AUTHORITARIANISM IN SYRIA

INSTITUTIONS AND SOCIAL CONFLICT, 1946–1970

Steven Heydemann

Cornell University Press
Acknowledgments

It goes without saying that this book has taken far too long to complete. One of the very few compensations for the delay is the many people I have learned from in the interim. Many years and many drafts ago, Susanne H. Rudolph, Marvin Zenin, and Leonard Binder provided just the right mix of benign intervention and benign neglect. Others have been no less helpful in ways both more and less direct, including Henri Barkay, Eva Bellin, Michael Barnett, Dan Brumberg, Thonus Callaghan, Leila Fawaz, Ray Hirschbush, Ibrahim Karawan, Arun Kapil, Deniz Karadyoti, Fred Lawson, Ian Lozack, Malik Mutti, Marcie Pamos, Joel Mignot, and Roger Owen. Walter Perkes, Robert Vitalis, and David Waldner deserve special thanks for making clear to me how much better this book might have been. If I didn’t take all their advice, I probably should have. Friends and colleagues at the Social Science Research Council (SSRC) gave me more time than I had any right to expect, especially Eric Hersberg, Prascilla Stone, Susan Bronson, fellow IPSR Robert Latham, and Kent Worcester.

John Waterbury generously made it possible for me to use Princeton University’s library. I am deeply grateful to Abbas Amiravat and Gustave Revins for the support I received during a semester at Yale University in 1995 as the World Fund Senior Fellow. David Faerman, former president of the SSRC, gave me the opportunity and the resources to spend the summer of 1991 in Dar es Salaam. His successor (and predecessor), Kenneth Prewitt, taught me a huge amount about social science but also about institutions. He generously gave me the time to accept the fellowship at Yale and return to this manuscript after a long hiatus. The University of Chicago, where this project started, provided important opportunities to try out parts of the
arguments). In particular at the South Asia—Middle East Workshop and the Workshop on Comparative Politics and Historical Sociology, David Laitin, co-chair of the latter, provided particularly useful advice and published a version of Chapter 4 in the World House Working Papers series.

I am also deeply indebted to the many Syrians who eased my way and granted interviews during research trips to Syria in 1987–88 and 1991. It is a mark of the Syrian regime’s success that I do not name them here. They have my profound thanks. Two institutions in Damascus were especially helpful. The Institut Français des Études Arabes de Damas provided a marvelous setting in which to conduct research. The U.S. Information Service (USIS) office and staff in Damascus showed remarkable creativity in helping a political scientist secure research clearances. Fellowships from the National Science Foundation, the U.S. Information Agency (USIA) Fulbright Program, and Yale University’s Coca-Cola World Fund of the Center for International and Area Studies provided crucial financial support. This list of names and institutions offers graphic evidence that whatever flaws remain in this book are due not to lack of sound advice and helpful criticism but to my own stubbornness in the face of facts.

The encouragement of my family provided a constant reminder that writing books is not the solitary enterprise it often seems. My parents and wife were highly supportive of an endeavor that claimed most of our time, not to mention their resources. My wife, Gail Horal, deserves far more gratitude than I can possibly render. Without her support, this project simply would not have been possible. My daughters, Sarah and Julia, helped me keep my priorities straight. They never let me forget that there is more to life than theories of authoritarian state formation, the vagaries of WordPerfect, and Joseph Agusti. This book is dedicated to the memory of my father, Jerry Heyidenau. He was always there when it counted.

S. H.
Successful Authoritarianism?
Syria in Comparative Perspective

Each year on March 8, Syrians are subjected to celebratory commemoration of the anniversary of the 1963 Ba'thist “revolution.” Syrian leaders deliver lengthy speeches before mass audiences, reciting the successes of the revolution and reaffirming its sacred mission. These events are highly choreographed, with frequent interruptions from the audience for applause and chants praising President Hafez al-Assad, the ruling Ba'th Party, and the Syrian nation. The ritual of the Ba'thist celebration peaks with the participation of President Assad himself. His speeches are national events—the high point of the anniversary. During his appearances, whole sections of the audience may be transformed by well-studied, placard-carrying enthusiasts into portraits of the president, images of the Syrian flag, or maps of the Arab nation that highlight Syria’s position at the center of the Arab world.

For many observers, however, the survival of the Ba'thist regime and of Assad himself is far more striking than are their self-proclaimed accomplishments. Such longevity is by no means typical of Syrian governments or of police authoritarian regimes in general. Assad’s ascension in 1970 brought to a close a twenty-four-year period of rapid and often violent transfers of power, as well as bitter social conflicts over the identity of the Syrian state and the organization of Syria’s political economy. Before Assad’s rise to power, Syria was taken as emblematic of the personalistic, weakly institutionalized, and coup-prone politics of the Arab world. Assad’s victory over rival factions within the ruling Ba'th Party has been seen as a turning point in the consolidation of Syria’s political system and the Syrian state.

If Assad’s ascendance in 1970 reflects the consolidation of Syria’s system of rule, the unprecedented survival of Sarisat al-Assad, the Syria of Hafez
al-Assad, it is no indication that Syrian political life has become permanently more settled. Throughout its more than three decades of rule, the governing Baath Party has faced and put down persistent opposition and sharp internal divisions. Many, if not most, Syrian citizens remain deeply alienated from their government and cynical about the Baath’s relentless ideological claims concerning its pursuit of social and economic justice and its steadfastness in the struggle against Israel. Popular fatigue with the heartlessness of the regime’s rhetoric and with the cult of personality in which it is embedded became the more pronounced following the transformations of 1989 and the possibilities they held out that Syria’s regime, like those of Eastern Europe, might be swept away through a process of political transformation from below. Enough Syrians recognized the similarities between Assad and Romania’s Nicolae Ceausescu to see the latter’s fall as offering a potential blueprint for Syria’s path to political liberalization.

Other visions also jeopardized the stability of the current government and, beyond this, the current system of rule. On the international level, the transformations of 1989, along with the spread of global norms favoring democracy and markets, have created an international system far less congenial to authoritarianism and to Syrian-style, state-led, populist economic development strategies than was the bipolar system of the cold war. Regionally, the Arab-Israeli peace process has diminished Syria’s influence over Jordan and the Palestine Liberation Organization (PLO), confronting the Syrian government with new demands to open the economy and society to potentially destabilizing outside forces. On the domestic level, Syria’s formal political institutions are marked by an underlying fragility that raises doubts about their persistence following the succession to a post-Assad Syria. The government’s economic performance, dismal during the 1980s but improving with the implementation of selective economic reforms, represents perhaps the most important source of political pressure on the regime, both from Syrian citizens in general and from the extensive patronage networks on which the regime depends.

Union of Arab Republics, All rights reserved by the author.
more tolerant of public forms of religious expression such as the construc-
tion of new mosques. As a result, secularism has lost much of its earlier po-
tency, remaining subverted even during periods of severe economic stress.

In short, neither repression nor sectarianism fully accounts for the Baath
ability to consolidate, even institutionalize, an authoritarian, single-party
system of rule. Just as important, neither of these attributes explains the
persistance of populist authoritarianism in Syria, all the more noteworthy be-
cause populism—unlike the developmental authoritarianism of East Asia—
typically is depicted as an unstable foundation on which to build an en-
during system of rule.6 Syria’s experience thus raises important questions
concerning how and why a distinctively populist authoritarian regime “suc-
cceeded” in achieving and maintaining a relatively high degree of consolida-
tion in this particular case, not only in the face of domestic constraints but
also during a world historical period in which populism has clearly fallen
out of favor and similar authoritarian regimes have given way to more plu-
rarist systems of rule.

Successful Authoritarianism, Successful Populism?

Admittedly, there are risks in defining Syria as a case of successful authori-
tharianism. “Success” might be seen as an inappropriate term to apply to a
regime with an abysmal human rights record and limited developmental
accomplishments. For the purposes of this book, however, I use “success”
more narrowly, as a measure of consolidation. Success refers to the capacity
of a state-building elite to overcome the constraints that typically under-
mine the consolidation of an authoritarian system of rule. These constraints
are definable and consistent across cases, and the capacity of political actors
to overcome them is highly variated.7 The moral experienee of attempts to
outsmart these constraints through a populist strategy of state building is
failure. In the Syrian case, political actors (Baath Party) succeeded. This
variation from the norm requires an explanation.

Success is not simply a by-product of longevity. It is not the durability of
Baathist authoritarianism that makes it successful, although one aspect of

5. See Ruth Ben-IzraeI and David Collier, Mapping Political Access: Critical junctures, de-
quate discontent, and Raymond Latin American Yearbook (Princeton: Princeton University Press,
1994), pp. 176–98. For a case study of populist authoritarianism as a successful developmen-
tial strategy, see Anne Marie Smit, Authoritarian Populism (Albany, N.Y.: State University of
New York, 1999).

6. Constraints do differ, however, according to regime type. As I argue below in this chap-
ter, populist authoritarian regimes contrast greater constraints than do their bureaucratic au-
thoritarian counterparts.

7. Constraints do differ, however, according to regime type. As I argue below in this chap-
ter, populist authoritarian regimes contrast greater constraints than do their bureaucratic au-
thoritarian counterparts.
of the late twentieth century. The contrast between Syria and the many
former (and perhaps future) authoritarian regimes of Europe, Latin Amer-
ica, Africa, and Asia highlights several of the questions at the core of both
this book and the study of contemporary authoritarianism more broadly. Is
Syria's durable variant of populist authoritarianism an anomaly, and if so,
why? Are its domestic political and economic structures and processes less
vulnerable than those of so many other countries to the factors that brought
about the so-called crises of authoritarianism, and if so, how did they get that
way? Is Syria—or other Middle Eastern governments for that matter—merely
out of sync with a global trend toward democratization that will
eventually overtake it, or is authoritarianism simply too varied to be ex-
plained in terms of a single, historic trajectory of democratization, with only
modest deviations in timing and form to be expected? If the latter obser-
vation holds, as I argue, then perhaps Syria's experience suggests the need
for rethinking our understanding of populist authoritarian politics as
more adaptive, flexible, and resilient in the face of political and economic
pressures than has been assumed following the transformations of the past
decade.

