While the Leninist thrust quickly lost its capacity to drive change, its totalitarian-like narrowing of autonomous associational life and of independent bases of economic power, in damaging and subordinating civil society, depressed alternative sources of development energies and left little check on the temptation of state elites to abuse their power.

At this impasse, the Ba’th experiment seemed to replicate the life cycle of revolutions, that is, the “Jacobian” excesses of the radicals precipitated the rise of a Bonapart-like nationalist general who promised an end to internal conflict, defence of the nation against foreign enemies, and a new more liberal post-revolutionary order. Hafiz al-Asad would reshape the state to serve his own priorities, chiefly the contest with Israel. This would require rectifying two major vulnerabilities of the radical Ba’th’s strategy through a domestic policy of reconciliation with the city and “a realist” foreign policy to counter the Israeli threat.

1. ASAD IN POWER: THE “CORRECTIVE MOVEMENT”

The Ba’thist faction Hafiz al-Asad brought to power in 1970 was initially indistinguishable in social composition from his radical rivals: both were petit bourgeois, cross-sectarian, civil-military coalitions led by Alawi political generals. But each was supported by distinct segments of society: the radicals by leftist intellectuals and trade unionists, Asad by senior army officers and the bourgeoisie. In fact, Asad’s rise marked the victory of the military over the radical intelligentsia. Asad’s aim was to consolidate the unstable Ba’th state and mobilize Syria for a war to recover the lost territories. In the process, he turned the Ba’th state from an instrument of class revolution into a machinery of power in the service of raison d’etat.

At the 1971 Eleventh National Congress, Asad led an ideological and policy revision. He insisted that the regime had no intention of changing the “nationalist socialist line” and characterised his coup as a “corrective movement” within the revolution which would merely restore it to the true path. However, instead of revolution, the objective “for the advancement of which all resources and manpower [would be] mobilised [was to be] the liberation of the occupied territories” (ABSP 1971). This change in priorities dictated major alterations in the course of the Ba’thist state. To be sure, Asad’s foreign policy prioritised alignment with Egypt, a necessary partner in any war to recover the Golan and continued close alliance with the Soviet Union, needed to back Syria’s military build-up. But acquiring the resources to support war preparation required détente with several former enemies. An alliance was struck with the conservative Arab oil states who provided financial resources in return for an end to Syria’s effort to export revolution. The Syrian bourgeoisie had also to be appeased and, in a bid to mobilize the private enterprise needed to break out of economic stagnation as well as attract Arab investment, economic policy was liberalised, paring back state controls over foreign trade and imports, although without prejudice to the dominant overall role of the state (Hinnebusch 1984a: 305–308). This encouraged the re-activation of the dormant private sector which, together with improved agricultural weather, produced an economic recovery in the early seventies.
Asad’s policies broadened the base of the Ba’th regime. A purge of radical leaders swept the party, but most rank and file Ba’this chose accommodation with the new leadership which continued to expand the party’s organised mass base; Asad thus maintained the core of the regime. At the same time, a new People’s Assembly (parliament) was formed, into which a spectrum of opinion going beyond the regime’s core constituency was co-opted. This, plus economic liberalisation, the opening to conservative Arab states, a muting of radical secularism, Asad’s public comportment as a pious Muslim, and a palpable political relaxation, all helped win the acquiescence of sections of bourgeois and conservative middle class opinion in Ba’th rule. Important elements of the “progressive opposition” – Nasserites, Communists, Arab Socialists – were also co-opted into a National Progressive Front in which the dominant Ba’th promised to consult with them and accorded them a share of state office; Asad’s détente with Sadat’s Egypt went far to win the co-operation of the Nasserite factions. All these measures were designed to appease and accommodate urban society to Ba’th rule (Kerr 1975; Petran 1972: 249–257; Seale 1988: 169–83).

The limits of this accommodation were sharply underlined by major disturbances which broke out at the 1973 unveiling of a new constitution which preserved the “leading” role of the Ba’th Party in the political system and which failed to designate Islam as the religion of the state. Although Asad conceded a change specifying Islam as the religion of the president – while insisting on his own disputed credentials as a Muslim – the protests had to be forcibly repressed (Kedlair 1974). This souring of state-urban relations was, however, checked by the outbreak of the October 1973 war with Israel which rallied Syrians behind their government. Because of the regime’s creditable military performance and the new diplomatic stature it gave Syria, the war won the regime a significant fund of nationalist legitimacy. Moreover, the large wartime oil price rises benefited Syria which received sharply increased aid transfers from the Arab oil states. The economic boom sparked by the influx of some of these funds and a wave of migration for high-paying jobs in the Gulf also helped accommodate Syrians to the regime, especially those best positioned to profit – merchants, middle class professionals and skilled workers (Perthes 1995: 135–36). By the mid-seventies it appeared that Asad’s “corrective movement” had, indeed, consolidated the formerly unstable Ba’th state.

II. POWER CONCENTRATION

A. Presidential monarchy

Asad used the initiative he seized in 1970 and the political capital accumulated thereafter to reshape the Ba’th state – from a failed experiment in Leninism into a hybrid regime which subordinated the Ba’th Party to an authoritarian “Presidential Monarchy.” The new priority put on state consolidation over revolution and awareness of the factional fragility of collegial leadership led the new elite to explicitly opt for a strong presidential regime. Asad made the presidency the undisputed command post of the Ba’th state and, through it, concentrated personalised authority in his hands. He held the reins of the three major power institutions, leading the party as its general secretary, and, in his capacity as president, enjoying full powers to appoint and dismiss governments and military commanders. The new constitutional structures he created were modelled on Gaullist France, in which the prime minister was the president’s lieutenant charged with carrying out his policies and parliament was a distinctly subordinate institution.

Asad’s ascendancy was built on several bases. The regime had already achieved autonomy of the dominant classes by breaking their monopoly over the means of production and mobilising workers and peasants through the Ba’th party. After 1970, Asad attained autonomy from each of the groups in his power base by balancing them against each other: he initially used his army base to free himself from party ideological constraints. Then, he built up a “jama’a” of Alawi personal followers, often his kin, appointed to crucial security and military commands which gave him enhanced autonomy of the wider Ba’thized military (Kienle 1992; Perthes 1995: 146–154). Yet, also anxious to placate urban Sunnis, especially Damascenes, he also deliberately co-opted significant numbers of them into the top ranks of the party and many non-party technocrats into the government. Limited economic liberalisation enabled him to foster a state-dependent new bourgeoisie and forge an alliance with a section of the Damascene private bourgeoisie. The bourgeoisie represented a fourth pillar of support that lightened Asad’s dependence on the others. Asad thus attained autonomy within the state by balancing between the regime’s “centres of power” (Dawisha 1978a) and autonomy of society by balancing statist and private sector interests.

