3

State, Capital, and the Organization of Social Conflict

The construction of state institutions was a critical flash point in struggles to define the future of postindependence Syria. Military officers who ruled the country from 1949 to 1951 strengthened the state bureaucracy to reinforce their control over Syrian society and politics. Other political actors, from businessmen, landowners, and bureaucrats to politicians, students, workers, and peasants, developed patterns of political mobilization organized around their competition to shape the form of state institutions and bring state policies into alignment with their interests. Through their interactions and confrontations, the character and substance of what constituted Syria’s political arena itself underwent profound change. As state institutions became a more powerful presence in Syrian political and economic life, the pre-independence politics of national liberation gave way to the postcolonial politics of state and economy building, what it meant to be mobilized or incorporated was itself thrown open to debate and struggle in new ways.

Capitalists and reformers alike viewed the state as a solution to the dilemmas of mobilization, but they held sharply divergent views about the boundaries and purposes of state intervention. After independence, capitalists used state regulation to begin constructing an industrializing social order, to create the institutional framework for a market economy, and to integrate peasants into the market. They articulated a view of political incorporation as a process through which workers and peasants would become embedded within and constrained by state-controlled social frameworks. Despite the considerable influence of Syria’s capitalists, reformist parties and movements were able to advance a more transformational view of state interven-
The increasing scope and intensity of state intervention in the economy were not only important in reshaping the relationship between capitalists and the state. Throughout the post-independence period, private business interests enjoyed a distinctly privileged position in the institutions and processes of economic policymaking. But as state intervention moved from arms-length regulation to direct forms of economic management, conflicts over the control and direction of economic policymaking within state-private sector relations became a highly competitive character. As the deepening of capitulation became a state project and state institutions emerged as the arena within which development decisions were made, these relations became increasingly adversarial.

Throughout the 1950s, both Syrian economists and their Western counterparts were preoccupied with the problems that are similar to those of the International Bank for Reconstruction and Development, which views Syria's private sector as too weak to move the economy forward. Development planners agreed unanimously that the role of the Syrian state in the economy had to be strengthened to provide a sound basis for economic growth. As one pointed out: "To maintain the present rate of growth, a larger share of national income must be invested. A loss will have to be accepted and the government has to expand its role. Indeed, over the subsequent decades, the ideas of private sector weakness and the necessity of state intervention became core elements of a research literature that explained state expansion in Syria as a natural reaction to the limits of the private sector—ideals that deserve to be more controversial than they are. This literature tended to depict state-private sector relations in terms of collaboration—of state acting in the interest of capital as an agent of industrialization, overcome obstacles, and reduce risk.

In the Syrian case, however, the expansion of state institutions and the deepening of state control over the economy produced a different outcome, for both institutional and structural reasons. Essentially, the only source of capital that might permit state elites to play the role of surrogate entrepreneurs was the private sector itself. The state's growing capital requirements

1. As March and Olsen emphasize, institutions not only "respond to their environments" but create those environments at the same time. (March and Olsen, p. 105.)
confronted Syrian businessmen with a powerful competitor for scarce economic resources. This growing regulatory capacity challenged their privileged position in processes of economic policymaking. The Syrian state, in other words, did not take shape as either a surrogate or an entrepreneur but as an authoritative and controlling manager of the national economy.

Not surprisingly, Syrian businesses viewed this development with considerable concern. Despite the assurances of development experts, the Syrian economy had not reached a clear threshold that made obvious that the appropriate division of labor should be between the state and the private sector. As data presented earlier make clear, the Syrian private sector was the dominant source of investment capital throughout the entire period from 1964 to 1985. Under certain signs of exhaustion, however, the resources had run out and a sustained period of rapid economic growth. Yet had Syrian bureaucrats yet achieved a level of economic expertise that would establish a compelling basis for their role as managers of the national economy. Little was said, in fact, by those advocating an increased role for the state about where or how it would acquire the resources to play its assigned role, what costs the private sector would bear in transferring the role to the state, or why bureaucrats—once they had assumed responsibility for economic development—would continue to respect the autonomy and priorities of the private sector. Given these uncertainties, Syrian capitalists might understandably have expressed the argument that their collective interest and the demands of capital development required the subordination of their individual economic interests to the state.

Stressing the potential for social conflict associated with new patterns of state intervention, some economists raised the question of whether the alignment and pressures of the various power groups in the country would allow peaceful changes in the distribution of income, arising from such measures as the recent land distribution and agrarian reform, or from future tax reforms... which are necessary if the demand for local services and products, particularly manufactures, is to be expanded.7 In fact, Syria’s power groups did not allow peaceful changes in the distribution of income, and by the late 1980s, prospects for conflict had become particularly high. The rate of growth of per capita income had declined, state agencies were more aggressively intervening in private sector affairs, and private sector professionals were increasingly viewed by bureaucrats as a public resource. As state expansion became increasingly associated with efforts to accomplish "necessary" changes in the distribution of income, capitalists sought to curtail the scope of state intervention and constrain the use of state regulation to support social reform and to reestablish national wealth.

In grading the process through which the construction of a capitalist economy became a state project, as well as how this transition altered the balance of political and social power, I add a second dimension—the effective state institutional change—to the previous, structural focus on how and why Syrinn politics became so deeply polarized in the course of post-independence conflict over the shape of the political economy. Highlight them incorporation of labor and subsequent struggles to expand workers’ rights to illustrate how the construction of corporatist and interventionist institutions affected the organization of social conflict and coded the position of capitalism within Syria’s political arena during the course of the 1980s.

State Expansion and the Transformation of Syria’s Political Arena

Following independence, Syria, like most postcolonial states, experienced tremendous growth in the scope and reach of state institutions. New ministries proliferated, economic regulatory agencies established by French or British administrators during World War II were integrated into the Syrian state, and a broad range of new institutions were established. The size of the armed forces increased, and public schools were built at a rapid pace. Accelerating a trend that had been underway since the war, the size of the civil service grew dramatically during these years, from fourteen thousand in 1945 to twenty-one thousand in 1972, more than half of this growth taking place after 1954.

