Syria

Assad Regime Still Reliant on Fractions of the Sunni Bourgeoisie

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Since the rise to power of Hafez al-Asad in 1970, the Syrian regime started a process of winning the favors and support of the private sector by implementing various economic liberalization measures directly. This was accompanied with increased connection and collaboration between sectors of the predominantly Sunni urban business community. The private sector businessmen, who were once classified as an important threat to the economic and political control of the regime, progressively became a significant component of it and were increasingly integrated into its various institutions (Perthes 1992: 225).

This relationship was pursued and intensified following the arrival of Bashar Al-Asad, as we will see in this article, although with major differences as the Syrian regime became a full and much deeper patrimonial state and therefore reinforced the weight of the family in the affairs of the state. The regime still dominated society through various tools such as sectarianism, racism, regionalism, tribalism, corporatism and clientelism, but the centers of power (political, military and economical) were concentrated in one family and its clique, the Asad-Makhluf-Shalish, similar to Libya or the Gulf Monarchies. This type of regime favored the development of a crony capitalism dominated by a state bourgeoisie. In other words, the members and people close to the ruling families often exploit their dominant position guaranteed by the political power to amass considerable fortunes.

In this perspective, although a new generation of Sunni businessmen emerged as others left the country following the uprising in 2011, the complex network of relations between the power elite, and fractions of the Sunni bourgeoisie, has remained part of the regime's tools to dominate society and build loyalties among this sector.

Alliance between Regime, Crony Capitalists and Fractions of the Sunni Bourgeoisie

Following the rise to power of Bashar Al-Asad in 2000, neoliberal policies and a deepened processes of privatization, which had started in the previous decades, created new monopolies in the hands of relatives and people associated with the regime, either through familial ties or through positions in the public sector or offices in the military and security services. Rami Makhluf, the cousin of Bashar Al-Asad, embodied the regime-led mafia-style process of privatization. His economic empire was vast [1] and he was the main shareholder of Cham Holding Company (Sottimano 2016).

The Asad-Makhluf cartel could include external actors into their àsabiyya [2] (group solidarity or social bond) such as Mohammad Saber Hamsho, who is still a prominent Syrian Sunni businessman in the country. A few years prior to the uprising in 2011, he became a powerful political and economic figure as a result of his association with Maher Al-Asad, the brother of Bashar, following his marriage with Maher’s sister in law. He was ‘elected’ as deputy in Parliament in 2003 and 2007 (Donati 2013: 40). Before the uprising, many other examples of old fashioned Sunni state bourgeoisie turned into private entrepreneurs existed, such as former Minister of Defense Mustapha Tlass and sons (owners of MAS Group, a chain of different commercial and semi-industrial companies) and the sons of former Vice President Abdel Halim Khaddam (owners of Afia, one of the country’s largest food firms, which produces food conserves, olive oil and bakery products) (Matar 2015: 110). These new businessmen became prominent in the economic life of Syria, increasingly taking over the positions occupied by traditional bourgeoisie.

From 2005, the number of business associations increased, mostly in the form of joint ventures between local business people and foreign countries, which were generally controlled by businessmen with close links to the
regime (Haddad 2013:84). Entrepreneur Imad Ghreiwati [3] who emerged during Bashar Al-Asad's era, led the Chambers of Industry, which was established in 2006, and the Damascus Provincial Chambers of Industry, while Damascene entrepreneur Bassam Ghrawi was appointed by presidential Decree in 2009 as secretary general of the Damascus Chamber of Commerce. He also occupied the position of secretary general of the Federation of Syrian Chambers of Commerce (Donati 2013: 41; Abd al-Aziz 2016).

The establishment of holding companies (Al-Cham [4] controlled by Rami Makhlouf, and Al-Sourya [5] constituted another step in the renewal of the regime's networks in the business world. The holding companies were the instruments for the state bourgeoisie to conduct private business with the new commercial bourgeoisie (Enab Baladi 2016).