As a product of the familiar process of postcolonial state formation and
the challenges of late industrialization, the system of rule constructed by the
Ba'th Party in Syria is hardly unique. Nor is it unusual in the stresses that
threaten it. Over the course of the past thirty years, it has faced the ful-
range of economic and political pressures that have been identified as caus-
ing the collapse of authoritarianism in virtually every region of the world.
These include long-term and not-so-successful involvement in regional con-
fl icts, the failure of state-led economic development projects, bureau-
cratic corruption, rising foreign debt, inflation, and unemployment, and
high levels of domestic repression.

In contrast to many similar authoritarian systems, Syria's societal pop-
ulist authoritarianism has not only survived, it has endured. Since the 1980s
it has proven itself capable of managing a process of limited economic lib-
eralization without compromising its authoritarian character. Moreover, the
government managed to deliver overall economic growth at East Asian lev-
els of between 7 and 8 percent per year for the period 1990–93, slowing
somewhat in more recent years. It has absorbed the shocks that accom-
pa nied the collapse of the socialist bloc and the end of the cold war, construct-
ing new justifications for continuing authoritarian rule at a moment of wide-
spread political liberalization and deftly repositioning Syria to benefit from
changes in the international political system. The leadership has also re-

7. Three issues are also discussed in Graham Sabine, ed., Democarcy without Democracy? The
Explaining Populist Authoritarianism in Syria

In this book, I seek an explanation for the resilience of the Syrian system of rule which looks beyond its repressive capacity and its sectarian divisions—though I regard neither as trivial. I also look beyond the political economy of contemporary Syria, where many of the answers are undoubtedly to be found. Instead, I pursue a different research strategy, asking whether the Baath’s consolidation of populist authoritarianism in Syria between 1973 and 1970 can be explained as a result of changes in the organization of social conflict during previous phases in Syrian state formation. I seek to establish how interactions across three independent variables—social environment, structural conditions, and the strategic choices of political actors—transformed patterns of social conflict and created conditions facilitating the consolidation of a durable populist authoritarian system of rule after the Baath seized power in March 1970. Without diminishing the importance of the autonomy of post-1970 Syrian politics, I thus emphasize the durable consequences of the struggles to shape Syria’s political economy during the period before the Baath took power and through the first seven years of Baathist rule. While Hafez al-Assad and his associates have not been capricious in the past—readily improving as circumstances warrant—their notions of state building and regime consolidation, of the relationship between the regime and various social groups, and of how Syria’s political economy should be organized have the clear imprint of earlier political experiences.

In many ways, therefore, this book reflects a dual preoccupation: one element, the trajectory of political economy, finally the strategic choices of political actors. The historical experiences of reaching the threshold of authoritarian rule affected the subsequent processes of populist authoritarian state formation in Syria. It defines the period from 1945 to 1970 as an extended “critical juncture” of the kind that establish[es] certain directions of change and foreclose[es] others in a way that shapes politics for years to come. The social conflicts of these years formed patterns of social and political interaction that were not rigid and unchanging but did continue to shape the strategic and institutional environment long beyond the routines in which they first arose. These legacies emerge as concrete political resources for the Baath as it struggled to create and then consolidate a populist authoritarian system of rule between 1970 and 1976.

The other dimension of this preoccupation concerns institutions, the tangible forms that legacies often take. Though I have adopted the language and methods of macrohistorical comparative politics, this starting point is also consonant with the neo-institutionalist emphasis on path dependence and the constraining effects of current choices on future possibilities. Where this volume departs from and, I hope, contributes to the neo-institutional literature is in its attention to the fluidity of institutional boundaries during such processes as institutional state formation, as well as to the effects of institutional change on the strategic choices of actors. As Thelen and Steinmo note, “structures, institutions, and strategies are embedded in flows of ‘reciprocal influences.’” In exploring these flows, however, touch recent work that questions the “stickiness” of institutions—their relative stability. According to March and Olsen: “The institutions of a particular mode at one moment in time can be shifting residue of history, and legacies in adjustment are important.” By constraining political change institutional stability contributes to regime instability.

In a range of circumstances, however, including processes of de-colonization and post-independence state formation, institutions may be less stable than this literature has assumed. In the transition from colony...
transformation with its political transition from French Mandate to independent state and the concomitant processes of state formation set in motion as a result.

These dual transitions and the closely interconnected conflicts that accompanied them constituted the routine drama of state and economy building among late imperial powers. As historian Charles Maier points out, however, "spectacular conflicts...were not always the important ones in shaping or re-shaping the structures of power." By situating the gradual narrowing of political options and the hardening of political strategies underlying social conflict to processes of economic transformation, I immersively shift discussion of political change in Syria away from the more familiar and spectacular stories of cop and counterplot. Such narratives lead to reduce Syrian policies to an incoherent sequence of events detached from larger processes of social and economic transformation. Instead, I link Syrian political change directly to such social and economic processes, thus rendering it more amenable to theory testing and, I hope, to integration into the larger universe of comparative research on authoritarianism and state formation in the developing world.

In exploring the factors that shaped Syria's post-independence process of state and economy building, I focus on the social and economic organization of industrial and commercial capitalists. In addition, I situate Syria's political change in a larger political context that incorporates the groups that collectively formed Syria's political arena—landholders, workers, and peasants—examining the interactions of these groups during non-favorable periods for the rise of populist authoritarianism in Syria. The first was from 1945 to 1947, when top-down efforts to construct an inclusive, industrializing social pact failed and pluralist and parliamentary institutions broke down under the strain of severe social conflicts. The second was from 1953 to 1961, when Syria and Egypt joined to create the United Arab Republic (U.A.R.) and the institutional foundations of Syria's subsequent populist authoritarian system of rule were put in place. I then demonstrate that the institutional and social changes of the union period were directly responsible for the failure of Syrian capitalism to construct a "new" social pact based on the principles of "controlled liberal capitalism," after the union collapsed in September 1961. Finally, I show how the Ba'th's strategy of consolidating a populist authoritarian system of rule was implemented between 1963 and 1970 by appropriating the institutional and normative legacies of the
Explaining Populist Authoritarian Consolidation

Populist authoritarianism in Syria did not emerge as a response to the crisis of advanced dependent development that accompanied the deepening of industrialization. It evolved, instead, as a reaction to the crises that attend the expansion of capitalism in a political economy dominated by a relatively recent but nonetheless powerful class of landlords, an agrarian oligarchy. These crises were expressed through the social conflicts that accompanied highly contorted shifts in the pattern of state intervention, shifts that dramatically increased the capacity and autonomy of the state. Landlords and capitalists struggled over the move from export-oriented, laissez-faire policies that favored the landed elite to import substitution and the promotion of manufacturing. Capitalists and populist reformers fought to dominate the incorporation of a popular sector made up primarily of peasants and only secondarily of an urban working class.

The transformation of Syria’s economic regime, moreover, was inseparable from the transformation of its political regime. Syria’s newly emergent capitalism desired to construct a political setting supportive of their economic and social interests. In an increasingly mobilized working class and peasants struggled toward a similar end, whereas the landed oligarchy fought to preserve its position from both challenges. These were the processes which shaped Syria’s political economy after independence in 1946.

They produced the rise to power of the Ba’th Party in 1963 and helped explain its ability to consolidate a populist authoritarian system of rule.

For much of the first decade of Syrian independence, the trajectory of state formation reflected the considerable extent to which politicians had anticipated contemporary understandings about how to achieve economic growth and the kind of state institutions and regulatory regimes needed to support this aim. Not coincidentally, these understandings emphasized the positive role of state intervention and stressed the need for import substitution industrialization, agrarian reform, and the political incorporation of labor and peasants. These ideas constituted the perspectives of Syrian capitalists and initially provided the basis for a form of middle-class populism. Politically, these understandings found expression through efforts by leading political figures of the time to create an inclusive, industrializing social pact. Economically, they were expressed through changing patterns of state intervention and through the emergence of economic institutions aimed at strengthening national markets and protecting local industry.

It is notable, for example, that the economic issues which figure most prominently in the memoirs of Syria’s first postindependence minister of economy, Khalid al-Assi, are his efforts to secure the basis for Syria’s autonomous industrialization. Al-Assi’s memoirs begin from the French-framed Syrian-Lebanese Customs Union that had protected Syria from the pressures of underdeveloped industrial sector and from creating independent monetary and fiscal institutions. He concluded a Franco-Syrian monetary accord defining the Syrian pound from the French franc, establishing Syria’s 1954 to issue its own currency and to control its capital market. These agreements were supported by two other significant developments. The passage of a major labor law in 1956 reflected the terms of labor’s incorporation within Syria’s larger political economy by regulating working conditions and labor-management relations. It also reinforced the role of state institutions, reinforcing their identity as arenas within which labor affairs could legitimately be negotiated. Four years later, a new constitution was promulgated. Drawing heavily on discourses of inclusion, social justice, and the state’s role as sponsor of economic development, this constitution recognized the need for agrarian reform to codify and regularize landed property rights and to attribute the rural economic conditions of peasants. Within a relatively short time span, therefore, Syrian politicians had put in place the legislative framework necessary for the functioning of a capitalist economy, as well as the essential elements of a broad-based industrializing social pact that included peasant and workers and was reinforced by state guarantees. In the process, they helped to transform Syria’s institutional environment and reshape its political arena.

