

A stylized map of Syria composed of a grid of dots. Most dots are light gray, but several are colored red, highlighting specific regions or cities on the map.

# The Reconstruction of Syria

## Socially Just Re-integration and Peace Building or Regime Re-consolidation?

**SALAM SAID AND JIHAD YAZIGI**

December 2018

- Reconstruction can be an opportunity to create a better and more stable future, rather than just rebuilding and reproducing the pre-war economic, socio-political and institutional conditions which often are key contributing causes of the conflict in the first place.
- The Syrian regime and its partners have already set their terms for reconstruction. Under these terms, any direct funding of the Syrian government or of recently »elected« local authorities – who really are local warlords and members of criminal networks that came to power during the conflict – would lead to very negative consequences. By following »rigged rules of the game«, old structures would be fortified and imbalances of power and opportunities would be increased.
- Western powers will not be able to use reconstruction as a political tool, as Assad has already made his calculations and knows that he will not receive large-scale funding to help with his stabilisation. Therefore, the sanction system might instead be redesigned to target both the businessmen allied with the regime and those projects that discriminate specific segments of the population according to political loyalty, are based on the illegal seizure of public land or cause the dispossession of properties.



## Contents

<b>1. Introduction</b> .....	<b>2</b>
<b>2. The Regime's Reconstruction Policies, Legal Framework and Practices</b> .....	<b>3</b>
2.1 Early Preparation .....	3
2.2 Legislation and Practice .....	4
2.3 Investment Laws and Legitimation of Illegal Wealth .....	4
2.4 Intervention by Security Services and Controversial Practices .....	6
2.5 Law Number 10 and Dispossession of Property Rights .....	6
<b>3. Reconstruction Approaches and Foreign Powers</b> .....	<b>7</b>
3.1 Reconstruction as a Foreign Policy Tool .....	9
<b>4. Conclusion and Policy Recommendations</b> .....	<b>11</b>

## 1. Introduction<sup>1</sup>

Generally speaking, post-conflict reconstruction is an extremely complex and multi-layered process. It entails political stabilisation, economic recovery and social reconciliation in addition to the rebuilding of state institutions and the rehabilitation of the military. Reconstruction can, however, be an opportunity to create a better and more stable future rather than just building back or reproducing the pre-war economic, socio-political and institutional conditions, which often are key contributing causes of the conflict.

The topic of reconstruction in Syria has been making headlines in national and international media ever since Assad managed to regain more than half of Syrian territories and put an end of the military conflict on a large number of fronts. However, it is not only the immense destruction and the high cost of rebuilding the Syrian economy and society that is attracting international attention. It is also the potential power of reconstruction to influence post-war politics, economy and society.

It shall be argued that Syrian reconstruction will be a missed opportunity for change, let alone »state-rebuilding«, should Assad remain the key political actor and partner for the international community. On the contrary, Syrian reconstruction under Assad will actually reinforce old structures and increase imbalances of power and opportunities by utilizing »rigged rules of the game«<sup>2</sup>. Heydemann (2018), Yazigi (2017) and Daher (2017) show how the regime has managed to strengthen criminal economic networks, as well as business relations between military and state and also crony capitalism during the war. Moreover, even though the individual members of the business community might have changed slightly,

the community itself remains unchanged in terms of its structures and practices.<sup>3</sup>

For the most part, the Syrian regime has already set the terms under which it wants reconstruction to happen: It has enacted laws and regulations that ensure that those Syrians who opposed it would be dispossessed of their real estate assets, with their properties being transferred to regime cronies. Further, in the local »elections« of September 2018, the regime legitimised and institutionalised supporters of Assad's method of reconstruction. Warlords and other members of its criminal networks were elected and therefore will be in a strategic position to receive funds from institutions who want to bypass the central government. In addition, it has awarded long-term licenses and contracts to manage state properties and assets to regime cronies, including real estate properties or, for instance, the right to collect and sell rubble.

While it is true that major donors, including Western countries and IFIs, have made it clear that they will not fund Syrian reconstruction without a peace agreement that ensures a political transition in the long term, the regime will block any efforts in that direction. Assad has already made his calculations, and he is not expecting to receive large-scale funding for his stabilisation.

So, under the prevailing circumstances the regime actually has no interest in a Marshall-type funded reconstruction. It doesn't have the human resources or institutions to manage such an effort and in fact, given its magnitude, knows that it would necessarily lead to some loss of control, something it wants to avoid at any cost.

There even are strong signals that the regime is not interested in having refugees return. Large numbers coming back would represent a burden and carry risks that the regime is not willing to take.

The regime seems ready to continue for a long period of three »no«s: No return of refugees; no large-scale fund-

1. A workshop under the same title was held by the Friedrich-Ebert-Stiftung in Beirut/Lebanon, 26.9-27.9.2018. Nevertheless, this paper has been exclusively written by the two authors.

2. Schwalbe (2008) emphasises that inequality is created and reproduced by institutionalising »rigged rules of the game«. According to Schwalbe, rules of the game are all laws, regulations, legislation, policies and practices that influence (re)distribution of resources and opportunities. Legislation, policies and practices that allow accumulation of wealth of a few at the expense of others, or those that favour one social group over another in accessing decent employment, financing, investment, education or health services are »rigged rules«. See Schwalbe, Michael (2008), *Rigging The Game: How Inequality Is Reproduced in Everyday Life*, Oxford University Press, Inc. New York 2008.

3. Heydemann, Steven (2018), »Beyond Fragility: Syria And The Challenges Of Reconstruction In Fierce States«, *Foreign Policy at Brookings*, June 2018, [https://www.brookings.edu/wp-content/uploads/2018/06/FP\\_20180626\\_beyond\\_fragility.pdf](https://www.brookings.edu/wp-content/uploads/2018/06/FP_20180626_beyond_fragility.pdf); Yazigi, Jihad (2017) »Destruct to Reconstruct: How the Syrian Regime Capitalises on Property Destruction and Land Legislation«, *Friedrich Ebert Stiftung*, July 2017, <https://library.fes.de/pdf-files/iez/13562.pdf>; and Daher, Joseph (2017), »Milicias and crony capitalism to hamper Syria reconstruction«, *openDemocracy*, 5.9.2017, <https://www.opendemocracy.net/north-africa-west-asia/joseph-daher/milicias-and-crony-capitalism-to-hamper-syria-reconstruction>.

ing of reconstruction; and no political change. These are the conditions under which the debate over reconstruction should be discussed.