As the president became the main source of initiative in the regime, his personality, values, strengths and weaknesses became decisive for its
direction and stability. Arguably Asad’s leadership gave the regime an enhanced combination of consistency and flexibility which it hitherto lacked. The consistency of his policy was rooted in his political socialisation into an authentically Ba’thist world view, for his origins and career faithfully reflected on a personal level the saga of the Ba’th: from a peasant family, he became a Ba’thi leader in secondary school, then joined the air force where as a young officer and partisan he helped the party seize power. Equally important he experienced the trauma of presiding, as defence minister, over the devastating defeat in 1967 and thereafter became obsessed with the recovery of Syria’s land and honour.

Determined, intelligent and dedicated to his mission, Asad proved extremely stubborn in pursuit of nationalist principle in the conflict with Israel. A tough Machiavellian, he seemed willing to use any means in the regional power struggle and to defend his regime. Yet, as a pragmatic realist he was also prepared to subordinate ideology to the realities of power, hence to moderate Ba’thism to accommodate the interests of the bourgeoisie at home and Arab donors abroad. Moreover, unlike the Ba’th radicals who challenged powerful interests regardless of the consequences, Asad’s policy was marked by caution, patient consistency and incremental adjustments to changing circumstances (Maoz 1975, 1978; Seale 1988).

Asad was, moreover, seemingly the main source of initiative and accountability in the regime. A workaholic, he was famous for his marathon working sessions; for example, he personally negotiated seven straight hours with US Secretary of State Baker over the conditions of the Madrid peace conference. At home, he kept his finger on the pulse of the regime, telephoning members of the elite even in the middle of the night to call them to account (Seale 1988: 340–44).

Finally, Asad’s personal stature became a regime asset. To be sure, as a habitually secretive behind the scenes leader uncomfortable with a populist style, Asad never developed the charisma of a Nasser. But over time he built up a public stature, unique among regime elites, winning grudging respect, even from many who hated the regime, for his personal honesty and for the relative stability at home and greater effectiveness abroad which his rule delivered. Most Syrians, especially the generation that never knew any other ruler, came to see no alternative to the President.

The price of this enhanced stability and effectiveness was the patrimonialization of the state centre. Whatever collegial institutional underpinning Ba’th party leadership organs may have once provided, the personalization of power in the presidency enervated it. As ideology faded as a political cement, Asad increasingly tolerated corruption while surrounding himself with pliant figures. These men, unable to acquire wealth through modest official salaries, were allowed to enrich themselves on commission taking or smuggling, giving them an illicit stake in the regime, and while Asad occasionally removed the most corrupt, this, at best, set limits to the scale of corruption that would be tolerated. This practice also meant that there were few, if any, leaders of independence or stature to lead and strengthen the other institutions of state around the presidency. And, as the official cult of personality became pervasive, scope for debate over Asad’s policies, whether within or outside of ruling circles, steadily narrowed (Seale 1988: 455–59; Sadowski 1985; Wadeen 1999).

B. Elite composition: Alawi rule?

The Syrian regime is often referred to by its critics as a minority, or more specifically, an Alawi regime. Indeed, Asad’s strategy of power consolidation, in relying on kin and tribe, necessarily enhanced Alawi predominance and while sectarian asabiya has always played some role in buttressing various regimes – before the Alawis it was the Druzes, the Hamawis, the Kurds – under Asad it reached unprecedented proportions. The subordination of the Ba’th party’s collegial leadership bodies to an Alawi president buttressed by an Alawi coercive apparatus accountable only to himself represented a significant increase in Alawi power. The Alawi officers around Asad who came, appropriately, to be termed “barons,” were pivotal because, as personal kinsmen or clients of the president they combined privileged access to him with positions in the party and control of the levers of coercion. They were, therefore, in an unrivalled position to act as political brokers and, especially in times of crisis; were uniquely placed to shape outcomes.

Until the early eighties, the President’s brother, Rifat al-Asad, commanding the Defence Detachments (al-saraya al-difa’), was the foremost regime baron. Adnan al-Asad headed the Struggle Companies which controlled access routes to the capital and guarded its command posts, while Asad’s son-in-law Adnan Makhfouf commanded the Presidential Guard. Ali Haydar headed the Special Forces, used against domestic as well as external enemies and Ibrahim al-Ali the militia-like Popular Army. Muhammed al-Khuli, the head of the intelligence coordinating committee in the presidency was perhaps Asad’s most trusted
lieutenant while Ali Duba, head of military intelligence, proved one of the most durable regime barons. Asad’s Alawi clients also held a very disproportionate number of top operational commands, especially of coup-making armoured units; General Shafik Fayyad, long commander of the critical Third Division, was a durable Asad loyalist, while two other Alawi generals, Ibrahim Safi and Adnan Badr Hasan, had extended tenure as commanders of the First and Ninth Divisions. In the late nineties, Alawi General Ali Aslan replaced the Sunni general, Hikmat al-Shihabi, as chief of staff (Bdatu 1981; Scale 1988: 181, 428–437; Drysdale 1979; Perthes 1995: 150–151).

If Alawi Ba’thists initially played the role of a surrogate proletariat in the radicalisation of the Ba’th, by the seventies, the Alawi “barons” around Asad had been transformed into a privileged elite with clientele links to the Alawi community. With a national core to provide leadership, Alawi identity and cohesion was enhanced and Alawis in power often followed the code of a kinship society in favouring their kin in recruitment, and, most significantly, in admission to the officer corps. The resentment of those left out naturally accentuated consciousness of their own, usually Sunni, identity which, in turn, heightened the Alawis’ solidarity in defence of their privileges. The use by the Alawi community of the army, police and public sector to get out of the village and advance their fortunes gave them a stake in preserving the dominant roles of state institutions over the private market where the Sunni bourgeoisie retained power. In such a climate, class identities tended to be superseded by sectarianism which became most salient during the challenge of the Muslim brotherhood (1976–82) to what it called an “Alawi regime.” In this period, inter-sectarian tensions displaced ideological conflicts within the regime elite itself, with Sunni Ba’thists more prepared to accommodate opposition opinion than Alawi hard-liners.