Accompanying state expansion was a new emphasis on the professionalization of the state bureaucracy. Politicians showed at least a rhetorical interest in introducing meritocratic norms into the state apparatus, taking steps to ensure the inclusion of senior civil servants from political interference. During the first years of independence, parliament passed the Basic Personnel Law, drawing heavily on French precedents and formalizing such ideas as political neutrality, recruitment by merit, and separation of office from officeholder.8

Table 8. Expansion of state employment in Syria by department, 1930-1952

<table>
<thead>
<tr>
<th>Department</th>
<th>1930</th>
<th>1946</th>
<th>1952</th>
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<tbody>
<tr>
<td>Presidency of the Republic</td>
<td>17</td>
<td>16</td>
<td>20</td>
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<tr>
<td>State Audit Department</td>
<td>15</td>
<td>25</td>
<td>40</td>
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<tr>
<td>High Court of Justice</td>
<td></td>
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<tr>
<td>Prime Minister's Office</td>
<td>15</td>
<td>22</td>
<td>35</td>
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<tr>
<td>Ministry of Education and Religion</td>
<td>54</td>
<td>140</td>
<td>152</td>
</tr>
<tr>
<td>State Inspection Office</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Attorney General's Council</td>
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<td></td>
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<tr>
<td>Information Directorate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civil Service Disciplinary Council</td>
<td>32</td>
<td>104</td>
<td>112</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ministry of Finance</td>
<td>219</td>
<td>234</td>
<td>2,472</td>
</tr>
<tr>
<td>Ministry of Interior</td>
<td>259</td>
<td>420</td>
<td>528</td>
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<tr>
<td>Tribal Councillors</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Police and Public Security</td>
<td>1,628</td>
<td>2,509</td>
<td>2,650</td>
</tr>
<tr>
<td>Health Ministry</td>
<td>283</td>
<td>460</td>
<td>1,234</td>
</tr>
<tr>
<td>Justice Ministry</td>
<td>677</td>
<td>897</td>
<td>1,198</td>
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<tr>
<td>Agricultural Schools</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Land Department</td>
<td>184</td>
<td>215</td>
<td>296</td>
</tr>
<tr>
<td>Ministry of National Economy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture Survey</td>
<td>207</td>
<td>317</td>
<td>456</td>
</tr>
<tr>
<td>Public Works Ministry</td>
<td>56</td>
<td>189</td>
<td>511</td>
</tr>
<tr>
<td>Education Ministry</td>
<td>7,354</td>
<td>3,466</td>
<td>10,566</td>
</tr>
<tr>
<td>Agricultural Schools</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6,702</td>
<td>10,044</td>
<td>20,882</td>
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Note: Includes only departments whose budgets were funded from the general budget, e.g., from special or auxiliary funds. The table therefore excludes large categories of state employees, such as those working on state-owned public works projects or in the military. Incomplete data for the 1950 and 1952 columns that appear in the original have been corrected.

Even after its passage, bureaucratic practices remained far removed from the principles set out in the Basic Personnel Law, yet in some areas the law had significant effects, increasing the autonomy of senior bureaucrats and rendering them less vulnerable to political intervention. Civil servants themselves exhibited a higher degree of corporatist consciousness, organizing unions and syndicates to pursue their occupational interests, lobbying parliament, and occasionally resorting to strikes or other protest actions to force parliamentary support for their demands. And Syrian bureaucrats and politicians shared the broadly held view at the time concerning the legitimate role of the state in shaping Syrian society and defining the social and economic arrangements necessary for Syria's development. Among others...

Managing Labor

Few areas better illustrate the dynamics of state institutional change in the post-independence period than the mobilization and incorporation of organized labor into Syria’s political arena and the changes this produced in perceptions about the role of the state as an agent of social control and political mediation. Trade unions were among the first beneficiaries of efforts to use state regulation to establish an inclusive social pact. In June 1945, the response to considerable pressure from the General Federation of Trade Unions, legislators in Syria’s parliament approved a comprehensive labor code granting unions legal recognition, thus providing statutory support for workers’ efforts to obtain an eight-hour workday, overtime pay, benefits, workers’ compensation, and pension benefits. Significantly, the law approved the right to strike under limited conditions, although it prohibited involvement in political activities without indemnifying how such activities were to be defined. It also established a new agency, the Directorate of Labor and Social Welfare, thus institutionalizing the new “partnership” with workers, industrialists, and the state. By the late 1950s, twenty-six national labor federations represented over forty-five thousand workers, half organized by profession and half by province.

These gains were by no means trivial, providing a springboard for more militant forms of labor mobilization. Yet one should not overlook the fact that support for workers’ rights was premised on a deeply corporatist model of labor organization which left state institutions considerable scope for intervention and control. As one Syrian writer noted, labor syndicates were “obligated to cooperate with the authorities in every activity.” Official U.S. observers of Syrian labor were even more blunt. As one wrote in mid-1952:

The Syrian labor movement is virtually a government monopoly. In effect, the Federation of Labor Unions, a national organization, is an extension of government used by it to control activities of individual workers and as a watchdog board for reciting the vagaries of laboring people. . . . [The officers of the]

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<tbody>
<tr>
<td>Members</td>
<td>182</td>
<td>194</td>
<td>198</td>
<td>202</td>
<td>206</td>
<td>210</td>
<td>214</td>
<td>218</td>
</tr>
</tbody>
</table>

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In keeping with corporatist forms of labor organization, establishment of a syndicate required official permission. Such requests followed a long and circuitous path through the bureaucracy, from provincial governor to the Ministry of the Interior, and finally to the Ministry of National Economy. Once approved, union directors were legally accountable to the Ministry of Labor and Social Affairs, union elections could not be held until these officials had approved the candidates, and state authorities could oust election results that were not to their liking. If union members rejected state intervention in internal elections, the union could be dissolved. Nor were officials reluctant to use this power. Elections were nullified several times by decree of the Ministry of Labor and Social Affairs, including an election to the board of directors of the General Federation of Trade Unions in February 1953. Union finances were similarly subject to state supervision and control. The Ministry of Labor and Social Affairs had the right to fire union inspectors at any time to review union accounts and registers and to examine union delegates. In addition, prohibitions against workers’ participation in political activities were broadly interpreted during the Shamshad period to forbid union members from joining political organizations or demonstrating for “political reasons,” a phrase the Labor Code left vague.

If the 1948 labor law established a highly regulated form of mobilization for workers, significantly restricting their institutional autonomy, peasant farmers found even worse. Despite the growing interest in agrarian reform as necessary for Syria’s industrialization, the 1948 law ignored agricultural labor and denied even the rudiments of a legal associations life to peasants. Thus, although the law did represent a step forward for labor compared with its position during the French Mandate, it clearly and powerfully expressed the intent of agrarian and business elites to prevent labor from transferring organizational gains into political gains and to forestall the possible emergence of a peasant-worker coalition. No provisions were made in the 1948 law for health care, workers’ compensation, or retirement benefits. The heavy emphasis on discipline and production led to a rigid hierarchy of labor organizations, with the Ministry of Labor and Social Affairs having the ultimate authority over all labor organizations. This centralization of power was reinforced by the fact that the Ministry of Labor and Social Affairs was under the direct control of the Prime Minister, who was also the head of the Syrian Communist Party. The law was enforced by a labor police force, the Ministry of Labor and Social Affairs, which had the power to arrest and imprison workers.