In this paper, we will highlight the regime's policies and practices of reconstruction, after which we will then look at reconstruction approaches and the role of foreign powers. Finally, we will provide some policy recommendations.

## 2. The Regime's Reconstruction Policies, Legal Framework and Practices

The last years have reinforced, rather than weakened, the prevailing structures of the pre-war political economy. These include illicit, predatory, and coercive norms and practices; business cronies and networking; and exclusive and repressive modes of economic governance.<sup>4</sup>

The legal framework for reconstruction put in place by the regime really prioritizes an increase of its power over the aim of reconstruction in the proper sense. The framework does not address damaged infrastructure and buildings, the provision of basic social services for war-affected populations or the economic development and recovery of destroyed areas. Rather, it exists to re-consolidate the power of Assad's regime and legitimise him as president of Syria. This is done by rewarding regime supporters in the business community and military, while punishing its critics and opponents either individually or collectively through various means. For example, loyal business cronies and military personnel have been rewarded with contracts to rebuild damaged infrastructure and the opportunity to acquire confiscated properties at favoured prices. Meanwhile, those businessmen and crony capitalists that, like Firas Tlass and Imad Ghreiwati, supported the opposition have been severally punished. Their properties were seized or they were legally charged with spurious claims in the so-called »counter-terrorism« courts.<sup>5</sup> Likewise, the population of the areas which

were held by the opposition and massively destroyed by Assad's and Russian aerial bombardment have been collectively disadvantaged through urban reconstruction planning, legislations and practices. A vivid example of this is the 2012 Decree 66<sup>6</sup> for regulation of informal areas and settlements.<sup>7</sup> According to Yazigi, this decree, »legalised the destruction of two districts« of Damascus and »allowed the expulsion of their inhabitants, who were largely supportive of the opposition«<sup>8</sup>

### 2.1 Early Preparation

The Assad regime started its preparations for reconstruction as early as 2012 by putting in place a legal framework and founding an organisational body for rebuilding matters. The so-called »Committee for Reconstruction« was founded in September 2012 and worked for two years to address compensation for terror-related damage of private properties; compensation for military personnel; rehabilitation and renovation of infrastructure; and the financing of temporary housing.<sup>9</sup> In addition, various taxes and fees were created in the context of reconstruction to increase state revenues, such as the martyr fee in 2014 and the reconstruction tax of 5 per cent in 2013, that was increased to 10 per cent in 2017.<sup>10</sup> Even more important are the laws and Decrees issued after 2011 in relation to private property, urban reconstruction, investment, the real estate sector and public assets, laws which have been largely deployed for political goals.

struction«, *The Arab Weekly*, 5.6. 2016, <https://theArabweekly.com/syrias-businessmen-invest-post-war-reconstruction>.

6. See Decree 66/2012 on the website of the Syrian Parliament in Arabic ([http://parliament.gov.sy/laws/Decree/2012/m\\_66\\_2012.html](http://parliament.gov.sy/laws/Decree/2012/m_66_2012.html)).

7. See Heydemann (2018), Yazigi (2017) and Kaddour, Kheder (2015), »The Assad Regime's Hold on the Syrian State,« *Carnegie Endowment for International Peace*, 8.7.2015, Washington, DC, <https://carnegieendowment.org/2015/07/08/assadregime-s-hold-on-syrian-state-pub-60629>.

8. Yazigi (2017), p. 6.

9. In December 2014, Decree 51 extended the work of reconstruction committee, See the website of the Ministry of Local Administration and Environment in Arabic (<http://www.mola.gov.sy/mola/index>)

10. In 2013, Decree 13 issued reconstruction tax amounting to 5 per cent added to all direct and indirect taxes, except income taxes and electricity fees. In 2017, this tax was increased to 10 per cent. For more information about these taxes see Aliqtusadi on 13.9.2013, <https://aliqtisadi.com/194091-> and on 7.12.2017, <https://aliqtisadi.com/1007749>.

4. See Heydemann (2018), pp. 7-15.

5. There are a number of researchers and journalists who addressed this fact by providing various examples on how the regime re-structured its relation to business cronies according to their loyalties and support to Assad. See, for instance, Daher (2017), Heydemann (2018), Sottimano, Aurora (2016), »The Syrian Business Elite: Patronage Networks and War Economy«, *Syriauntold*, 24.9.2016, <http://syriauntold.com/2016/09/the-syrian-business-elite-patronage-networks-and-war-economy/> and Younes, Ahmed (2016), »Syria's businessmen invest in post-war recon-

## 2.2 Legislation and Practice

During the war in 2012, Decree 66<sup>11</sup> was issued in order to organise the urban reconstruction of recaptured destroyed areas in suburbs of Damascus. However, the rebuilding plans neither support a return of pre-war residents, nor do they provide housing for low-income populations. In addition, the Decree allows for the dispossession of private properties in order to rebuild infrastructure in the planned areas.<sup>12</sup> For these reasons, these plans raise concerns about possible expropriations and a forced demographic shift connected with peoples loyalty to the regime. Housing projects such as the luxury housing estate »Basateen al-Razi«<sup>13</sup> do not only collectively disadvantage the area's pre-war anti-regime low-income residents and complicate their return, but also lead to replacing them with a wealthy pro-regime population.<sup>14</sup> It is correct that many of these suburbs were built illegally before 2011 and need to be legalised and organised. However, the instrumentalisation and politicisation of urban regulation make any reconciliation efforts ring hollow. While the regime was outspoken on urban planning and the legalisation of informal settlements in the destroyed suburbs of Damascus, highly prevalent illegal and unorganised construction in regime-controlled suburbs was tolerated. Indeed, suburbs such as Jarmana and Mazze 86 have been experiencing a boom in terms of illegal housing since 2012. The main driving forces for this were an ever increasing demand for safe places, a huge number of internally displaced people coming from East Ghouta, as well as corruption and an absence of state interference despite the fact that these areas were being controlled by the regime.<sup>15</sup>

11. See Decree 66/2012 and also Batrawi, Samar (2018), »Drivers of urban reconstruction in Syria: power, privilege and profit extraction«, *CRU Policy Brief, Clingendael* January 2018, [https://www.clingendael.org/sites/default/files/2018-01/PB\\_Drivers\\_Urban\\_Reconstruction\\_Syria.pdf](https://www.clingendael.org/sites/default/files/2018-01/PB_Drivers_Urban_Reconstruction_Syria.pdf).