19. Khalid al-Assi, The Political Economy of Lebanon, ed. Oleh Cherem, trans. Assaad El Shab (Boulder: Westview Press, 1971), pp. 92–116. According to U.S. diplomats, Syrian capitalists strongly encouraged the Ba’th, "argued that Syria’s economic interests were best served by the Ba’th’s policy of import substitution industrialization, agrarian reform, and the political incorporation of labor and peasants. These ideas constituted the perspectives of Syrian capitalists and initially provided the basis for a form of middle-class populism. Politically, these understandings found expression through efforts by leading political figures of the time to create an inclusive, industrializing social pact. Economically, they were expressed through changing patterns of state intervention and through the emergence of economic institutions aimed at strengthening national markets and protecting local industry. It is notable, for example, that the economic issues which figure most prominently in the memoirs of Syria’s first postindependence minister of economy, Khalid al-Assi, are his efforts to secure the basis for Syria’s autonomous industrialization. Al-Assi’s memoirs begin from the French-framed Syrian-Lebanese Customs Union that had protected Syria from the pressures of underdeveloped industrial sector and from creating independent monetary and fiscal institutions. He concluded a Franco-Syrian monetary accord defining the Syrian pound from the French franc, establishing Syria’s 1954 to issue its own currency and to control its capital market. These agreements were supported by two other significant developments. The passage of a major labor law in 1956 reflected the terms of labor’s incorporation within Syria’s larger political economy by regulating working conditions and labor-management relations. It also reinforced the role of state institutions, reinforcing their identity as arenas within which labor affairs could legitimately be negotiated. Four years later, a new constitution was promulgated. Drawing heavily on discourses of inclusion, social justice, and the state’s role as sponsor of economic development, this constitution recognized the need for agrarian reform to codify and regularize landed property rights and to attribute the rural economic conditions of peasants. Within a relatively short time span, therefore, Syrian politicians had put in place the legislative framework necessary for the functioning of a capitalist economy, as well as the essential elements of a broad-based industrializing social pact that included peasant and workers and was reinforced by state guarantees. In the process, they helped to transform Syria’s institutional environment and reshape its political arena.
In general, these innovations were endorsed by a broad spectrum of Syria's recently formed, postindependence political parties, from those dominated by the personalist politics of the nationalist class to the Muslim Brotherhood and the Ba'th. Virtually all Syrian parties agreed that the country's economic development required a more interventionist role for the state. The goals of strengthening the state and consciously expanding its capacity to intervene in the economy were supported by Syria's privileged classes, who dominated state institutions and viewed the state as an instrument for the maintenance of their social and economic power. For precisely this reason, however, the nationalist elite quickly lost the support of some radical reformist parties such as the Ba'ath and the Syrian Communist Party (SCP). As a result, the postindependence social pact represented by these actors—a set of compromises defining in unequal degrees the interests of business, landowners, peasants, and workers—never materialized. Instead, the process of economic policymaking and economic institution building came to be characterized as indeterminate as accelerated state intervention expanded, worker and peasant mobilization increased, and popular demands mounted. Yet lessor and more-radical reforms—positions articulated by a variety of competing progressive political groups, predominate the Ba'th and the SCP. To this point, Syria's postindependence political trajectory conforms to the conventional view of populist mobilizational dynamics as inherently unstable. Movement toward an inclusive social pact collapsed due to the sharpening resentments that accompanied the mobilization of peasants and workers from above. Throughout the 1950s, Syria's landed elites were able to undermine efforts to broaden the restructuring of agrarian property rights and to prevent the implementation of existing reforms. Despite their political successes, however, they were unable to arrest the spread of support for populist reforms, particularly among the growing urban lower middle class. These efforts became more compelling for many reasons, for 15. Yahya M. Safarawi, "Political Power and Economic Relations in Syria: The Course of State Interference, 1946-1958," Ph.D. diss., University of California at Los Angeles, 1974, pp. 4-24.

16. As expressed in one account, popular is "a state of equilibrium condition sustained within a political system and institutions that work well together. It must be understood in terms of a certain emphasis on this equilibrium process; although mobilization was undertaken largely from above, and though in many ways it was a quite mechanistic, the dynamic of mobilization turned the interpreting process to a mobilizing one, hence, a direction of both the political system, the peasant economy. The dominant goal was the balance in the context of considerable development. "Culture and Culture", in the Political Arab, 1946-1958," in The Future of the Arab World (Washington, 1975), pp. 13-24.

sicism, revolution from above with the formation of capitalist authoritarian regimes. Yet Syria's capitalists did not retreat from populism. Instead, they accepted, with considerable ambivalence, the institutionalization of an explicit populist system of rule which coercively recognized the political economy in ways that directly challenged both their interests and those of the landed elite.

As some scholars have noted, this form of developmental crisis, in which agrarian elites stand in opposition to an industrializing coalition seeking to reconfigure relations of production in the countryside, has a distinctive dynamic. It tends to produce a particular form of authoritarian outcome, giving rise to not the bureaucratic authoritarianism of Argentina and Brazil but to the populist authoritarianism of Peru, Syria, and, in somewhat different form, Egypt and Mexico. In each of these cases, populist authoritarian systems of rule were based on insurrectionary rather than evolutionary coalitions. Each sought to use authoritarian means to overcome the polarization and instability generated by populist mobilizational strategies, aiming to marginalize dominant agrarian elites and substantively reorganizing the economy and the political system. Each engaged in a style of populist mobilization that was both radical and rigidly corporatist, and a style of political rule that severely restricted the degree to which electoral politics or even "limited pluralism" was permitted. Moreover, each sought to legitimate itself through a radical populist ideology of social revolution and a commitment to distributive equality.

Such commonalities, however, tell only part of the story. If these regimes have their origins in a similar kind of developmental crisis and grew out of broadly similar structural settings, their longer-term trajectories have differed considerably. Unable as consolidate and institutionalize itself, Peru's populist authoritarian regime lasted only six years. Radical factions within


23. For Peru, see Isidoro O'Donnell, Modernity and Popular Autonomy (Berkeley Institute for International Studies, University of California, 1999); and for Syria, Jafri, Politics in Power: The Emergence of the Bureaucracy and the Politics of Social Change (Madison, University of Wisconsin Press, 1978).

24. As one scholar has noted, "What seems to define the socialite... most significantly is their... welcoming attitude to the whole trend of mass politicization, and their readiness to use the... ideological power of the modern state not only to improve the material conditions of society but to accelerate and exploit the process of... class into the political arena in a spirit of the revolution. For the socialite, it is the simultaneous stimulation and regeneration of the energies that provide the modern state with legitimacy." See Deborah Fink, "Notes on the Background of Arab Socialism and Thought, Contemporary History 4 (July 1991), 249-257.

groups.

O'Donnell emphasizes the effects of autonomous social groups in constraining regime consolidation but sees this as a consequence of the sequencing of capitalist development rather than a threat of pluralist mobilization. He argues that Argentina's early incorporation into the international economy and its early industrialization produced a capitalist and labor with high levels of autonomy and limited the capacity of the Argentine military to repress the working class, exclude the populist sector, and consolidate an authoritarian regime.

Waterbury also emphasizes the difficulties of institutionalizing a radical populist development strategy in Egypt, though he defines the obstacles not in terms of social autonomy but in terms of the strategic choices of political actors, specifically Nasser's reluctance to undermine the degree of popularization necessary to consolidate fully a radical populist strategy of capital accumulation. He describes Egypt's authoritarian regime as "soft" and indicates that Nasser was unwilling to engage in the kind of measures that might have deepened the country's revolution. "Nasser refused to use the iron fist because of signals from the countryside of the core (then abundant) not because of his class predilections, if he had any. Rather his course was set by his very real unwillingness to sacrifice, as he put it, the present generation for those of the future and to unleash potentially uncontrollable elements of class conflict."

Clearly, Waterbury views dependent developing states as facing a trade-off. Regime elites may pursue radical extractive measures that provide a basis for independent accumulation and development—but these require the state to wield an iron fist. Alternatively, they may choose the path of dependent accumulation and avoid domestic social conflict, but at the expense of national autonomy. He concludes that "defeasible constraints" prevent state elites from imposing the burden of accumulation on their populations. The result is a "soft state" whose autonomy, extensive capacity, and autonomy are limited. Moreover, according to Waterbury, "the soft state appears to be the only politically and economically acceptable option" for most of the states that confront this problem.

Constraints may push state elites toward the "soft" option, but from their perspective the choice is far from cost-free. The need to accommodate multiple interests encourages a system of unwieldy "pluralist authoritarianism." State elites are forced constantly to defend a shrinking autonomous realm from the encroachments of domestic interest groups, which the regime is unwilling or unable to control, and from the demands of foreign investors, hackers, and lending agencies. Soft states get squeezed from many sides. Syria's authoritarian elites chose the other path.

These examples highlight three distinct dilemmas that impede the consolidation of populist authoritarian regimes—namely, the dilemma of popular mobilization, the dilemma of counter-mobilization, and the dilemma of limited state autonomy under conditions of dependent development. Each imposes its own set of strategic and structural constraints on the process of regime consolidation, reinforcing the contingent character of populist authoritarian solutions.

The first dilemma acknowledges that populist authoritarian transitions require a degree of popular mobilization that is exceptionally difficult to achieve, given the power and autonomy of dominant social groups, the weakness of state institutions, and low levels of organization among popular sectors. O'Donnell notes that a similar dilemma faces later authoritarian elites in high autonomy and weak institutions work against the consolidation of monopolies as well as exclusionary conditions. The pressure to overcome this dilemma pushes populist reformers in an increasingly radical direction ideologically and in an increasingly repressive and authoritarian direction organizationally. In Syria's case, the failure of Baath leaders to restructure existing interest groups through parliamentary means, persuaded them of the need for a more radically interventionist solution to seek union with Egypt as a way to overcome local obstacles to the consolidation of a radical populist regime.

The dilemma of counter-mobilization arises once a populist authoritarian elite succeeds in overcoming obstacles to mobilization and seizes control of political institutions. Following an authoritarian transition, ruling elites face popular interest groups that possess new levels of organizational coherence and presence, as well as an enhanced capacity for autonomous action. With these new capacities, it becomes easier for such groups to challenge the regime to live up to its reformist commitments—to carry out its promised redistributive projects. Whatever their intentions, the presence of these organized interests can threaten the new regime's consolidation. One solution...
is simply to suppress and exclude populist interest groups, but this strategy is risky, leaving the regime more vulnerable to the demands of other, less sympathetic interests. An alternative is to integrate populist interest groups into the regime's ruling coalition, but in a highly corporatist fashion. This process, essentially an authoritarian form of demobilization, can preserve the populist legitimacy of a regime while keeping the level of demands from populist interest groups under control.