But it is a mistake to think that the regime was exclusively an Alawi one or that Alawi dominance translated exclusively into a politics of sectarian privilege and rivalry. The top elite remained a cross-sectarian coalition. Having taken power through alliances with senior Sunni military officers and party politicos – men such as Abd al-Halim Khaddam, Hikmat al-Shihabi, Naji Jamil, Abdullah al-Ahmar, and Mustafa Tlas, Asad, initially at least, had to share power with them. He took pains not to be identified as leader of an Alawi block in the regime, deliberately co-opted prestigious Sunnis into the party and state machinery, and stood above and balanced between elites of different sectarian backgrounds. To a considerable extent, power in the top elite
came to be shared by two dominant groups, the Alawi officers in the president’s inner circle and the Damascene Sunnis with their crucial connections to the Sunni business community.

Secondly, the composition of the second ranks of the elite remained cross-sectarian. Thus, in the powerful military party leadership Sunnis (43.4%) and Alawis (37.7%) shared power, while in the council of ministers (government cabinet), the representation of religious communities was, though still under-representative of the majority Sunni, more closely proportional to their shares of population: thus from 1963–1978, Sunnis held 58.2% of positions, Alawites 20%, Druzes 10.6%, Isma'ilis 6.5%, and Christians 4.7% (Van Dam 1981: 126–129). Nor were provincial Sunnis squeezed out: indeed in the late eighties, many Sunni Ba’thists from provincial Dera emerged at the top of the party and state pyramids.

Third, Alawi politicians had multiple identities beside sect, including ideology and profession. Some Sunnis view the Alawis as a secretive solidarity network taking orders from their sheikhs, but, in reality, intra-Alawi conflict, such as the Jedid-Asad rivalry, has been endemic and the Alawis are increasingly socially differentiated (Drysdale 1979; Maoz 1976: 277–278; Van Dusen 1975: 141–151). At the top is a handful of powerful and wealthy regime barons, some of whom live parasitically off the state or as brokers between it and the private sector; they head clientele networks of propertyless and marginal Alawi youth – literally a lumpen proletariat – who hired their villages in large numbers, joining en-masse the regime’s multiple security militias. Others of the Alawi political elite are respected for their competence and service to the state; e.g. General Ali Aslan, the deputy chief of staff for years, is a respected officer while several Alawi technocrats were moving forces behind public sector industries. Indeed, between the barons and the Alawi lumpen proletariat, the Alawis produced a liberal minded stratum of professionals – doctors, economists, intellectuals, some of whom disdain to live off state patronage (Bdatu 1981; Faksh 1984: 137, 143–147).

To be sure, in times of acute sectarian conflict, the interests of “modern” and “traditional” Alawi elites may have converged in defence of the whole community: president and sheikhs were reputed to have met in communal conclave in Asad’s village of Qardahah during the Islamic uprising (Kramer 1987: 251). However, normally, clientele networks cut across sectarian lines, with rival Alawi brokers each having Sunni allies or followings of Sunni clients. Moreover, public policy and expenditure has not been confessionally or regionally biased
in favour of Alawi Latakia (Perthes 1995: 184–85). Nor are the Alawi tribes effective units of political action. And, although the regime has seemed to be colonised by the Alawi mafia around Asad, in fact the regime’s complexity worked against single sect rule: thus, even the most blatant practitioner of sectarianism, Rifat al-Asad, built alliances to the Sunni bourgeoisie, professional middle class, and party apparatus, aware that no simple Alawi solidarity can rule Syria.

Only when Alawi and non-Alawi members of the power elite amalgamate with the various fractions of the new and old Sunni bourgeoisie into a dominant class with a stake in the regime is the sectarian cleavage likely to be neutralised by class solidarity at the top, but this process is slow and covert. Inter-marriages between Alawis and the old aristocracy or the commercial bourgeoisie are the exception. One obstacle to brood intermarriage is that many of the Alawi elite are of the first generation in power and have village wives; however, by the nineties, their children, going into business with Sunni partners and having been raised privileged, lacked their parents’ fear of the bourgeoisie and may seek and be accepted into it through marriages on a wider scale.

Resentment of Alawi dominance remains the main source of the regime’s legitimacy deficit, not just because so many in the elite are Alawi but because so many flaunt their privilege and seeming immunity from the law. Yet Alawi solidarity constitutes an indispensable shield of the regime: their disproportionate benefit from the regime and fear of the vengeance they could face if it fell gives them a strong stake in its survival. While the 1982 repression at Hama showed, they have the coercive force and will to defend it without restraint. Such asabiya both substitutes for and undermines the formation of legitimate institutions at the state centre.

III. POWER AND POLICY

A. High policy: president in command

Decision-making in matters of major high policy, that is, defence and foreign affairs, grand economic strategy, and issues of internal security, is made by the President and an inner circle of key leaders. The power elites around Asad, at least initially, were not quite mere staff whom he could dismiss or ignore at will and, compared to the pre-1970 era, there was remarkably little turnover in their ranks. None, however, developed durable independent bases of power. Of Asad’s lieutenants, Vice

President Khaddam had the most balanced combination of power assets: Asad’s oldest party comrade, he had substantial party seniority, connections to the Alawi power brokers and alliances within the army. Top generals such as Hikmat al-Shihabi and Mustafa Tlas enjoyed exceptional length of tenure at the top, though they exercised power more as trusted lieutenants of the president than as representatives of a military or Sunni constituency. The Alawi barons are uniquely powerful in matters of regime security.

Asad appears to have been sensitive to and restrained by the opinions of senior colleagues in the making of pivotal decisions and took pains to establish a consensus on them. He seemed, in fact, to preside over a consensual team whose solidarity was rooted in a common interest in protecting the legitimacy, resources, capabilities, and territorial integrity of the state—in a word, raison d’etat. Nevertheless, Asad always had the last—and frequently the first—word on how these interests were to be protected and he decided who to include in the consultative process. As his stature rose over time, the elite were reduced from colleagues to lieutenants. No member of the elite challenged the consensus Asad led and remained in power; the ease of dismissal of General Naji Jamil, a long time Sunni collaborator of Asad who fell out with him at the time of the Islamic rebellion, suggests how far this is the case (Seale 1988: 324; Perthes 1995: 182).

