both civil and military applications) to Syria (Section 5(a)(1)). In addition, the President is required to impose two or more sanctions from a menu of six (Section 5(a)(2)):

- a ban on all exports to Syria except food and medicine
- a ban on U.S. businesses operating or investing in Syria
- a ban on landing in or overflight of the United States by Syrian aircraft;
- reduction of diplomatic contacts with Syria;
- restrictions on travel by Syrian diplomats in the United States
- blocking of transactions in Syrian property

On May 11, 2004, President Bush issued Executive Order 13338, implementing the provisions of P.L. 108-175, including the bans on munitions and dual use items (Section 5(a)(1)) and two sanctions from the menu of six listed in Section 5(a)(2). The two sanctions he chose were the ban on exports to Syria other than food and medicine (Section 5(a)(2)(A)) and the ban on Syrian aircraft landing in or overflying the United States (Section 5(a)(2)(D)). In issuing his executive order, the President stated that Syria has failed to take significant, concrete steps to address the concerns that led to the enactment of the Syria Accountability Act. The President also imposed two additional sanctions based on other legislation. One requires U.S. financial institutions to sever correspondent accounts with the Commercial Bank of Syria because of money laundering concerns, while the other freezes assets of certain Syrian individuals and government entities involved in supporting policies inimical to the United States. In the executive order and in an accompanying letter to Congress, the President used waiver authority contained in Section 5(b) of the Syria Accountability Act to permit certain categories of exports to Syria, Syrian overflights, and landing and take-off rights for Syria in exceptional cases.

The practical effects of implementing the Syria Accountability Act are likely to be limited, at least in the short term. First, as noted above, relatively few U.S. firms operate in Syria and the trade bans contained in this act do not prohibit their operating in Syria.<sup>58</sup> Fewer U.S. companies may want to operate in Syria in view of the new trade restrictions, and firms that continue to do so may have to rely on foreign suppliers to service their contracts, according to a State Department official as reported in the press.<sup>59</sup> Second, the volume of U.S.-Syrian trade is already limited. Syria's main import from the United States is cereals, which are permitted under the act. Third, Syrian aircraft do not normally fly to or over United States, and the President has invoked waivers to permit them to do so under exceptional circumstances. Fourth, waivers cover several categories of equipment: telecommunications equipment, aircraft parts; one sanctions specialist believes that products either permitted under the new legislation or covered by waivers constitute a large portion of the more-than-\$200 million which Syria imports from the United States.<sup>60</sup>

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<sup>58</sup> One U.S. oil company, the Occidental Petroleum Corporation, concluded a natural gas exploitation contract with Syria shortly after the adoption of the Syria Accountability Act.

<sup>59</sup> Christopher Marquis, "Bush Imposes Sanctions on Syria, Citing Ties to Terrorism," *New York Times*, May 12, 2004.

<sup>60</sup> Glenn Kessler, "President Imposes Sanctions On Syria," *Washington Post*, May 12, 2004.

Proponents of the legislation, including some Members of Congress, believe that it sends a clear message to Syria that the United States will not tolerate its support for terrorism, pursuit of WMD, military presence in Lebanon, or attempts to destabilize the situation in Iraq. Some believe additional sanctions may be needed to reinforce U.S. efforts to alter Syrian policies.<sup>61</sup> Reactions in the Middle East, where negative feelings toward the United States are running high as a result of the U.S. presence in Iraq and Israeli-Palestinian tensions, have been negative. Syrian Prime Minister Naji Utari described the sanctions as “unjust and unjustified,” but said “these sanctions will not have any effect on Syria.”<sup>62</sup>

**Table 1. U.S.-Syria Trade Statistics 2003**

(\$ in millions)

| Commodity   | Exports       | Imports       |
|---|---------------|---------------|
| Food and Live Animals                             | 72.37         | 7.90          |
| Beverages and Tobacco                             | 14.67         | 0.25          |
| Crude Materials, Inedible, Except Fuels           | 14.11         | 1.19          |
| Mineral Fuels, Lubricants and Related Materials   | 0.12          | 198.86        |
| Animal and Vegetable Oils, Fats and Waxes         | -             | 0.33          |
| Chemicals and Related Products, N.E.S.            | 17.38         | 0.16          |
| Manufactured Goods Classified Chiefly by Material | 21.25         | 1.70          |
| Machinery and Transport Equipment                 | 62.48         | 0.35          |
| Miscellaneous Manufactured Articles               | 9.72          | 41.29         |
| Commodities and Transactions, N.E.S.              | 1.93          | 6.84          |
| <b>Total</b>                                      | <b>214.05</b> | <b>258.88</b> |

Source: Commercial Section, U.S. Embassy, Damascus, Syria.