12. »After Decree 66, some residents fear reconstruction means eviction«, *Baladi News*, 7.4.2018, [https://www.baladi-news.com/en/news/details/29256/After\\_Decree\\_Some\\_Residents\\_Fear\\_Reconstruction\\_Means\\_Eviction](https://www.baladi-news.com/en/news/details/29256/After_Decree_Some_Residents_Fear_Reconstruction_Means_Eviction).

13. Rollin, Tom (2017), »Decree 66: The blueprint for al-Assad's reconstruction of Syria?«, *IRIN News*, 20.4.2017, <https://www.irinnews.org/investigations/2017/04/20/decre-66-blueprint-al-assad-s-reconstruction-syria>.

14. See Daher (2017) and Yazigi (2017).

15. According to UNCHR, there are 6.2 million internally displaced people in Syria (<http://www.unhcr.org/sy/interally-displaced-people>). For more information on informal building, see also Economy Today (in Arabic), 4.11.2017, <https://www.economy2day.com/new>

## 2.3 Investment Laws and Legitimation of Illegal Wealth

In order to facilitate private investments in reconstruction projects and control illegal construction, other laws have been enacted in the same year: Law 15/2012 regulates the establishment of real estate financing companies, Decree 29/2012 addresses the reclamation of agricultural land and Decree 40/2012 regulates the removal of building violations.<sup>16</sup> These laws are tailored, not surprisingly, to benefit both the pre-war, well-connected loyal business elite and to legitimise the illegal wealth amassed by emerging »warlords«. Since 2012, a new set of wealthy and powerful businessmen, such as Wasim Qattan and Muhamad Baraa' Qaterji, has suddenly emerged. They established holding companies that have operated in various economic sectors, in particular the real estate, construction and oil sectors.<sup>17</sup> An inquiry into how and why these warlords appeared would be worthwhile.

The necessity to fight on different fronts and at the same time keep the loyalty of pro-regime militias led the regime to tolerate illegal, criminal and looting activities, including abductions to obtain ransom. Accordingly, militia leaders have enjoyed a certain degree of autonomy, enabling them to extract money from businesses and trade in their territories and become warlords<sup>18</sup>. These emerging local powers that were able to benefit from the wartime economy represent a huge challenge both for any stabilisation processes and for the central authority in Damascus. To avoid any disloyalty or rebellion on their part, Assad's regime allowed them to launder their illegal wealth collected during wartime and to become key actors in economic reconstruction by setting up formal private companies.<sup>19</sup> Businessmen such as Samer Foz and Mazen Altarzi became key players in 2016. Both invested heavily in real estate and purchased businesses belonging to businessmen abroad. The sudden and rapid rise of Foz and Altarzi in the business world raises the question of how they collected their wealth and whether they are working on their own or possibly acting as a front for the activities of prominent businessmen Mohammad

16. See Decree 40/2012 on the website of the Syrian Parliament (<http://www.parliament.gov.sy/arabic/index.php?node=5588&cat=4311>).

17. Interviews conducted by Salam Said with two businessmen who are still operating in Syria, 24.9.2018, Beirut/Lebanon.

18. Yazigi (2017), p. 6.

19. See Aatar, Rula (2018), »The Central Bank of Syria rewards warlords and punishes opponents« (translated by Salam Said from Arabic), *Almodon*, 27.6.2018, <https://www.almodon.com/economy/2018>

Hamsho and Rami Makhoul who had been put under sanctions by Western countries.<sup>20</sup>

Two years later, even more new players made the headlines, namely Muhammad Braa' Qatirji and his brother Hussam, a member of parliament and the »Godfather« of the regime's trade deals regarding wheat and oil with the Islamic State (IS) and the Kurdish Democratic Union Party (PYD). They were able to expand their companies and set up a new one to operate in the oil sector within a very short time. Their wealth mainly stems from illicit trade and smuggling fees.<sup>21</sup> Another recent example of the new business elite is Wassim Qattan, who reportedly controlled a checkpoint and a smuggling route during the war. As an insider put it: »Qattan appeared on the scene suddenly, like many other »economic whales« of Syria. He invests millions of Syrian Pounds into buildings in a very expensive neighbourhood in Damascus. Also, he enjoys favoured access to public tenders.«<sup>22</sup> After procuring the »Mall Qasioun« shopping centre in the suburb Masaken Barze, he was named to be the head of Damascus Suburb Chamber of Commerce in February 2018. One month later he established the limited company »Muroj Al-Yasameen« to operate in the tourism sector.<sup>23</sup> The loyalty of crony capitalists can be explained by their heavy dependence on their ties with the regime in order to acquire their wealth. This includes licenses and contracts awarded by the regime or by working as intermediaries for the benefit of the regime. Any political changes to it will put their economic interest and existence at stake, as they are involved directly or indirectly with the regime's criminal and illegal activities and networks. On the other side of the equation, the regime needs them and their

loyalty to legitimise its power, bypass economic sanctions and attract others to enter its system.

Those warlords who exceeded permissible limits or became a threat for the regime were attacked with public campaigns called »anti-corruption campaign« or »security campaign«, leading to the confiscation of property and financial assets in some cases. Like this, the regime's inner circle intended to eliminate rivals and to warn pro-regime militias not to overstep certain boundaries. These actions can also help to re-legitimise the regime as the central authority and Syria as a »state of law and order«, as well as to support Russian efforts to market Assad internationally as guarantee for stability in the country. A good example for this is the June 2018 »security operation« against Assad's relative Ayman Jaber and two other business cronies Jafer Shalish and Muhannad Hatem in Latakia. As an oil tycoon, Cham Capital investor and partner in pro-regime Addounia TV, Jaber is not only a wealthy businessman, but also a prominent and powerful warlord in Latakia. He financed and commanded the Desert Falcons (Suqur as-Sahra') and Sea Commandos (Fawj Maghawir al-Bahr) that supported the regime's regular army in suppressing revolts and recapturing Palmyra from the Islamic State (IS) in early 2017.<sup>24</sup> This militia later joined the so-called 5th Corps<sup>25</sup>. In addition to tightening his grip on Latakia and having a loyal militia behind him, Jaber had a good relationship with the Russian and Iranian military. His growing economic, political and military power, even if it was at a local level only, made the central power in Damascus fearful of a potential bypassing of Assad personally. The loss of control over a powerful militia and – symbolically – an important location such as Latakia was also cause for concern. Finally, Jaber seems to have been punished for his disloyalty and delay in dissolving his local militia, despite Assad's order to dissolve all militias.<sup>26</sup>

20. See Adesnik, David (2018), »US must renew sanction enforcement on Syria's Assad«, *The Hill*, 7.6.2018, <https://thehill.com/opinion/international/395835-us-must-renew-sanction-enforcement-on-syrias-assad>.

