

AUTHORITARIANISM IN SYRIA

INSTITUTIONS AND SOCIAL CONFLICT,
1946–1970

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AUTHORITARIANISM IN SYRIA

Successful Authoritarianism? Syria in Comparative Perspective

Each year on March 8, Syrians are subjected to celebrations commemorating the anniversary of the 1963 Ba'athist "revolution." Syrian leaders deliver lengthy speeches before mass audiences, recounting 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 Hafiz al-Asad, the ruling Ba'ath Party, and the Syrian nation. The ritual of Ba'athist celebration peaks with the participation of President Asad 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-drilled, 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'athist regime and of Asad himself is far more striking than are their self-proclaimed accomplishments. Such longevity is by no means typical of Syrian governments or of populist authoritarian regimes in general. Asad's ascendance 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 Asad's rise to power, Syria was taken as emblematic of the personalistic, weakly institutionalized, and coup-prone politics of the Arab world. Asad's victory over rival factions within the ruling Ba'ath Party has been seen as a turning point in the consolidation of Syria's political system and the Syrian state.

If Asad's ascendance in 1970 reflects the consolidation of Syria's system of rule, the unprecedented survival of Suriyat al-Asad, the Syria of Hafiz

al-Asad, is no indication that Syrian political life has become permanently more settled. Throughout its more than three decades of rule, the governing Ba'ath Party has faced and put down persistent external opposition and sharp internal divisions. Many, if not most, Syrian citizens remain deeply alienated from their government and cynical about the Ba'ath's relentless ideological claims concerning its pursuit of social and economic justice and its steadfastness in the struggle against Israel. Popular fatigue with the heavy-handedness of the regime's rhetoric and with the cult of personality in which it is embedded became all 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 Asad and Romania's Nicolae Ceausescu to view the latter's fall as offering a potential blueprint for Syria's path to political liberalization.

Other tensions also jeopardize 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.¹ 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-Asad Syria.² 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.³

Unless otherwise indicated, all translations are by the author.

1. See Volker Perthes, *The Political Economy of Syria under Asad* (London: I. B. Tauris, 1995).

2. Patrick Seale, "Asad: Between Institutions and Autocracy," in *Syria: Society, Culture, and Policy*, ed. Richard T. Antoun and Donald Quarteret (Albany: State University of New York Press, 1991), pp. 97-110.

3. Steven Heydemann, "The Political Logic of Economic Rationality: Selective Stabilization in Syria," in *The Politics of Economic Reform in the Middle East*, ed. Henri J. Barkey (New York: St. Martin's, 1992), pp. 11-39; Yahya Sadowski, "Ba'athist Ethics and the Spirit of State Capitalism: Patronage and the Party in Contemporary Syria," in *Ideology and Power in the Middle East*, ed. Peter J. Chelkowski and Robert J. Pranger (Durham, N.C.: Duke University Press, 1988), pp. 160-84.

Given these tensions, it may seem inappropriate to describe Syria's system of rule as consolidated. What makes this label appropriate, however, and what seems to set Syria's authoritarian government apart from many similar regimes is its capacity for managing the multiple pressures confronting it and for responding to such pressures in a sufficiently adaptive fashion to sustain its populist identity. In contrast to other experiences of the phenomenon, populist authoritarianism in Syria has proven to be a flexible and resilient system of rule.

For most scholars of contemporary Syria, this durability results less from the regime's flexibility and adaptability than from other factors, principally coercion. Repression has figured prominently in explanations of the survival of both the Ba'ath Party and Asad himself, and it unquestionably plays a significant role in maintaining the regime. Also common is the notion that Syria's regime is little more than a vehicle for imposing the authority of and ensuring the flow of state resources to a particular sectarian community, notably the minority Alawite sect, of which Asad and many of his associates are members—including the heads of the internal security services and branches of the armed forces.⁴ Sectarianism, it is argued, provides the Asad government with an unusual degree of internal coherence and stability.

Though parsimonious and appealing in many respects, neither argument offers an adequate explanation of the durability and adaptability of populist authoritarianism in Syria. Almost by definition, authoritarianism rests on some measure of coercion, yet even high levels of state repression have not prevented the collapse of authoritarian regimes during the remarkable transformations of the past two decades. Sectarianism may appear to be a rational strategy for securing the Asad regime in a turbulent political environment, but its liabilities far outweigh its advantages. It perpetuates the identity of the Ba'ath as an embattled, minority ruling party and thus provides a basis for mobilizing opposition along sectarian lines, as occurred during the 1976-82 conflict between the government and a militant Islamist movement, the Syrian Muslim Brotherhood. It undermines the regime's explicit intent, evident since the early 1970s, to pursue a broad, cross-sectarian strategy of coalition building. Moreover, since overcoming the opposition of the Muslim Brotherhood in the early 1980s, the regime has become more adept at managing its sectarian identity. It has broadened the distribution of benefits beyond a narrow sectarian elite and has become

4. See Mahmud A. Fakh, "The Alawi Community of Syria: A New Dominant Political Force," *Middle Eastern Studies* 20 (April 1984), pp. 133-54, and Nikolaos van Dam, *The Struggle for Power in Syria: Politics and Society under Asad and the Ba'ath Party* (London: I. B. Tauris, 1996). See also Moshe Ma'oz, *Asad, the Sphinx of Damascus: A Political Biography* (New York: Weidenfeld and Nicolson, 1988), pp. 55-56.

more tolerant of public forms of religious expression such as the construction of new mosques. As a result, sectarianism has lost much of its earlier potency, remaining submerged even during periods of severe economic stress.

In short, neither repression nor sectarianism fully accounts for the Ba'ath's ability to consolidate, even institutionalize, an authoritarian, single-party system of rule. Just as important, neither of these attributes explains the persistence of populist authoritarianism in Syria, all the more noteworthy because populism—unlike the developmental authoritarianism of East Asia—typically is depicted as an unstable foundation on which to build an enduring system of rule.⁵ Syria's experience thus raises important questions concerning how and why a distinctively populist authoritarian regime “succeeded” in achieving and maintaining a relatively high degree of consolidation 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 pluralist systems of rule.

Successful Authoritarianism, Successful Populism?

Admittedly, there are risks in defining Syria as a case of successful authoritarianism. “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 undermine 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 varied.⁶ The modal experience of attempts to surmount these constraints through a populist strategy of state building is failure. In the Syrian case, political actors (Ba'athist elites) succeeded. This variation from the norm requires an explanation.

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

consolidation is the capacity of politicians to reproduce a system of rule over time. The important point, however, is that both collapse and consolidation are dependent variables, not causes of success in and of themselves. What I seek to account for is variation in the capacity of political actors to consolidate a particular system of rule given constraints. I offer an explanation that links this capacity to distinctive structural and institutional attributes of Syria's political economy. I also explain the particular strategies through which this capacity was deployed by political actors. Success understood as a measure of regime consolidation is therefore limited in its scope. It highlights the exceptional quality of Syria's political trajectory and focuses attention on a core analytic puzzle: how to account for the capacity of political actors to consolidate a system of rule that has most often been described as deeply unstable.

There are also risks in defining Syria as populist, but this label too is appropriate. Economists tend to operate with a sparse definition of populism as a system in which politically determined distributive commitments exceed available resources. Political scientists have developed definitions that take two additional factors into account: the politics of making and changing distributive commitments, and the politics of institutionalizing these commitments within a system of rule. Here the focus is on the transformational attributes of populism—as an ideology of mass politics and as a development strategy that seeks to mitigate the negative consequences of growth for certain social groups (workers, peasants, and the urban petite bourgeoisie) at the expense of others, notably capitalists and landlords. The emphasis is on strategies of mobilization, coalition formation, and institutionalization used to incorporate “popular” social groups within the political and economic arrangements that constitute a populist system of rule.

As I show in the following chapters, Syria fits neatly within these understandings of populism. Populist transformational discourses and populist political practices have been central features of Syrian politics since the 1940s. And while the Ba'ath has preferred to portray itself as a revolutionary vanguard party rather than a mass-based political movement, Ba'athism as an ideology has much in common with the populisms of Latin America and other parts of the developing world. These similarities include its focus on the political incorporation of workers, peasants, and other social groups that typically serve as the core of populist political coalitions. They also include the dramatic expansion of state capacity as a mechanism for reorganizing a political economy to reflect populist social commitments.

As a case that departs from the typical trajectory of populist authoritarian state building, Syria's experience merits analytic interest in its own right. It holds out the possibility of more general theoretical significance, however, when set in the context of the widespread processes of authoritarian failure

5. See Ruth Berins Collier and David Collier, *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America* (Princeton: Princeton University Press, 1991), pp. 196–98. For a case study of populist authoritarianism as a successful developmental strategy, see Anne Munro-Kua, *Authoritarian Populism in Malaysia* (New York: St. Martin's, 1996).

6. Constraints do differ, however, according to regime type. As I argue below in this chapter, populist authoritarian regimes confront greater constraints than do their bureaucratic authoritarian counterparts.

of the late twentieth century. The contrast between Syria and the many former (and perhaps future) authoritarian regimes of Europe, Latin America, 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 crisis 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 explained in terms of a single, historic trajectory of democratization, with only modest deviations in timing and form to be expected?⁷ If the latter observation holds, as I argue, then perhaps Syria's experience suggests the need for reformulating 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'ath 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 full range of economic and political pressures that have been identified as causing the collapse of authoritarianism in virtually every region of the world. These include long-term and not very successful involvement in regional conflicts; the failure of a state-led economic development project; bureaucratic corruption; rising foreign debt, inflation, and unemployment; and high levels of domestic repression.

Yet in contrast to many similar authoritarian systems, Syria's variant of populist authoritarianism has not only survived, it has endured. Since the 1980s it has proven itself capable of managing a process of limited economic liberalization without compromising its authoritarian character. Moreover, the government managed to deliver overall economic growth at East Asian levels 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 accompanied the collapse of the socialist bloc and the end of the cold war, constructing new justifications for continuing authoritarian rule at a moment of widespread political liberalization and deftly repositioning Syria to benefit from changes in the international political system. The leadership has also re-

7. These issues are also discussed in Ghassan Sakame, ed., *Democracy without Democrats? The Renewal of Politics in the Muslim World* (London: I. B. Tauris, 1994).

tained the rhetoric of radical populism and of state intervention in the economy at a time of deepening international commitment to markets and the continuing influence of the neoliberal consensus regarding the design of appropriate economic development strategies.