The previous agreement between regime and business community deepened as the members of these two holdings secured capital, networks and political support for the establishment. In return they enjoyed economic benefits from the market expansion, took the most profitable projects and benefited from the regime's political protection. This form of crony or mafia capitalism, in which economic opportunities were dependent on loyalties to the regime, alienated and marginalized some elements of the bourgeoisie who were not sufficiently well connected.

It is interesting to note that the majority of the businessmen were from a Sunni background, with the exception of the inner circle of crony capitalists. According to an analysis published in the Syrian magazine Al-Iqtisad Wa Al-Naql in 2011, from the list of the 100 most important businessmen in Syria, 23 percent of them were children of high officials, or their partners or acting as their "interfaces"; 48 percent were new businessmen, but for the majority they had close and corrupt relationships with the security services; 22 percent were part of the traditional bourgeoisie from before the nationalization policies of the sixties, some of whom also had corrupt relationships with the leaders of the state; and seven per cent had their main business activities outside of Syria. In terms of religious sects, the percentage was the following: 69 per cent were Sunni, 16 percent Alawi, 14 percent were Christians, 1 percent Shia, while there was no Druze, Ismaili or Kurdish presence. It is important to note that among the 10 wealthiest businessmen in Syria, a majority were Alawis and most probably closely linked to the Asad family, such as Rami Makhluf. In regional distribution, the wealthiest sections of businessmen were first from Damascus, then Aleppo, Latakia, and finally from the cities of Homs and Hama, while there was not a single businessman from the eastern regions of Ar-Raqqa, Deir Az-Zawr and Al-Hasakah (Seifan 2013: 112-113).

The patrimonial nature of the state under Bashar Al-Asad was considerably strengthened during his era with an increased weight of crony capitalists, at the detriment of the historical social base of the regime, especially in rural and mid-town areas. This resulted in a diminished role of corporatist organizations such as the General Federation of Trade Unions, and Baathist peasant unions, and of the Baath Party apparatus in society in general. They were viewed as obstacles to neoliberal economic reform (Abdulhamid 2005; Hinnebush 2012).

Consequently, cliental, tribal and sectarian connections became all the more important and reinforced primordial identities. These policies, in addition to the growing scarcity of resources and other factors, caused increasing poverty and social inequalities, alongside sectarian and ethnic animosities in some regions [6]

In 2011 it was thus not surprising that large sections of those left behind by the liberalization process, particularly from Sunni-majority villages and medium-sized cities, were at the forefront of the uprising.

After the Uprising: a New Generation of Sunni Businessmen
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After more than six years following the uprising, the alliance between the regime and fractions of the Sunni bourgeoisie was maintained although with changes.

Firstly, no mass defections by crony capitalists and businessmen close to the regime occurred; on the contrary, they played an increasingly political role. They first funded the regime's orchestrated mass rallies and public relations campaigns, while their private media tried from the first days of the uprising to undermine the message of the protesters and promote the regime's propaganda (Iqtisad 2015).

Later on, they were increasingly involved in the funding of militias to defend the regime. Early sanctions by various international and regional states did not encourage Syria's integrated elite to abandon the Asads, with the exception of a few individuals such as Manaf Tlass. No individuals under sanctions joined the opposition (Abboud 2013; Ahmed 2016). Crony-capitalist businesspeople and elites affiliated with the regime largely maintained and expanded their operations in the country. Their sustained support granted them opportunities to improve their socio-economic status by affording them preferential access to industries and sectors that were abandoned when competitors fled Syria (Kattan 2014; Osseiran 2017).

The Asad regime forces punished the businessmen who openly supported the uprising by confiscating their properties or fling spurious legal charges in newly established "counter-terrorism" courts. Firas Tlass, who fled the country after voicing his support for the Syrian opposition, saw his various assets seized by the Syrian regime (The Syria Report 2014; Lecadre 2017). Those who did not support the regime adequately were also targeted: The assets of 11 members of the Ghreiwati family were seized, including Imad Ghreiwati and four of his siblings. Imad Ghreiwati had been residing in Dubai for several years following his resignation from his position as the head of the Syrian Industrial Federation and the Damascus Chamber of Commerce in 2012 (Baladi News 2017). Similarly, the assets of Muwaffaq Al-Gaddah, one of the main UAE-based Syrian investors with shares in several real estate projects in the upscale Yaafur district outside Damascus, were seized in 2014 by the regime under the accusation of "funding terrorists organizations" and of "participating in bringing weapons into Daraa" (Adulraszak 2013; Al-Iqtisadi 2014). These businessmen have never made any official statements opposing the regime or in support of the uprising. Both personalities paid the price for not being vocal about their support.