1953, Syria experienced a near insurrection in the area between Homs and Aleppo as peasants mobilized to bring about changes in their living conditions. In these densely populated villages, landlord-tenant relations were among the most oppressive in Syria. Four families—the Barazi, Tayfur, Ariz, and Kordi—and owned all or part of 120 villages around Homs alone, exercising near total authority over the inhabitants. With the encouragement of such activism, Na'um al-Haweza, peasants entered Homs, attacked members of the Barazi family, and set fire to the family mansion before police intervened. Outside Homs, peasants refused to turn over their crops to landlords and drove landlords and their agents from the fields. The scope of the unrest, its evolution into a collective movement, and the nature of the landlords’ response are described by Tabbata Petran: “Peasants refused to render feudal services and duly and effectively abolished these practices in most areas. In the Ghâb, when mobilization work started, peasants fought landlords who arrived to lay claim to the land. Landlords expelled peasants from their villages, killed their livestock, and harassed them in every possible way. But other villages gave ousted peasants refuge, peasants remained united and stood together against landlords.”

During the summer and early fall of 1953, as violence in the countryside escalated, both landlords and peasants advocated organized congresses to mobilize supporters and pressure the government. Meeting in Aleppo in August 1953, landlords called for urgent government intervention to prevent the redistribution of land. In a telegram to the cabinet, landlords described land reform as “source of economic paralysis,” calling on the government to “halt the work of . . . destructive elements and protect the nation from disintegration and restore peace and order.” The next month, in a direct response to these gatherings, Hısni al-Atrash, Syria’s Arab Socialist Party chose Aleppo, “birthplace of freedom,” as the site for a massive peasant congress. This congress was attended by thousands of participants from across the country and was marked by large-scale demonstrations, with triggers carrying banners demanding agricultural reform and state regulation of landlord-tenant relations. This was the first mass peasant meeting of its kind in the Arab world, and following months of unrest, it became a major catalyst for the long-delayed passage of a modest agrarian reform bill in January 1953 (Decree no. 56 for the Distribution of State Lands). The decree set precedent, though its generality, limits on the private use of state lands. It also “declared null and void all possession by feudal lords and other influential persons over unregistered state land, no matter how vast and extensive such land may be.”

Despite support for these measures from such pro-reform politicians as Hısi§, some members of the People’s Party, and Batîn, this early attempt at land reform in Syria ultimately was defeated. Under heavy pressure from landlords, Adil al-Shabahi deployed troops to suppress peasant protest. And just months after enacting Decree 56, parliament reversed land law and issued a new bill that set such high limits on landlordship that virtually no landlords were affected by it. While these efforts successfully delayed the implementation of land reform, they also had the effect of insuring the state even more centrally into disputes over rural property rights, as well as elevating the authority of the state to mediate landlord-peasant relations. Peasants and landlords, no less than workers and industrialists, increasingly sought to use state intervention as a mechanism for securing their particular vision of how Syrian society and its economy should be organized.

The Private Sector and Economic Policy Making

As the regulatory role of state institutions increased, the state arena emerged as a principal location of conflicts over the management of Syria’s political economy for virtually every organized interest in the country. Changing patterns of state intervention established new mechanisms of social control and incorporation, valorizing the state as an object of political and economic claims, whether originating with workers, peasants, capitalists, or landlords. Not surprisingly, the competition to influence state policy was highly unequal. Landlords and capitalists benefited from a degree of access and authority that few other groups could match. From the earliest days of independence, government officials actively solicited the advice and
policy recommendations of prominent businessmen on the broader possible range of economic issues. Their privileged position became increasingly institutionalized as the state bureaucracy expanded its management of fiscal and monetary affairs during the late 1940s and early 1950s.

Among the most important of the bureaucratic mechanisms through which the private sector exercised its influence was the Currency and Credit Council (CCC), established in March 1953 as part of the Basic Monetary Law. Described by Finance Minister George Shaftis as a "decisive step in the economic and monetary liberation of the country," the law authorized the CCC to oversee Syria's monetary policy and serve as the oversight body for a newly proposed central bank.26 Illustrating the extent of private power input into economic policymaking, the CCC consisted of eight representatives from various public sector agencies and host representatives from the private sector, including the Chambers of Commerce, Industry, and Agriculture, and a representative of the private banking sector. Private sector delegates were full voting members of the CCC, but no cabinet officer or legislator was eligible to serve.27

Because there were no fully developed state financial institutions during the first years of independence, the desire of state administrators to draw on the expertise of business leaders was, perhaps, understandable. Yet these connections and the extraordinary authority over economic policymaking that accompanied them underscore the privileged position of capitalism in shaping the Syrian economy. Even at the time, the degree of private influence over public policy was a source of some controversy. A Syrian economist described the practice whereby "one-third of the voting members of the CCC, a policy-making body on the highest level, represent sectional private interests, including those of private banks, which may not always coincide with the national interest in questions of monetary policy."28

Informal channels of influence, lobbying, and representation further augmented the power of landed and business interests, enhanced by a milieu in which the upper classes expected and received deference and assistance from bureaucrats.29 More directly, cabinet ministers built patronage networks within the bureaucracy to secure appointments for family members, cronies, and residents of a particular region or city quarter or to provide higher salaries and more rapid promotion for their loyalty. These networks gave parliamentary deputies and their business allies significant, though not always decisive, influence over decision making. Explaining their influence to the fullest, capitalists and landowners not only played a role in managing the Syrian economy but also used their access to bureaucrats and politicians to lobby aggressively for specific regulatory measures. Manufacturers sought and achieved the implementation of import-substitution policies that provided tariff protection against imported finished goods, lowered or eliminated customs duties on imported industrial machine tools and raw materials, and provided a wide range of tax and investment incentives encouraging industrial expansion.30 Landlords avoided the imposition of a tax on agricultural income, despite the interest of bureaucrats in maximizing the flow of revenues from agriculture to the state. Moreover, agricultural exports were taxed at a rate of only 7 percent.31 And tariffs were implemented that gradually extended the range of imported agricultural goods to entry to Syrian markets. In addition, numerous state institutions were established to increase agricultural revenues, ranging from an agricultural bank to veterinary schools.

Regulating the Private Sector

By the mid-1950s these changes had transformed the role of state institutions and altered the nature of Syria's political arena. State agencies were beginning to play a much more significant role in the regulation of private sector economic activities. Import substitution policies were implemented by a growing number of decrees setting production standards and licensing requirements for local industry.32 "Temporary" institutions created during