21. On 6.9.2018, OFAC designated Muhammad al-Qatirji and his company Qatirji Company pursuant to E.O. 13582, see U.S. Department of the Treasury (2018), *Press Release*, <https://home.treasury.gov/news/press-releases/sm474>. Also see »The Godfather of transactions between the regime and Islamic State established an oil Company« (translated by Salam Said from Arabic), *Alsouria*, 9.6.2018, <https://www.alsouria.net/content/>.

22. Interview conducted by Salam Said with a Syrian factory owner, 24.9.2018, Beirut/Lebanon.

23. »Wasim Qattan: from Wassim Qattan from Fine Arts to »Economic Whale« in Syria« (translated by Salam Said from Arabic), *Enab Baladi*, 14.3.2018, <https://www.enabbaladi.net/archives/213384> and »Contract Awarded to Regime Crony Highlights Insecure Legal Environment for Investors in Syria«, *The Syria Report*, 21.8.2018, <http://www.syria-report.com/news/economy/contract-awarded-regime-crony-highlights-insecure-legal-environment-investors-syria>.

24. See Sottimano (2016) and in Arabic: Eqtsad newspaper on 31.5.2018: <https://www.eqtsad.net/news/article/20055/> and Alsouria.net on 1.6.2018: <https://www.alsouria.net/content/>. Also Alsouria.net on 04 June 2018: <https://www.alsouria.net/content/>.

25. Al Masri, Abdulrahman (2017), »Analysis: the Fifth Corps and the State of the Syria Army«, *News Deeply*, 11.6.2017, <https://www.news-deeply.com/syria/articles/2017/01/11/analysis-the-fifth-corps-and-the-state-of-the-syrian-army>. See also Al-Tamimi, Aymann Jawad (2016), »The Fifth Legion: A New Auxiliary Force«, *Syria Comment*, 24.12.2016, <https://www.joshualandis.com/blog/fifth-legion-new-auxiliary-force/>.

26. See Enab Baladi (2018), *News*, 1.6.2018, <https://www.enabbaladi.net/archives/232365>.

## 2.4 Intervention by Security Services and Controversial Practices

In addition to instrumentalising laws and regulations for political goals, the regime's security apparatus reverted to their old practices and interventions in public life. For instance, in August 2015, the regime circulated an order to all local authorities to introduce a new requirement for any sales of real estate, namely a »security permission« granted by security and intelligence branches. This condition impedes real estate transactions by the regime's critics or by those required to serve in the military.<sup>27</sup> Today, displaced people from East Ghouta need the permission from the so-called »Party Committees«, meaning committees of Baath Party members, to return to their houses.<sup>28</sup>

In 2016, Decree 11<sup>29</sup> was issued, which dealt with holding registration real estate rights at closed real estate offices due to the security situation. With this Decree, all real estate transactions in areas out of the regime's control are deemed null and void. At first glance, this law appears to be a positive development for the protection of property rights and the prevention of falsifications and fraud in the absence of functional state institutions. In 2014, 9000 fraudulent agencies selling real estate were documented at the Ministry of Justice, growing to 7300 in 2016.<sup>30</sup> However, in a system such as the Syrian regime, with a corrupted judiciary entirely under its orders, decisions over the ownership of real estate and land in the former conflict areas are highly unlikely to be fair.

Another recent example on the regime's reconstruction practices is the case of »Al-Mayadeen« in the rural neighbourhood of Deir Az-Zor province. An inhabitant of this town said the following »After the IS-troops withdrew at the end of April 2018, the regime's army came to the town and asked the inhabitants to leave the town for 20 days so they could do some investigating. When

the inhabitants were allowed to come back after three months, they were surprised to find their houses looted, plundered and bombed by the army.«<sup>31</sup> Another inhabitant said »all families who have sons above the age of 17 must settle their situation with authorities before they return to the city. Young men over the age of 17 should either be serving in the Syrian military, or their families have to deliver proof that they are outside the country.«<sup>32</sup> As a result, the return of refugees and displaced families or the retrieval of property all depend on the regime's permission.

## 2.5 Law Number 10 and Dispossession of Property Rights

In March 2018 and after retaking East Ghouta, Assad issued Law 10<sup>33</sup> to create real estate development areas. In practice, Law 10 is an amendment to Decree 66/2012, which was extended to the whole country. According to its 5th and 6th paragraphs, local authorities have to provide property registration records and a list of real estate holders and landowners before being allowed to start with construction work. The administrative units of the local authorities give property owners or their legal representative one year<sup>34</sup> to deliver a proof of ownership. The law provoked sharp criticism, both locally and internationally, as a large number of pre-war inhabitants of these areas are either abroad, internally displaced or don't have ownership documents. Therefore, Law 10 is considered to be a tool for the dispossession of those Syrians who cannot prove their ownership due to their political convictions or activism. In June 2018, administrative units in Qaboun and Jobar used Law 10 to start construction projects. These areas were a stronghold of opposition troops around Damascus, whose inhabitants have been either killed or displaced. Also, regime's militia have used Law 10 to utilize agricultural land in rural areas around Hama. According to Law 10, the government is authorized to rebuild any house estimated by the government as being »massively damaged« and to confiscate

27. Alush, Mustafa (2015), Article in Arabic, *Alhayat*, 20 August 2015, <http://www.alhayat.com/article/>.

28. Abo Aldahab, Ghiath (2018), »Reconstruction of Gouta at the expense of its people« (translated by Salam Said from Arabic), *Souriatna Press*, 20 August 2018, <http://www.souriatnapress.net>.

29. See Decree 11/2016 on the website of the Syrian Parliament (<http://parliament.gov.sy/arabic/index.php?node=5588&nid=16255&First=0&Last=16&CurrentPage=0&mid=&refBack>). Also see »Legislative decree on holding registration real estate rights in rem at closed real estate offices due to security situation«, *SANA*, 5.5.2016, <https://sana.sy/en/?p=76470>.

30. Mulhem, Nour (2018), *Alayam*, 29.7.2018, <http://alayam.sy/2018/07/29/>.

31. Interview conducted by Salam Said with two inhabitants of Maydeen in Berlin, 7.10.2018.

32. Ibid.

33. »Law No 10«, *Prime Ministry*, 2.4.2018, <http://213.178.227.227/default.aspx?id=13502>.