The traditional sections of the bourgeoisie, and the ones without connections to the regime, adopted a more passive attitude of 'wait and see.' Large sections of this social class might have wanted the uprising to succeed in the beginning, while maintaining a rather authoritarian and neoliberal regime. With few exceptions, they were nonetheless reluctant to participate in the protest movement (Abbas 2011).

With the deepening of the war, many business elites also decided to leave Syria and transfer most of their capital outside of the country. Total withdrawals from Syrian banks were estimated to be around $10 billion by the end of 2012. The majority of this money was reinvested in neighboring countries. Having obtained the Syrian regime's approval, some investors transferred their activities and machinery to Turkey, Jordan, Egypt, and the United Arab Emirates (Al-Mahmoud 2015). Syria's neighbors benefited from the considerable cash injections flowing from the establishment of Syrian companies and joint ventures with local partners.

The majority of this segment of the business elite, those who left the country, were not integrated in the new war economy networks, while their old influential connections were now challenged or disappearing (Abboud 2013: 6). There was already evidence that some members of these elites were becoming marginalized in Syria, by being silently dismissed from the executive boards of various companies or other positions of nominal leadership and power. The new "rising stars" were usually outsiders who had accumulated some level of wealth before the uprising.

There are few examples. The most important one is Samer Foz, who became throughout the war one of the country's
most powerful businessmen. Hailing from Latakia, he is the son of a former Sunni member of the Baath party who was very close to Hafez al-Asad in the 1970s (Iqtisad 2017). Prior to the uprising, he owned Aman Group [8], a contractor for real estate developments and food commodities. According to their website, the Group has "strategic relations with an extensive network of suppliers in over 30 countries (Aman Group 2017, Swedeh 2017)."

He also purchased at low price the assets of some of the àEurosÜoutcast' businessmen who had left Syria, such as Imad Ghreiwati. Throughout the war, and thanks to his close contacts with Bashar Al-Asad, he benefited massively from government contracts and acted as a broker for grain deals with state buying company Hoboob (Saul 2013, Enab Baladi 2017, The Syria Report 2017). Furthermore, he founded the Association of the FOZ Charity, which is active in Latakia and its rural areas, and was planning to expand its services to Damascus and its countryside. Foz has also been accused of funding the Quwwat DirâEurosÜ Al-Amn Al-Askari (the Military Security Shield Forces), a paramilitary force affiliated with Al-Amn Al-Askari (the Military Intelligence), and use it for personal affairs (Swedeh 2017; Ash-Sharq Al-Awsat 2017).

In August 2017, his company Aman Group announced its contribution to the reconstruction of Basateen Al-Razi area, in the Mezzeh district of Damascus, in partnership with Damascus Governorate and Damascus Cham Private Joint Stock Company. Aman Damascus, the company established by Aman group for this project, has declared a $18.9 million capital (Enab Baladi 2017). In November, Aman Group was granted by Damascus Cham Holding the right to develop real estate properties worth around $312 million in the Basatin Al-Razi project (The Syria Report 2017b).

Before the deal with the Aman Group, Damascus Cham had established a similar joint-venture with Zubaidi and Qalei LLC, which is owned by Khaled Al-Zubaidi and Nader Qalei. The latter is a Sunni Damascus-based businessman with connections to the regime and whose company Castle Investment was awarded in 2017 a long-term contract to manage the 5-star Ebla Hotel in the outskirts of Damascus (The Syria Report 2017a).

The fact that Samer Foz and Nader Qalei were part of the Sunni community did not prevent them from having very close links to the regime, showing once again the latter's multiple strategies and tools to constitute a diverse popular basis through clientelism, tribalism and sectarianism.