Counterdemobilization serves the interests of the regime in other ways as well. Even while domestic demands are being met, the regime from within, the dilemma of limited state autonomy under conditions of dependent development challenges it from without. Writing on Mexico, Nora Hamilton aptly describes the circumstances confronting populist authoritarian elites:

While... state control of substantial economic resources does not necessarily result in state autonomy, the lack or scarcity of resources obviously places constraints on what a reform-oriented government can do. Mexico's economic position, including foreign control of the export sector and dependence on trade with the United States, was an additional constraint on state action. Perhaps more important, the goals of the state were limited to what the Cárdenas government was not seeking to do, namely, to place capitalism under "humanistic"... at the same time, eliminating pre-capitalist or "feudal" structures and establishing national control of the economy. These efforts brought it into confrontation with important segments of the dominant class and foreign capital, and there was the possibility that the increasing level of polarizing in Mexican society might have eventually resulted in a confrontation with the capital... But such a confrontation was not intended by those who controlled the state apparatus.9

In Hamilton's description, Mexico looks much like Waterbury's Egypt: external constraints led the post-revolutionary, populist regime to engage in an ongoing process of bargaining with Mexico's capital. In return for limited autonomy, limited populist reforms, and continued access to resources, the state would not adopt measures antagonistic to the dominant class. Unwilling to return to the iron fist and unleash severe class conflict, the Cárdenas government conceded its long-term interest in "humanizing capitalism" to its immediate interest in sustaining accumulation.

Strategies to repress populist sectors are readily accessible to bureaucratic-authoritarian regimes, which typically attach a lower priority to such con-


cerns as economic nationalism, social transformation, and autonomous development. For populist regimes, however, the shift toward exclusionary strategies marks a critical and difficult transition. Managing the competing pressures of popular sectors, local business, agrarian interests, and foreign investors can be highly problematic. As the experiences of Egypt and Syria suggest, the key issue is how to manage the dilemma of counterdemobilization in a fashion that is not, at the same time, exclusionary—through to demobilize populist groups while preserving the significant benefits of a populist strategy. These benefits can be quite compelling, even including enhanced state revenue, a weakened domestic bourgeoisie and landed elite, bargaining leverage vis-à-vis foreign interests, and the availability of a tractable populist coalition that can be mobilized on the regime's behalf.

Two general additions to these dilemmas have emerged. In Egypt, following the introduction of the 1990s "socialist decrees," Nasser used a populist authoritarian strategy to mobilize and incorporate popular sectors, in particular during his brief experiment from 1952 to 1953 with more radical forms of populism. After 1954, however, Nasser and, later, Sadat and Mubarak sought to dilute the populist attributes of their regimes and broaden their ruling coalitions. Their general goal was to develop a strategy in which populist groups remained active but would no longer have an exclusive or perhaps even a primary claim on the attention and resources of the state. In this case, populist authoritarian strategies are not discarded but amended and made more flexible.

Syria's ruling authoritarian elite chose the second path. Under the leadership of the radical, military wing of the Ba'th, Syria's regime underwent a transition from the soft brand of populism introduced by Nasser during the 1950s-60s to a hard brand of populism put in place after 1953. In terms of Waterbury's trade-off, the Ba'th was prepared to use the iron fist and risk class conflict to suppress potential populist movements and secure state control over the process of capital accumulation and distribution. It successfully marginalized capitalists and landlords, subjecting popular interests to heavy-handed forms of corporatist restructuring. The Ba'th thus secured the autonomy of the state against the triple threat of "counterrevolution" (in terms for the 1960-63 leftist period) following the collapse of the union with Egypt, popular demands, and foreign interests. As a result, Syria's populist authoritarian regime has been marked by a higher degree of consolidation and developmental autonomy than those of Egypt, Mexico, or Peru.

Clearly, Syria's experience stands out among the populist authoritarian regimes that have followed the Peruvian, Mexican, or Egyptian path. Just as clearly, many ways exist for populist authoritarian regimes to "fail" as they confront the dilemmas described above, and many obstacles must be overcome in securing their consolidation. Indeed, Syria's first experience of populist authoritarianism during the union with Egypt in 1958 was itself a failure in these terms. Syria's agrarian oligarchy was relatively quiet in the face of land reform measures imported from Egypt in 1958, but the industrial and commercial bourgeoisie, seriously threatened for the first time by sweeping nationalization laws passed in July 1961, succeeded in bringing about the collapse of the union and the (temporary) reestablishment of a parliamentary system of rule.

Given the capacity of the Syrian bourgeoisie to break from the union and protect itself from the intervention of a populist authoritarian regime, the success of the Ba'th in consolidating such a regime after 1963 is all the more striking. As I will argue, however, the "counterrevolutionary" episode of Syria's secession from the union taught Ba'thist elites how high the costs of soft authoritarianism could be. Structures and institutions helped to shape the direction of Syrian politics, but political learning played a role as well. The union and the secessionist period that followed were critical socializing events for officers sympathetic to, and, later, members of the Ba'th Party. They experienced firsthand the limits of the Nasserist approach and the resilience of antipopulist social groups, learning from the events of 1961-65 that a "soft state" could hardly undermine the capacity of a populist regime to secure its own consolidation. These lessons were reinforced by the irreconcilably hostile opposition of business and landed interests in the Ba'th after 1963.

Under these conditions, the iron fist and class conflict were not merely optional strategies for the accumulation or mobilization of capital: they were essential to the empowerment and survival of the Ba'th Party. The relatively soft authoritarianism of the union period had failed to consolidate the populist transformation of Syrian society and of the economy. The liberal social pact that postunion governments tried to create privileged the private sector and contained popular interests. The desire of these governments to curb populist mobilization and institutionalize the political power of business led the Ba'th to embrace the highly authoritarian and mobilizing logic of social revolutionary state formation. For the Ba'th, therefore, corporatist mobilization giving rise to a hard state that was both populist and authoritarian in character emerged as an effective alternative to either the


Nasserist soft state or a liberal pluralist social pact. Class compromise was sacrificed to the imperatives of consolidating the regime and securing state control over the national economy.

Populist Authoritarianism and Capitalism

The limits of state autonomy under both populist and bureaucratic authoritarian regimes are typically defined in terms of the structural constraints associated with the requirements of capitalist industrialization. Yet these constraints shape prospects for regime consolidation in very different ways. In the case of bureaucratic authoritarian regimes, strengthening state autonomy is regarded as the only way to regulate economic and political demands, ensure political stability, and guarantee that the requirements of capitalist industrialization can be satisfied. As Binder emphasizes, "bureaucratic authoritarianism is brought into being to replace populist nationalist regimes by the clear, conscious choice of transnationally connected capitalists, who cannot otherwise get their economic policies implemented." Exclusionary strategies pursued by bureaucratic regimes are explicitly aimed at suppressing popular sectors and deepening capitalist development. Antipopulist patterns of state intervention reflect these goals.

Populist authoritarian regimes are also seen as constrained by the requirements of capitalist industrialization, despite their explicitly revolutionary claims and their countercultural commitment to municipal developmental strategies. Indeed, it is in the apparent contradiction between the appearance of populist anarcho-capitalism and its presumed reality as a mechanism for the deepening of capitalism that is believed to serve as a powerful constraint on the capacity of political elites to shift a state's developmental trajectory in any meaningful way. Despite the countercultural antagonism of populist authoritarian regimes to capitalism, therefore, their significance is presumed to rest in the ways they secure and advance capitalism, not in the ways they challenge it. 35

Such regimes are thought to perform three functions essential to the deepening of capitalist relations of production: First, they assist in "sweeping away" economic and political obstacles to modernization represented

by pre-capitalist agrarian oligarchies, resolving what Stopen and Villa have called the "triumvirate of the oligarchic order." Second, they reverse the economic and political mobilization of popular action (peasants and workers) to advance the process of industrialization. Third, they enhance the capacity of the state to direct the economy, manage accumulation, and organize social interests.

For these reasons, the possibility that populist authoritarian elites might seek to consolidate a regime through confrontation with local or foreign capitalists, institutionalizing a system of rule in which the state aggressively marginalizes the private sector, is regarded as unrealistic, not unsustainable. The possibility that consolidating a radical populist system of rule through the exclusion and repression of capital is rejected, because populism is seen as simply one step along a capitalist developmental trajectory. As Villa describes the process: "Political mobilization of the new urban masses fueled by social welfare and state-supported unionism coincides [at] the basis of the enlarged relative autonomy of the state vis-à-vis the industrialists benefiting from populist economic policies, and traditional cities forced to accept a partial transfer of land rent and foreign trade earnings. Changes in the international setting and the contradictions emerging from the populist strategy lead to an increasing instability and to a usually abrupt end, followed by the establishment of a right-wing political regime." Despite their radical ideological claims, therefore, the ascent of populist elites is to contribute to the consolidation of capitalism. As a result, other populist mobilizational strategies that threaten capital's interests are abandoned as a means for securing political power, or the populist identity of the regime eventually disappears through its authoritarian attributes remaining firmly in place. Over time, the regime tends to take on more and more of a bureaucratic authoritarian character, restructuring its political alliances to reflect its growing commitment to the interests of business and its decreasing concern with the interests of workers and poorer peasants.

The Trajectory of Populist Authoritarian State Formation in Syria

The historical evidence I present in the following chapters refutes such arguments. It poses a challenge both to prevailing theories about Syrian politics in these years and to the general view that capitalist constraints must eventually undermine populist strategies of state formation. This evidence indicates that conflicts over the organization of state institutions and over the relationship between state and private capital had crucial consequences in defining the political strategies of the groups that took part in them and in shaping the durable populism of the Ba'th Party after 1969. Syria's populist authoritarian elite was not seeking the capitalization with alienation face that Hamilton attributes to Cardenas. Nor were its objectives limited to the "shaping of" petty-capitalist obstacles to modernization and the strengthening of the bourgeoisie. Heavily influenced by the experiences of the 1949–53 period, by the union with Egypt, and by the subsequent "corporate evolution" of theacenism period, Ba'th elites sought instead a more far-reaching restructuring of social and institutional arrangements. They intended nothing less than to place the state, led by the Ba'th Party, in control of accumulation and to secure the redistribution of national income to popular sectors. Internationally, Syria redirected its political alliances away from the West and toward the socialist bloc. The direction of its foreign trade underwent a similar shift.