Syria's divergence from an alleged populist norm has important theoretical implications. Though single-case studies may provide only a starting point for broader comparative research, they can also pose sharp challenges to accepted understandings of general developmental sequences and of the causal mechanisms that bring them about, especially when they incorporate a sufficient longitudinal breadth. As noted by Rueschemeyer, Stephens, and Stephens, a focus on a "particular sequence of historical development may rule out a whole host of possible theoretical accounts, because over time it typically encompasses a number of different relevant constellations. The continuity of a particular system of rule can for instance invalidate—by its very persistence under substantially changing conditions—quite a few claims about the conditions of stable domination."⁸ Hence, Syria's experience suggests that such notions as a unitary trajectory of populist authoritarian state formation, a generic crisis of authoritarianism, or market-oriented economic reforms that usher in a global movement toward "postpopulism" are, at the very least, premature. These notions are challenged by the persistence of Syria's populist authoritarian institutions, rhetoric, and practices in the face of pressures that are generally credited with causing the collapse of authoritarian rule and the demise of populism in a wide variety of cases around the world. Apparently, populist authoritarianism is not always structurally unstable. Economic crises do not always prompt the transformation of populist into bureaucratic authoritarian regimes. Nor does economic reform inevitably serve as the catalyst for political liberalization. As seen in Zimbabwe, China, and Vietnam, paths to economic liberalization may not be accompanied by political openings, a sharp decline in the degree of state intervention in the economy, or a shift away from the populist dynamics that shape state intervention.

In this sense the importance of Syria's experience rests not in its status as a populist authoritarian anomaly, an outlier in a world moving ineluctably toward democracy, but as an important reminder that processes of change that have been described as global, decisive, and virtually irreversible are in fact highly contingent. Such changes are subject to local logics and constraints that broaden the range of possible responses available to regimes. Local logics and constraints make it more likely that multiple trajectories will not converge around a single model. Authoritarianism's most durable

8. Dietrich Rueschemeyer, Evelyne Huber Stephens, and John D. Stephens, *Capitalist Development and Democracy* (Chicago: University of Chicago Press, 1992), p. 32.

legacy might well be its flexibility and adaptiveness as an alternative to the uncertainties of political liberalization. At the same time, the social costs of creating markets have revived the appeal of the redistributive and interventionist policies associated with populism and perhaps signal a new phase of populist state intervention.⁹ The democratization euphoria of the post-1989 period is now tempered by the "neopessimist" recognition that authoritarianism will be as much a part of our future as it has been of our past.

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 Ba'ath's consolidation of populist authoritarianism in Syria between 1963 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—institutional 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 Ba'ath seized power in March 1963. Without diminishing the importance or 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 Ba'ath took power and through the first seven years of Ba'athist rule. While Hafiz al-Asad and his associates have not been captives of the past—readily improvising 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 bear the clear imprint of earlier political experiences.

In many ways, therefore, this book reflects a dual preoccupation. One element of this preoccupation concerns legacies, specifically, how the experiences of reaching the threshold of authoritarian rule affected the subsequent processes of populist authoritarian state formation in Syria. It defines the period from 1946 to 1963 as an extended "critical juncture" of the kind that "establish[es] certain directions of change and foreclose[s]

9. See Luiz Carlos Bresser Pereira, "Economic Reforms and the Cycles of State Intervention," *World Development* 21 (August 1993), pp. 1337–53.

others in a way that shapes politics for years to come."¹⁰ 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 moments in which they first arose. These legacies emerge as concrete political resources for the Ba'ath as it struggled to create and then consolidate a populist authoritarian system of rule between 1963 and 1966.

The other dimension of this preoccupation concerns institutions, the tangible form that legacies often take. Though I have adopted the language and methods of macrohistorical comparative politics, this starting point is also consistent with the neo-institutional emphasis on path dependence and the constraining effect of current choices on future possibilities.¹¹ Where this volume departs from and, I hope, contributes to the neo-institutional literature is in its attention to the fluid quality of institutions during such processes as postcolonial 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 influence."¹² In exploring these flows, however, much recent work emphasizes the "stickiness" of institutions—their relative stability. According to March and Olsen: "The institutions of a particular moment are a shifting residue of history, and lags in adjustment are important. . . . By constraining political change institutional stability contributes to regime instability."¹³

In a vast range of circumstances, however, including processes of decolonization and postindependence state formation, institutions may be less stable than this literature has assumed.¹⁴ In the transition from colony

10. Collier and Collier, *Shaping the Political Arena*, p. 27.

11. The project has been influenced, as well, by an interest in further developing the intersection of macro- and microhistory, through its concern for the interaction of structures, institutions, and the strategic choices of actors. See Charles Tilly, *Big Structures, Large Processes, Huge Comparisons* (New York: Russell Sage Foundation, 1984), pp. 60–86, and Stephen D. Krasner, "Sovereignty: An Institutional Perspective," in *The Elusive State: International and Comparative Perspectives*, ed. James Capuraso (Newbury Park, Calif.: Sage, 1989), p. 70. See also Paul Pierson, "Path Dependence and the Study of Politics," paper presented at the American Political Science Association annual meeting, San Francisco, Calif., 1996.

12. Kathleen Thelen and Sven Steinmo, "Historical Institutionalism in Comparative Politics," in *Structuring Politics: Historical Institutionalism in Comparative Analysis*, ed. Steinmo, Thelen, and Frank Longstreth (New York: Cambridge University Press, 1992), p. 14.

13. James G. March and Johan P. Olsen, *Rediscovering Institutions: The Organizational Basis of Politics* (New York: Free Press, 1989), p. 168.

14. As Robert H. Bates points out, the fluidity of institutions has significant consequences for how we theorize about politics in the developing world: "Political institutions in the developing world tend to be more fragile: They are less constraining and more frequently changed. The analyses that have so powerfully illustrated the way institutions aggregate the preferences of individuals into collective outcomes in democratic societies therefore offer little assistance

(or mandate) to independent state, it is not only regimes that are unstable. In fact, economic structures, institutional arenas, and political strategies experience a range of contradictory pressures and are subject to highly uneven rates of change. Economic structures are relatively fixed—agrarian economies do not industrialize overnight. Yet during periods of postcolonial state formation, political institutions may become quite malleable, and political strategies are likely to fluctuate widely in response to rapidly changing institutional circumstances. Lags in adjustment at the level of institutions may be relatively small, therefore, whereas lags in the reorganization of an economy may become a more significant cause of political conflict. The reciprocal influences that link structures, institutions, and strategies are not mediated in predictable ways by stable institutional arrangements but are subject to considerable variation. Under these conditions, actors are unlikely to have one set of clear, fixed interests or strategies. Political struggles over the organization of the economy, the design of institutions, and the allocation of economic resources take on a powerfully interactive but also a highly contingent quality. The universe of available strategies and possible outcomes shifts rapidly in response to the formation of a new institution such as a ministry of industry, the creation of a new labor code giving workers the right to strike, or the expansion of suffrage—all of which took place in Syria between 1945 and 1947. Syria's experience thus conveys the sense that efforts at pact making, for example, occur not as a scripted process between sharply articulated categories of actors (workers, capitalists, landowners) who operate under clear institutional constraints but as an essentially indeterminate process that, while bounded, occurs within an ambiguous institutional environment, one that provides considerable scope for the improvisation of agents.

In applying this framework to Syria between 1946 and 1970, I give particular emphasis to the strains associated with the industrialization of an agrarian economy, including the shift in resources from agriculture to industry; the attempt to construct property rights consistent with a capitalist economy; the incorporation of organized labor; and, not least, the rapid expansion of state intervention in the economy, sometimes in support of and sometimes in conflict with the pursuit of a market-oriented development strategy. No less important, however, was the confluence of Syria's economic

to those attempting to develop a theory of governmental behavior relevant to developing societies" (Bates, "Macropolitical Economy in the Field of Development," in *Perspectives on Positive Political Economy*, ed. James E. Alt and Kenneth A. Shepsle [Cambridge: Cambridge University Press, 1990], p. 46).

transformation with its political transition from French Mandate to independent state and the contentious processes of state formation set in motion as a result.

These dual transitions and the closely interconnected conflicts that accompany them constitute the routine dramas of state and economy building among late industrializers. As historian Charles Maier points out, however, "Spectacular conflicts . . . were not always the important ones in shaking or reestablishing the structures of power."¹⁵ By situating the gradual narrowing of political options and the hardening of political strategies within social conflicts linked to processes of economic transformation, I intentionally shift discussion of political change in Syria away from the more familiar and spectacular stories of coup and countercoup. Such narratives tend to reduce Syrian politics 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 postindependence 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 capitalists in a larger political context that incorporates the groups that collectively formed Syria's political arena—landlords, workers, and peasants—examining the interactions of these groups during two formative periods for the rise of populist authoritarianism in Syria. The first was from 1946 to 1958, 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 1958 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 capitalists 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'ath's strategy of consolidating a populist authoritarian system of rule was implemented between 1963 and 1970 by its appropriating the institutional and normative legacies of the

15. Charles S. Maier, *Recasting Bourgeois Europe: Stabilization in France, Germany, and Italy in the Decade after World War I* (Princeton: Princeton University Press, 1988), p. 4.

1946–63 period and building on them to construct a set of state institutions and regime policies that have given Syrian authoritarianism its distinctive and durable form.

Explaining Populist Authoritarian Consolidation

Populist authoritarianism in Syria did not emerge as a response to the crises of advanced dependent development that accompany 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 landowners, an agrarian oligarchy. These crises were expressed through the social conflicts that accompanied highly contested 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 capitalists desired to construct a political setting supportive of their economic and social interests. Its increasingly mobilized working classes and peasants struggled toward a similar end, whereas the landed oligarchy fought to preserve its position from both challenges. These are the processes which shaped Syria's political economy after independence in 1946. They produced the rise to power of the Ba'ath Party in 1963 and help 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 assimilated 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 views mirrored 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 in-

tervention 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-'Azm, are his efforts to secure the basis for Syria's autonomous industrialization. Al-'Azm helped negotiate an end to a French-imposed Syrian-Lebanese Customs Union that had prevented Syria from protecting its underdeveloped industrial sector and from creating independent monetary and fiscal institutions.¹⁶ He concluded a Franco-Syrian monetary accord delinking the Syrian pound from the French franc, establishing Syria's right to issue its own currency and to control its capital markets.¹⁷ These measures were supported by two other significant developments. The passage of a major labor law in 1946 redefined the terms of labor's incorporation within Syria's larger political economy by regulating working conditions and labor-management relations. It also redefined 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 regulate landed property rights and to ameliorate the dire economic conditions of peasants.¹⁸ 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 peasants and workers and was reinforced by state guarantees. In the process, they helped to transform Syria's institutional environment and reshape its political arena.