## Funding Reform Initiatives in Syria

Some experts believe that the United States should play an active role in supporting civil society groups which push for reform and democratization in Syria. Although Syria is ineligible to receive U.S. foreign aid due to its inclusion on the State Department’s annual State-Sponsors of Terrorism List, some lawmakers have taken steps to set aside funding for Syrian reform groups located in Syria. P.L. 108-447, the FY2005 Consolidated Appropriations Act, authorizes an unspecified amount of funds for grants to support the advancement of democracy and human rights in

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<sup>61</sup> The Bush Administration is reportedly considering such a step. “U.S. Said to Weigh Sanctions on Syria Over Iraqi Network,” *New York Times*, Jan. 5, 2005.

<sup>62</sup> *Ibid.*

Syria.<sup>63</sup> Funding for groups in Syria could be channeled through the Middle East Partnership Initiative (MEPI), a State Department program that funds development and reform projects across the Arab world, or the National Endowment for Democracy.<sup>64</sup>

Critics, including some Arab reformers, have cautioned that open U.S. support for reformists could cause a backlash against liberals inside Syria. The Syrian government has often blamed “foreigners” for its domestic problems and could accuse democratic activists of receiving funds from foreign governments for what it would regard as nefarious purposes.

There are only a handful of international non-governmental organizations (NGOs) operating in Syria. Syrian NGOs must be registered with the Ministry of Labor and Social Affairs, which monitors these organizations. According to the U.S. State Department, “the Syrian government has shown itself willing to countenance the growth of social service organizations as long as these groups strictly avoid a political agenda.”<sup>65</sup>

## Working with the European Union

Some analysts assert that the United States should work with the European Union (EU) to exert pressure on Syria due to the EU’s more extensive relationship with Syria. The EU, through its near-decade old Euro-Mediterranean Partnership, has sought to improve its ties to Syria, albeit more slowly than the EU’s relationships with other Arab countries. EU and European officials have defined their policy toward Syria as one of “critical and constructive engagement.”<sup>66</sup> Since 1997, the EU and Syria have conducted negotiations for an Association Agreement, which encompasses a number of bilateral issues, such as foreign aid, trade, and human rights promotion.<sup>67</sup> Syria and the EU reached an agreement on the Association Treaty in the fall of 2004.

In the past, EU financial support for Syria was limited by the slow progress of negotiations between the two parties, as the EU provided approximately \$25 million in grant aid from 1995-2002, most of which supported humanitarian activities for the 400,000 Palestinian refugees in Syria. Since 1995, the European Investment Bank (EIB) has been the main vehicle for EU economic assistance to Syria, providing an estimated \$350 million in loans for electricity generation and water projects. With

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<sup>63</sup> The Consolidated Appropriations Act, 2005, Conference Report to Accompany H.R. 4818, H.Rept. 108-792, Nov. 19, 2004. Section 526 makes funding available for democracy, human rights, and the rule of law programs for Syria, but does not set a dollar amount.

<sup>64</sup> See CRS Report RS21457, *The Middle East Partnership Initiative: An Overview*, by Jeremy M. Sharp.

<sup>65</sup> U.S. Department of Commerce, *Country Commercial Guide, Syrian Arab Republic, Fiscal Year 2004*, July 2003.

<sup>66</sup> “EU Proceeds with Syrian Trade Agreement,” *Jerusalem Post*, May 14, 2004.

<sup>67</sup> The Association Agreement would reduce Syrian import tariffs, remove duties on many exports to Europe, and open up Syria to foreign investment.

the implementation of the now-signed Association Agreement, the EU is planning to accelerate the delivery of approximately \$120 million in aid for the years 2002-2004. For the years 2005-2006, the EU is planning on delivering approximately \$100 million in technical assistance programs to Syria.<sup>68</sup>

Some observers believe that EU concerns about human rights and reform in Syria could provide an opportunity for the U.S. policymakers to push for conditionality on EU aid to Syria. In 1991, the European Parliament briefly blocked aid to Syria over alleged human rights abuses there.<sup>69</sup> However, some speculate that recent U.S. sanctions against Syria could lead European officials to support counterbalancing policies. In this connection, some European officials feel that punitive action against Arab countries will hamper European and U.S. efforts to combat terrorism and therefore may contribute toward further strengthening of EU engagement policies with Syria.