B. The military elite: praetorian guard, interest group

Since 1970, the military has, to a degree, been subordinated to the presidency but it remains the most powerful actor which, particularly in times of crisis, has the potential to shape outcomes. Yet, far from being a monolith, it is differentiated into three distinct but overlapping groups: the Alawi security barons in Asad’s inner circle, Ba’thist officers, and professional officers.

While Asad’s jama’a of barons gave him a personal power base, paradoxically, they were also the main potential threat to him. To be sure, normally divided and lacking public legitimacy, they were not individually well positioned to challenge him and when some showed signs of turning their establishments into personal fiefdoms, Asad removed them or divided their responsibilities. The multiple intelligence agencies they headed watched each other as well as the opposition (Perthes 1995: 153–54).

Alone among them, however, the president’s brother, Rifat al-Asad did try to build an independent base of power and dared to challenge
the president’s policies, with disastrous consequences for regime cohesion. Using his unequalled connection to the president and his praetorian guard units as a base, he first tried to extend clientele networks across state and society – to Alawi clients, to the bourgeoisie and to sections of the professional middle class which he organised in a university graduates league. He resorted to the most traditional of power building strategies in the Muslim world, multiple marriages to various powerful families, building in this and other ways connections to forces which were, at one time or another, historic opponents of the regime: the Lebanese Maronites, the Saudis, even the Americans. Rifat’s bid for power was not just at the expense of the two main power institutions of the regime, the army and party, but in time appeared accompanied by efforts to promote an alternative “rightist” – pro-Western, pro-bourgeoisie ideological agenda opposed to the dominant Ba’thist thrust. He even dared to break the consensus on foreign policy, seemingly objecting to Syria’s alliance with Iran against Iraq.

The showdown came in 1984 when the president fell ill and Rifat positioned himself to take power while the rest of the power elite coalesced against him, including the Alawi military headed by Shafiq Faysal. Military factions deployed their forces in the streets and bloodstream was seemingly avoided only when the President recovered and threw his authority against Rifat. But the offence taken by the army, and behind it the party, was also central to Rifat’s undoing – a manifestation of the power of bureaucratic interests opposed to the most potent of clientele networks. The rise of Rifat’s alternative power base, outside formal institutions and led from a wing of the “royal family,” so to speak, bears all the marks of a patronial policy. The subsequent break-up of Rifat’s praetorian guard curbed his sprawling clientelist “state within a state,” yet furthers the centrality and autonomy of the presidency – as the only “pole holding up the tent” (Seale 1988: 421–440; Drysdale 1984).

While the barons were the key actors, the Ba’th party’s other military members continued to send delegates to party congresses and the most senior sat in the central committee and Regional Command (Devlin 1983: 59). Although there is no evidence that they were an ideologically minded group, such senior politicised officers still manoeuvred to insert allies and clients into party and government and ambitious civilian politicians in turn sought their backing.

The professional officer corps, long represented in the president’s inner circle by men such as Chief of Staff Hikmat al-Shihabi, was a powerful corporate interest group uniquely powerful on issues of war and peace in a country in a state of perpetual war-preparation. If its budget is any indicator, it enjoyed the priority access to resources needed to maintain capabilities in the arms race with Israel. Ex-officers continued to be appointed to ministries and public companies. Military enterprises, which also entered the civilian market for commodities and construction, gave the military elite a stake in the statist economy (Drysdale 1979: 372; Picard 1988).

C. Bureaucratic politics: actors and issues

In times of “ordinary politics,” the President has allowed many lesser matters to be decided within the institutions of the Ba’th state. Central to this “bureaucratic politics” was a certain rivalry between the party and government bureaucracies. The party apparatus, which tended to represent the regime’s initial rural constituency, viewed its mission as the defence of Ba’th ideology and tenaciously resisted the diffusion of power to the government bureaucracy, more the preserve of liberal-minded technocrats and the urban middle class. However, increasingly, sectoral or regional rivalries over budgets and resources have cut across this divide, with, for example, party and state officials in industry pitted against those in agriculture or those from one province against another. Associational interest groups – the worker, peasant and professional advocates – are also players of bureaucratic politics.

Much bureaucratic politics centres on the implementation of policy, particularly the struggle over budgets and jurisdictions, often played out in the party’s senior executive organ, the regional command, in the cabinet or in planning agencies. Much of elite politics was ultimately about the competition of rival clientelist networks, often cutting across sectoral lines, to corner public resources and dispense patronage to followers. For example, opposing coalitions of Alawi barons, high state officials and supplier agents battled for control over the awarding of contracts and the commissions at stake in them.

The president monitored bureaucratic politics in a kind of government by telephone from the presidential palace, normally only intervening when things went wrong or to settle disputes and break stalemates within the elite (Seale 1988: 340–44). This fragmented policy process little accords with the notion of a state bourgeoisie pursuing a coherent class interest and is more consistent with the idea of a “Ba’thist” ruler standing above and exploiting the rivalries of those below. However, the consequences of the process – the use of power to
get wealth and wealth to influence power – is compatible with the long-term consolidation of a “new class.”

D. Arenas of bureaucratic politics

Bureaucratic politics took place chiefly in two overlapping arenas, the party leadership organs and the government council of ministers.

1. Party Leadership Organs: The supreme policy-making body in the party (between congresses) was officially a joint session of the National and Regional Commands, which acted as the regime’s “politicuro.” Since 1971, President Asad has led both commands, uniting in his hands the powers of General Secretary (al-amin al-amn) and Regional Secretary; there were also assistant secretaries for each command. The Regional Command, the main authority for governing Syria, officially nominated the president and through him appointed the cabinet. Attached to the command were specialised offices responsible for internal party administration (the organisation and finance bureaux), for the corporatist “popular organisations,” and for various functional domains (bureaux for peasants and agriculture, economy, education, workers, youth, etc.). The National Command, a kind of Ba’thist “comintern,” was chiefly responsible for party doctrine and for relations with foreign and Arab political parties.

These commands were, in principle, elected by and responsible to their respective congresses. The Syrian regional congress was, in practice, dominant while the technically superior National Congress was little more than a later session of the Regional Congress which, with the addition of delegates from Ba’thi organisations outside Syria (e.g., Lebanon, Palestinians), deliberated on Arab and foreign policy. Since 1985, party congresses, in abeyance, have been superseded by a smaller more elite body, the party central committee (Hinnebusch 1990: 167–68) (See Figure 4.1).