16. See Carolyn L. Gates, "Laissez-Faire, Outward Orientation, and Regional Economic Disintegration: A Case Study of the Dissolution of the Syro-Lebanese Customs Union," in *State and Society in Syria and Lebanon*, ed. Youssef M. Choueiri (New York: St. Martin's, 1993), pp. 74–83.

17. Khalid al-'Azm, *Madhakkirat Khalid al-'Azm* (Memoirs of Khalid al-'Azm) (Beirut: Dar al-Mutallifin lil-Nashr, 1972), 2: 5–116. According to U.S. diplomats, Syrian capitalists strongly encouraged the break. "Spurred on by Syrian industrial groups, especially the 'Big 5', whose textile interests stood to gain from complete economic separation, Khalid Azm saw in the situation a unique opportunity to further his economic program by a move that would at least be welcomed by the powerful and wealthy elements in Syrian industry and trade. He acted boldly and decisively. His action elicited immediate and widespread support in Syria. Business interests saw Beirut's strangle hold on Syria at long last broken, and the road open for adequate protection of home industry." Damascus to Department of State, "Three Months (Jan–Mar 31) Economic Report—Syria," May 4, 1950, in *Confidential U.S. State Department Central Files: Syria, 1950–1954* (Frederick, Md.: University Publications of America, 1987), p. 251.

18. Majid Khadduri, "Constitutional Development in Syria: With Emphasis on the Constitution of 1950," *Middle East Journal* 5, no. 2 (Spring 1951), pp. 137–60.

In general, these innovations were endorsed by a broad spectrum of Syria's recently formed, postindependence political parties, from those dominated by the personalistic politics of the nationalist elites to the Muslim Brotherhood and the Ba'ath. Virtually all Syrian parties accepted that the country's economic development required a more interventionist role for the state.¹⁹ 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 more radical reformist parties such as the Ba'ath and the Syrian Communist Party (SCP). As a result, the postindependence social pact represented in these measures—a set of compromises reflecting in unequal degrees the interests of business, landowners, peasants, and workers—never materialized. Instead, the process of economic policymaking and economic institution building became highly conflictual as industrialization accelerated. State intervention expanded, worker and peasant mobilization increased, and popular demands mounted for broader and more-radical reforms—positions articulated by a variety of competing progressive political groups, principally the Ba'ath and the SCP.

To this point, Syria's postindependence political trajectory conforms to the conventional view of populist mobilizational dynamics as inherently unstable.²⁰ Movement toward an inclusive social pact collapsed due to the sharpening tensions 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 reforms became more compelling for many reasons, in-

19. Yahya M. Sadowski, "Political Power and Economic Organization in Syria: The Course of State Intervention, 1946–1958," Ph.D. diss., University of California at Los Angeles, 1984, pp. 4–54.

20. As expressed in one account, populism is "not a static or equilibrium condition but obtained within it a political dynamic and contradiction that made it most unstable. It must be understood in terms of a central emphasis on this contradictory feature: through mobilization was undertaken largely from above, and though in many ways it is a co-optive mechanism, the dynamics of mobilization turned the incorporation project in a sufficiently progressive direction to result in political polarization, as important, economically dominant groups went into vehement opposition, a situation that was unsustainable in the context of capitalist development." Collier and Collier, *Shaping the Political Arena*, p. 197; emphasis added. See also Carlos M. Vilas, "Latin American Populism: A Structural Approach," *Science and Society* 56 (Winter 1992), pp. 389–420.

cluding the legitimacy they had acquired through the actions of Syria's bourgeoisie, the role of state expansion in altering perceptions of the political possibilities available to Syrians, and the active mobilization of peasants and workers by the Ba'ath and the Syrian Communist Party. At the same time, inflexibility toward reform on the part of the landed elite fueled the radicalization of marginal social groups. In the face of this polarization, Syria's bourgeoisie—which itself was divided between merchant and manufacturing factions—retreated from its commitment to an inclusionary, industrializing social pact, essentially dooming prospects for an overall political compromise. These experiences led to the "explosive disintegration of the oligarchical order" with the breakdown of the Syrian political system in 1958.²¹

Yet in contrast to the experience of populism elsewhere, the retreat of capitalists from their experiment with populist mobilization in Syria did not provoke a move toward more orthodox development strategies. The political stalemate of the mid-1950s was overcome, coercively, when an alliance of military officers and reformist politicians engineered the dissolution of Syria's existence as an independent state, merging Syria and Egypt into the United Arab Republic. This extraordinary act inaugurated—but did not complete—a populist authoritarian transition in Syria that took place not only from above but also from without, a combination that ultimately brought about the union's collapse in September 1961. In its wake, Syria's capitalists struggled in the face of sustained populist mobilization to renegotiate the boundaries of state intervention and move the country toward a more liberal political economy. After only eighteen months in power, however, the post-U.A.R. "secessionist regime" was overthrown in a coup led by the Ba'ath. Within two years, the final consolidation of a radical, populist authoritarian system of rule was essentially complete.

The Syrian response to the polarizing and destabilizing consequences of populist mobilization, in other words, was not to retreat from populism and pursue less divisive strategies of capitalist development—to bring Syria's political economy into closer alignment with global norms of neoclassical economics. Nor did Syria follow the trajectory described by Barrington Moore for countries undergoing industrialization under conditions that combine the presence of a powerful landed elite, a capitalist class dependent on the state, and a demobilized peasantry. Moore argues that such conditions generate political crises that lead to antipopulist, fascist repression. He asso-

21. Alfred Stepan, *The State and Society: Peru in Comparative Perspective* (Princeton: Princeton University Press, 1978), p. 126.

ciates revolution from above with the formation of capitalist authoritarian regimes.²² Yet Syria's capitalists did not retreat from populism. Instead, they accepted, with considerable ambivalence, the installation of an explicitly populist system of rule which coercively reorganized 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 reorganize relations of production in the countryside, has a distinctive dynamic. It tends to produce a particular form of authoritarian outcome, giving rise not to the bureaucratic authoritarianism of Argentina and Brazil but to the populist authoritarianism of Peru, Syria, and, in somewhat different forms, Egypt and Mexico. In each of these cases, populist authoritarian systems of rule were based on inclusionary rather than exclusionary 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 reorganize 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.²³ Moreover, each sought to legitimate itself through a radical populist ideology of social revolution and a commitment to distributional equity.²⁴

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 to consolidate and institutionalize itself, Peru's populist authoritarian regime lasted only six years. Radical factions within

22. Barrington Moore, *The Social Origins of Dictatorship and Democracy* (Boston: Beacon, 1966). See also Evelyne Huber and Frank Safford, eds., *Agrarian Structure and Political Process: Landlord and Peasant in the Making of Latin America* (Pittsburgh: Pittsburgh University Press, 1995).

23. On Peru, see Guillermo O'Donnell, *Modernization and Bureaucratic-Authoritarianism* (Berkeley: Institute of International Studies, University of California, 1979), p. 53, and Steve Stein, *Populism in Peru: The Emergence of the Masses and the Politics of Social Control* (Madison: University of Wisconsin Press, 1980).

24. As one scholar has noted, "what seems to define the socialists . . . most significantly is their welcoming attitude to the whole trend of mass politicization, and their readiness to use the enhanced power of the modern state not only to improve the material condition of society, but to accelerate and exploit the process of drawing the masses into the political arena in support of the revolution. For the socialists, it is the simultaneous stimulation and regimentation of the masses that provides the modern state with legitimacy. Socialism in this sense becomes a kind of authoritarian populism." See Malcolm Kerr, "Notes on the Background of Arab Socialist Thought," *Contemporary History* 3 (July 1968), pp. 156-57.

Peru's ruling officer corps were marginalized and never permitted to put their ambitious reform program into effect. In Egypt and Mexico, radical populist policies have been diluted significantly, though populist interests and practices remain important elements of the ruling coalitions in both countries.²⁵

In Syria, on the other hand, populist mobilization did not display the inherent instability it evidenced in other cases. Instead, the Ba'ath Party proved able to manage a process of populist incorporation and consolidate a populist authoritarian system of rule between 1963 and 1966. While populist rhetoric and policies are not articulated today with the fervor they were in the 1960s, they have become routinized and remain central elements of the regime's ruling ideology and its governing strategy. A critical problem, therefore, is to explain how Syria's particular "constellation of issues" and actors, as well as its distinctive structural setting, allowed its authoritarian elite to expand the limits of state autonomy; bring about a far more thoroughgoing, radical populist transformation than occurred in Peru, Mexico, or Egypt; and substantively restructure Syrian society and economy against the interests of a powerful capitalist class.

Central to this problem is the question of how the dynamics of social conflict in the period before the Ba'ath seized power contributed to the rise and consolidation of populist authoritarianism in Syria. One plausible response is that prospects for regime consolidation are shaped by structural and institutional conditions but are also closely correlated with particular political strategies, specifically the willingness and capacity of authoritarian elites to break the autonomy of powerful interest groups, centralize economic decision making within the state, and undertake the "corporatist mobilization" of popular sectors. These tasks have often proved to be overwhelming. Numerous obstacles must be overcome, both domestic and external, and very few regimes have managed to surmount them. Three kinds of dilemmas stand out: institutional-mobilizational, developmental, and strategic.