Syria's capitalists vigorously resisted these shifts. Their opposition included direct participation in a major peasant uprising in the spring of 1969 and numerous other forms of resistance. Western powers and international actors such as the International Monetary Fund (IMF) also pushed the Ba'th to moderate its economic radicalism. British and American diplomats repeatedly urged Ba'th leaders to retreat from their commitment to radical social change. In 1965, IMF officials threatened to restrict Syria's borrowing rights if it continued its program of nationalizations. Not one of these efforts was effective. By the end of the 1970s, Ba'thist elites had succeeded in consolidating a radical populist system of rule that had thoroughly marginalized local capitalists and sharply diminished Syria's economic links to the West. Since 1970, relations between state and capitalists have moderated in an uneven way but remain ambiguous. They have been marked by a diminishing though lingering reluctance on the part of both state elites and private capitalists to institutionalize more cooperative and mutually reinforcing arrangements. Despite a degree of economic liberalization, the characteristic of state-private sector relations in Syria remains very far removed from Stedman's definition of state capitalism as an "established intimacy between the representatives of public authority and the practitioners of private enterprise." 38

As this summary suggests, neither the particular form of a populist au-

In Syria, the emergence of a radical, populist authoritarian regime has been followed by a series of events that have helped consolidate the government's power. The government's main strategy has been to use economic and political measures to control the population and maintain its hold on power. However, this strategy has not been without its contradictions, as the government has had to balance the need for stability with the desire to maintain its hold on power.

One of the key strategies used by the government has been the imposition of a set of economic policies that have helped to reduce the influence of the business class and strengthen the government's control over the economy. These policies have included the imposition of a series of taxes on the business sector, as well as the nationalization of a number of key industries. These measures have been successful in reducing the influence of the business class, but they have also had the effect of reducing the government's control over the economy.

Another key strategy used by the government has been the use of political repression to maintain its hold on power. The government has used a combination of arrests, trials, and other forms of repression to silence its critics and prevent them from challenging its authority. These measures have been successful in maintaining the government's hold on power, but they have also created a climate of fear and repression that has discouraged people from speaking out against the government.

In conclusion, the government in Syria has been able to consolidate its power through a combination of economic and political measures. However, these measures have created a number of contradictions, and it remains to be seen whether the government will be able to maintain its hold on power in the long term.

References:


as the result of a repositioning on the part of the capitalists themselves, growing out of a critical discontinuity between the rate at which both popular mobilization and state intervention proceeded and the much slower pace at which these changes affected the structural linkages between capitalists and the landed elite. Logically, the restructuring of the economy was a critical factor in the organization of social conflict. The rate of political mobilization, among urban workers as well as peasants, far outpaced the deepening of market relations in the countryside. This uneven rate of transformation created a setting in which the economic costs to capitalists of sustaining their commitment to a social pact became unacceptably high, leading to their withdrawal from this commitment and the subsequent polarization of the political arena.

At the same time, these tensions also contributed to conditions under which a populist authoritarian elite could both seize power and consolidate a populist authoritarian system of rule. Perhaps most important, Syria's relative lack of integration into the international economy sharply reduced the role of external constraint in undermining the consolidation of populism, as happened in several Latin American cases. Albert Hirschman has noted the willingness of populist elites to defy the demands of neoclassical economic theory (which he calls their low propensity to defer to economic constraints). But in the end, he argues, orthodoxy prevails, economic logics win out over political logics, and the threat of economic crises forces political elites back toward the neoclassical mainstream.49 The vulnerability of a domestic economy to international economic forces is one of the factors that disciplines populist elites and forces them to shift economic course. Where international exposure is more limited, however, the disciplining effects of the international economy are diminished, and the capacity of populist elites to defy the economic logics of neoclassical economics and consolidate populist arrangements is exhausted.

Taken together, these conditions created a context in which the dilemma of populist authoritarian state formation could be surmounted by the 1980s. They created the institutional and structural possibilities that enabled Syrian political actors to advance a process of state formation in which radical populism could provide the foundations for a durable authoritarian system of rule. As Syria's experience shows, the instability thesis that grew out of experiences of populist rule in Latin America—and that later reappeared in studies of the Middle East—fails to capture or explain the range of possible trajectories of state-building projects grounded in populist strategies of mobilization and authoritarian strategies of governance. I seek to fill this gap in subsequent chapters, advancing an explanation of how the structural conditions, processes of institutional transformation, and strategic choices of actors in Syria gave rise to an alternative trajectory of successful populist authoritarian state building.

The Rise and Decline of the Idea of a Social Pact

When Syria's prolonged transition to independence ended in 1946, the focus of political life shifted from the nationalist struggle against France to conflicts over the organization of the political economy and the definition of Syrian national identity. Competition to define the trajectory of Syria's development was at the core of these conflicts. Syria's ruling notables—the large landlords who dominated the nationalist movement during the Mandate—assumed the leadership of post-independence political institutions and began the process of consolidating a national economy. Their presence in positions of power conveyed the impression of political continuity. Their commitment to the preservation of existing economic and social arrangements communicated the impression of stability in the management of Syria's economy and the organization of Syrian society.

These impressions were deeply misleading. The commitment of large landlords to the status quo faced immediate challenges from two directions. For different reasons and with different aims, both capitalists and populist reformers emerged as advocates of social change. Both viewed the preservation of the status quo as harmful to their interests. Some struggled to advance their distinctive visions of Syria's future against the resistance of the landed elite. The dynamics of the competition among and between these groups—how the idea of a social pact emerged as a viable option for the organization of Syria's political economy and then collapsed—were defined by the rapidly changing structural and institutional conditions under which landlords, capitalists, and reformers struggled to impose their contending visions of Syria's future within a volatile political arena.

During those years, the struggle for Syria was indeed fought over a struggle for the control of state institutions or, perhaps more accurately, a struggle to determine the organization of Syria's political economy and what role the state would play in its management. This struggle created the conditions that brought about the collapse of Syria's political system and the formation of the United Arab Republic in 1958. It was governed not by the dynamics of Syria's political economy but by a government亡d by the dynamics of Syria's political economy in its relations with foreign powers. The violence of foreign powers was not, however, the violence of a state or a state's apparatus, but the violence of internal and external military forces. The collapse of the United Arab Republic was not the result of a conspiracy, but of a series of internal and external conflicts that undermined the foundations of Syria's political economy and its institutions.
in a market-based but state-mediated economy. For almost a decade—from 1956 to 1961—the coincidence of interests provided the foundation for a slow and uneven process of social reform that began to reshape the contours of Syrian politics and society. By the late 1950s, however, commercial and industrial capitalists had shifted course, and the reformist-business coalition fell apart. Reformists came to articulate an increasingly radical approach to social change, while the politicians and businessmen who had favored Syria’s economic modernization now collaborated with large landowners to thwart the deepening of reforms they themselves had helped to initiate.

This shift in the political position of capital represented a critical turning point in the organization of social conflicts in Syria, reflecting and contributing to the dramatic changes taking place in post-independence politics and society. Yet how can we account for this change in the political outlook of Syrian capitalists? If their interest in the deepening of capitals remained intact—and every indication is that it did—what explains their opposition to the changes they previously felt were necessary to bring about?

The reformist alliance that ebbed and flowed through Syrian politics between 1947 and 1953-54 did not break down because rural reform threatened the economic standing of large landowners but rather because populist mobilization, rural reform, and broader processes of structural and institutional change began to undermine the political and economic position of capitalists. Its collapse reflected the growing concerns of Syrian capitalists over the consequences of populist mobilization and the increasingly interventionist role of the state. The conservative reaction of Syrian capitalists to rapid social change underscored their awareness of the extent to which the expansion of state institutions had destabilized pre-independence political arrangements, placing their own political future at risk. It also reflected the changing power of capital and the need for the reform of the industrial and commercial sectors.

After independence, Syrian capitalists were prepared to use state institutions to incorporate peasants and workers as subordinate participants in a political economy shaped by the interests of business. Specifically, this meant integrating peasants into national markets as consumers to provide a basis for Syria’s industrialization. Rural reform—redistributing and regulating agrarian property rights through state intervention—was to be the mechanism for achieving this goal. Yet rural reform and state expansion undermined rather than reinforced a developmental trajectory in which capitalists would play the leading role. The renegotiation of rural property rights opened up fundamental questions about the organization and identity of Syrian society, whether the social structures that had defined Syria for the past century would persist and, if not how they would be reshaped. It introduced new uncertainty about how agricultural production would be managed. At the same time, state expansion created new channels for the mobilization of popular forces, both urban and rural, that rapidly overcame the impasses of a pro-business political coalition to control them.

It created institutional resources that made radical politicians need to push the boundaries of social reform.

The growing competition between state and capital had a powerful social dimension as well. The institutionalization of reformist norms and the emerging identity of state institutions as the mechanisms through which popular incorporation would take place created the influence of business interests in debates over economic policy. As the tasks of incorporation and development became embedded in state institutions, capitalists became one of many social groups struggling to negotiate how Syria’s political economy would be organized. These shifts contributed to their disillusionment with the idea of an industrializing social pact and to the emergence of political strategies aimed at re-inscribing the influence of business. The effects of these changes in the role of the state and in the position of Syrian capital was evident during the early 1950s, when electoral politics were often suspended by military rulers. After 1954, however, parliamentary life resumed with full force, and the electoral impact of popular incorporation began to be felt, and the growing capacity of capitalists to shape the terms of a social pact was increasingly evident. As the dynamics of political competition changed during the 1950s, the politicians who hoped to oversee Syria’s capitalist transformation fell back on their commitment to social reform. Syria’s political arena became increasingly polarized between a radical reformist coalition, on one hand, and a conservative alliance of landlords and business elites, on the other. By late 1957, the possibility of a social pact as the basis for Syria’s industrialization had broken down, with extraordinary consequences. Its collapse provided the impetus for the dissolution of the Syrian state and its incorporation into the United Arab Republic dominated by Egypt.

Economic Expansion and the Idea of a Social Pact

In August 1956, France withdraws the lot of its troops from Syria and Lebanon, ending its twenty-six-year Mandate. Despite a long and arduous
nationalist struggle and with many obstacles still to be overcome, Syria's prospects at the close of the Mandate nonetheless appeared promising. Opposition to the French presence had begun to transform the ruling institutions of the Ottoman period into a new nationalistic elite. Republican institutions, though imposed on Syria without much regard for local political practices, had attained a measure of legitimacy.