34. At the beginning the law gives only 30 days to deliver a proof of ownership. On 11.11. 2018, the Syrian Prime Ministry issued Law No. 42, which extends the deadline to one year, see <http://213.178.227.227/default.aspx?id=14227>.

the equivalent of 20 percent of privately-owned land to be used for public spaces and building infrastructure.<sup>35</sup> Regardless of Law 10, the regime seems to be unable or unwilling to reconstruct damaged infrastructure and houses for the benefit of all Syrians. So, while some Syrians receive special treatment and rights to rebuild houses, the majority of residents of destroyed areas feel left alone in regard to reconstruction. In East Ghouta, local authorities even forced returned families to remove debris at their own expense regardless of their financial resources.<sup>36</sup>

To summarise, the laws, regulations and policies mentioned above that were issued by the regime in the context of urban reconstruction benefit a small segment of the population to the detriment of the rest. The favoured group cannot be understood based on religious or ethnic backgrounds, but only on their loyalty to Assad's regime. For instance, one might expect that the Alawite community, to which Assad belongs, is granted collective privilege or that relatives of the Assad family are favoured regardless of their loyalty. As we showed above, being Alawite does not equate being privileged. One has to demonstrate high loyalty towards Assad personally. Loyal Sunnis, such as Samer Foz, could enjoy more privileges than a member of Assad's family, as long as he shows obedience and loyalty. So, even though Assad's regime frequently instrumentalised sectarianism since the 1970s as part of a »divide and rule« policy in order to seize power, and despite its counting on the mistrust between communities for this end, the regime's practices show that loyalty to it is more important than religion and ethnicity.<sup>37</sup>

This process of institutionalising discrimination and legalising injustice cannot by any means lead to durable stability or sustainable development. To the contrary, the reproduction of pre-war inequality will accelerate the outbreak of new conflicts. Additionally, laws and legislations which are by nature discriminating and which then

bring a high degree of corruption and nepotism with them deepen social and economic iniquity. Thus, neither the legal framework nor the rebuilding practices under the existing regime can achieve a successful and socially just post-war reconstruction.

### 3. Reconstruction Approaches and Foreign Powers

Even if there are lessons to be learned from mistakes committed in the cases of Afghanistan, Iraq, Bosnia and Kosovo, post-war reconstruction in Syria in any case requires a different set of calculations for several reasons. Firstly, Assad's regime continues to retain power and thus, at least in the medium term, there is no political or regime change. This means that the old imbalanced patterns of a clientelist political economy and deep-seated corruption will be sustained and reinforced.

Secondly, the traditional donors, namely the EU, the U.S. and the IFIs have been hesitant or unwilling to finance Syrian economic reconstruction as long as the Assad regime stays in power with no peace agreement in sight. Critically, the potential donors and investors of Syria's reconstruction are the regime's regional and international allies in the war, in particular Russia, Iran and China. Although these reconstruction partners pursue different agendas and geo-economic interests in Syria and the region, their pursuit of neoliberal economic policies in Syria appears to be a common denominator with Western donors and the IFIs. For instance, it is foreseeable that Assad will continue to institute pre-war neoliberal economic policies, beginning with further privatisation of state-owned enterprises and other public assets, to strengthening private investment and broadening trade liberalisation. Also, Assad's regime has started implementing austerity measures in its fiscal policy, including tax increases, creating new sources of taxation and cutting subsidies. Given the cuts in state revenues, increasing military expenditure and economic sanctions in the reconstruction era, post-economic policies in Syria are even more likely to have a strong bias towards the neoliberal policies that Assad tried to put in place before the war.

However, any further economic liberalisation could have disastrous effects on the Syrian population and economy. Post-war economies usually have little chance of recovery under open market policies, given that the physical and

35. See Haugbolle, Sun (2018), »Law No. 10: Property, Lawfare, and New Social Order in Syria«, *Syriauntold*, 26.7.2018, [http://syriauntold.com/2018/07/law-no-10-property-lawfare-and-new-social-order-in-syria/#\\_edn3](http://syriauntold.com/2018/07/law-no-10-property-lawfare-and-new-social-order-in-syria/#_edn3), and »Law 10 Amendments threaten Syrian propriety rights« translated from Arabic by Salam Said.

36. See Abo Aldahab, Ghiath (2018).

37. For more information about this argument, See Said, Salam (2018), »The Uprising and the economic interests of the Syrian military-mercantile complex«, in Raymond Hinnebusch, Omar Imady (Eds.), *The Syrian Uprising: Domestic Origins and Early Trajectory*, Routledge, London and New York.



social infrastructure is devastated, skilled and educated labour is lacking and the industrial and agricultural sectors are severely damaged. Small-scale farmers and producers in particular need a certain degree of protection to revitalize and be able to rise out of unemployment and poverty. Furthermore, del Castillo (2016) criticises reconstruction efforts that are designed to create a favourable business environment, particularly in countries such as Iraq and Libya that are rich in natural resources.<sup>38</sup>

The central shift in regarding the post-war economic policy of Assad's regime will be his choice of partners. Rather than with the EU, other Arab countries or Turkey, trade, investment and economic cooperation agreements are now being conducted with the regime allies Russia, Iran and China and their friends such as India, Russia-backed Abkhazia, Iran-backed Lebanon and Iraq.<sup>39</sup> This strategy aims to not only minimize the impact of the sanctions imposed by the EU, U.S. and the Arab League, but it also supports the regime's propaganda efforts by supposedly demonstrating that it can find alternative donors for reconstruction amongst its allies, regardless of how realistic or feasible this scenario might be. Regarding this issue, it is worth mentioning that the announcements of possible investments in Syria or press headlines on economic cooperation agreements between the Syrian regime and countries such as China, Brazil and India are mere promises without any tangible results yet.<sup>40</sup> While on the one hand trade and increasing exports to a post-conflict country are advantageous to the exporting country, investing (FDI) in an unstable and sanctioned economy with a non-transparent governance is very risky on the other hand.<sup>41</sup> According to a Syrian businessman, some

Chinese companies have already both cancelled future transactions and stopped ongoing activities in Syria after the U.S announced plans to increase sanctions on the Syrian regime and its supporters.<sup>42</sup> The Chinese company Huawei, for instance, which was one of few international companies that had been working in Syria since 2011, is leaving the Syrian market. Other international suppliers have increasingly stopped doing direct deliveries to Syria.<sup>43</sup>