As Stepan points out, the issue of centralizing responsibility for economic policymaking within institutions of the state is especially problematic for populist authoritarian elites "because of the power and autonomy of major groups in society that emerged during the phase of pluralist politics. Short of totalitarian or revolutionary mobilization and penetration, it may be impossible for such a state elite to restructure such existing interest

25. On Mexico, see Steven Sanderson, *Agrarian Populism and the Mexican State* (Berkeley: University of California Press, 1981); Sylvia Maxfield, *Governing Capital: International Finance and Mexican Politics* (Ithaca: Cornell University Press, 1990); and Kevin J. Middlebrook, *Authoritarianism in Mexico* (Baltimore: Johns Hopkins University Press, 1995).

groups."²⁶ O'Donnell emphasizes the effects of autonomous social groups in constraining regime consolidation but sees this constraint as a consequence of the sequencing of capitalist development rather than a result of pluralist mobilization. He argues that Argentina's early incorporation into the international economy and its early industrialization provided both capitalists and labor with high levels of autonomy and limited the capacity of the Argentine military to repress the working class, exclude the popular sectors, and consolidate an authoritarian regime.²⁷

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 undertake the degree of mobilization necessary to consolidate fully a radical populist strategy of capital accumulation. He describes Egypt's authoritarian regime as "softhearted" 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 not because of signals from the countries of the core (they abounded) nor 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."²⁸

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 "definable constraints" prevent state elites from imposing the burden of accumulation on their populations. The result is a "soft state" whose autonomy, extractive capacity, and autarchy 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.²⁹

Constraints may push state elites toward the "soft" option, but from their perspective the choice is far from cost-free. The need to accommodate

26. Stepan, *State and Society*, p. 44.

27. Guillermo O'Donnell, "State and Alliances in Argentina, 1956-1976," *Journal of Development Studies* 15 (1978), pp. 3-33.

28. John Waterbury, *The Egypt of Nasser and Sadat: The Political Economy of Two Regimes* (Princeton: Princeton University Press, 1983), pp. 37-38.

29. John Waterbury, "The Soft State and the Open Door," *Comparative Politics* 18 (October 1985), pp. 65-83.

multiple interests encourages a system of unwieldy "pluralist authoritarianism."³⁰ 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, bankers, 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 countermobilization, 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 bureaucratic authoritarian elites: high autonomy and weak institutions work against the consolidation of exclusionary as well as inclusionary coalitions.³¹ The pressure to overcome this dilemma pushes populist reformers in an increasingly radical direction ideologically and in an increasingly corporatist and authoritarian direction organizationally. In Syria's case, the failure of Ba'athist 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 countermobilization 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 populist interest groups that possess new levels of organizational coherence and potency, 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

30. Robert Bianchi, *Unruly Corporatism: Associational Life in Twentieth-Century Egypt* (New York: Oxford University Press, 1989).

31. Guillermo O'Donnell, "Tensions in the Bureaucratic-Authoritarian State and the Question of Democracy," in *The New Authoritarianism in Latin America*, ed. David Collier (Princeton: Princeton University Press, 1979), pp. 285-318.

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.

Countermobilization serves the interests of the regime in other ways as well. Even while domestic demands are testing 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 in that the Cárdenas government was not seeking to do away with capitalism but to "humanize" it, 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 polarization in Mexican society might have eventually resulted in a confrontation with the capitalist class as a whole. But such a confrontation was not intended by those who controlled the state apparatus.³²

In Hamilton's description, Mexico looks much like Waterbury's Egypt: external constraints led the postrevolutionary, populist regime to engage in an ongoing process of bargaining with Mexico's capitalists. 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 resort 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 popular sectors are readily accessible to hureaucratic authoritarian regimes, which typically attach a lower priority to such con-

32. Nora Hamilton, *The Limits of State Autonomy: Post-Revolutionary Mexico* (Princeton: Princeton University Press, 1982), pp. 280–81.

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 countermobilization in a fashion that is not, at the same time, exclusionary—how to demobilize populist groups while preserving the significant benefits of a populist strategy. These benefits can be quite compelling, often including enhanced state autonomy, 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 solutions to these dilemmas have emerged. In Egypt, following the introduction of the 1961 "socialist decrees," Nasser used a populist authoritarian strategy to mobilize and incorporate popular sectors, in particular during his brief experiment from 1962 to 1967 with more radical forms of populism.³³ After 1967, 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'ath, Syria's regime underwent a transition from the soft brand of populism introduced by Nasser during the 1958–61 union to a hard brand of populism put in place after 1963. In terms of Waterbury's trade-off, the Ba'ath was prepared to use the iron fist and risk class conflict to suppress powerful interest groups and secure state control over the process of capital accumulation and distribution. It successfully marginalized capitalists and landlords, subjecting populist interests to heavy-handed forms of corporatist restructuring. The Ba'ath thus secured the autonomy of the state against the triple threat of "counterrevolution" (its own term for the 1961–63 secessionist 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 far higher degree of consolidation and developmental autonomy than those of Egypt, Mexico, or Peru.

33. Rami Ginat, *Egypt's Incomplete Revolution: Lutfi al-Khalidi and Nasser's Socialism in the 1960s* (London: Frank Cass, 1997).

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 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 1961-63 that a "soft state" could fatally undermine the capacity of a populist regime to secure its own consolidation. These lessons were reinforced by the increasingly hostile opposition of business and landed interests to 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 to institutionalize the political power of business led the Ba'th to embrace the highly authoritarian and mobilizing logic of social revolutionary state formation.³⁴ 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

34. Theda Skocpol, "Social Revolutions and Mass Military Mobilization," *World Politics* 40 (January 1988), pp. 147-68.

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.³⁵ 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."³⁶ Exclusionary strategies pursued by bureaucratic regimes are explicitly aimed at repressing 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 outward commitment to noncapitalist developmental strategies. Indeed, it is this apparent contradiction between the appearance of populism as anticapitalist and its presumed reality as a mechanism for the deepening of capitalism that is believed to serve as such a powerful constraint on the capacity of political elites to shift a state's developmental trajectory in any meaningful way. Despite the outward 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.³⁷

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

35. See Thomas E. Skidmore, "Politics and Policy Making in Authoritarian Brazil, 1937-71," in *Authoritarian Brazil*, ed. Alfred Stepan (New Haven: Yale University Press, 1975), pp. 3-49.

36. Leonard Binder, *Islamic Liberalism: A Critique of Development Ideologies* (Chicago: University of Chicago Press, 1988), p. 59.

37. For an example of this perspective, see David Becker, *The New Bourgeoisie and the Limits of Dependency: Mining, Class, and Power in "Revolutionary" Peru* (Princeton: Princeton University Press, 1983), and Stein, *Populism in Peru*, pp. 12-13.

by precapitalist agrarian oligarchies, resolving what Stepan and Vilas have called the "crisis of the oligarchic order." **Second, they oversee the economic and political mobilization of popular sectors (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, if not unsustainable. The very possibility of consolidating a radical populist system of rule through the exclusion and repression of capitalists is rejected, because populism is seen as simply one stop along a capitalist developmental trajectory. As Vilas describes the process: "Political mobilization of the new urban masses fueled by social welfare and state-supported unionism constitute [sic] the basis of the enlarged relative autonomy of the state vis-à-vis the industrialists benefitting from populist economic policies, and traditional elites 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 it to increasing instability and to a usually abrupt end, followed by the establishment of a right-wing political regime."³⁸ **Despite their radical ideological claims, therefore, the intent of populist elites is to contribute to the consolidation of capitalism. As a result, either populist mobilizational strategies that threaten capitalist interests are abandoned as a means for securing political power, or the populist identity of the regime eventually dissipates—though its authoritarian attributes remain 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**

38. Vilas, "Latin American Populism," p. 389.

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'ath Party after 1963. Syria's populist authoritarian elite was not seeking the capitalism with a human face that Hamilton ascribes to Cárdenas. Nor were its objectives limited to the "sweeping away" of precapitalist obstacles to modernization and the strengthening of the bourgeoisie. Heavily influenced by the experiences of the 1946–58 period, by the union with Egypt, and by the subsequent "counterrevolution" of the secessionist period, Ba'athist 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'ath 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 armed uprising in the spring of 1964 and numerous other forms of resistance. Western powers and international actors such as the International Monetary Fund (IMF) also pushed the Ba'ath to mitigate its economic radicalism. British and American diplomats repeatedly urged Ba'athist 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 1960s, Ba'athist 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.³⁹ Despite a degree of economic liberalization, the character of state-private sector relations in Syria remains very far removed from Shonfield's definition of state capitalism as an "established intimacy between the representatives of public authority and the practitioners of private enterprise."⁴⁰

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

39. Raymond A. Hinnebusch, "Democratization in the Middle East: The Evidence from the Syrian Case," in *Political and Economic Liberalization: Dynamics and Linkage in Comparative Perspective*, ed. Gerd Nonneman (Boulder, Colo.: Lynne Rienner, 1996), pp. 153–67.

40. Andrew Shonfield, *Modern Capitalism: The Changing Balance of Public and Private Power* (London: Oxford University Press, 1965), p. 109.

thoritarian regime nor the prospects for its consolidation can be taken as given. Though populist authoritarian regimes tend to arise in response to similar developmental crises, the limits of state autonomy under such regimes—and thus prospects for the consolidation of a populist authoritarian system of rule—cannot be predicted *ex ante* simply by reference to the external constraints associated with dependent development, the presence or absence of local bourgeoisies, or the tensions between the requirements of capitalism and the transformational commitments of populism. Even under conditions of structural dependence, states are differentially constrained. Depending on a limited set of structural and case-specific historical variables, a wide range of outcomes can be envisioned. These might include, as in Syria, outcomes in which the consolidation of populist institutions and practices in a durable system of rule leads to high levels of state autonomy and a willingness to impose a highly conflictual process of institution building and accumulation.

To explain how particular variables produce either more or less durable forms of populism—in this case how an authoritarian elite was able to meld a radical-populist mobilizational strategy into a set of durable political arrangements—thus requires a form of process tracing that can identify the constraints which shape the political strategies of various actors in a given, case-specific context. This is the task I undertake in this book. The first step in this process is to track the rise and decline of the idea of a social pact as articulated by Syria's capitalists in the postindependence period and its consequences for the organization of social conflict in Syria. The notion of a social pact and its fate in Syrian politics occupies a particularly important position in the social conflicts of the postindependence period. It serves as the political prism through which a large number of social tensions were refracted, including the views of business interests that advocated an expansion of the state, the necessity of land reform as a prerequisite to deepening market relations in the countryside, and the need to channel and control labor mobilization through the state. It provided a useful justification, in particular, for expanding the role of the state in the Syrian political economy, a process that shaped the framework within which social conflicts were played out even while the state became the object of political struggle in its own right.