Membership in the party commands, which are superior to the council of ministers, constituted the summit of power below the presidency and the military elite. As the Ba’th was increasingly subordinated to the Presidency, however, high party office, per se, no longer necessarily gave real power. The few strong party politicians were those able to combine other assets with party office. For example, Izz ad-Din Nasser, on the Regional Command since the 1980s, was an Alawi with connections in the military and a forceful personality, who headed (and strengthened) the trade union federation, through which he wielded influence in the public sector and was seen by private business as a major opponent. Suleiman Qaddah, the Assistant Regional Secretary for much of the eighties and nineties, held a superior office but lacked a comparable personal power base.

Party organs nevertheless gave a certain institutional dimension to policy-making. The Regional Command operated as a middle level policy making organ, formulating, within Presidential guidelines, concrete socio-economic policies through its array of specialised offices which co-ordinated, under a senior party apparatchik, the work of ministerial officials and interest group leaders in a particular functional domain. These policies were then approved or altered in meetings of the party representative bodies – congresses or the central committee (Perthes 1995: 156–7; Seale 1988: 174).

Before Asad’s take-over, party congresses were the centre of political life: they laid down ideological doctrine and long-range programs, decided between or reconciled competing factions and policy lines (notably the 1963 Sixth and the 1965 Eighth National Congresses) or
legitimised changes of course resulting from major regime splits. Even after 1970, such party forums, in bringing together party apparatchiki, senior army commanders, ministers, governors and interest group leaders, were the political elite assembled and hence served as arenas in which executive initiatives were reconciled with wider bureaucratic interests and intra-elite conflicts settled (Sadowski 1985: 3–8).

Under Asad, such conflicts ceased to reflect open ideological struggle between “moderate” and “radical” factions, but congress resolutions did tend to have a statist policy bias potentially at odds with the periodic Presidential sanctioned moves toward liberalisation promoted by liberal technocrats sympathetic to the market. Thus, the resolutions of the 1975 Sixth Regional Congress, the 1980 Seventh Regional Congress and the 1985 Eighth Regional Congress all approved various new state interventions in the market, arguably expressive of a certain institutionalisation of party ideology and not fully congruent with the government’s post-1970 economic liberalisation.

These congresses were also occasions of vociferous criticism by delegates of members of the party and government leadership over corruption and incompetence, some of whom were then removed in subsequent elections to the Regional Command (Devlin 1983: 58–59; Sadowski 1985). Whether this reflected the party “bases” holding leaders accountable, feuding elite factions using the peccadilloes of their rivals to bring them down, or Asad’s use of such arenas to put some limits on corrupt practices, party congresses arguably functioned as a limited accountability mechanism. However, the failure to hold a party congress since 1985 has deepened even this measure of party democracy. Asad increasingly substituted for party assemblies the far weaker “National Progressive Front,” (in which Ba’th leaders sat with the representatives of smaller “progressive parties”) as the body for legitimising his decisions.

2. The Council of Ministers: The ministerial bureaucracy, topped by the Council of Ministers (the cabinet or government) and headed by the Prime Minister, is a second more junior power institution. The cabinet is appointed by the President, theoretically on the recommendation of the Regional Command whose rival members jockey to insert their clients in the government. The cabinet makes the day-to-day decisions needed to implement the high policy defined by the President and the party and supervises the bureaucracy in policy-implementation. Prime Ministers are always senior Ba’thists and members of the Regional Command and Ba’thists control about half the ministries, including the strategic ones, while the rest are headed by independent technocrats and a handful of Nasserites, Communists, and Arab Socialists.

Prime ministers have primary responsibility for managing the state and the economy. This requires, in addition to administrative competence, the ability to contain the demands of patronage in the interest of economic rationality. This takes a strong prime minister who has to fight to amass the necessary power and inevitably makes enemies in the power elite. Asad’s first Prime Minister, General Abd al-Rahman al-Khulayfawi, had the stature to lead in his own right but precisely for that reason antagonised many interests over time. Abd al-Ra’uf al-Kasm had both exceptionally long tenure (1980–1987) and an exceptional background for a Ba’thi premier: a wealthy member of the Damascene bourgeoisie, he lacked strong party backing but, enjoying the President’s support, he pursued his own statist agenda and clashed with several senior officers over jurisdictions and corruption. His conflict with Defence Minister Tlas over his effort to curb smuggling from Lebanon helped finally bring him down (Perthes 1995: 152–53). More typical was his successor, Mahmoud al-Zoubi, a veteran Sunni Ba’thist from Dera who climbed to power through the state and party agricultural bureaucracies. He had no personal project and sought to govern through alliances with security barons like Ali Duba and politicians like Izz ad-Din Nasser. He was, thus, reputedly less effective at constraining the interference and influence peddling of politicos at the cost of managerial effectiveness.

Within the cabinet, the most powerful ministers are so by virtue of their party stature or closeness to the president, and these have often been beyond the prime minister’s control; as such, the cabinet often fails to act as a team in the pursuit of an agreed program. Cabinet tenure is, except for a few regime stalwarts who remain in office through cabinet reshuffles, too short to permit most ministers to build power bases. These factors have limited both the intra-regime political weight and the policy-实施 effectiveness of the cabinet.

But individual ministers still count. Technocrat-ministers often hold positions in key ministries where competence is crucial to the regime’s political or economic standing, such as the Ministries of Electricity and of Petroleum. They influence policy-making within their own domains and exercise the practical control over policy that accrues to those charged with its day-to-day implementation, although they often wield too little power to do their jobs effectively. The exception to this was the non-Ba’thist Minister of Economy, Muhammed al-Imadi, who was the
main architect of Syria’s economic liberalisation. Although he was seen by much of the business class as lacking the power to effectively implement it against political interference, few ministers have left a comparable mark on public policy.

IV. Pillars of Power

Asad and his associates controlled society from the levers of three instruments of power – a mass incorporating party apparatus, a massive state bureaucracy and a large, well-equipped military and security force.

A. The Ba’th Party apparatus

The party hierarchy in the 1980s rested on a base of 11,163 cells (balaqat) grouped in 1,395 “basic units” (firqa, firaq) located in villages, factories, neighbourhoods and public institutions; these formed 154 sub-branches or sections (shu‘ba, shu‘ab) at the district (mantiqa) or town level; and these constituted 18 branches (far‘, furu‘) in the provinces (muhafazat), big cities, and major institutions (such as a university). A parallel structure existed inside the army. From this base was elected a Regional Congress of 771 delegates, a Central Committee of 90, a Regional Command of 21 members and a National Command of twenty. Each level of organisation had its own assembly and executive committee – “command” or “leadership” (qiyada) – headed by an amin or secretary (See figure 4.1 page 76).