Thirdly, state institutions in Syria have not been decimated or become dysfunctional as was the case with Iraq in 2003 or Afghanistan in 2001. Due to the regime's strategy to concentrate its power in so-called »useful Syria«<sup>44</sup> and the main urban centres where the main state institutions are located, state administration establishments have remained functional to a certain degree, even in cities on the front such as Aleppo and Deir Ez-Zor<sup>45</sup>. Corruption and abuse of office, therefore, are not an outcome of the fragility and weakness of post-war governance, but rather characteristics that have deep roots in the pre-war governing of Syria. Therefore, Heydemann rightly doesn't consider the post-war Syrian state as a »fragile« but as »fierce« state, in which ruling elites defend and impose the existing institutional arrangement by force.<sup>46</sup>

For these reasons, reconstruction approaches for Syria under Assad's regime should be drawn from the reconstruction experiences of Iran or Iraq after the Iran-Iraq War in 1980-1988 and the Iraqi reconstruction experience after the Gulf war in 1990-1991. Both countries experienced disastrous destruction in specific areas of the country. They were able to maintain a central government and functional state institutions, to a certain

38. del Castillo, Graciana (2015) »Economic Reconstruction and Reforms in Post-Conflict Countries,« in Arnim Langer and Graham K. Brown, Building Sustainable Peace: Timing and Sequencing of Post-Conflict Reconstruction and Peacebuilding (London: Oxford University Press, 2016).

39. For instance, Syria signed an Agreement on Tax-Free Trade with Sokhumi in September 2018 and a free trade agreement with Iran in 2011. It also signed different cooperation and investment agreements with Iraq and Lebanon. Official talks have been launched with India and Brazil to extend trade and economic relations and participate in economic reconstruction. See »Syria Signs Agreement on Tax-Free Trade with Sokhumi«, *Civil.ge*, 7.9. 2018, <https://civil.ge/archives/253074>.

40. For instance, China demands a »stable Syria« first in order for Chinese investment to happen, See Matthias Gebouer and Christoph Sydow (2018), »Der Wiederaufbau – eine Jahrhundertaufgabe«, *Spiegel online*, 30.8.2018. <http://www.spiegel.de/politik/ausland/syrien-der-wiederaufbau-wird-eine-jahrhundertaufgabe-a-1224527.html>.

41. Post-war Syrian economy represents a huge potential export market, which makes trade with Syria attractive. But increasing imports, especially of industrial goods and manufacturing is not necessarily advantageous for the Syrian economy and local industries. India expected to get a greater market share for automobile, machinery and plastics. See »India-Syria

trade to reach \$500 million in next 3 yrs FIEO«, *The Economic Times*, 11.9.2018, <https://economictimes.indiatimes.com/news/economy/foreign-trade...o-reach-500-million-in-next-3-ys-fieo/article-show/65769371.cms>.

42. »U.S. Imposes Sanctions on Supporters of the Syrian Regime«, *U.S. State Department*, 6.9.2018. <https://www.state.gov/r/pa/prs/ps/2018/09/285765.html>.

43. Interviews conducted by Salam Said with two businessmen, who are still operating in Syria, 24.9.2018, Beirut/Lebanon.

44. In a Speech of Assad on 26.7.2015, he mentioned the notion 'Useful Syria' to justify that the Syrian army will not be able to regain all parts of Syria, see Sulz, Matthias (2018), »Loyalty over geography: Re-interpreting the notion of 'Useful Syria'«, *Syrian Comment*, 6.9.2018.

45. Despite the conflict, Assad has managed to pay salaries to civil servants and provide basic public services either in regime-controlled regions as well as in Kurds-, opposition- or IS-held cities. The regime's aim was to present itself as a legitimate authority and to prove the capability of its state institutions, see Khaddour (2015) and Yazigi (2016).

46. See Heydemann 2018, p. 2.

degree. They were controlled by authoritarian regimes or a »fierce state«, and finally, they reconstructed their economies under sanctions, mainly from Western countries.<sup>47</sup> However, there is one important difference that must be taken into account in such a comparison: Iran and Iraq had remained resources-rich countries and had the ability to finance the cost of reconstruction from oil revenues. Syrian oil production<sup>48</sup>, which was in decline before the war, has been massively damaged during the war, and is therefore not sufficient to finance the needs of reconstruction, economic development and the rehabilitation of military and security forces. Finally, the military and security forces remain a significant element of reconstruction, given that the Syrian war has not yet ended.

### 3.1 Reconstruction as a Foreign Policy Tool

The term »post-war reconstruction« applies when a war comes to an end or when armed conflict has stopped and the parties in conflict have signed a peace agreement.<sup>49</sup> In Syria's case, the armed conflict is yet to cease and notable progress in the peace process has failed to materialize. Nevertheless, both the Syrian regime and the international donor community that support the opposition have increasingly used the notion of reconstruction as a foreign policy tool since 2012. As early as 2012, member countries of the Friends of the Syrian People<sup>50</sup> founded the »Working Group on Economic Recovery and Development« in cooperation with the opposition in

order to start planning and coordinating reconstruction efforts post-Assad. Their first meeting took place in Abu Dhabi on 24.5.2012, with more than 60 countries and representatives from the League of Arab States, the European Union, the Cooperation Council for the Arab Gulf States and the United Nations Development Program participating.<sup>51</sup> At the time, it was assumed that Assad would fall soon, given that the regime was quickly losing control of large swaths of land within Syria. However, the intensive military and financial support from Iran, the emergence of the Islamic State (IS) as a terrorist threat in the region and the subsequent Russian military intervention made the notion of reconstruction-related assistance a less effective tool for the Western allies for pressurizing the regime.