What led Syria's emergent bourgeoisie first to defend and then to undermine the formation of a broad-based, inclusive coalition as a strategy for deepening capitalism, thereby promoting the polarization of Syrian politics and the eventual rise of a radical, populist authoritarian regime? As argued by many who have written on populism in other contexts, this strategic shift might be explained as a logical reaction on the part of capitalists to the "in-

herent contradictions" that emerge from populist mobilizational strategies. In making the Syrian state a vehicle for reorganizing and rationalizing the Syrian economy, for addressing issues of social reform, and for mobilizing popular sectors, Syria's capitalists created space for more progressive forces to push the incorporation project in a more radical direction than capitalists were willing to accept. Yet this observation does not constitute a satisfactory explanation, telling us relatively little about why Syria's capitalists were so quick to retreat from their initial commitments. It does not explain the speed with which Syrian politics became so thoroughly polarized. Nor does it offer much insight into the central issue of how radical populist elites were able to forestall the "establishment of a right-wing political regime" resulting from the collapse of efforts to bring about a social pact, as predicted by Vilas, or to create and eventually consolidate a populist authoritarian system of rule.

To fill these gaps requires attention to the specific social and structural attributes of Syria's capitalists and to how these shaped their political strategies. Two such attributes, I argue, are of central importance: first, the low but growing level of social differentiation between newly emergent industrial and commercial elites and the politically dominant agrarian elites; the small size of local markets; and the local, rather than foreign, control of export-oriented agricultural industry; and, second, the relatively weak position of foreign capital in Syria as compared with other dependent, late-industrializing states. Together, these features defined a political economy in which capitalists and landed elite were highly interdependent, with the economic interests of both groups closely linked to the smooth functioning of the agricultural sector.

This should not suggest a mutuality of interest in the preservation of pre-capitalist economic arrangements in the Syrian countryside among capitalists and landed elites. Syrian manufacturers and merchants recognized the importance of modernizing Syria's agricultural economy and perceived the landed elite as obstacles to this end. The dense economic interconnections among them, however, made capitalists highly sensitive to the pacing and sequencing of efforts to transform the rural political economy. Too rapid a process of change, or efforts to implement too radical a notion of agrarian property rights, would disrupt not only the economic position of the landed elite but also the larger political economy of agrarian capitalism within which Syria's bourgeoisie was deeply imbricated.

As a result, although Syria's landed elites were indeed vehemently opposed to the notion of an inclusive, industrializing social pact, this alone was not sufficient to bring about the polarization of the Syrian political system and the collapse of pact-building efforts. These outcomes occurred, instead,

as the result of a repositioning on the part of the capitalists themselves, growing out of a critical *disjuncture* 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. Lags in the restructuring of the economy were 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 unsupportably 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 constraints 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 crisis draws political elites back toward the neoclassical mainstream.⁴¹ 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 enhanced.

Taken together, these conditions created a context in which the dilemmas of populist authoritarian state formation could be surmounted by the Ba'ath after 1963. 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

41. Albert Hirschman, "The Turn to Authoritarianism in Latin America and the Search for Its Economic Determinants," in Collier, ed., *New Authoritarianism in Latin America*, pp. 61–98.

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.

2

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 landowners who dominated the nationalist movement during the Mandate—assumed the leadership of postindependence 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 landowners 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 inimical to their interests. Both 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 these years, therefore, a "struggle for Syria" was indeed under way: a struggle for the control of state institutions or, perhaps more accurate, 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 intrigues of foreign powers but by the dynamics of Syria's political economy.¹ It involved social classes, not international conspiracies. No less important, however, this struggle took place not only within parliament—or in conflicts between parliament and an executive led by military officers—but also through strikes, protests, uprisings, and riots, both in urban centers and in the countryside. At stake was nothing less than control of national markets and the authority to regulate the economic and political affairs of Syrian citizens. The political and economic survival of Syria's capitalists and landlords hung in the balance.

Syria's capitalists and the politicians who identified themselves as economic modernizers occupied a critical position in the conflicts of the post-independence period. Immediately following the French withdrawal, these groups began to put in place the elements of a broad-based social pact to serve as the framework for Syrian development. The terms of this pact included labor reform, the introduction of state-sponsored welfare programs, rural reform, and the controlled incorporation of peasants and workers into the political arena. General support for these arrangements among capitalists does not mean they spoke with a single voice on issues of social reform and economic policy. They were especially divided over Syria's move toward a full-fledged import substitution regime, with industrialists and traders sharply at odds over efforts to shelter Syrian industry from exports. Nor should they be seen as anything other than actors who viewed social change as necessary to advance their own economic interests.² No commitment to reform was needed to understand the social and macroeconomic changes that were necessary to construct a viable industrial sector. A commitment to markets was sufficient to produce an interest in reorganizing rural property rights and improving the living standards of peasants.

These interests overlapped sufficiently with those of reformist parties such as the Ba'ath to make possible a loose coalition built on a shared concern for the political incorporation of peasants and workers and their participation

1. The best-known example of the alternative perspective is Patrick Seale, *The Struggle for Syria: A Study of Post-War Arab Politics, 1945–58* (London: Oxford University Press, 1965).

2. Contemporary observers of Syrian politics were sharply divided over the extent to which the events they were witnessing represented meaningful social reform or simply politics as usual. American diplomats in Damascus, for example, were often dismissive of local politicians and skeptical about their commitment to social reform. For a particularly harsh assessment of Khalid al-'Azam's economic policies, see Damascus to Department of State, "Three Months (Jan-Mar 31) Economic Report—Syria," May 4, 1950, in *Confidential U.S. State Department Central File: Syria, 1950–1954* (Frederick, Md.: University Publications of America, 1987), p. 251.

in a market-based but state-mediated economy. For almost a decade—from 1946 to 1954—this 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 later 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 capitalists represented a critical turning point in the organization of social conflicts in Syria, reflecting and contributing to the dramatic changes taking place in postindependence 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 capitalism remained intact—and every indication is that it did—what explains their opposition to the changes they previously felt were necessary to bring it 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 concern 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 very powerful dependence of capitalists on the rural economy and the danger that rural instability posed to the functioning 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—redefining 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 overwhelmed the capacity of a pro-business political coalition to control them. It created institutional resources that more radical politicians used 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 eroded 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 reimposing the influence of business.

The effects of these changes in the role of the state and in the position of Syrian capitalists were muted during the early 1950s, when electoral politics were often suspended by military rulers. After 1954, however, parliamentary life resumed with full force, the electoral impact of popular incorporation began to be felt, and the eroding 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 pulled back from 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 landed 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 1946, France withdrew the last of its troops from Syria and Lebanon, ending its twenty-six-year Mandate.³ Despite a long and arduous

3. My discussion of Syria under the Mandate relies heavily on Philip S. Khoury, *Syria and the French Mandate: The Politics of Arab Nationalism, 1920–1945* (Princeton: Princeton University Press, 1987). See also Stephen H. Longrigg, *Syria and Lebanon under the French Mandate* (London: Oxford University Press, 1958).

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 notables of the Ottoman period into a nationalist 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.¹ 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.² Forced domestic savings, a result of wartime prohibitions on imports, added to the investment capacity of Syria's private sector.³

After the war, local industry flourished. Import substitution increased the demand for labor and drove industrial unemployment to "negligible levels" by the early 1950s.⁴ In the textile industry, Syria's largest and most heavily unionized industrial sector, modern factories increasingly replaced home-based and workshop methods of production.⁵ In other sectors as well, investment activity accelerated and local businessmen 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.⁶

As the site of three-fourths of the joint-stock companies formed during the 1950-61 period, Damascus emerged during these years as Syria's industrial and commercial center, far outpacing Aleppo, which was the site of about 10 percent of new firms. The striking preference for Damascus, even

1. A. R. Prest, *War Economics of Primary Producing Countries* (Cambridge: Cambridge University Press, 1948), pp. 221-40.

2. Martin W. Wilmington, "The Middle East Supply Centre: A Reappraisal," *Middle East Journal* 6 (Spring 1952), pp. 144-66.

3. Maamoun Challah, *L'évolution de la situation économique en Syrie de 1935 jusqu'à nos jours*. Collection de l'école des sciences économiques, Université Catholique de Louvain, no. 67 (Damascus: Government Press, 1960), p. 268. See also Samir Makdisi, "Fixed Capital Formation in Syria, 1936-1957," *Middle East Economic Papers* (1963), pp. 95-112.

4. "U.S. Embassy Damascus to Department of State, 'Annual Labor Report, Syria—1952, March 24, 1953," in *Confidential*, pp. 805-14. Employment levels fluctuated greatly from year to year, however.

5. Mohammed Rafik Kassm, "Nationalization of the Syrian Textile Industry with Special Reference to Labor Behavior," Ph.D. diss., University of Pennsylvania, 1968.

6. Hiroshi Shimuzi, "The Mandatory Power and Japan's Trade Expansion into Syria in the Inter-War Period," *Middle Eastern Studies* 21 (April 1985), pp. 152-71.

Table 1. Number and capital of Syrian corporations, 1945-1960 (in thousands of Syrian pounds)

Year	Industrial		Commercial		Total	
	Number	Capital	Number	Capital	Number	Capital
1945	5	22,055	5	2,493	10	24,548
1946	11	74,975	5	2,493	16	77,468
1947	14	75,654	8	3,398	22	79,052
1948	15	76,115	8	3,398	23	79,513
1949	20	78,532	8	3,398	28	81,930
1950	24	100,342	10	59,411	34	159,753
1951	26	103,594	11	60,511	37	164,105
1952	29	105,434	28	69,561	57	174,995
1953	33	109,574	33	70,496	66	180,071
1954	38	136,300	47	80,108	85	216,403
1955	41	150,314	52	81,993	93	232,307
1956	46	163,632	58	87,368	104	251,000
1957	48	164,332	62	88,638	110	252,970
1958	49	164,761	67	90,703	116	255,330
1959	62	182,234	72	93,066	134	275,300
1960	75	188,609	78	95,717	153	284,326

Source: Wizarat al-Iqtisad al-Watani, *Al-Majmu'a al-Ihs'aiya al-Suriya, 1961* (Ministry of National Economy, Syrian statistical abstract, 1961) (Damascus: Government Press, 1962), table B.

Note: Includes only officially registered joint-stock and limited liability corporations.