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27. See Neoclassical Development and Monetary Policy, p. 236, and in. 1959, pp. 113–114.
29. More, "Civil Service," p. 175, describes how this milieu functioned. The upper classes and members of their families were in important political positions and often in important ministerial posts, their influence demanded as custom and, which they expected to be reciprocated at all levels of the Civil Service. A citizen of this stature ignored lower Civil Service requests and decrees from the highest officials.
30. Most of these measures were put into effect in the late 1940s and early 1950s. Legislative Decree no. 153 (1951) authorized the government to grant both private industrial enterprises Legislative Decree no. 154 (1951) provided for wide-ranging incentives to newly established industries. See Syrian Arab Republic, Syrian Economic and Financial Databases, General Municipal Priorities, 1990, pp. 96–97. See also Makli, 1969.
31. See in. 'Alif Qaradawi, Al-Qaban as-Sa'ir wa-Mawazi Al-Ma'arif, (Beirut: Dar al-Tahrir, 1977).
32. These included Legislative Decree no. 47 (1955), requiring Becomes for all new industries to be granted "only after a proper economic study is made by the country's real needs." This information was required to ensure the government may exercise a policy of industrialization in accordance to the real needs of Syria's national economy." Similarly, Legislative Decree no. 35 (1954) established standards for items of "national production," which included textiles, clothing, confectioneries, drugs, building materials, and so forth. Syrian Arab Republic, Syrian Economic Policies, pp. 85–86. The latter apparently the result of collaboration between private industrialists and government officials in treaty competition. 
World War II to regulate Syrian agriculture were formally integrated into the structure of the Syrian state. The establishment in 1939 of a Crops Office to enforce agricultural regulations and improve yields was followed by the creation of a Wheat Office and a Cotton Office in 1941. New regulations were issued to improve state-owned land to plant state-approved strains of cotton and wheat and to operate within a commodities market that was subject to increasing state control and supervision. In part these laws aimed to standardize and improve production, in part to control speculation and ensure appropriate cultivation of crops that accounted for the majority of Syria’s foreign exchange earnings and a large share of state revenue.

Legislative decrees issued by President Shishaki in late 1943 and 1945 moved beyond the regulation of agricultural production to the reorganization of rural property rights governing the use of state-owned lands. New laws gave the state the authority to enslave a census of public lands, redistribute state land to peasants, and set limits on the amount of state land that any individual could own. Although these measures affected public rather than private property, their impact on private landowners was nonetheless significant. The expansion of state regulation over public land provided a new basis both for determining property ownership more precisely and for more rigorous enforcement of existing property rights. Throughout modern Syrian history, ambiguity over property rights and the right of property owners to acquire title to state lands had been major factors in the creation of large landless estates and the perpetuation of the landed oligarchy. Legislative efforts to clarify and enforce property rights represented a serious threat to oligarchic control over agricultural property and production and thus to the very foundations of the agrarian elite’s economic power and political control.

Foreign trade was also subject to new regulations as a result of inclusion in the World Trade Organization. Regulations to protect domestic industries from foreign competition were implemented, placing restrictions on the import of goods. This led to a decrease in the availability of foreign goods, which may have had negative economic implications. The government also implemented measures to promote local industries and reduce dependency on foreign imports. These policies were part of a broader effort to modernize the economy and increase self-sufficiency.

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broadening the authority of state elites to define the boundaries of private sector activities.

In addition, state institutions became directly engaged in economic production. Syria began to acquire more than a rudimentary public sector. Initially, the public sector developed through the nationalization of foreign-owned concessions, including electric and water utilities, railroads, and the French-owned Régie de Tabac. Later, state agencies also began to assume responsibility for badly needed improvements in the country’s infrastructure, through such efforts as a joint private–public sector corporation for the expansion and modernization of the country’s major port in the city of Latakia. Other projects on a similar scale in which the state took the lead included plans to extend irrigation to over four hundred thousand hectares of land, efforts to improve transportation networks, and a program to build schools.62

Businessmen in response to the expansion of state intervention varied widely from case to case. Political coalitions shifted and fluctuated depending on the consequences of the decision, law, or decree. Some new regulations were greeted with the unified opposition of capitalists and landlords, such as plans to introduce a progressive income tax in early 1952. Other measures received a warmer response from local capitalists, including a decree prohibiting foreign investors from directly controlling local businesses, forcing them to work through Syrian agents.63 In contrast, the nationalization of foreign-owned utilities between January and March 1951 generated sharp divisions among business and landed interests. It garnered the support of economic nationalists in parliament, including many pro-business politicians, but was harshly attacked by the conservative National Party on the grounds that it would make Syria an unattractive site for foreign investment.64

Parliamentary Rivalry and the Polarization of Political Life

Businessmen and landed elites continued to dominate Syria’s political economy, and they were not slow to recognize the double-edged quality of the changes under way in the country. Increasing state intervention, the growth of popular pressure for social reform, and the declining position of business interests within Syria’s parliament were threatening both individually and collectively businesses directly affected by state action and in a more general, ideological sense to a business elite deeply committed to the primacy of the private sector and to a limited economic role for the state. Syria’s historical reliance on trade, the need to recognize the limits of state intervention, and the importance of preserving the role of the private sector were common themes in discussions on the Syrian economy from the 1920s and early 1930s by economists as well as industrial and commercial capitalists.65

Businessmen and landlords accepted, even welcomed, state intervention as long as it reinforced their economic position and did not require political concessions on their part. Throughout the 1930–34 period, landed elites and capitalists alike saw the state as a set of institutions that could serve their interests directly while isolating them from the economic consequences of social change. The appropriate role for the state, in their view, was to support the private sector and to mediate the incorporation of popular forces in ways that shielded them from direct sacrifice.66

Increasingly, however, the state institutions that Syria’s elites thought could shield them from popular demands became instead a means for organizing and legitimating such demands. The institutions they expected to be responsive to their interests developed into mechanisms that constrained or directly contradicted those interests. In part this shift in the orientation of state institutions reflected the increasing power of bureaucrats and the growing autonomy they exercised in managing social and economic policy. But this outcome was also a response to the structure of capital distribution in the country. Both industrialization and the social reforms needed to support it required reorganizing domestic capital to make it more accessible to taxation and reallocation by the state. Initially, in the immediate post-independence period, capitalists believed this could be accomplished through rural reform, which landed interests were able to preclude.67

62 Maldit, “Syria,” pp. 33, 56. Almost 252 million were budgeted for the projects.
63 Legislative decree no. 141 of March 1952 is described in the Bulletin du Congrès de la France de commerce d’And, 330e année, pp. 138–42. See also Wes, “Incest of Youth.”
64 According to the Documents on Syria, 1963, which defined the newly nationalized Régie de Tabac as “among the largest venues of investment in Syria,” the National Party sided with the nationalization, even though they were undertaken through negotiations with foreign owners because “they will lead to the flight of foreign capital and its (refusal) to enter Syria after that.” See Al-Ahram, January 4, January 11, February 1, and February 17, 1951, cited in Maldit, “Syria,” pp. 33–37.
sent. Given the absence of foreign capital, a condition that Syrian capitalists had collaborated in producing, the costs of industrialization and social reform fell more heavily on the shoulders of Syria’s capitalists. As a result, state responses to popular demands came to require exactly the kind of direct sacrifices both capitalists and landed classes had sought to avoid. Despite the policy influence enjoyed by private sector interests, the transformation of state economic institutions and their growing power to restructure the Syrian economy nonetheless became a fundamental source of tension in state-private sector relations. In contrast to the notion that state institutional transformation in Syria can be understood in terms of a smooth transition to state capitalism or the emergence of the state as surrogate entrepreneur, state expansion coincided with—indeed fostered—a dramatic increase in the level of conflict between state actors and capitalists.