Another noteworthy case is that of Husam Qaterji, an Aleppo-based trader who was little known before the uprising, and operated as a middleman for the trade of oil and cereals between the regime, the Kurdish PYD and the self-declared Islamic State (IS) (Yazigi 2016b: 4). For example, Qaterji and his traders bought up wheat from Raqqa and Dayr Az-Zawr and gave IS 20 percent, when the jihadist organization was still in control of these provinces. He was then rewarded by the regime through the "election" as a member of parliament in 2016, representing the Aleppo Governorate (El-Dahan and Georgy 2017). Similarly, Muhyaddin Al-Manfush (known as Abu Ayman) became one of the most prominent merchant smugglers in Damascus province. He provided besieged Eastern Ghuta with food and fuel, relying on personal relations with regime officials to funnel his supplies through the Harasta checkpoint and charging prices up to 20 times higher than in the capital. Manfush used some profits to try to win over the Ghuta residents, for instance by paying salaries for teachers and administrators, while the regime benefited by taking a cut of his profits. Just like every warlord, he protected his facility with a private militia. Around 1,500 people worked in his factory, which also supplied Damascus with cheese and dairy products. Subsequently, Manfush was able to develop his facilities to produce canned and baked goods sold in Ghuta and Damascus (Sadaki 2016; As-Salhani 2017).

These new profiteers were able to bank on the opportunities created by the departure of the dependent business elite networks. Fares Shehabi, the head of the Aleppo Chamber of Industry and a well-known supporter of the regime, became the President of the Federation of Syrian Chambers of Industry in June 2012 (Abboud 2013: 6). At the end of 2014, for instance, the chambers of commerce in Aleppo and Damascus witnessed a significant change in their membership. In Aleppo, 10 of the 12 elected board members were new investors, many of whom were unheard of prior to the uprising. In Damascus, 7 out of 12 had a similar background (Yazigi 2016a: 4). Already in the beginning...
of 2014, the Ministry of Industry had nominated new individuals to sit on the board of various chambers of industry (in Hama, Aleppo, Homs, and Damascus), in a move largely seen as a reprisal against pro-opposition investors. A similar development occurred in the parliamentary elections in 2016, when 70 percent of the deputies were replaced by new entrants, thus reflecting the significant change of the powerbase of the Syrian regime (SANA 2016).

Conclusion

In conclusion, we can see that the regime's collaboration with fractions of the Sunni bourgeoisie and new generations of businessmen has been maintained. The key element has been loyalty, and failure to do so led to punishment measures.

The regime is not opposed to Sunni populations or a particular Sunni identity per se, as some has claimed, but to hostile constituencies, which have been in their far majority from Sunni popular backgrounds in impoverished rural areas and mid-towns, in addition to the suburbs of Damascus and Aleppo.

This does not mean that sectarianism has not been a major tool employed by the regime in order to control and divide the Syrian population. There have been sectarian massacres and forced displacement by regime forces and its allies against impoverished Sunni populations involved in the uprising or at least suspected of sympathies towards it while eliminating most forms of democratic and non-sectarian resistance in the country. Similarly, the regime has demonized the uprising since day one by describing it as a foreign conspiracy led by salafist jihadist movements. This campaign had the objective of isolating religious minorities and seculars from the popular movement and binding them to the regime, which presented itself as the sole guarantor of their very existence. The regime's sectarian narrative soon became complementary to the rise of Islamic fundamentalists and their subsequent domination of the military opposition scene.

This is however very different than saying that the regime is against all Sunnis. Such simplification overlooks the Sunni support for the regime, especially in Damascus and Aleppo, and the Sunni presence within regime institutions and loyalist militias. Just as other religious and ethnic communities, Syrian Arab Sunnis were formed through various elements (class, gender, regional origin, religion, etc.) and do not have a single political position. Class has to be thus understood as a social relation, and factors such as gender, age, national and ethnic origin, citizenship status are part of what constitutes class as a concrete social relation. This has consequences as well on how Sunni individuals are treated differently by the regime, just as other individuals from other sects.