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 nationalist elites—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 economies of Aleppo and Damascus that had historically traded with their own distinct hinterlands were fusing 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.¹⁰ Agricultural goods, 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

10. Edmund Y. Asfour, *Syria: Development and Monetary Policy* (Cambridge: Center for Middle Eastern Studies, Harvard University, 1959), p. 23.

Table 2. Percentage of sector contribution to NDP, 1953–1961

Sector	1953	1954	1955	1956	1957	1958	1959	1960	1961
Agriculture	43.5	42.7	33.2	40.7	43.5	33.4	33.8	29.3	34.1
Industry	12.0	11.3	13.8	11.6	11.8	14.5	14.8	15.7	14.9
Construction	3.2	3.7	4.9	4.3	3.1	4.3	3.7	5.4	5.1
Transportation and communication	6.8	6.5	7.2	5.9	5.1	6.2	6.4	6.5	5.6
Trade	14.3	16.0	16.6	16.3	15.7	15.8	14.9	16.3	14.2
Banking, insurance, real estate	1.2	1.7	2.1	1.9	1.9	2.2	2.1	2.1	1.4
Rents	6.1	5.6	6.8	5.9	5.9	7.4	7.6	7.8	7.6
Public administration and defense	6.0	5.8	7.3	6.5	6.4	8.0	8.4	8.4	8.6
Services	6.9	6.7	8.1	6.9	6.6	8.2	8.3	8.5	8.5
Total NDP at factor cost	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Youssef Helbaoui, "Le revenu national: Instruments d'analyse et d'action économique—le revenu national syrien," in *Middle Eastern Studies in Income and Wealth*, ed. Tawfiq M. Khan (London: Bowes and Bowes, 1965), p. 146. Note: NDP = net domestic product.

on critical crops such as cotton protected the supply and price of agricultural raw materials to local industry.¹¹ Agriculture was also the major source of revenue and inputs for the state bureaucracy. Taxes on agricultural products and exports, when combined with those on Syria's wheat and tobacco crops, represented the second largest source of tax income throughout the 1950s, occasionally exceeded by income from customs duties.¹² The vulnerability of state 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.

11. Bent Hansen, "Economic Development of Syria," in *Economic Development and Population Growth in the Middle East*, ed. Charles A. Cooper and Sidney S. Alexander (New York: American Elsevier Publishing, 1972), p. 351. See also Bu 'Ali Yasin, *Al-Qitn wa zahirat al-intaj al-ahadi fi al-iqtisad al-Suri* (Cotton and the rise of monoculture in the Syrian economy) (Beirut: Dar al-Tali'a, 1974), pp. 77–105, and Bichara Khader, *La question agraire dans les pays arabes: Le cas de la Syrie* (Louvain-la-Neuve: CAICO Editeur, 1984), pp. 409–577.

12. Wizarat al-Iqtisad al-Watani (Ministry of National Economy), *Al-Majma'a al-ih's'ayya al-Suriya, 1955* (Syrian statistical abstract, 1955) (Damascus: Government Press, 1956), table 3, and Maktab al-Dirasat al-'Arabiya (Center for Arab Studies), *Etudes sur la Syrie Economique* (Damascus: Bureau des Documentations Syriennes et Arabes, various years).

Table 3. Contribution of agriculture and cotton to total exports, 1952–1961 (in millions of Syrian pounds)

Year	Total exports	Total agriculture exports	Percentage of total	Cotton exports	Percentage of total
1952	319.6	258.2	80.8	124.3	38.9
1953	375.8	315.1	83.8	134.7	35.8
1954	465.7	338.9	72.8	124.6	26.7
1955	473.5	348.5	73.6	233.8	49.4
1956	515.9	361.5	70.0	148.7	28.8
1957	548.0	430.0	78.5	188.6	34.4
1958	420.0	329.3	78.4	170.6	40.6
1959	356.2	258.1	72.4	168.5	47.3
1960	344.2	260.8	75.8	174.7	50.7
1961	352.0	—	—	205.7	58.4

Source: Maktab al-Dirasat al-'Arabiya, *Etudes sur la Syrie économique* (Damascus: Bureau des Documentations Arabes et Syriennes, 1953–63).

Capitalists, Landlords, and the Politics of Industrial Development

During the late 1940s, the consolidation of a national economy benefited from a postindependence agricultural boom. Huge tracts of land in the northeastern Jezira region were being opened to mechanized agriculture. A series of good harvests and rising world cotton prices not only brought new wealth to land speculators and absentee landowners but provided capital for investment in industry and commerce.¹³ In the postwar boom a private sector took shape which was marked by crosscutting financial networks among Syria's economic elite but included a rapidly expanding middle class as well. Many from outside the notable 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.¹⁴ 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 1940s and 1950s. Gradually, a distinctive commercial bourgeoisie emerged and, more slowly, an industrial bourgeoisie as well.¹⁵

13. Doreen Warriner, *Land Reform and Development in the Middle East* (London: Oxford University Press, 1962).

14. One estimate suggests that over seventeen thousand Syrians held shares in the largest industrial and commercial firms, those which would later be nationalized under Nasser's 1961 socialist decrees (Tabitha Petran, *Syria* [New York: Praeger, 1972], p. 139).

15. One indication of the differing rates of class formation among the commercial and industrial bourgeoisies can be found in the extent to which each had begun to organize around

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-Jarida al-Rasmiya* (the Official Gazette) between 1951 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 1,300 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 ($N = 1,177$, 89.5 percent), and most investments were quite small, some as little as £500. However, Syria's largest investors (£5150,000 or more) were far more active and more deeply interconnected.¹⁷ Of some 1,300 listed stockholders altogether, 180 of the largest investors held shares in 85 firms—in other words, almost 14 percent of those most active in founding companies were connected to one degree or another with over 53 percent of companies formed during this decade. Thus considerable empirical support underlies 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 many of these capitalists 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 1890, and the Damascus Chamber in 1895. Syria's first Chamber of Industry, in Damascus, was not formed until 1945.

16. Between 1951 and 1961, the founding investors of every joint stock or limited liability corporation were required to file articles of incorporation and company bylaws, which were then published in the *Official Gazette*. Articles of incorporation included both the names of all founding investors and the amount of their investment. Because Syrian law at the time required that any Syrian company must have a majority of Syrian nationals on the board of directors, the nationality of company founders was almost always recorded, providing important data on the participation of foreign capitalists in Syria's economy. Less frequently, information was included regarding the residence and even occupation of investors, making possible some preliminary conclusions about regional and social patterns of investment.

17. Only nine Syrians made single investments of £51 million or more: Yusuf Baydis, Bank of the Arab World; 'Abd al-Hadi al-Dabbas and Muhammad al-Dabbas, the United Arab Industrial Company; Badr al-Fayhum, Bank of the Arab World; Michel Fattal, Khalid Fattal and Sons Trading Company; Muhammad al-Maydani, United Exchanges; Mawafiq al-Maydani, Bank of the Arab World; Muhammad al-Mushakhas, Arab Cable Company; and 'Abd al-Hadi al-Rabat, Bank of the Arab World. With paid-in capital of £510 million, the Bank of the Arab World (al-Bank al-'Alam al-'Arabi) was one of the largest private financial institutions in Syria. It drew in capital from across the country, representing one of the most visible symbols of the emergence of a national economy and a national bourgeoisie.

Table 4. Investment patterns in the Syrian private sector, 1951–1961, by size and number of investments (in Syrian pounds)

Number of investments	Size of investment				Totals
	0–24,999	25,000–99,999 ^a	100,000–249,999 ^b	250,000+ ^c	
1	669	305	154	49	1,177
2	6	43	27	21	97
3	—	3	11	6	20
4	—	1	1	9	11
5	—	—	—	6	6
6	—	—	—	3	3
7	—	—	—	1	1
Total	675	352	193	95	1,315

Sources: Syrian Arab Republic, *Al-Jarida al-Rasmiya* (Official Gazette) [Damascus: Government Press, 1951–61]; Ta'is Ma'mal wa-Shirkat, Wizarat al-Iqtisad, Qism al-Dawla, Markaz al-Wattha'iq al-Tarikhiya, Damascus.

^a Individuals who invested in three firms: 'Abd al-Jawad Mandir, Jurji Ilyas Marqadaht, and Isma'il al-Sarnadi; in four firms: Nikola Habib Bskir.

^b Individuals who invested in three firms: Jacques Ahiu (French), 'Abd Allah Baqi, Ma'mun Fara, Tawfiq Frayj, Nikola Gharghur, 'Adil al-Hanball, Ahmad al-Juban, Muhammad Jamal al-Khuja, Sayf al-Din Sabagh, Muhammad 'Ali Sakr, and Rashad al-Shalah; in four firms: Rafiq bin Rida' Sa'id.

^c Individuals who invested in three firms: Khalid bin 'Ata al-Ayubi, Muhammad 'Ali al-Ayubi, Rizq Allah Homs, Tawfiq al-Kusa, Anwar al-Dutb, Ahmad al-Sharabati; in four firms: Nadir al-Atasi, Sami al-Dissugi, Edgar Homs, Edmund Homs, 'Adil al-Khuja, Adib Kuba, Amin al-Kuzbari, Salah al-Din Sharabiji, Hamid Sultan; in five firms: Sa'id Bubus, Bashir al-Habal, Ibrahim Mardam Bek, Muhammad al-Maydani, 'Abd al-Hadi al-Rabat, and Khayr Allah Zakhur; in six firms: Salah al-Din Baqi, Fa'iz al-Malaki, 'Abd al-Majid al-Rabat; in seven firms: Anwar al-Dissugi. Note that this is by no means a comprehensive list. Many large Syrian investors were active before and after the period when registration was required. Hanin (Jean) Sinawi lists participation in ten firms in his parliamentary profile, yet his name appears only twice in the 1951–61 records. Others must be in a similar position. The Syrian government contributed either wholly or in part to the founding of fourteen firms during these years.

extraordinarily small in absolute terms.¹⁸ A quarter of the companies had less than £50,000 in paid-in capital, and over 55 percent were formed with £500,000 or less. About a third of the companies ($N = 59$) reached or exceeded the £1,000,000 mark, but only nine possessed more than £5,000,000 in capital. These firms were also established by very small groups of investors, frequently representing either one family or a small number of families. Of the 143 firms for which it was possible to determine an accurate figure, 52 percent had five founding investors or fewer, 76 percent had ten or fewer, and almost 90 percent had twenty or fewer.