Economic prospects also appeared favorable. Syria's private sector had benefited greatly from the Second World War, accumulating resources that would drive economic growth over the next decade. Wartime rationing drove up prices on basic commodities, enriching landlords and merchants. British forces based in Syria and Lebanon during the war provided important new sources of capital for an economy that was still suffering from years of neglect under the French, the effects of the Great Depression, and an agricultural sector plagued by frequent drought and poor harvests. Forced domestic savings, a result of wartime prohibitions on imports, added to the investment capacity of Syria's private sector.

After the war, local industry flourished. Import substitution increased the demand for labor and drove industrial output to "negligible levels" by the early 1950s. In the textile industry, Syria's largest and most heavily unionized industrial sector, modern factories increasingly replaced home-based and workshop methods of production.8 In other sectors as well, investment activity accelerated and local businesses filled the gaps created by the destruction of the European and Japanese economies that had provided most of Syria's imported goods during the Mandate.

As the site of three-fourths of the joint-stock companies formed during the 1949-51 period, Damascus emerged during these years as Syria's industrial and commercial center, surpassing Aleppo, which was the site of about 10 percent of new firms. The striking preference for Damascus, even among investors from Aleppo, suggests the powerful attraction of locating a company in the nation's political and financial center. Despite the fragility of Syria's identity as a nation, its ruling nationalistic elite—a group drawn overwhelmingly from the country's most prominent landed and merchant families—had begun to think and operate in terms of an economy organized by Syria's territorial boundaries. The regional economics of Aleppo and Damascus that had historically traded with their own distinct hinterlands were folding into a national economy, with Damascus as its capital.

Although industry grew rapidly after independence, the fate of Syria's economy remained almost entirely dependent on its agricultural sector. Agriculture generated the largest share of national income in every year from 1953 to 1961, with its revenues determining almost unilaterally whether Syria's national accounts ran a surplus or a deficit.9 Agricultural subsidies, especially cotton, represented Syria's largest export and were the country's major source of foreign exchange. Industrial production was largely oriented around processing agricultural products, and export taxes...
on critical crops, such as cotton protected the supply and price of agricultural raw materials to local industry. Agriculture was also the major source of revenue and inputs for the state bureaucracy. Taxes on agricultural products and workers who were employed by the state on Syria’s wheat and tobacco crops, represented the second largest source of tax revenue throughout the region, occasionally exceeded by income from customs duties. The vulnerability of some finances to fluctuations in agricultural production created powerful incentives both for the extension of state control over agriculture and for the efforts of state economic planners and pro-business politicians to push for a more diversified national economy.

Table 3. Distribution of agriculture and industry by total exports, 1922-1917 (in millions of sterling pounds)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Exports</th>
<th>Agriculture Exports</th>
<th>Percentage of Total</th>
<th>Cotton</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1922</td>
<td>235.4</td>
<td>205.2</td>
<td>88.0</td>
<td>128.3</td>
<td>54.0</td>
</tr>
<tr>
<td>1923</td>
<td>235.3</td>
<td>205.2</td>
<td>88.0</td>
<td>128.3</td>
<td>54.0</td>
</tr>
<tr>
<td>1924</td>
<td>235.0</td>
<td>205.2</td>
<td>88.0</td>
<td>128.3</td>
<td>54.0</td>
</tr>
<tr>
<td>1925</td>
<td>235.0</td>
<td>205.2</td>
<td>88.0</td>
<td>128.3</td>
<td>54.0</td>
</tr>
<tr>
<td>1926</td>
<td>235.0</td>
<td>205.2</td>
<td>88.0</td>
<td>128.3</td>
<td>54.0</td>
</tr>
<tr>
<td>1927</td>
<td>235.0</td>
<td>205.2</td>
<td>88.0</td>
<td>128.3</td>
<td>54.0</td>
</tr>
<tr>
<td>1928</td>
<td>235.0</td>
<td>205.2</td>
<td>88.0</td>
<td>128.3</td>
<td>54.0</td>
</tr>
<tr>
<td>1929</td>
<td>235.0</td>
<td>205.2</td>
<td>88.0</td>
<td>128.3</td>
<td>54.0</td>
</tr>
<tr>
<td>1930</td>
<td>235.0</td>
<td>205.2</td>
<td>88.0</td>
<td>128.3</td>
<td>54.0</td>
</tr>
</tbody>
</table>

Source: Table 3 is based on data from the latest available reports on agriculture and industry from the Arabella Arab Industrial Census, 1922-1928.

Capitalists, Landlords, and the Politics of Industrial Development

During the late 1920s, the consolidation of a national economy benefited from a post-World War I agricultural boom. Huge areas of land in the northeastern Jiita region were being opened to mechanized agriculture. A series of good harvests and rising world cotton prices not only brought new wealth to local capitalists and absentee landlords but also created a demand for raw materials among Syria’s industrial elite. Many from outside the tribal families purchased shares in the largest enterprises, formed small businesses, and organized their economic activities in the form (if not always the content or style) of modern firms. Nonetheless, financial resources remained heavily concentrated in the hands of a small number of wealthy families who aggressively sought out investment opportunities in industry, banking, and commerce during the 1920s and 1930s, gradually, a distinctive commercial bourgeoisie emerged and, more slowly, an industrial bourgeoisie as well.


13. This table is based on the latest available reports on agriculture and industry from the Arabella Arab Industrial Census, 1922-1928.

14. The table is based on the latest available reports on agriculture and industry from the Arabella Arab Industrial Census, 1922-1928.
Collectively, these are the groups and individuals we can identify as capitalists in the Syrian context. Data on the social organization of the private sector taken from records of the Ministry of National Economy and from Al-Qadida al-Ra’ia (the Official Gazette) between 1931 and 1961 clearly reflect these trends. 16 The data presented in Table 4 include information on 159 joint-stock or limited liability companies, with about 1400 investors made up of individuals, corporations, and the Syrian government. The vast majority of those who invested in Syrian companies did so in only one company (N = 1,177, 83.5%), and most investors were quite small, some as little as 8/s. However, Syria’s largest investors ($150,000 or more) were much more active and deeply interconnected. 17 Of some 1,300 listed shareholders altogether, 15 of the largest investors held shares in 85 firms—in other words, almost 14% of those most active in founding companies were connected to one degree or another with over 55% of companies formed during this decade. This considerable empirical support underlines the popular notion that Syria’s economy was dominated by some fifty leading families. In fact, the data do not fully convey the degree to which this small group’s influence was felt across every sector of the Syrian economy. Because of these constraints, most people held positions in professional associations and were active in politics.

At the same time, however, these data help to clarify the limits of the private sector. With an average of fewer than fifteen new joint-stock companies established each year, the modern sectors of Syria’s economy were a distinctive set of economic interests. The Aleppo Chamber of Commerce, for example, was formed in 1879, and the Damascus Chamber in 1899. Syria’s first Chamber of Industry, in Damascus, was not formed until 1939.

16 Between 1931 and 1961, the 1931 figures are those of every joint stock or limited liability corporation that were acquired, reorganized, incorporated, and company below, which were published in the Official Gazette. Analysis of incorporation included both the names of all founding nominees and the amounts of their investments. Because Syrian law at the time stipulated that no Syrian company must have a majority of Syrian nationals on the board of directors, the nationality of our founding fathers was always thorough recorded, providing important data on the participation of foreign capital in Syria’s economy. Less frequently, information was included regarding the presence and even company interests, making possible more preliminary conclusions about social and social patterns of investment.

17 Some investors made single investments of $150,000 or more. Yusuf Hashim, Bank of the Arab World; Abd al-Khaliq al-Dhahabi and Muhammed al-Dhalib, the United Arab Bank Company; Bade al-Eid, Bank of the Arab World; Michel Faisal, Faisal Faisal and Sons, Leading Company; Muhammad al-Masri, United Exchange; Moussa al-Mahdi, Bank of the Arab World; Mohammed al-Masri, Arab Cable Company; and Abd al Ra’uf al-Rahman, Bank of the Arab World. With paid-in capital of $150,000, the Bank of the Arab World (at Bank of the Arab World) was one of the larger private financial institutions in Syria. In these capital forms across the country, representing one of the most vital symbols of the emergence of a modern economy and an industrial bourgeoisie.

Table 4: Incorporations in the Syrian corporate sector, 1931-1961, by size and number of investors

<table>
<thead>
<tr>
<th>Number of investors</th>
<th>Size of investment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-7 investors</td>
<td>25,000-99,999</td>
<td>20</td>
</tr>
<tr>
<td>8-14 investors</td>
<td>100,000-249,999</td>
<td>10</td>
</tr>
<tr>
<td>15-29 investors</td>
<td>250,000-999,999</td>
<td>1</td>
</tr>
</tbody>
</table>

18 These figures do not include the larger number of businesses established in Syria each year. For more details, see the final report of joint-stock companies.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Public Sector</td>
<td>15</td>
<td>4</td>
<td>16</td>
<td>4</td>
<td>17</td>
<td>2</td>
<td>3</td>
<td>105</td>
</tr>
<tr>
<td>Service</td>
<td>Public Sector</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>Finance</td>
<td>Joint Sector</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>19</td>
<td>10</td>
<td>18</td>
<td>9</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>127</td>
</tr>
</tbody>
</table>

**Note:** The table shows the number of companies by location and sector for the years 1955 to 1961. The columns represent different years, and the rows represent different sectors. The data is organized to show the distribution of companies across different sectors and locations.
only one or two of the companies formed had any state financing. There were a small number of women investors—-in at least two instances, women were the holding shareholders—and a small number of corporate investors. Significantly, foreign participation was limited almost exclusively to Arab investors; very few Europeans purchased shares directly in Syrian firms, though a sizable number of firms were established to serve as local agencies for foreign companies. Of significance are indications that elite families provided both religious and regional linkages in pursuit of economic gain. In contrast to the broadly accepted view of sectarian and regional divisions in Syria and indicative of the consolidation of national commercial and industrial bourgeoisie, groups of Muslims and Christians established several companies. Aleppo and Damascus investors also collaborated in advancing Syria’s industrialization, reinforcing the consolidation of a national market that was reorganizing city-based regional economies.