After the regime's military victories starting from the Russian intervention in September 2015, EU countries, the U.S. and their regional partners such as Turkey and the Gulf States have returned to reconstruction as a political tool to exert pressure on the regime and its allies. For instance, they set a political transition or peace agreement as a precondition for their contribution to reconstruction funding. Their aim is not only to stop the war in Syria and find a political solution, but also to avoid a new refugee crisis and further destabilisation of the region. They are counting on the fact that the regime needs their participation, as its allies are not able to fully finance the costly reconstruction process for many reasons.<sup>52</sup> On the one hand, the main allies Russia and Iran are facing economic challenges and sanctions to varying degrees themselves. On the other hand, investment in Syrian reconstruction is highly risky, as no peace agreement has been signed yet and no international consensus on a political solution is in sight.<sup>53</sup>

47. See Amirahmadi, Hooshang (1992), »Iranian Economic Reconstruction Plan and Prospects for its Success«, in Amirahmadi and Entessar (1992), *Reconstruction and regional Diplomacy in The Persian Gulf*, Routledge London and New York, pp. 109-154; Farouk-Sluglett, Marion and Sluglett, Peter (1990), »Iraq Since 1986: The Strengthening of Saddam«, in MER 167 – ON the Edge of War, Vol. 20, *Middle East Research and Information Project*, <https://www.merip.org/mer/mer167/iraq-1986-strengthening-saddam>; and Alnasrawi, Abbas2002, *Iraq's Burdens: Oil, Sanctions, and Underdevelopment*, Greenwood Press, London pp. 61-116.

48. The Syrian Oil Company estimated the loss of oil production from 2011 to mid 2018 at 525 millions barrels, see Hemidi, Saleh (2018) in Alwatan newspaper on 30.9.2018 in Arabic, <http://alwatan.sy/archives/168010>.

49. Anderlini, Sanam Naraghi and El-Bushara, Judy (2004), »Post-Conflict Reconstruction.« In *Inclusive Security, Sustainable Peace: A Toolkit for Advocacy and Action*. Washington and London. [http://siteresources.worldbank.org/INTMNAREGTOPGENDER/Resources/Post\\_conflict.pdf](http://siteresources.worldbank.org/INTMNAREGTOPGENDER/Resources/Post_conflict.pdf).

50. In response to the Veto of Russia and China and failed UN-resolution on 4.2.2012 to stop violence in Syria, more than 60 countries and representatives of EU, UN, Arab League and other bodies founded the Group »Friends of Syrian People«, which serves as a collective body outside UN security council. More information about this Group see »Group of Friends of the Syrian People: 1st Conference«, *Carnegie Middle East*, 2012, <http://carnegie-mec.org/syriaincrisis/?fa=48418>.

51. »Working Group on Economic Recovery and Development: 1st Conference«, *Carnegie Middle East*, 2012, <http://carnegie-mec.org/syriaincrisis/?fa=50231>.

52. According to Assad on 15.4.2018, the reconstruction of Syria will cost about 400 billion US dollars and the Syrian economy might need 10 to 15 years to recover, see in Arabic: [https://arabic.sputniknews.com/arab\\_world/](https://arabic.sputniknews.com/arab_world/), 15 April 2018.

53. See Butter, David (2016), »How to salvage Syria's economy: Through economic aid, the West has the opportunity to exert pressure for changes in governance«, *Aljazeera*, 18.3.2016, <https://www.aljazeera.com/in-depth/opinion/2016/03/salvage-syria-economy-160317092133422.html>; Pecquet, Julian (2018), »US risks irrelevance in Syria with reconstruction taboos«, *Al-Monitor*, 14.3.2018, <https://www.al-monitor.com/pulse/originals/2018/03/us-risks-irrelevancy-syria-reconstruction-taboos.html>.

At the same time, Assad's regime has repeatedly rewarded its foreign »friends«<sup>54</sup> with promises of lucrative reconstruction contracts and economic cooperation regarding trade and investments. It also pressurizes the regime's »enemies« to change sides by providing incentives to participate in Syrian reconstruction and alternatively warning them of the consequences of non-cooperation.<sup>55</sup> According to the Syrian Foreign Ministry »Syria will accept participation in reconstruction only from countries that did not join the attack on Syria.«<sup>56</sup> In August 2018, Syrian foreign minister Walid Muallem directed a message, largely towards the European Union, and addressing those countries that are hosting a large number of Syrian refugees in particular: »Linking reconstruction to political change complicates the return of refugees.«<sup>57</sup> These countries have a great interest in the return of Syrian refugees, given the tremendous social and political turmoil that hosting large numbers of refugees has caused them internally. Then, he added, »Removing economic sanctions against the regime is a necessity for the return of refugees.«<sup>58</sup> Therefore, it can be said that the regime is using the prospect of welcoming back refugees as »bait«, in order to coerce the EU to give up its economic sanctions.

The regime's 2018 military victories have changed the rules of the game and strengthen the position of Assad's regime internationally. In an article entitled »Assad will reconstruct Syria with or without U.S. Aid«, published on 11.6.2018 by the Middle East Institute, the author shows how Assad's reconstruction strategy is a signal to its allies and neighbouring partners in that they could reap benefits from Syria's economic recovery and reconstruction.<sup>59</sup> Steven Heydemann warned against counting on

reconstruction as pressure tool by the West for political change or transition in Syria.<sup>60</sup>

As reconstruction as »bait« or pressure tool by the Western countries seems to have failed so far to move Syria towards a political solution or to have an influence on the development in post-war Syria, drawing on sanctions as foreign policy tool to increase pressure on the regime has become more likely.<sup>61</sup> Similarly however, Assad's regime has not been successful in using reconstruction as »bait« to involve more donors in reconstruction or as a tool for legitimatising itself internationally.

Beyond the discussion on reconstruction as carrot-and-stick policy used by both camps, there is a debate on how to deal with reconstruction in Syria in this dead-end situation. The issue is whether »localisation of reconstruction« or »decentralisation of reconstruction efforts« could be a middle way to: Exert influence on reconstruction in Syria; give more attention and credibility to local authorities over the central regime in Damascus and hence bypass and marginalise the regime; help and support local communities and economies to recover despite the regime's discriminating rules; and avoid collective punishment, since sanctions and isolation might affect the weak social classes and vulnerable population before it has an effect on the elite. Theoretically, giving funds to rebuild Dara'a and resettle its pre-war inhabitants, while sanctioning unfair projects like Basateen al Razi, might be an alternative way to deal with the situation on the ground. However, the regime's reaction to such thoughts and its already implemented practices show that it has a very high ability of preventing any alternative reconstruction channels outside of its control. However, localisation or decentralisation might be applicable to the areas outside of the regime's control, namely: The area in the north-east, which is under Kurdish forces, the region on the border to Turkey in the north-west under Turkish control and the eastern region next to Deir ez-Zor, which is under

54. Mainly Russia, Iran, China and some Arab countries. To see how the regime rewarded his external allies see for instance Sharafedin, Bozorgmehr and Francis, Ellen (2017). »Iran's Revolutionary Guards reaps economic rewards in Syria«, *Reuters*, 19.1.2017. <https://www.reuters.com/article/us-mideast-crisis-syria-iran/lira...olutionary-guards-reaps-economic-rewards-in-syria-idUSKBN1531TO>.