These patterns diminish in importance only in the 1959–61 period, when the size of firms and the number of shareholders expanded dramatically. Public sector firms also become prominent only after 1959, before which

18. These figures do not include the larger number of businesses established in Syria each year which did not take the form of joint-stock companies.

Table 5. Company formation in Syria, 1950-1961, by year, location, sector, and source of capital

Location	Sector	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
Damascus	Industry	6	3	1	2	3	—	1	—	—	9	9	4	38
	Trade	4	1	4	—	4	—	2	4	3	3	2	4	31
	Service	4	—	5	1	8	—	—	1	—	2	4	3	28
	Finance	—	—	2	—	1	—	—	—	—	3	2	5	13
	Mixed	1	—	2	1	1	2	—	—	—	—	—	1	7
	Not Known	1	—	2	—	—	—	—	—	—	—	—	—	3
Private Sector	Private Sector	15	4	16	4	17	2	3	5	3	16	15	9	109
	Public Sector	—	—	—	—	—	—	—	—	—	—	1	4	5
	Joint Sector	1	—	—	—	—	—	—	—	—	1	—	3	5
Total	ES (000)	123,752	16,750	72,700	14,200	173,390	20,000	27,500	13,200	18,500	367,210	286,360	289,750	1,443,312
		16	4	16	4	17	2	3	5	3	17	17	17	121
Aleppo	Industry	—	1	—	1	2	1	—	—	—	—	2	1	8
	Trade	—	1	—	—	1	—	—	—	1	1	—	1	5
	Service	—	—	—	—	1	—	—	—	—	1	1	—	3
	Finance	—	—	1	—	—	—	—	—	—	—	—	—	1
Private Sector	Private Sector	—	2	1	1	4	1	—	—	1	2	3	1	15
	Public Sector	—	—	—	—	—	—	—	—	—	—	—	—	—
	Joint Sector	—	—	—	—	—	1	—	—	—	—	—	1	1
Total	ES (100)	—	2	1	1	4	1	—	—	1	2	3	2	17
		—	13,400	20,000	12,000	27,000	7,500	—	—	1,000	31,100	21,500	25,000	158,500
Other*	Industry	—	—	—	—	2	—	—	—	—	—	2	3	9
	Trade	1	—	1	—	—	—	—	—	1	—	—	—	3
	Service	—	—	—	1	—	—	—	—	—	1	—	—	2
	Finance	—	—	—	—	—	—	—	—	—	—	—	—	1
	Utility	4	—	1	—	—	—	—	—	1	—	—	—	6
	Private Sector	5	—	2	2	2	—	—	1	2	2	2	1	19
Total	ES (000)	11,400	—	2,260	11,000	7,500	—	2,000	4,200	39,500	140,000	1,500	219,360	
		20	6	19	7	23	3	3	6	6	20	20	11	144
	Total Public Sector	—	—	—	—	—	—	—	—	—	—	1	4	5
Total Joint Sector	1	—	—	—	—	—	—	—	—	—	2	1	4	
Total	ES (000)	21	6	19	7	23	3	3	6	6	22	23	20	139
		135,152	30,150	94,960	37,200	207,890	27,500	27,500	15,200	23,700	457,810	447,860	316,250	1,821,720

Sources: *Ta'sis Ma'rial wa-Shikal*, Wizarat al-Iqtisad, Dism al-Dawla, Manba' al-Watha'iq al-Tarikhya, Damascus, and Syrian Arab Republic, al-Jarida al-Rasmiya (Official Gazette) (Damascus: Government Press, 1957-61).

Note: Columns may not total owing to missing data.

* Includes Homs (five cases), Hama (one case), Latakia (six cases), and a number of villages and small towns (nine cases).

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 leading 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 agents for foreign companies. Of significance are indications that elite families put aside both religious and regional cleavages in pursuit of economic gain. In contrast to the broadly accepted view of sectarian and regional divisiveness in Syria and indicative of the consolidation of national commercial and industrial bourgeoisies, groups of Muslims and Christians established several companies. Aleppo and Damascene 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 investors as a capitalist "class in formation" was not so 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.

Instead, 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 manage the transition to a postcolonial 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 award of production monopolies, price controls, restrictions on the import of various commodities, and other measures that provided ample opportunity 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 from Syria of a number of European and American firms.

In addition, the emergence of a distinctive capitalist class was facilitated

Table 6. National origins of foreign trading companies licensed to operate in Syria after dissolution of the Syrian-Lebanese Customs Union

National origins	Number of Firms
British	26
French	25
American	6
Swiss	4
Belgian	2
Indian	2
Dutch	1
Panamanian	1
Subtotal	67
Lebanese	81
Palestinian	7
Egyptian	6
Iraqi	2
Jordanian	1
Saudi	1
Subtotal	98
Total	165

Source: Ta'sis Ma'mal wa-Shirkat, Wizarat al-Iqtisad al-Watani, Qism al-Dawla, Markaz al-Watha'iq al-Tarikhiya, Damascus.

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 industrialist-politicians such as Ahmad al-Sharabati, employers were encouraged to join state-sponsored and state-administered employers syndicates. The first Federation of Employers Syndicates was founded in Damascus in 1949, followed shortly thereafter by the establishment of similar federations in Aleppo, Homs, Hama, and Latakia.¹⁹ By the mid-1950s more than three hundred employers syndicates 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, craftworkers, and shopkeepers to pressure the regime to pursue economic policies favorable to smaller businesses.

19. Like trade unions, employers syndicates were small and highly specialized, and the same agency that supervised labor unions, the Ministry of Labor and Social Affairs, managed the affairs of the employers syndicates. See Maktab al-Dirasat al-'Arabiya (Center for Arab Studies), *Etudes sur la Syrie économique* (Damascus: Bureau des Documentations Syriennes et Arabes, 1954, 1955, and 1957).

Table 7. Employers syndicates in Syria

Province	1951	1952	1953	1954	1956	1957
Damascus	51	61	82	86	106	111
Aleppo	27	27	38	41	47	50
Hama	28	31	40	44	47	54
Homs	14	16	22	25	39	45
Latakia	30	31	33	37	36	37
Deir al-Zor	—	—	—	—	19	20
Euphrates	13	14	14	—	—	—
Jeziya	—	—	—	1	6	6
Der'a	—	—	—	—	1	1
Hauran	—	1	1	1	—	—
Jabal Druze	—	—	—	—	—	—
Total	163	181	230	235	301	324

Sources: Maktab al-Dirasat al-'Arabiya, *Etudes sur la Syrie économique* (Damascus: Bureau des Documentations Syriennes et Arabes, 1954–58); "U.S. Embassy Damascus to Department of State, 'Annual Labor Report, Syria—1952,' March 24, 1953," and "U.S. Embassy Damascus to Department of State, 'Labor Statistical Data, Syria—1953,' February 26, 1954," *Confidential U.S. State Department Central Files: Syria, 1950–1954* (Frederick, Md.: University Publications of America, 1987), pp. 812, 865.

During the 1940s and 1950s, the process of defining the positions of capitalists toward economic development increasingly took shape through persistent and highly divisive conflicts that cut deeply through agrarian and industrial 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 1951.²⁰

In general, Syrians would like to see the country retain and expand modestly its large-scale industries. . . . But such an objective is 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 an area of conflict between agrarian and industrial interests. For example, the previous government . . . favored increased taxes on industry, merchandising and the professions as the means of increasing revenue, while the industrialists and many others favored an export tax on cotton. . . . Again, the in-

20. Philip Khoury, for example, describes commercial and landowning entrepreneurs in the immediate postwar period as "two groups which could not easily be differentiated from one another" (*Syria and the French Mandate*, p. 625). In terms of social origins, this was largely correct. In terms of their political interests and preferences, they exhibited significant differences.

dustrialists have staged a démarche on the new government to get lower taxes and higher protection, but they will meet the opposition of some Populists.²¹

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

First, a number of industrial products . . . enjoy a full measure of protection against foreign competition, whereas the agricultural products of 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. . . . Secondly, with 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 counts on direct agricultural taxes to provide roughly 20 percent of its total revenue, while the industrial sector of the economy is subject to a moderate level of direct taxes which produce less than 5 percent of the total budget revenues. Some reforms in the taxing policies of the country that would distribute the tax load more equitably between agriculture and industry would help to alleviate these conflicts.²²

Competition among private sector interest groups over economic policy was often so intense, and the public-private boundary so porous, that official efforts to manage the national economy were explicitly organized around private sector demand making on government. In November 1952, Syria's military ruler, Colonel Adib al-Shishakli, presided over what he referred to as an "economic parliament," 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

21. "U.S. Legation Damascus to Department of State, 'Currents in Syrian Economic Policy,' August 31, 1951," in *Confidential*, pp. 366–70.

22. "U.S. Embassy Damascus to Department of State, 'Economic and Financial Review of Syria, 1953,' March 15, 1954," *ibid.*, pp. 522–23. These figures seem not to take into account the large difference in the size of the agricultural and industrial sectors. To equalize their contribution to the Syrian budget would have meant a huge increase in the tax burden imposed on the industrial sector.

meeting was "to consult the economic communities on the economic policy to be followed," but participants seemed to view it as an extended opportunity to plead for their particular interests.²³ During the four-day affair, joint public and private sector committees were established to provide guidance to the government on industrial, financial, commercial, agricultural, and labor issues. At the close of the conference, these committees presented a laundry list of incompatible demands to the government representatives, showing that "in spite of the speeches of the official chairmanship of the committees, the agricultural, industrial, and commercial communities continue to have grievances and to express them." The government was expected "to make some changes in its policy in response to these demands," so long as such changes did not reduce government revenue. "It is of some significance," the report concludes, "that the Chambers still have the facility of protesting Government policy."²⁴

These kinds of divisions between merchants, landlords, and industrialists at the level of state policy were reinforced by tensions over the broader organization of Syria's economy. Most important was a sense among many business leaders of the growing incompatibility between industrialization and the formation of a national market, on one hand, and the persistence of precapitalist property rights and relations of production in the agricultural sector, on the other. Industrialization in Syria was limited by the small size of domestic markets, especially markets for the relatively unsophisticated products manufactured by local industry. Without the participation of Syria's peasants—whose consumption of manufactured goods was limited by their low living standards, marginal relationship to the market, and dependence on landlords—local industry would remain weak and underdeveloped. Agrarian reform and other measures to enhance the living standards of peasants, who constituted between 55 and 60 percent of the workforce, were therefore crucial to industrial growth. As one Syrian economist noted, in the absence of peasant consumption, "industrial expansion, upon which so much hope is placed, will have a very limited chance of success."²⁵

Concerns about peasant welfare and the need for land reform had long

23. "U.S. Embassy Damascus to Department of State, 'Economic Conference Held by Ministries of Finance, National Economy, and Agriculture and the Syrian Chambers of Commerce, Industry, and Agriculture,' November 13, 1952," and "U.S. Embassy Damascus to Department of State, 'Labor and Employer Representation in Syrian Economic Conference,' December 18, 1952," *ibid.*, pp. 452–55 and 456–58, respectively.