What defined these inventories as capitalist “class in formation” was not as much a distinctive social background, for they largely originated from and remained socially linked to the major landowning and merchant families. Nor did they possess significant independent capital, at least initially, or exhibit distinctive patterns of investment. Agricultural surpluses provided the majority of capital for both agricultural and nonagricultural investment throughout the first half of the twentieth century.

Indeed, what marks the emergence of a capitalist class in Syria is the rise of an increasingly articulate and self-conscious political identity among the founders of Syria’s new industries, banks, and trading companies, a process that can be explained in large part by changes in the regulatory and institutional environment in which they operated. Industrialists and merchants played a central role in creating and administering state economic agencies that were established to help organize the transition to a post-colonial economy. They actively competed with one another to capture the benefits of the legislative and regulatory developments that accompanied the consolidation of a national market. These included new laws requiring foreign firms to operate through local subsidiaries, tax reform, changes in trade regulations that followed the end of the Syrian-Lebanese Customs Union, the export of production monopolies, price controls, restrictions on the import of various commodities, and other measures that provided ample opportunities for rent-seeking. Economic “Syrianization” measures that were principally aimed at reducing Lebanese participation in Syria’s economy not only created additional possibilities for Syrian entrepreneurs but also led to an overall decline in the presence of foreign capital in the country, including the withdrawal of a number of European and American firms.

In addition, the emergence of a distinctive capitalist class was facilitated by the corporatist inclinations of Syria’s military leaders, who promoted the formation of associational arrangements designed to mobilize business interests as a counterweight to organized labor. With the support of conservative nationalist politicians such as Ahmad al-Sharaf al-Din, employers were encouraged to join state-sponsored and state-administered employer associations. The first Federation of Employers’ Syndicates was founded in Damascus in 1943, followed shortly thereafter by the establishment of similar federations in Aleppo, Hama, Hama, and Latakia. By the mid-1950s, more than three hundred employer associations had been established across Syria, although they were originally intended to increase the government’s leverage over employers, they soon became a means for businessmen, craftsmen, and shopkeepers to pressure the regime to pursue economic policies favorable to smaller businesses.

13. Like trade unions, employers associations were small and highly specialized, and the same enemies that operated labor unions, the Ministry of Labor and Social Affairs, managed the affairs of the employers associations. See, Marhab Al-Din (Al-Sharaf Al-Din) (Forei for An-Nida’), 1978; Al-Sharaf Al-Din: Storia della Democrazia (Bureau des Documents Internationaux et Arabes, 1978-This; and 1982).
During the 1930s and 1940s, the process of defining the positions of capital and agrarian interests over such issues as import substitution, tax policy, and agrarian reform. What often appeared to observers as a socially coherent economic elite was in fact sharply fragmented by processes of economic change and the political tensions they produced, as is evident in one diplomatic dispatch from Damascus in August 1941:

In general, Syrians would like to see the country remain and expand further in large-scale industries. This is not such an issue in conflict with other economic objectives. In spite of the fact that merchants, industrialists, and financiers participate remarkably in the finance of agriculture, there is no area of conflict between agrarian and industrial interests. For example, the previous government favored increased taxes on industry, whereas the agrarian and industrial interests viewed this as a means of increasing revenue, while the industrialists and many others favored an export tax on cotton. Again, the interests of the many were not those of the few.

Philip Money, for example, describes how the rise of large-scale enterprises in the 1930s sped up the process of definition of political interests and policies, whereas in the 1920s these were more smoothly balanced.

Despite this opposition, industrialists were able to shape an economic regime that was broadly congenial to their interests. A import substitution became consolidated, however, landlords and industrialists continued to struggle over tax and labor policies. These issues stood out as leading sources of conflict.

First, a number of industrial proposals engaged a full measure of protection against foreign competition, whereas the agricultural proposals which Syria produces exportable surpluses, must compete on world markets.

Therefore, most of the industrialists are placed in a favored position as compared to agriculture. Consequently, the downward trend of farm prices, farmers' incomes are decreasing while their operating costs have dropped only slightly due to the protection which domestically produced consumer goods receive. Finally, the government's stance on direct agricultural taxes to provide a healthy percent of total revenue, while the industrial sector of the economy is subject to a moderate level of direct taxes which produces less than 5 percent of the total budget revenue. Some reform in the taxing policies of the country which would distribute the tax load more equally between agriculture and industry would help to alleviate these conflicts.

Competition among private sector interest groups over economic policy was so intense that the public-private boundary was porous, that official efforts to manage the national economy were explicitly organized around private sector demand made on government. In November 1942, Syria's military ruler, General Anis al-Shahhoubi, presented what he referred to as an "economic parable," bringing together representatives from the banking sector, labor unions, the Chambers of Industry, Commerce, and Agriculture, a number of leading private firms, and senior government bureaucrats from the Ministries of Finance, National Economy, and Agriculture, as well as the Directorate of Customs. The intent of the

* Authoritarianism in Syria

Table 7: Employment by years

<table>
<thead>
<tr>
<th>Province</th>
<th>1931</th>
<th>1941</th>
</tr>
</thead>
<tbody>
<tr>
<td>Damascus</td>
<td>54</td>
<td>69</td>
</tr>
<tr>
<td>Aleppo</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Hama</td>
<td>29</td>
<td>33</td>
</tr>
<tr>
<td>Homs</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>Tartus</td>
<td>26</td>
<td>32</td>
</tr>
<tr>
<td>Tripoli</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Latakia</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>Others</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>163</td>
<td>228</td>
</tr>
</tbody>
</table>

been part of Syrian political life. But in the context of postindependence struggles to shape Syria's political economy, these concerns accentuated disputes between large landholders and capitalists, giving a distinctly reformist orientation to the interest of business elites in strengthening Syria's state-controlled markets. Progressive politicians such as Naim al-Qaddiri and Khalid al-Aarar justified their efforts to improve the living conditions of peasants as necessary to provide the basic conditions for economic growth.

In reporting on a lengthy conversation with al-Qaddiri during his tenure as prime minister in the early 1990s, a U.S. diplomat noted al-Qaddiri's view that "money will be spent on economic development . . . and would be taken in Syria . . . . The pressures from large landholders could not be ignored. Legislation was necessary to implement social and economic reform. Since the land-holding groups did not have a political stranglehold on the country, it was possible to consider a gradual redistribution of such large land-holdings as do exist in Syria. . . ." Capitals were also aware, moreover, of the close relationship between the conditions of workers and the possibilities for Syria's industrialization. This connection was quite explicit during a general conference of employers' syndicates held in Damascus in April 1993. At the meeting's opening, the president of the conference said that this was the first conference of its kind to be held in Syria. He also noted that the participation of employers and employees in the conference was a sign of the growing awareness of the need for cooperation between the two groups in order to achieve economic development in Syria.

Concerns about peasant welfare and the need for land reform had long been part of Syrian political life. But in the context of postindependence struggles to shape Syria's political economy, these concerns accentuated disputes between large landholders and capitalists, giving a distinctly reformist orientation to the interest of business elites in strengthening Syria's state-controlled markets. Progressive politicians such as Naim al-Qaddiri and Khalid al-Aarar justified their efforts to improve the living conditions of peasants as necessary to provide the basic conditions for economic growth.

In reporting on a lengthy conversation with al-Qaddiri during his tenure as prime minister in the early 1990s, a U.S. diplomat noted al-Qaddiri's view that "money will be spent on economic development . . . and would be taken in Syria . . . . The pressures from large landholders could not be ignored. Legislation was necessary to implement social and economic reform. Since the land-holding groups did not have a political stranglehold on the country, it was possible to consider a gradual redistribution of such large land-holdings as do exist in Syria. . . ." Capitals were also aware, moreover, of the close relationship between the conditions of workers and the possibilities for Syria's industrialization. This connection was quite explicit during a general conference of employers' syndicates held in Damascus in April 1993. At the meeting's opening, the president of the conference said that this was the first conference of its kind to be held in Syria. He also noted that the participation of employers and employees in the conference was a sign of the growing awareness of the need for cooperation between the two groups in order to achieve economic development in Syria.

Concerns about peasant welfare and the need for land reform had long been part of Syrian political life. But in the context of postindependence struggles to shape Syria's political economy, these concerns accentuated disputes between large landholders and capitalists, giving a distinctly reformist orientation to the interest of business elites in strengthening Syria's state-controlled markets. Progressive politicians such as Naim al-Qaddiri and Khalid al-Aarar justified their efforts to improve the living conditions of peasants as necessary to provide the basic conditions for economic growth.

In reporting on a lengthy conversation with al-Qaddiri during his tenure as prime minister in the early 1990s, a U.S. diplomat noted al-Qaddiri's view that "money will be spent on economic development . . . and would be taken in Syria . . . . The pressures from large landholders could not be ignored. Legislation was necessary to implement social and economic reform. Since the land-holding groups did not have a political stranglehold on the country, it was possible to consider a gradual redistribution of such large land-holdings as do exist in Syria. . . ." Capitals were also aware, moreover, of the close relationship between the conditions of workers and the possibilities for Syria's industrialization. This connection was quite explicit during a general conference of employers' syndicates held in Damascus in April 1993. At the meeting's opening, the president of the conference said that this was the first conference of its kind to be held in Syria. He also noted that the participation of employers and employees in the conference was a sign of the growing awareness of the need for cooperation between the two groups in order to achieve economic development in Syria.
which ideologies and discourses of social reform, agrarian reform, state expansion, and economic development were all highly visible and tightly interlocked—even while the leading political parties were often pressured by the politics of pan-Arabism and regional affairs. Thus, in 1957, the Ba'th Party convened its first national conference in Damascus and released a closing statement asserting its vision on a range of issues, including its economic development strategy. The tone of the report differed considerably from the rhetoric of pro-business political parties, but it otherwise left ample room for accommodation. It called for import substitution, measures to protect local industry, a ban on private landholding, restrictions on foreign investment, introduction of a progressive income tax, and state supervision of public and domestic markets. The Ba’th’s rationale for rural reform closely tracked the views of mainstream Syrian economists and the Syrian business community. A subsequent Ba’th Party congress reinforced this impression, justifying land reform on the grounds that liberating the peasant masses from their poverty will open an immense economic market.