After 1954, shifts in the composition of parliament challenged the capacity of capitalists and landlords to defend their economic interests, whether through control over the electoral process, over state institutions, or, equally important, over the agenda of state action. New voices competed for the attention and resources of the state and were being heard. These developments were reinforced by the institutional changes that had defined Syria’s postcolonial state formation. At the same time, they were facilitated by events outside Syria’s borders. The prominence of President Nasser in Egypt, the spread of the monarchical movement, and the appeal of anti-imperialist ideologies created a setting in which the radical populist and nationalistic sentiments of the Ba’ath and the Syrian Communist Party could thrive. Nationalist discourses were retaken in terms of radical monotheism. Anti-imperialism in foreign policy meshed neatly with antireactionary, anti-capitalist discourses in domestic politics, adding to the ideological appeal and transformational movements.

Shishakli’s removal from office in February 1954 was accompanied by the fall of Shishakli and the rise of a new political force. The Ba’ath became a major player in Syrian politics. The Ba’ath’s rise to power in Syria was a result of the combination of domestic and international factors. The Ba’ath Party’s success was due in part to its ability to mobilize popular support and to its ideology of social justice and national liberation.

The summer of 1954 was marked by numerous strikes and organizational efforts by unions in the textile industry, the communications industry, and other sectors of the economy. These protests were in response to the government’s decision to introduce new regulations that would limit workers’ rights and benefits. The Ba’ath Party, which had been increasingly influential in Syrian politics, supported these protests and used them as a means of gaining political power. The government responded with a crackdown on the protesters, leading to a tightening of the political environment and increased repression.

Luna P. workers, as well as bus and taxi drivers. Civil servants too were mobilizing around wage and jobs security demands. Not only did judges and lawyers go on strike in late July over unresolved pay and job classification issues, but police and internal security officers also were reported to be striking for wage increases to bring their salaries into line with those of the army and the gendarmerie.55

Candidates campaigning in Damascus and other urban centers responded to labor militancy by combining themselves to support workers’ and peasants’ rights, as well as the broadening of state welfare programs and social security. The Syrian Communist Party was also highly active during the campaign, especially among workers and engaged the Ba’ath in an increasingly aggressive competition over which party could claim to represent the interests of popular sectors. In the first free and open elections to be held in Syria since 1947, the Ba’ath Party dramatically increased its representation, taking 15 of 142 seats in a deeply divided legislature. Voters in Damascus also returned a single Communist deputy. Khalid Baloush, the first Party member to be elected to parliament in the Arab world.

Reflecting the radicalization of labor in the post-Shishakli period, union and federation leaders took immediate action after the election to compel newly elected officials to deliver on promises made during the campaign. In late October, the National Federation of Labor Unions sent a memorandum to parliament and to executive authorities demanding government action on a wide range of labor demands, from “a quick and practical policy to reduce food prices” to the construction of workers’ housing, measures to reduce unemployment, passage of social security legislation, stronger protection for workers against layoffs, increased government control over domestic production, and many others. In advancing these demands, federation leaders pinned much of the role of labor in “rescuing democratic life in the country” on reminding the officials at the important aspects of the press about the outcome of the last parliamentary elections were the promises made by all candidates to work for justice to workers and farmers and to protect them from the social pressure under which they now live and to replace these conditions with social justice in order that the weakest spot in the country may be eliminated.56

Other evidence of new labor militancy was visible in institutional changes within labor associations after the fall of Shishakli. The Breakaway Progressive Federation of Trade Unions (PUTU) continued to challenge the old

Resisting Reform

The new electoral strength of reformist movements, the radicalization of trade unions, new levels of peasant mobilization, and escalating popular demands for social change led business leaders to devote more and more of their attention and organizational resources to opposing the forces they perceived as a threat to their economic interests. Their role as advocates of social reform diminished as its costs became clearer. This transformation was manifest in a number of contexts but was particularly prominent in the relations between organized labor and industry. Strikes and demonstrations proliferated in the relatively open political environment of the time. In early September, employees of the Ministry of Finance struck over wages and job security issues; in mid-October some five thousand textile workers went on strike in Aleppo for higher wages and secure employment contracts; and in mid-November several hundred bank employees walked off the job, closing all but two of Syria's sixteen major banks.

More important, after 1934, when reformist tendencies were much stronger in the bureaucracy and the legislature, industrialists found them-
Later that year, this general pattern was repeated during a major textile workers strike in Aleppo. On October 19, some five thousand textile workers went on strike to protest the arbitrary use of temporary employment contracts. Once again, the direct instruction of the minister of the interior, pressure was placed on employers to end the use of temporary employment contracts, bringing the strike to a rapid close.64

These episodes were typical of the pattern of interactions between labor, the state, and management in the 1954–58 period. Cell servants and even some cabinet members showed increasing sympathy to labor in matters of wages and working conditions and were prepared to support a more radical process of labor mobilization. At the same time, however, industrialists and labor were becoming more militant in their opposition to labor demands; they were increasingly disturbed about the direction of state intervention in support of workers. As the balance of political power shifted away from them after 1955, merchants and factory owners became much more vocal in their concerns over the radicalization of opposition movements and labor. They publicly criticized the rise of “socialism” in Syria, lamenting the threat of a communist takeover, even while engaging in employment practices that could only encourage labor’s radicalization.

Labor relations thus stand as a critical marker of the shifting organization of social conflict in Syria during the 1950s. Changing patterns of state intervention and labor mobilization dramatically restructured the political resources available to both workers and factory owners, altering the political calculus that shaped their interactions. Less than a decade after the passage of the 1949 Labor Code, which was envisioned as a mechanism for controlling labor’s incorporation into the political arena, labor mobilization was instead transforming state policy. Capitalists used such tactics as judicial appeals to try and reverse an earlier vision of the state as manager rather than advocate of labor, but their efforts were often unsuccessful.

As state institutions became less reliable mediators of business interests, capitalists struggled to find strategies for containing the increasing radicalization of Syrian politics. They moved to position themselves politically as the major partners in a conservative coalition with landed elites. In the process, pro-business politicians who had previously advocated a reformist vision of Syrian society now worked to slow the pace of social change and to contain popular mobilization among both workers and peasants.

64. “U.S. Embassy to Department of State, Labor Department, ‘Statement Made in Aleppo,’” 1955.

This dynamic is in its way unique to Syria. Similar coalitions were evident in the public import federation initiated under the Latin America. This was a “hidden frame” of power interdependence between industrial and agro-extracting sectors, with government, state elites within this framework, and in increasing one of the state’s regulatory apparatuses.

Thus, following the elections, in 1955, deputies representing landed interests joined with pro-business parliamentarians to overturn limits on land ownership which had been introduced under Shishakli and to defeat a proposed law protecting peasants’ rights.