Similarly, the nature of political institutions is a historically determined reflection of the class structure that has emerged in relation to capital accumulation. In other words, the state is not disassociated from the sphere of politics, which is not separated from the economic sphere. Similarly, it is a social relation or "the set of institutional forms through which the ruling class relates to the rest of society" (cited in Hanieh 2013: 14). This is why seeing the regime as solely Alawi, notwithstanding the alawitization of some institutions, does not grasp its dynamics of power and ruling system. Furthermore, the regime does not serve the political and socio-economic interests of the Alawi population as a whole, quite on the contrary. The rising death toll in the army and other militias was made up of many Alawis; insecurity and growing economic hardships have actually created tensions and fueled animosities against regime officials among Alawi populations. In this perspective, sectarianism has never been a political end but remained a significant and key means of domination.

Late Lebanese Marxist Mehdi Amel argued against any attempt to ascribe class position to one's belonging to a particular sect, and to build alliances on a sectarian basis. According to Amel, such alliances would further entrench the sectarian dynamic inherent to the system and thus strengthen the position of those in power. Instead, Amel
advanced a position that highlighted the contradictory class nature of different communities, one in which the role of sectarianism helped to obscure relations of power and domination within the community itself.

When approaching Syria, we should similarly be careful not to essentialize religious and ethnic identities as monolithic ones; failure to do so has generally led to misinterpreting political and socio-economic dynamics.

Reference List


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[1] Including telecommunications, oil and gas, as well as construction, banks, airlines, and retail (Seifan 2013: 113).

[2] This notion originates in the work of the 14th century scholar from North Africa, Ibn Khaldun, and implies a particular "EurosÜsocial bond" that connects tribal and familial groups across a region. Khaldun's concept was later developed by Middle East scholars to encompass group solidarity based on social networks constructed through family and personal relationships (Roy 1996: 6).

[3] The Ghreiwati group's main business was the manufacture of electric and telephone cables, in addition to importing steel cables and being the representative for nine brands of imported cars.

[4] Al-Cham had seventy members, including mostly entrepreneurs close to the regime and families of the Syrian business bourgeoisie, and a capital worth $350 million.

[5] Al-Sourya had a capital of $80 million and involved young entrepreneurs (a total of 25), especially the "sons" of former Baathist and regime's officials. The group's most prominent figure was Haytham Joud, the son of a prosperous Sunni entrepreneur from the city of Latakia who had been a protégé of Hafez Al-Asad.

[6] In the coastal areas, Bashar Al-Asad's neo-liberal policies exacerbated competition among popular classes over dwindling public resources and increased social inequality. In the absence of mass democratic movements and effective trade unions, this competition took sectarian colors. Alawi popular classes occupied strong positions in the security sector and in the army, which helped them access professional and material advantages, particularly in the corrupt public sector. Therefore, during the first phase of the uprising in 2011, protesters in mixed Sunni-Alawi coastal cities raised this issue demanding the rectification of alleged pro-Alawi sectarian biases in the public sector. (See Balanche 2015: 91-92).

[7] In the summer of 2011, in the city of Dayr Az-Zawr, traders went on strike in support of the uprising. The strike led to a violent repression by security forces. The city's Chamber of Commerce and Industry did not give in to pressures, and issued a statement denouncing the crackdown. In peripheral cities such as Dayr Az-Zawr, these positions were not surprising given the physical and political distance of their elites from Damascus and Aleppo, which had largely benefited from the economic liberalization. Some sections of the expatriate Syrian bourgeoisie established the Syrian Business Forum, openly aligned with the opposition. They supported relief and humanitarian efforts while playing a role within larger opposition politics (Yazigi 2013; Abboud, S. 2017)
The company has two subsidiaries: Foz for Trading, the group's commercial foundation, is one of the region's largest importers of basic commodities. Al-Mohaimen for Transportation & Contracting, the group's operational arm, provides unlimited logistics support to Foz for Trading through a large ground fleet.

The pro-opposition Syrian Networks of Human Rights noted that regime forces and its allies committed 49 sectarian massacres that resulted in the killing of 3,074 persons between March 2011 and June 2015 (Syrian Networks of Human Rights (SNHR) 2015: 8).