The party had a dual function. It was initially supposed to be an ideologically disciplined body of militants carrying out revolution in society; while it quickly lost its ideological energy, the party apparatus remains a hierarchy of political control running from the Regional Command to provincial and local party committees. In the provinces, the party branch command is the primary centre of regional authority, with the branch secretary outranking the provincial governor; because the secretary is a local politician and the governor a centrally appointed bureaucrat and normally an outsider they, in principle, check each other. The party chain of command, running parallel to the state bureaucracy and the “popular organisations,” was also responsible for ensuring implementation of the party’s policies in particular sectors through provincial offshoots of the Regional Command’s central functional offices – such as those for peasants, education, workers, etc. (Hinnebusch 1990: 166–190).

On the other hand, the party apparatus was supposed to be a mechanism which, through functions such as political recruitment and interest articulation, incorporated and empowered the regime’s consistency. The party’s mission, to recruit a mass base from the plebeian strata which in principle had a stake in the revolution, was indeed realised. At the village and district level, the party and its auxiliaries, notably the peasant union, are typically made up of educated youth, such as the local school teacher, and middle peasants in the cooperatives; as such, it is no alien force imposed from the outside. Moreover, the party constituted a ladder of upward political mobility from this local base. Thus, my 1974 study of the careers of 22 politicians who held power in the mid-seventies at the province and national levels found they were overwhelmingly drawn from small or middle peasant families, had managed to attend high school in the 1950s where they were attracted to the Ba’th and thereafter became professionals or white collar employees, while working their way up the party hierarchy from the village firqa (Hinnebusch 1990: 170).

By the eighties, as Table 4.1 indicates, the party had incorporated some 500,000 members, overwhelmingly teachers, students, state employees, peasants and workers (ABSP 1985b: 35–58). The Ba’th indisputably incorporated a middle-lower class populist alliance, with more than 60% from the lower (worker and peasant) classes and only 2% from upper middle strata. (This is calculated from Table 4.1 by excluding students; ranking doctors, engineers, pharmacists, judges and lawyers as upper middle class; and nurses, teachers and public employees as middle class). This composition was associated with

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1980</th>
<th>1984</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctors, Pharmacists</td>
<td>298</td>
<td>1,255</td>
</tr>
<tr>
<td>Engineers</td>
<td>1,104</td>
<td>3,739</td>
</tr>
<tr>
<td>Lawyers &amp; Judges</td>
<td>401</td>
<td>688</td>
</tr>
<tr>
<td>Nurses</td>
<td>752</td>
<td>1,853</td>
</tr>
<tr>
<td>Teachers</td>
<td>19,668</td>
<td>40,598</td>
</tr>
<tr>
<td>Public Officials</td>
<td>31,390</td>
<td>48,103</td>
</tr>
<tr>
<td>Workers</td>
<td>51,224</td>
<td>73,965</td>
</tr>
<tr>
<td>Artisans</td>
<td>3,547</td>
<td>4,220</td>
</tr>
<tr>
<td>Peasants</td>
<td>65,859</td>
<td>74,665</td>
</tr>
<tr>
<td>Students</td>
<td>183,355</td>
<td>267,255</td>
</tr>
<tr>
<td>Other</td>
<td>15,879</td>
<td>21,523</td>
</tr>
</tbody>
</table>

| Totals                   | 373,477| 537,864|

Source: ABSP 1985b: 47.
distinctive populist attitudes and political orientations which varied according to members' social background much as would be expected, with the more educated being more ideological and feeling more politically efficacious while the small employers and rich peasants preferred more freedom for the private sector than propertyless workers (Hinnebusch 1980).

In principle, the party also provided mechanisms for the articulation and aggregation of the interests of its constituency. Its rules provided for four year cycles of elections from the base level upward in which local partisans passed resolutions and elected delegates to higher level assemblies, culminating in the national-level policy-making Regional Congress. A patron at the top was essential to move up very far in the party hierarchy, but ambitious local politicians had to cultivate constituents to win the local level election needed to catch the attention of higher ups; as such, delegates to party congresses sometimes arrived armed with resolutions reflecting the wishes of their constituents and the leadership reports which formed the basis of congress debates sometimes incorporated such input. Beginning in the seventies and especially in the eighties, however, elections ceased to turn on issues, official candidates were nominated from above, and alternative candidates ceased to be tolerated. More than ever, the leadership exercised its power to set the agenda, purge dissidents, and neutralise activists' use of elections and congresses to challenge incumbent office holders (Devlin 1983: 33–34; Hinnebusch 1980; Perthes 1995: 158–60). As the party declined as an arena of political activism and its ranks were flooded with compliant careerists attracted by the benefits of a ruling party, it was increasingly transformed into a patronage machine subordinate to the top rulers. Since the mid-eighties, even the cycle of periodic party elections has been on hold.

The party retains, however, some residual relevance as a link between the regime and its constituency. First, it still functions as a locus of individual “interest articulation,” intervening with the bureaucracy to redress constituent grievances, place clients in jobs, and generally to lubricate the creaky workings of the bureaucratic state. While this is most salient at the rural level, even in the city the party was the centre of redress: thus in the 1990s, the Damascus party boss Ala ad-Din Abdin, (amin al-fara dimsheq) had good relations with Damascene bourgeois families and took care to service their grievances. Second, the party's continued recruitment of plebeian elements into the elite and the need of the elite to sustain this base of support tended to constrain departures from the statist and populist policies which apparently favoured the party's constituency. To this extent, the party could be said to institutionalise the regime's ideology.

B. Populist corporatism

The party apparatus also controlled an array of corporatist associations through which differentiated societal sectors were brought under regime tutelage. Ba'thist literally created several “popular organisations” (munazzamat sha'biya) which incorporated peasants, youth, and women. The trade unions and the teachers' and agronomists' unions were traditionally Ba'th-dominated. The professional associations (niqabat mihaniya) of doctors, lawyers, and engineers in which the Ba'th was lightly represented retained a certain independence until the Islamic rebellion (1978–82), during which their leaders were replaced by state appointees (Perthes 1995: 170–80).