The Ba’th’s approach to land reform, like its support for a state-guided but market-oriented development strategy, provided a foundation for a developmental coalition between the Ba’th and political parties representing the interests of Syrian capitalism. This convergence of interests took concrete shape in the explicit efforts of leading political figures to place in place the legislative and institutional framework for a broad-based social pact as the basis for Syria’s industrialization. Their efforts included the Labor Law but in the run-up to Syria’s first post-independence parliamentary elections in the fall of 1957, attention was soon shifted to the pressing issue of rural reform and the construction of an import substitution industrialization program.

The rise of the People’s Party in 1947 gave them a means to exert a new force for articulating capitalists’ economic preferences and their differences with the landowners who had dominated Syria’s national struggle through the National Bloc—later transformed into the National Party. During the 1947


election campaign (the first to be held on the basis of direct male suffrage) the founders of the People’s Party advocated improving rural living conditions and redistributing state land to peasants. This brought them together with the Ba’th Party into a coalition that successfully challenged the more conservative National Party, whose platform emphasized its leadership in the nationalist struggle against the French. Once in government, the People’s Party took several rather modest steps in the direction of economic and social reform which nonetheless provoked sharp reactions from their conservative opponents. When a cabinet led by the People’s Party passed Syria’s first land reform bill in October 1957, the National Party bitterly denounced it as a party of socialists. Similarly harsh debates followed when the People’s Party supported the nationalization of foreign-owned utilities, restrictions on foreign ownership of local businesses, and new taxes on income and profits. The People’s Party was depicted by its opponents as paving the way for the flight of foreign capital and promoting the transfer of land into the hands of peasants without the skill or resources to exploit it.

The terms of a new social pact were reflected with particular prominence, however, in Syria’s 1958 constitution. This document, drafted by Nazim al-Qadi, implicitly incorporated many elements of the 1947 Ba’th program and included provisions referencing to rural reform and peasants’ rights. It referred repeatedly to the social functions of property and the need to manage the use of land as a resource on behalf of society. A maximum limit on private landholdings was to be enacted into law. Moreover, the state was
changed with the redistribution of public land to landless peasants. In line with a state-guided development strategy, the preamble provided justification for more extensive controls over the production and marketing of agricultural commodities. It also called for state sponsorship of economic development in the industrial and commercial sectors, a corporatist style of labor organization, and a state-controlled education system. This last measure, while not directly targeting the deepening of capitalism in the countryside, reflects the scope of business interests in providing a skilled workforce to support industrialization. Like other reformist legislation supported by the People’s Party, the draft constitution was sharply attacked by leaders of the National Party for its reformist character, but won approval nonetheless.

These initiatives and the reactions to them suggest that struggles to reorganize the Syrian political economy were more than conflicts between public and private sectors or between populist reformers and an agrarian elite. In the postwar period, the People’s Party had set the stage for increased business competition with landlords which played out through the attempts at capitalization, both individually and collectively, to promote economic policies and construct state institutions that reflected their economic interests. Taken together, these developments indicated a new recognition among Syrian business elites of the relationship between social reforms and economic growth. They marked the beginning of efforts to install a political program capable of reshaping Syria’s transition from an agrarian to an industrialized economy and, not incidentally, of transferring political power from the agrarian oligarchy into their own hands. Underlying the divisions after 1957 between the People’s Party and National Party and reflected in such documents as the 1950 constitution was the understanding that economic development depended on extending capitalist relations of production into the countryside, increasing the standard of living among peasants, and expanding state control over domestic markets. These were the material foundations underlying the willingness of capitalists to reach an accommodation with reformist elements and to work toward the consolidation of a controlled liberal system of rule.

By the very early 1950s, then, a tentative political program and a set of political conflicts had begun to take shape around the concerns of business and its emerging tensions with landowners. Conflicts centered around the desire of businessmen to redefine Syria’s political agenda, built a liberal social pact, and create—through the bottom-up mobilization of peasants and workers—the structural conditions for sustained industrialization. It was precisely this program that held out the possibility for some form of business-reformist alliance. Yet this potential was never fully realized: despite control of parliament by the People’s Party from 1949 to 1955 and despite the declining political fortunes of the landed elite affiliated with the National Party, the principles expressed in the 1950 constitution never became a meaningful basis around which business interests and reformist parties could construct a stable political coalition.

Instead, processes of political mobilization supported by the Ba’ath, the Communist Party, and trade unions transformed Syria’s political agenda and reshaped its political arena. The popular and electoral gains of the Ba’ath and the SCP during the 1954–55 period created new political demands and new opportunities for the incorporation of popular sectors into the political agenda as autonomous rather than subordinate actors. During the 1954–55 period, in which parliamentary politics continued in an uneasy relationship with a sequence of military rulers, these shifts in the balance of political power were not fully apparent. After 1955, however, when parliamentary politics resumed, the new forms that the People’s Party was prepared to offer were no longer acceptable to the increasingly mobilized and radicalized peasant and labor movements, even while such reforms had long appeared to the landed elite as too conciliatory. As one analyst of Syrian politics has pointed out.

The liberal economy did not die in 1955–56. Rather it was subjected to reform through state intervention. Nonetheless, the private sector seemed unwilling to accept the new organization. Held back by the ruling class, it was unwilling to accept being ruled and became the opposition. Certain of its financial power, it sought by any means to preserve its dominant role. It stopped the process of industrialization. In attempting to undermine the regime by withdrawing its resources, it undermined itself. The stage was set for a brutal and bitter struggle that set the framework for the [second] decade, a period of shifting forces which served as the embryonic stage for a new system. 36

Less than a decade after independence, the deepening of popular mobilization helped splinter the already fragile reformist alliance and undermine prospects for an industrializing political project based on controlled mobilization from above. Business interests in parliament realigned themselves with the agrarian elite to preserve their position from more radical and far-reaching reforms urged by the Ba’ath and the SCP. In Syria as in other countries, a conservative coalition between the declining landed elite and an emergent bourgeoisie emerged to confront growing mobilization among peasants and workers. Land and capital joined to defend an increasingly milit
Britain's Economic Interests in Syria, the collapse of a social pact reflects the central dilemma facing capitalists as they struggled to secure their political and economic interests. Industrialization and the consolidation of capitalism in Syria hinged on restructuring agricultural relations of production, which in turn required the integration of peasants into the market economy and the reorganization of rural property rights. Along with the introduction of import substitution policies, these priorities sparked wide-ranging political conflicts among and between capitalists and landowners. Despite these divisions, however, the economic fate of landlords and capitalists could not easily be separated. Recognizing Syrian agriculture, with its relatively long-term profit for capitalists, created short-term conflicts with the landowners who provided the raw materials on which they depended. Agrarian change threatened disruptions in precisely the economic sectors on which capitalists relied to sustain their economic activities. As a result, the concern of Syria's capitalists with social reform, while real, was nonetheless limited by the threat that too much reform too quickly would undermine the agrarian foundations of the industrial and commercial sectors and damage their own political and economic interests.

Dependent on the agrarian economy, Syria's industrial and commercial elite were unwilling to respond to popular demands for social change. Escalated throughout the 1950s, trapped between their political interest in expanding capitalist relations of production, the growing demands of popular groups, and the structural constraints that linked them to the agrarian sector, Syria's leading businessmen and their political representatives sought the liquidation of an alliance with the agrarian elite. Together, they had hoped to use the growing power and increasing militancy of the reformist parties. They succeeded only in polarizing Syrian politics and accelerating Syria's collapse into the внечности of Egypt in February 1958.

The 1950s of Syria's capitalists between 1958 and 1958 reflect their immovable position in the country's political and economic life at a moment when Syria struggled to negotiate both the consolidation of capitalism and the transition to independence. It emphasizes the tentative character of the bourgeoisie's differentiation from the landed landowning families and the tenacious nature of its support for social reform. It also highlights the limits of capitalists' political autonomy and the structural constraints that led them to form an alliance with landowners. At independence, the declining popularity of the rural landlord elites, who had exhausted their political leadership in the struggle against the French, provided capitalists and their political allies a chance to create the legal, social, and institutional foundations for the deepening of capitalism in Syria. Progressive politicians with links to the business community developed a political program organized around the political and economic interests of the industrial and commercial sectors, reflecting a process of class formation that had begun decades earlier. These politicians sought the regulation of property rights, state intervention to promote the private sector, the transformation of the agricultural sector to encourage peasant consumption, and the transfer of capital from agriculture to industry and commerce, as well as state-financed programs to create a modern workforce. Expanding the political and legal rights of urban workers and improving the living conditions of peasants were part of the package of reforms envisioned by the somewhat younger professionals who made up the postindependence generation of political leaders.

This group, whose family origins were often similar to those of previous generations of Syrian elites, fully anticipated that it would be the architect and beneficiary of Syria's industrialization. Changes would occur under its control and remain within the limits it defined. Yet these expectations were soon frustrated. With the opening of the political system to reformists after 1953 (the year Akram al-Hawari was first elected to parliament on a platform emphasizing peasants' rights), the introduction of direct suffrage before the 1957 elections, the mobilization of peasants and workers, and the growing power of the Syrian left, the bourgeoisie and its political supporters found their vision of Syria threatened by successful mobilization of new social forces and by a pattern of state intervention that seemed increasingly inappropriate to their interests. Their reaction was to shift away from the pattern of political alliances envisioned in their earlier program and to move into a more defensive coalition with the landowning elites they had once identified as obstacles to the country's economic development. The notion of a liberal-style social order—based on a social pact to be managed by Syria's capitalists—crumbled.

As a result, Syria's political arena became increasingly polarized, with radical reformist parties confronting an unyielding agrarian oligarchy allied with business. The outcome, especially between 1953 and 1958, was marked by rapid gains in popular support for the Syrian Communist Party and the Ba'ath, while radical elites and their business allies controlled the economy and passed sufficient electoral power to veto or subvert reformist legislation. Not surprisingly, this situation proved to be treacherously