Although the coalition of parliamentarians representing landed and business interests sometimes prevailed, it could not be assured of controlling the legislative agenda in the political environment of post-1954 Syria.65 Progressive deputies continued to push for rural reform, and with growing popular support for more radical social change, they were occasionally able to defeat the conservative majority. In one notable incident in March 1957, a reformist deputy opened a debate over the eviction of peasants from their homes, a widespread practice in the areas around Damascus, Latakia, Hama, Hama, and Aleppo, where peasant dwellings were owned by landlords. These evictions constituted a motion prohibiting eviction until a broader peasant protection law compatible with the constitution could be drafted. Parliament voted on March 16, and as described by historian Abd Alah Hammoud, “general political conditions did not permit the leftist deputies to oppose the motion.” They were forced, along with a number of bourgeois representatives, to withdraw from the session. Only 38 deputies remained in the hall, out of 124 who had been present. Thirty-six of the remaining deputies voted for the motion.66

With business and landed representatives boycotting the vote, reformist deputies prevailed, and the Protection of Peasants Bill was enacted into law.67 Reformers followed this successful initiative with an even bolder move to advance the political incorporation of peasants into the political arena. Only a few months before the union with Egypt, the Joint parliamentarians introduced a bill calling for the extension of peasants’ rights granted to industrial workers by the labor law of 1956, including the rights to unionize, participate in political activity, and to strike. In a reflection of the intense opposition of landowners to the proposed law, the Syrian Chambers of Agriculture convened their annual meeting in Damascus on the eve of the U.A.R.”
the West would react to the upsurge in popular support for the Communists. He feared that an electoral victory or even a Communist-supported coup d'état could provoke a Western backlash that would erase recent pro-Soviet gains. The tone of Western rhetoric at the time, the intervention of American intelligence agencies in Syria, and the precedent of the Suez crisis gave some credibility to Haurani’s apprehensions.

In some measure, the Ba’ath’s defensive reaction to the rise of the Communist Party reflected its own ambivalence about how far to push the radical reorientation of Syria’s political economy. Despite its self-proclaimed status as a revolutionary party and its support for socialism, the Ba’ath, especially the founding generation of Michel Aflaq, Salah al-DinBitar, and Al-‘Amir al-Hawrami, had never developed a full-blown economic program, nor had it advocated the elimination of private property or total state control over the means of production. Though the Ba’ath’s founders were hard in their condemnation of capitalism and feudalism, they also indicated that the party would not imitate the ideas of Marx or Lenin and consistently criticized the internationalism of the Communist Party as proof that it was not sufficiently supportive of Arab nationalism. Periods of tactical cooperation between the Ba’ath and the Syrian Communist Party had never resolved these differences, which now broke into the open. Tensions were exacerbated by the widespread, if exaggerated, perception that upcoming elections would reveal the growing popular strength of the Communists and by a sense that the Communist Party was making inroads into Ba’athist support among workers, peasants, and students. The advance of progressive forces in Syria had reached the point by mid-1957 at which they engaged not only in efforts to defeat conservative politicians but also in efforts to forge a radical bloc, with the Ba’athist and the Communist Party at the center.

Almost from its inception, however, the progressive front was plagued by tension over which political grouping would become the leading progressive force in the country. The Ba’athist leadership worried that growing popular support for the Communist Party would undermine the position of the Ba’ath. Al-‘Amir al-Hawrami, in particular, was concerned about these developments. Aflaq’s replacement of the Ba’ath wing of the party and al-Hawrami’s representa

**Footnotes:**

69. SNF, 1956-21.


75. Al-‘Amir al-Hawrami, “The Ba’athist-Soviet relationship,” p. 109. The Ba’athist and the Communist Party at the center of the situation... We will fight them, not only around them...”
To forestall the possibility of electoral defeat, the Ba'ath chose to boycott municipal elections in November 1957. To prevent a Communist-sponsored seizure of power, the party moved unilaterally to engineer unity with Egypt, despite Egyptian president 'Ali al-'Ubaydi's reluctance to undertake such a project and the strong opposition of many Syrian political factions. Syrian-Egyptian unity was hardly a new idea; a wide range of treaties and pacts, including a number of economic agreements and a joint Syrian-Egyptian military command under the control of Egyptian commander in chief 'Ali al-'Ubaydi, had bound the two countries. Moreover, Arab unity was the Ba'ath's central organizing principle, placed first in its familiar slogan, "Unity, Freedom, Socialism" (Wahda, Hurrat, Iskan). According to Michel Aflaq and Salah al-Din Biar, Arab unity was also a necessary prerequisite for the defeat of colonialism from within and imperialism from without. And union with Egypt had been an explicit element of Ba'athist policy since 1956, when the defeat of the Suez invasion. Nasser's open defiance of the West in the purchase of Czech weapons, and his role in the nonaligned movement gave him unparalleled stature as a progressive Arab leader.

Ideological motives, however, were probably of secondary importance in the rush to union. Many Syrian officers supported union in the belief that Nasser would suppress civilian political conflicts and rule through a military-led revolutionary council along Egyptian lines. Ba'athists believed that a union would enhance their position in Syria and undermine their communist rivals. Communist leaders viewed the rush to union with alarm, given that Nasser was actively repressing communists in Egypt at the time, but felt compelled to respond to the dramatic rise of popular support for such a move.

At the urging of the Ba'ath, a delegation of officers led by Chief of Staff 'Ali al-'Ubaydi traveled to Cairo to reaffirm Syrian support for union and to request Nasser's help in restoring stability in Syria. On January 16, 1958, Biar followed the delegation to Cairo, where, without authority from his government, he and Chief of Staff Biar negotiated a Syrian-Egyptian union with President Nasser. When Biar returned to Damascus he was widely criticized for the agreement, especially by al-'Ubaydi's Democratic Bloc and the SCP. After several weeks of further debate within Syria over Nasser's terms—terms that included the dissolution of Syrian political parties and the

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Building the Institutions of Populist Authoritarian Rule

Leaders of the Ba‘th Party perceived unification with Egypt as a response to the institutional failures and structural constraints that undermined the consolidation of a reformist political agenda—represented by the opposition of a business-bondlord coalition, on the one hand, and by competition with the Communist Party for control of mass politics, on the other. Neither popular mobilization nor the transformation of Syria’s political arena proved sufficient to bring about an inclusive development strategy during the immediate post-independence years of 1946–58. Rather, an expanding state elite and the increasingly powerful reformist parties were able, in Scull’s phrase, “to clear away the obstacles” to the emergence of an industrializing social pact. Processes of state expansion and the mobilization of workers and peasants drove the incorporation project in directions that increasingly conflicted with the interests of a capitalist class still deeply embedded in the structures of an agrarian economy. The result was the polarization of Syria’s political arena, leading to the “explosive differentiation” of Syria’s oligarchic order—its collapse into unification with Egypt.