Ba'th corporatism was chiefly an instrument of control. The popular organisations were (except for the trade unions) constructed from the top down rather than through struggle from below and hence lacked the autonomy and popular support to challenge the government. Yet, Ba'thist corporatism, at least initially, had a special “populist” character: while most corporatist regimes play off competing social forces or favour privileged groups such as businessmen's associations, the Ba'th, seeking to mobilize a popular base against the old classes it overthrew, organised previously excluded popular sectors and accorded them privileged access to power denied its bourgeois rivals. Ba'th corporatism thus began as a strategy of popular inclusion rather than exclusion or demobilisation: groups which hitherto lacked organisation acquired new, if still limited, political weight. Thus, the Ba'th-created Women's Union mobilised some real activism on behalf of equal employment opportunities and child care facilities for career women (Shaaban 1988: 28–79). The trade unions wielded considerable weight as a sort of “chamber” of the public sector overshadowing the private sector chambers of commerce and industry (Perthes 1995: 173–80). While previous regimes discouraged peasant organisation, the Ba'th recruited leaders from the small peasantry and backed their creation of union branches in the villages. The peasant union became a player in bureaucratic politics, pushing with some success for higher prices for state-marketed crops in conflict with agencies representing urban (Ministry of Supply) or industrial (Ministry of Industry) consumers of agricultural goods. It helped energise the land reform process and
organised small peasants to counter the power of larger proprietors, investors, and middlemen, especially in pushing for the implementation of the agrarian relations laws protecting tenants, which would otherwise have remained paper decrees; today it is seen as a major obstacle by investors seeking a more favourable law. The union’s access to decision-makers in the long absence of comparable access for landlords and merchants enhanced the weight of peasant against moneymed interests which would, in the normal course of things, have been more potent (Hinnebusch 1990: 197–219; Springborg 1981).

In summary, the party and its auxiliaries provides the regime with strong points in the cities, a channel of patronage and access linking the centre and the rural provinces where its power base has always been strongest, and a network of control in the vast bureaucracy and public sector. Through its auxiliaries the party has an organised presence in every social force. It is a tissue of ideological and material interests cutting across the many sectarian and class cleavages which divide Syrians. And, it is crucial to the regime’s ability to sustain some support in the Sunni lower and middle classes while limiting opposition access to them.

C. The state bureaucracy

The bureaucracy was not a major channel of elite recruitment comparable to the army and party and it was subject to control by the party apparatus and vulnerable to military interference. However, the dramatic expansion in the functions and size of the bureaucracy under the Ba‘th made it a crucial third pillar of control in two respects.

First, as the scope and penetration of state functions expanded, more and more sectors of life, previously outside the purview of the state, came under the influence or control of the bureaucracy. Government and the public sector dominated industry and finance and although the traditional suq resisted their sway with tenacity, state penetration of the rural areas changed the fabric of social life there.

Secondly, the bureaucracy in the eighties employed one in five Syrians, partly as a consequence of a deliberate policy of absorbing unemployment – and hence political discontent – among the educated. While the party opened the door of education and of the state machine to ruralis on a major scale, urban Syria continues to produce better educated graduates at a more rapid rate; thus, the upper levels of the bureaucracy have become, in a very real sense, an instrument of regime co-optation of the educated urban, largely Sunni, middle class, analogous to the role of army and party for the rural areas. Most public officials are incorporated into Ba‘th-dominated professional or trade unions and many are party members. Many senior officials, even when not well-connected Ba‘this, have access to patrons higher up and thus enjoy privilege and access denied others. In return for loyalty, the regime tolerates the petty – and not so petty – corruption and poor job performance for which many officials are known. Yet, if little is expected of the bureaucrats, little is also given to them, at least at the lower levels. As, in the late seventies, their relatively fixed salaries fell behind the inflation unleashed by economic liberalisation and the oil boom, many officials saw the amenities they believed themselves entitled to, notably housing, slip out of reach. Because their aspirations outran incomes and opportunities, many were subject to acute frustration. Many scrambled to go into business on the side, moonlight, and otherwise diversify their resources. Their subordination to less cultured, frequently Alawi rural politicians and army officers, and the favouritism shown Alawis in personnel matters, fuelled resentment among them. Yet, for the most part, bureaucrats refrained from directly challenging the regime, remaining a pliant administrative tool (Hinnebusch 1990: 190–196; Hinnebusch 1989; Perthes 1995: 141–5).

D. The army and security forces

Finally, if other instruments of control fail, the regime can fall back on an enormous repressive apparatus. The security forces and intelligence services (mukhabarat) are multiple, pervasive in surveillance of society, and feared for the arbitrary arrest, imprisonment and torture of dissidents which they have practised. “To be sure,” Devlin observes, “a certain amount of grumbling is tolerated as long as the grumblers don’t organise.” But the little tolerance of open dissent by the security forces depletes political life. The often corrupt behaviour of security barons is a major-source of public dissatisfaction which, as Devlin points out, the regime is hard put to remedy: “An authoritarian regime that wants to stay in power is constrained in attempts to deal with dissatisfaction by the requirement that it not do injury to those props that are essential to its survival” (Devlin 1983: 63–68).

The army, by virtue of its massive size and firepower makes rebellion very futile if not costly, so long as it remains loyal. In fact, since 1963, the Ba‘thized army has repressed no less than seven (1963, 1964, 1965, 1967, 1973, 1980, 1982) major anti-regime urban disturbances, an accumulating record that must be a serious deterrent to violent
opposition. But, given the role of armies as the Middle East’s main vehicles of regime change, the Syrian army’s reliability could never be taken for granted and the regime pursued several overlapping strategies to control it.

First, the Ba’thization of the army was accompanied by the creation of a party organization in it to organize and direct Ba’thi partisans. Asad’s appointment of trusted Alawi kinsmen and clients to key “coup-making units” and the appointment of Alawi deputies to Sunni commanders in other units gave the regime a parallel sectarian network of control. The preference given Ba’this and Alawis in admission to the military academy meant that elements of the same social background and political convictions came to command both state and army. At the same time, the relative professionalization of the officer corps pursued after the 1967 war was associated, except for regime defence units, with de-politicisation. Military expansion kept professional officers happy with promotions and equipment, officers generally became a privileged regime constituency, and their stake in protecting the army’s professional integrity against political purges deterred them from political involvement. The difficulty of mounting a successful coup in an ever larger army also worked to preserve the reliability of the armed forces chain of command (Maoz 1975: 285; Drysdale 1979; Picard 1988).