## Exploring Selective Engagement

Some experts note that, with the Arab-Israeli peace process stalled, U.S. policy toward Syria has lost focus. Without waiting for a resumption of the peace process, some analysts have suggested that the United States couple its demands on the Syrian government with a concrete set of incentives to expand the U.S.-Syrian relationship through trade, aid, and defense and security cooperation. Some speculate that Syria would welcome U.S. assistance, and the Syrian government has stressed to U.S. officials that it keeps Lebanon stable, supplies electricity to Iraq, and helps track Al Qaeda terrorists.<sup>70</sup>

## Conclusions

Most observers agree that U.S. relations with Syria in the near term will be colored by Syria's attitudes and actions on Iraq. With U.S. stabilization efforts hampered by the insurgency, the new Iraqi government remains highly dependent on U.S. and international cooperation, making Iraqi officials eager to forge strong relationships with neighboring states, such as Syria, in order to limit cross-border interference in Iraqi affairs at a critical juncture in Iraq's political development. Seen in this light, U.S. pressure on Syria (and on neighboring Iran) may be a U.S. tactic to relieve Iraqi officials of having to confront Syria. U.S. demands for Syria to curtail the activities of Iraqi ex-Ba'athists in Syria and to stop the flow of Islamic militants infiltrating Iraq have had some effect in moderating the behavior of the Asad regime; U.S. officials have acknowledged a limited amount of Syrian cooperation along the Iraqi-Syrian border. However, U.S. officials have sought additional Syrian help in curtailing the reported financing of the Iraqi insurgency from Syrian banks and

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<sup>68</sup> EuropeAid Cooperation Office, available online at [[http://europa.eu.int/comm/europeaid/projects/med/bilateral/syria\\_en.htm](http://europa.eu.int/comm/europeaid/projects/med/bilateral/syria_en.htm)].

<sup>69</sup> Mona Yacoubian, "Promoting Middle East Democracy: European Initiatives," United States Institute for Peace, Special Report #127, Oct. 2004.

<sup>70</sup> Meeting with Imad Mustapha, Syrian Ambassador to the United States, Aug. 2004.

preventing insurgent leaders from operating in Syria. Although debate continues over the extent of Syrian support for the insurgency, many U.S. officials believe that Syria can ill afford to run the risk of a major confrontation with the United States.

Since the launching of Operation Iraqi Freedom in March 2003, experts have speculated over the possibility of a U.S.-Syrian military confrontation over reported Syrian support for the Iraqi insurgency. Although some officials have advocated a “regime change strategy” in Syria, military operations in Iraq have forced U.S. policymakers to explore additional options. Some analysts suggest that in order to demonstrate U.S. resolve, the United States could launch either limited air strikes against insurgent leaders or use special operations forces to target ex-Iraqi Ba’thists inside Syria. Others believe that the Bush Administration and Congress may propose tougher sanctions that strengthen the Syria Accountability Act. Some observers also note that Israel, which carried out an air raid against an alleged Palestinian terrorist camp near Damascus in October 2003, could play a role in applying pressure on Syria. Other experts have cautioned against U.S. military action in Syria for fear of either causing a broad public backlash in the Arab world or strengthening radical Islamist elements in Syria eager for a confrontation with the West.

Overall, the internal dynamics of the Asad regime may continue to be a key factor in determining U.S. policy toward Syria. Since the death of Hafiz al-Asad in 2000, experts have debated whether Bashar al-Asad is able to command the same authority within the regime as wielded by his father. Some experts have suggested that Bashar al-Asad may be incapable of reining in high level Syrian military and intelligence officials who might be acting independently to support the Iraqi insurgency. Although the dynamics of the Asad regime’s inner circle remain difficult to discern, President Asad’s relationship with other Alawite military and intelligence officials may affect his ability to comply with U.S. demands for cooperation not only in Iraq, but also in Lebanon. Others suggest that Bashar al-Asad has a firm grip on power and is capable of doing more to thwart Iraqi insurgents, crack down on Hizballah guerilla activity on the Lebanese-Israeli border, and comply with international demands for a removal of Syrian troops from Lebanon.

Observers are less divided on the issue of Bashar al-Asad’s lack of vision and inability to promote economic development and political reform in Syria. Since 2000, observers have noted that the regime itself has made few major policy changes: some military and intelligence officials have retired; President Asad reshuffled his cabinet; and there has been some limited privatization in the financial sector. Economic reforms have stalled, and some experts believe that, despite high oil prices and new trade agreements with the EU, Syria’s long term economic health remains questionable. Although some new proposals are expected to be debated during the upcoming June 2005 Syrian Ba’th Party Congress, ultimately, the Asad regime may try to balance the need to keep its power structure intact, while moving ahead with limited reforms.