Unification was thus seen by the leaders of the Ba‘th as a solution for two kinds of problems, both of which can be described in terms of the dilemma of counter-mobilization. One problem was the embedded power and autonomy of landowners and capitalists. In this regard, the union represented a critical period in the construction of a durable populist authoritarian system of rule. Most important, it established a repertoire of repressive and corporatist counter-mobilizational strategies, a legacy of powerful state institutions, and a commitment to state management of the economy that would all reappear as elements of the Ba‘th’s ruling strategy after 1963. In giving new prominence to mass-based, populist ideologies, the union also promoted a move toward single-party politics and a reliance on the discourses of class conflict, anti-Westernism, and socialist revolution that would later characterize Syria under Ba‘thist rule.

At the same time, in sharpening capitalistic and landed opposition to the unionist project of popular state building, the union provided a crucial opportunity for political learning on the part of the younger generation of political activists who were advancing within and alongside the ranks of the Ba‘th Party and who would become increasingly influential after 1963. The leaders educated this generation of radical reformers about the resilience of the private sector, the intensity of business opposition to social reform, and the strategies capitalists could employ to undermine the radical restructuring of Syria’s political economy. Once the Ba‘th seized power following the coup of March 8, 1963, the union experience became both its touchstone and its antithesis, the crucible within which many elements of the Ba‘th’s political repertoire took shape.

For these reasons, the short experiments of the United Arab Republic stand out as a critical juncture in the formation of a populist authoritarian...
system of rule in Syria. In this chapter I carry forward the general arguments linking the trajectory of authoritarian state formation to changes in the patterns of state intervention and shifts in the organization of state institutions. I explore the effects of these changes on the strategic choices of key political actors and the organization of social conflicts, focusing on three cases of Nasserist policies during the period from February 1958 to September 1964: the populist restructuring of the Syrian political economy, the economic transformation of the political arena, and the deepening of a representative state corporatist strategy of social control.

Deepening State Intervention

On February 1, 1958, Syria’s President Shukri al-Qasimi and Egypt’s President Gamal Abdel Nasser stood before massive crowds on the balcony of the Alamin Palace in Cairo to announce the merger of their two countries. The formation of the United Arab Republic was also enthusiastically received in Syria, where large demonstrations broke out to applaud the arrival of Arab unity. Nasser’s post-Suez policy as the “first Arab nationalist,” the sense that a strong leader was needed to overcome Syria’s political divisions, and the conviction that Syria and Egypt had taken a decisive step toward pan-Arab unification contributed to the U.A.R.’s appeal. Within a month Qasimi had resigned his post to become “first citizen” of the new republic. Parliament in Cairo and Damascus unanimously endorsed the union. Plebiscites in both countries—never the most credible of electoral instruments in the Middle East—recorded nearly unanimous popular support for the union and the election of Nasser as its president.

Accompanying this public enthusiasm, however, was a general concern among Syrian citizens about how the union would affect the balance of political, social, and economic power in Syria, now the Northern Region of the U.A.R. This concern was well founded. Nasser’s intention to centralize authority in his own hands and in the state apparatus explicitly ruled out a meaningful role for local political parties, including the Baath, which regarded itself as the architect of the union and its ideological inspiration. Nasser insisted that the Baath and other parties be disbanded as a condition of unification. To bring about Syrian-Egyptian integration, Egyptians

2. In Syria, however, the preservationist forces threatened reprisal if parliament failed to support the union.
3. In Egypt, 69 out of 165 votes were cast, representing one half of the total seats, and 150 votes voted in favor of the union and for Nasser as president. In Syria, 132 out of 200 people voted (56 percent), with 103 against supporting the union and Nasser’s presidency.

4. Cited in Malcolm Kerr, The Arab Cold War: Crisis of Unity and the Break, 1958–60 (Baltimore: Johns Hopkins University Press, 1971), pp. 27–42. Its contemporary Egyptian analog, one of the reasons given for Nasser’s first visit to the Syrian “protectorate,” in February–March 1959, was to “endorse” Syria “with an administrative structure,” in addition to facilities enhanced by the French and British (see COE, 1958, p. 67).
6. Nasser’s comments were the basis of a number of factors, including Egypt’s refusal to recognize Syria’s constitution, its opposition to the Baath Party, and its refusal to grant Syria economic aid. It is likely that Syria was a factor in Egypt’s decision to resist the union for its own ends.
7. See, for example, Peter Hishay, “Syria’s Struggle on Egyptian Egyptian Elections,” Middle East, May 9, 1968.
8. According to the Baathist Syrian government, former president of Syria and prime minister of the Syrian Arab Republic, “These responsibilities for the economy during the war have been a source of considerable confusion in which the President and his advisors, the Prime Minister and officials of the Ministry of Planning, and the National Assembly of the Syrian Arab Republic, have worked out the details of the war effort.” (Syria, Report of the National Assembly of the Syrian Arab Republic to the President, May 1, 1961, pp. 57–58). See also, for example, the reports of the Ministry of Planning, “The Economic and Social Consequences of the War in Syria,” June 1961, p. 59. (February 1961), p. 33.)
In adopting this strategy of economic development, Nassser was not merely imposing Egyptian policies on Syria, though he certainly gave Egyptian interests higher priority than local Syrian concerns. He was also motivated by an explicit concern to resolve the social conflict of peasants and laborers which had caused the breakdown of its political system and which could, if left unchecked, threaten the stability of the U.A.R. Undermining his personal authority and weakening his reputation as the Arab world's leading statesman, he had to preserve the cohesion of the Arab Ba'athist leaders so that they would occupy a privileged ideological and political position within it. Yet Nassser's ideas about the economy differed significantly from those of the Ba'ath. He did accept the primary role of the private sector, treating the prevailing view among Syrian capitalists and landowners. However, his vision of the role of the state was much more encompassing, and of politics, considerably more restrictive.

As for the growth of union, there is no question that Egyptian authorities sought to impose a more clearly articulated division of labor between the public and private sectors in Syria, with the latter occupying a subordinate position. The public sector would control strategic industries (petroleum, shipping, textiles, mining, banking, insurance), and the private sector would be directed toward lighter industry and manufacturing. Setting economic priorities and allocating resources among sectors was too complex for the state. Hence decisions were to be based not only on the requirements of the Syrian economy but also on the populist notions of distributive justice that Nassser espoused, as well as consideration of Egyptian economic interests. Nassser's initial public position was that this division would be accomplished in a cooperative spirit, with each sector accepting its assigned position in the economy without conflict. In a July 1959 speech, for example, he predicted that "for five years plus we will begin to carry out in January 1960 will employ 600,000 workers: 50% of the necessary capital will be furnished by the Economic Organization and 40% will be left to private capital. The problem of the industrialization of the Syrian economy does not arise. It is a matter of cooperation between public and private capital. Industry must be integrated into the society." Nassser's expectation of private sector participation in a state-run economy created a mix of incentives and constraints for both sides. The important, though subordinate, role that Nassser assigned to the private sector he interpreted as the less rigid style of corporatism that was imposed on capitalist enter
of opposing Egyptian authority.17 This transformation in the position of the state and its relationship to various social groups represented a formative step in the move toward populist authoritarianism. The lingering controversy surrounding Syria's experience of unification, in particular the hostility it engendered between Nasser and the Ba'ath leadership, has tended to obscure just how deeply the union influenced subsequent developments. As a model to emulate, rebellion, and resist, however, it occupied a central position in the early years of Ba'athist state building.