These control strategies were not, of course, foolproof. Thus, while ideological disputes declined as a major source of intra-military conflict after 1970, ideologically alienated Ba’thist officers were still a potential threat: disaffected Ba’thist officers mounted several abortive coup attempts in the mid-seventies protesting the intervention against the PLO in Lebanon. Then the Lebanese intervention, growing Alawi privilege, and the Islamic rebellion in the late seventies seriously exacerbated sectarian conflict in the army: there were instances of actual defection of Sunni officers to the Islamic opposition motivated by sectarian animosities, including the attempt on Asad’s life by a member of the presidential guard and the 1979 massacre of scores of Alawi cadets by a Sunni officer. Moreover, in at least two instances, military discipline collapsed when units ordered into action against Sunni cities split along sectarian lines. During Islamic-inspired disturbances in Hama, the nearby 40th Brigade, heavily Hamawi in composition, was ordered into action against the city; when the Sunni commander contested the order, he was arrested by his Alawi deputy. Although its insubordination was contained, the unit nevertheless split and had this happened on a wider scale it could have posed a major danger to the regime. But it is a measure of the army’s substantial political discipline that it could nevertheless be effectively used in an overtly sectarian conflict in Lebanon and against Syrian cities.

The army’s domestic role was not, however, exclusively as an instrument of repression; it was also a channel by which the state incorporated society. In many villages, the military was a preferred prestige career, officers preferred marriage partners and local officers viewed as brokers with the state bureaucracy. Not only does the large officer corps link thousands through military discipline and careers to the regime, but tens of thousands of conscript youth and a half-million periodically mobilised reservists are incorporated into a “citizen army” for defence of the country against a bitter enemy.

V. WIDENING THE STATE BASE: RENTIERISM AND IDENTITY

The Asad regime widened and consolidated its social base through exploitation of two resources, economic rent and political identity. First, the state control of the heights of the economy (the public sector, growing domestic oil production) and the receipt, after 1973, of large quantities of Arab aid gave the regime significant financial resources. This made it a source of patronage for core constituencies and enabled it to sustain distribution functions embodying a certain tacit social contract: political acquiescence was bought through state delivery of a minimum level of economic opportunity and welfare. These resources also financed a density of state building which would simply not otherwise have been possible (Leca 1988).

The transformation of the state into a font of patronage transformed the character of politics. The class conflict of the fifties and sixties gave way to competition by individuals and small groups for access to state patronage – whether jobs, contracts, or other privileges. This form of social competition put a premium on the personal connections which gave access to the clientele networks reaching down through the state. The manipulation of regional and sectarian ties inevitably became the route of least resistance to such access (Perthes 1995: 180–181, 185–6).

At the same time, the regime attempted to manipulate and attach the two strongest levels of identity in Syria, the Pan-state and sub-state levels, to the state itself. On the one hand, Arabism remained the main identity by which the state claimed legitimacy and secular Arab nationalism remained the official ideology under which all communal groups enjoyed equal rights and were assimilated through state schools
indoctrinating them in Arab nationalism. The regime sought to legitimise Syria’s separate statehood by its mission as the champion of the Arab cause against Israel, the one element of the regime’s policy on which a broad consensus existed, and its credible performance against Israel, at least by comparison to other Arab states, was perhaps its major source of legitimacy. On the other hand, the cohesion of the regime centre was based to a considerable degree on sub-state Alawi solidarity. Despite the potential contradictions between the logics of these two levels of identity, it was, given the power of sub- and trans-state loyalties in Syria, perhaps inevitable, as well as ironic that these should be harnessed to state building ends.

VI. CONCLUSION

In summary, Asad built authority through a complex mix of techniques and strategies. “Traditional” techniques with long roots in the political culture, notably the primordial political cement of kin and sectarian asabiya, were used to forge a reliable elite core dominating the state. “Modern” political technology - party ideology, organisation, bureaucratic control, and modern means of coercion and surveillance - consolidated control over society. The special features of the regime were, perhaps, its distinctive combination of sect and party to control the military and mobilize a rural base. The incorporation of a significant array of interests - the army and the minorities as well as sections of key social forces, including the bourgeoisie, the salaried middle class, the peasantry and the working class, gave the regime a cross-class, urban-rural social base. Popular legitimacy rested on Arabism and a “populist” social contract. At the top, Asad achieved relative Bonapartist-like autonomy, balancing between competing groups and social forces. Bonapartism was a function of the favourable social terrain created by the levelling of rival sources of social power through revolution from above and of the new patronage deriving from the much increased post-1973 access to rent (Hinnebusch 1990; Perthes 1995: 187-190).

Chapter 5
STATE-SOCIETY RELATIONS UNDER ASAD

The Ba’th state never achieved the totalitarian penetration and control of society implicit in its Leninist model and its autonomy was being contested even as it was being asserted. First, the state began to generate a new dominant class bridging the state and private sectors with its own distinct interests. The corruption and inequality resulting from this process spawned a violent Islamic opposition among those damaged. Then, the emergence of a more complex civil society, combined with the post-bi-polar transformation of the international system, brought pressure on the state to liberalise state-society relations.

I. A “NEW CLASS”

Asad’s first priority, the struggle with Israel, dictated an ever expanding military build-up while sustaining the economic growth crucial to state consolidation at home. This strategy depended on resources extracted from the international and regional systems, namely cheap arms and technology from the USSR/Eastern Bloc and massive financial aid from the Arab oil states. But it also required some economic liberalisation at home to mobilize domestic, expatriate and Arab capital. As such Asad, subordinating socialist ideology to economic pragmatism, pursued a dual strategy of simultaneous public investment and economic liberalisation, aimed at preserving the ability of the regime to control the economy and satisfy its constituency, while still appeasing and encouraging investment by the Syrian bourgeoisie.

State dominance of the economy was nominally sustained since much external aid was funnelled through the state which used part of it to finance a public sector industrialisation drive in the 1970s. In some other mixed sectors, like internal trade and construction, state firms also expanded their domains. At the same time, liberalisation of trade opened Syria to Western imports, fuelling revival of the private sector, and the proliferation of a comprador bourgeoisie. Much of the new private business took the form of speculation on real estate and foreign exchange, cornering import licenses for scarce commodities like autos, or import-export operations which widened consumption rather than production. But migration of workers to the Gulf relieved unemployment and generated remittances while expatriate capital began to flow