24. "Economic Conference," . . . November 13, 1952."

25. Asfour, *Syria: Development and Monetary Policy*, p. 25, and Samir Makdisi, "Syria: The Public Sector and Economic Growth," Ph.D. diss., Columbia University, 1961, p. 163.

been part of Syrian political life. But in the context of postindependence struggles to shape Syria's political economy, these concerns accentuated divisions between large landholders and capitalists, giving a distinctly revisionist temperament to the interest of business elites in strengthening Syria's domestic markets. Progressive politicians such as Nazim al-Qudsi and Khalid al-'Azam 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-Qudsi during his tenure as prime minister in the early 1950s, a U.S. diplomat noted al-Qudsi's view that "measures necessary to get on with economic development . . . could and would be taken in Syria. . . . The pressures from large land-holders could not block legislation necessary to implement social and economic reform. Since the land-holding groups did not have a political strangle hold on the country, it was possible to consider a gradual redistribution of such large land-holdings as do exist in Syria."²⁶ Capitalists 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 1952. Attended by representatives of forty-five syndicates from around the country, the conference produced a memorandum listing employers' demands which was subsequently presented not only to government officials but also to the chief of the army staff and the chief of state. These demands reflected the macroeconomic concerns of employers, including pleas for stronger protectionist measures, more state support for industry, and legislative reforms to ease the regulatory burden on small employers and craftworkers. But the memorandum also called on the government to improve the living standards of workers, to approve "the principle of social security," and to establish a process of arbitration to resolve labor-management disputes.²⁷ As this mix of demands suggests, in the early 1950s Syrian capitalists linked their own interests to the construction of legislative and regulatory arrangements that responded in some measure to the basic requirements of labor—and looked to the state to underwrite the cost of satisfying those requirements.

Such perspectives contributed to the emergence of a political arena in

26. "U.S. Legation Damascus to Department of State, 'Transmitting Memorandum of Visit between Syrian Prime Minister and Mr. Paul Barker, Treasury Attache,' December 8, 1950," in *Confidential*, pp. 303–11. Al-Qudsi, a successful lawyer, was also the former Syrian ambassador to the United States and a senior figure in the People's Party. In this report, he "described his own political and economic outlook as being a modified and flexible form of socialism," p. 305.

27. "U.S. Embassy Damascus to Department of State, 'Quarterly Labor Report—April–June 1952—Syria,' July 23, 1952," *ibid.*, p. 792.

which ideologies and discourses of social reform, agrarian reform, state expansion, and economic development were all highly visible and tightly interconnected—even while the leading political parties were often preoccupied with the politics of pan-Arabism and regional affairs. These, in turn, reflected the crystallization of a commitment among capitalists to the idea of a cross-class social pact. Nor was this overall perspective limited to commercial and industrial capitalists; most significant, it was shared by more militant Syrian reformists and peasant advocates as well. In April 1947, the Ba'ath Party convened its first national convention in Damascus and released a closing statement setting out its views 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 its substance left ample room for accommodation. It called for import substitution measures to protect local industry, limits on private landholding, restrictions on foreign investment, introduction of a progressive income tax, and state supervision of trade and domestic markets.²⁸ The Ba'ath's rationale for rural reform closely tracked the views of mainstream Syrian economists and the Syrian business community. A subsequent Ba'ath Party congress reinforced this impression, justifying land reform on the grounds that "liberating the peasant masses from their poverty . . . will open an immense domestic market."²⁹

The Ba'ath's approach to land reform, like its support for a state-guided but market-oriented development strategy, provided strong foundations for a developmental coalition between the Ba'ath and political parties representing the interests of Syrian capitalists. This convergence of interests took concrete shape in the explicit efforts of leading political figures to put in place the legislative and institutional framework for a broad-based social pact as the basis for Syria's industrialization. Their efforts included the 1946 Labor Law, but in the run-up to Syria's first postindependence parliamentary elections in the fall of 1947, attention 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 business interests a new forum for articulating capitalists' economic preferences and their differences with the landowners who had dominated Syria's nationalist struggle through the National Bloc—later transformed into the National Party. During the 1947

28. Materials relating to this meeting can be found in *Nidal al-Ba'ath* (Struggles of the Ba'ath), vol. 4, *Al-Mu'tamarat al-qawmiyya al-saba' al-awla, 1947-1964* (The first seven national congresses, 1947-1964) (Beirut: Dar al-Tali'a, 1976), pp. 16-38.

29. Quoted in Michel Scurat, "Etat et paysans en Syrie," *Revue de Géographie de Lyon* 54 (1979), pp. 257-70.

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.³⁰ This stand brought them together with the Ba'ath Party into a coalition that successfully challenged the more conservative National Party, whose platform emphasized its leadership in the nationalist struggle against the French.³¹

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 1951, 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.³² 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.³³

The terms of a new social pact were reflected with particular prominence, however, in Syria's 1950 constitution. This document, drafted by Nazim al-Qudsi, implicitly incorporated many elements of the 1947 Ba'athist program and included prominent references 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.³⁴ A maximum limit on private landholdings was to be enacted into law.³⁵ Moreover, the state was

30. Universal suffrage was enacted in September 1949.

31. Moreover, it was during the prime ministership of People's Party leader Hashim al-Atasi that the Ba'ath Party, still very much a minority political presence in Syria, first secured representation in the cabinet, in August 1949. Seale, *Struggle for Syria*, pp. 30-31.

32. For a contemporary argument supporting tax reform, see the pamphlet by economist Munir al-Sharif, *Tariq al-Khilasa: Dawa'ib 'ala ras' mal* (The path of salvation: Taxes on capital) (Damascus: n.p., 1951).

33. Najaf Muhammad, *Al-Haraka al-qawmiyya al-'Arabiyya fi Suriya* (The Arab nationalist movement in Syria) (Damascus: Dar al-Ba'ath, 1987), p. 239.

34. See Majid Khadduri, "Constitutional Development in Syria: With Emphasis on the Constitution of 1950," *Middle East Journal* 5, no. 2 (Spring 1951), pp. 137-60.

35. Peasant violence around Hama in late 1950, allegedly organized by Akram al-Hawrani, reinforced the "widespread feeling among responsible Syrians in Damascus that, whether instigated or not, these disturbances stemmed from an unhealthy social order. . . . That the landed gentry were able to forestall the 'retroactive' features of this clause [in the draft constitution] limiting landownership is perhaps not as significant as the fact that the problem was recognized in such a specific manner and that it was the subject of so acrimonious and heated a discussion" ("U.S. Legation Damascus to Department of State, 'Quarterly Economic Report,' September 12, 1950," in *Confidential*, p. 301).

charged with the redistribution of public land to landless peasants. In its call for 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 tied to the deepening of capitalism in the countryside, reflects the scope of business interest 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 a conflict between public and private sectors or between populist reformers and an agrarian elite. Industrialization had set the stage for increased business competition with landowners which played out through the attempts of capitalists, 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 reform and economic growth. They mark the beginning of efforts to install a political program capable of smoothing 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 1947 between the People's and National Parties 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 underpinning the willingness of capitalists to reach an accommodation with reformist movements 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 arena, build a liberal social pact, and create—through the top-down 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 1948 to 1955 and despite

the declining political fortunes of the landed elites 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 1946–54 period created new political demands and new opportunities for the incorporation of popular sectors into the political arena as autonomous rather than subordinate actors. During the 1949–54 period, in which parliamentary politics coexisted in an uneasy relationship with a sequence of military rulers, these shifts in the balance of political power were not fully apparent. After 1954, however, when parliamentary politics resumed, the reforms 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 subject to reform through state intervention. Nonetheless, the private sector seemed unwilling to accept the new orientation. Hitherto 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 [entire] 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 an 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 emerging bourgeoisie emerged to confront growing mobilization among peasants and workers. Land and capital joined to defeat an increasingly mili-

³⁶ Rizkallah Hilan, *Culture et développement en Syrie et dans les pays retardés* (Paris: Editions Anthropos, 1969), p. 184.

tant force of workers and peasants. Efforts by capitalists to achieve Syria's industrialization by means of a controlled, liberal social pact had failed.

Internal Dependency and the Collapse of a Social Pact

The collapse of efforts to construct a liberal social pact reflects the central dilemmas 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. Reorganizing Syrian agriculture, with its relatively long-term payoffs 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 as popular demands for social change escalated throughout the 1950s. Trapped between their political interest in expanding capitalist relations of production, the growing demands of populist groups, and the structural constraints that linked them to the agrarian sector, Syria's leading businessmen and their political representatives sought the illusory security of an alliance with the agrarian elite. Together, land and capital hoped to stem the growing power and increasing militancy of the reformist parties. They succeeded only in polarizing Syrian politics and accelerating Syria's collapse into the union with Egypt in February 1958.

The story of Syria's capitalists between 1946 and 1958 reflects their tenuous position in the country's political and economic life at a moment when Syrians 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 largest landowning families and the hesitant 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 nationalist landowning 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 reformist parties after 1943 (the year Akram al-Hawrani was first elected to parliament on a platform emphasizing peasants' rights), the introduction of direct suffrage before the 1947 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 unresponsive 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 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 1954 and 1958, was marked by rapid gains in popular support for the Syrian Communist Party and the Ba'th, while landed elites and their business allies controlled the economy and possessed sufficient electoral power to veto or subvert reformist legislation. Not surprisingly, this situation proved to be tremendously