And beyond the social and economic transformations resulting from the union, it also generated the state-institutional and bureaucratic conditions necessary for the later consolidation of a populist authoritarian regime. Building a populist authoritarian system of rule is not only a matter of mobilizing popular sectors but also a matter of counter-mobilizational dimensions, using the state apparatus to break existing economic coalitions and creating patterns of economic dependence and control. Power holders use the state to subordinate particular interests—in this instance the factions political parties of preunified Syria—while preserving that sector's role as a source of capital accumulation. Nasser underscored these concepts in his use of the phrase "democratic cooperative socialism" (al-adl wal-khayri aqdat) to describe the character of the new order he hoped to construct.18

This formulation and Nasser's experience of the union make clear once again the power of the dilemma that constrain the consolidation of any populist authoritarian regime. Overcoming obstacles to popular mobilization while containing popular demands and reorienting the dominant social groups engages populist authoritarian elites in a process with two distinct phases. In the first, existing political arrangements must be reshaped, broken, or reconstituted under state control. In the second, new populist

14. The purpose of the union, as well as preparing the social decision of linking regime officials concerned with beneficial investments, offering incentives to maintain existing stores, and special recognition from new economic opportunities, in January 1959, General Minister of Industry Ibraheem Sulaiman told Syrian businessmen that the private sector would no longer be tenants in the rent as in the first five-year plan. In July of that year, Nasser announced that capital "will remain free." In January 1959, the central banks of agriculture declared that the government would introduce collective farms, defining it in commitment to the generation of private property.

15. Despite Syrian complaints about Egyptian exploitation, it is also the case that Egypt made up deficits in the Syrian budget and provided other forms of foreign assistance during the union.


18. In an interview in July 1959, Nasser affirmed this view. "The National Union," he said, "is a means for us to enforce our internal conditions and the necessities of our foreign policy. It is the farther through which we will realize our revolution, for the security of the homeland must be safeguarded. If it is a form of painful coexistence between the social classes," al-anfal (July 1959), emphasis stated.

19. On the concept of democratic cooperative socialism, see Abu-Itta, Egypt, pp. 218-22
and corporatist arrangements are introduced in their place. During both phases, populist authoritarian elites must cope with the powerful legacies of existing political and economic institutions—with the structural constraints that shaped policies in the preauthoritarian period.

Nasser, like many populist authoritarian leaders, was more successful in the first phase of his efforts than in the second. He was not entirely captive of the past. Egyptian-sponsored policies brought about significant changes in the organization of Syria's political economy. Yet his identity as an outsider made it possible for business interests to exploit Syrian nationalism as a potent source of opposition to Nasserist policies, effectively undermining efforts to reorganize Syria's economy. Only after March 1964 did the Ba'ath able to strengthen the project of populist authoritarian state formation, largely by drawing on practices and techniques that became part of the Syrian political repertoire during the union.

It must also be recognized, however, that the ability of union authorities to reorganize the economy faced a number of obstacles, and Nasserist policies often led to unintended consequences. At first Nasser's willingness to restructure the Syrian private sector was moderated by his concern to maintain private investment. Egyptian officials thus pursued a hybrid approach in their relations with Syrian capitalists, combining sanctions and regulation with a measure of incentives and support. Subsequently, however, as capitalist resistance to the union became more pronounced, the autonomy of the private sector was seen as an obstacle to the consolidation of populist reforms. Egyptian officials moved to strengthen their hold over the economy, but Syrian capitalists were able to exploit their relatively privileged position to challenge Nasserist policies. Further, economic nationalism helped strengthen an anti-U.A.R. coalition among the very groups that Nasser hoped to incorporate and control. The suppression of reformist parties such as the R'a'd and the SCP, along with the corporatization of labor and peasants, undermined the possibility for local challenges to the capitalist and landed elites who opposed the union. At the same time, Nasser's mass movement, the National Union, became an instrument for the expression of professional, business, and state-bureaucratic interests rather than a meaningful vehicle of mass mobilization.

Quite unintentionally, therefore, the consequence of Nasser's policies was to provide new bases for the emergence of an autonomous capitalist class. Opposition to the rise of Egyptian-style, state-led populist industrialization created a powerful rationale for maintaining the coalition of capitalists and landowners that Egyptian officials explicitly tried to destroy. At the same time, however, Egyptian-sponsored reforms decisively altered the balance of power within this coalition, enhancing the influence of capitalists and diminishing the position of large landowners. Paradoxically, perhaps, the winning of state control over the rural economy during the union helped enable the dependence of capitalists on the landed elite, creating new opportunities for business groups to develop political agendas based more narrowly on their own economic interests. Yet the alliance survived, and in the end, criticizing his own willingness to accommodate Syrian capitalists and landowners (who might have been surprised to find themselves described as having had their confidence), Nasser blamed this coalition for the union's demise. Two years after Syria's secession, he recalled: "The people wanted unity in order to achieve its hopes of freedom and socialism... However, the social contradictions, the dictatorship of landowning and capitalist interests whose forces were ruling Syria in the days before the union, continued to exist and deceive us after 1958. I said after secession that we had made a mistake in believing in the forces which were the natural enemies of the revolution. We co-operated with reactionary opportunists who deceived us in order to destroy the union and maintain their exploitation." 70

In this sense, the outcome of Nasser's corporatizing efforts seems to have been quite different in Syria than it was in Egypt. In assessing the trajectories of Egyptian corporatism, Bianchi notes that "Nasser's early enthusiasm to build corporatist structures was weakened regarding the social group which had the most to gain from the revolution [labor and peasants] and strong regarding the group who had the most to lose [bureaucrats and landowners]." 71 In Syria, on the other hand, Egyptian officials pursued a policy that was almost the reverse of the one Bianchi describes. Labor was subjected to a harsh and repressive process of corporatist incorporation, while business was extended considerably more organizational latitude. Moreover, it was partly the resilience of Syrian capitalists in the face of Nasserist efforts to break their autonomy that led the rising generation of Ba'ath leaders to impose much tighter controls on the private sector after 1963.

Nasserist policies, therefore, had the effect of enhancing the position of capitalists relative to that of labor, peasants, and landlords, even while they subordinated the private sector to state management and control. Yet there was significant variation in how these policies played out. Union authorities did not adopt a uniform style of political restructuring across social groups in Syria, nor did they adhere during the union to an unchanging relationship with any particular group. Instrumental arrangements and the particular mechanisms of control through which U.A.R. officials imposed their