55. Assad's regime classifies all countries that support the opposition and exert pressure to sign an agreement for »political transition« or »power sharing« with the opposition as »enemy«. European countries, Turkey, USA and some Gulf States belong to this group.

56. »Reconstruction: A reality or illusion« (translated from Arabic by Salam Said), *Souriatna Press*, 11.9.2017, <http://www.souriatnapress.net/>.

57. »Foreign ministry linked reconstruction with the return of refugees« (translated from Arabic by Salam Said), *Baladi News*, 14.8.2018, <https://www.baladi-news.com/ar/news/details/>.

58. Ibid.

59. Aronson, Geoffrey (2018), »Assad regime will reconstruct Syria with or without US aid« *The Middle East Institute*, 11.6.2018, [http://www.](http://www.mei.edu/content/article/assad-regime-will-reconstruct-syria-or-without-us-aid?print=)

[mei.edu/content/article/assad-regime-will-reconstruct-syria-or-without-us-aid?print=](http://www.mei.edu/content/article/assad-regime-will-reconstruct-syria-or-without-us-aid?print=)

60. Heydemann (2018) and Heydemann, Steven (2017a), »Rules for reconstruction in Syria«, *Brookings*, 24.8.2017 <https://www.brookings.edu/blog/markaz/2017/08/24/rules-for-reconstruction-in-syria/>. And Heydemann, Steven (2017b), »Syria Reconstruction and the Illusion of Leverage«, *Atlantic Council*, 18.5.2017, <http://www.atlanticcouncil.org/blogs/syriacouncil/syria-reconstruction-and-the-illusion-of-leverage>

61. See the recent sanctions issued by the U.S: Office of Foreign Assets Control – Sanctions Programs on Syrian persons and institutions as well as on Iran and Russia in connection with Syria: <https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>.

U.S. control. If these areas, with the help of their respective dominating powers, could successfully rebuild their infrastructure, recover their local economy and support their community on the basis of social justice and democratic values, this might be considered as a success for Assad's opponents in providing an alternative and more successful model of reconstruction, compared with the one in Assad's areas. And this in turn could put some political pressure on Assad's image within his domain.

Nevertheless, the risk of providing different models of reconstruction led by proxies that follow inconsistent interests in Syria might lead to the fragmentation of the Syrian economy and society in the long term. For example, the local economy and community of the Euphrates Shield Area (ESA) became more depended on Turkey's economy to meet basic needs of goods, services, education, health care and various public goods.

#### 4. Conclusion and Policy Recommendations

The Syrian regime and its partners have largely set the terms under which they want reconstruction to happen. Under these terms, any direct funding of the Syrian government or of recently »elected« local authorities who in practice are local warlords and members of criminal networks that emerged during the conflict, would generate very negative consequences, including:

It would strengthen regime figures and cronies and therefore have an adverse impact on the return of refugees. The channelling of money through regime-related networks and businessmen, including local warlords and recently »elected« civilians, will empower other criminal networks and therefore discourage, rather than encourage, refugees to return.

It would significantly increase corruption. Because other economic opportunities have receded in the past years, networks related to the regime have relied on the war economy and the illegal activities related to it in addition to relying on government contracts through corruption deals. In other words, going through the current government would increase mismanagement and reduce the amount of money that actually reached beneficiaries. Therefore, the economic impact of these funds would

decrease. In addition, high levels of corruption would discredit the funding and reconstruction processes.


Money would be diverted to rentier sectors that are favoured by regime figures, that is activities that generate short-term high margins with limited employment opportunities at the expense of productive and more labour-intensive sectors, which would be key for the return of refugees.

In order to »rebuild better«, reconstruction must foster socio-economic development and enhance sustainable peace. Sustainable development policies must aim at prioritising social justice and equality, increasing political participation and empowering the local economy. In this line, EU and Western countries could provide various types of funding and other forms of support, while maintaining their pressure on the Syrian regime. These actions could include the following:

Development and investment funding should go to the vast areas of Syria outside the regime's control, including the Euphrates Shield Area (ESA) and the North-East under the control of the U.S.-backed Syrian Democratic Forces. In the ESA, the support could constitute part of the funding the EU committed to give to Turkey in exchange for its hosting of Syrian refugees. In the North-East, the U.S. has called on its allies to support reconstruction in Raqqa and other towns, which have been vastly destroyed.

Supporting Syrian civil society outside and inside Syria, including areas outside regime's control, should be continued. Few people outside Syria realize that Syrian civil society has gone through a significant transformation in terms of acquiring skills, know-how and professionalism as well as getting involved in the host country's political life. For governments looking at Syria and the Middle East Region with a long-term perspective, and not only a short-term vision centred on security and how to push back refugees, this effort is an essential part of change in the Middle East and its long-term development.

Sanctions against Syria must be carefully examined in order to avoid devastating »side effects« for a large part of the population on the one hand. On the other hand, sanctions must not give the regime the opportunity to instrumentalise them for its political agenda. A bad sanction policy could feed political polarisation in favour of Assad, as it has been done in Iran this year. Sanctions on



individuals, companies and regime apparatuses involved in political repression and criminal economic and political networks should be enforced. EU-Sanctions on business figures and individuals must be updated continuously. As we mentioned above, the regime's political economic networks have changed dramatically since 2011 and the regime managed to evade the sanctions by cooperating with new business cronies.

In addition to individuals and regime apparatuses, the sanction system might be redesigned to also target those business projects that discriminate specific segments of the population according to their political loyalty, that are based on the illegal seizure of public land or that cause the dispossession of properties. Companies and individuals involved in such projects should be banned from extending funding to them, obtaining building materials and other products, as well as receiving advisory, legal, engineering and consultancy services for the project or the companies operating in the project. Only in this way can emblematic projects such as the Marota City development in central Damascus be hindered.



### About the Authors

**Jihad Yazigi** is the founder and editor of The Syria Report, an online bulletin that has covered Syrian economic affairs since 2001. He has written extensively on the Syrian economy and has provided research, advisory, and consultancy services to regional and international businesses and organisations.

**Salam Said** holds a PhD in Economics and Social Sciences. She has written and lectured on the Syrian economy, Arab economic development and the political economy of the Arab region. She works as researcher and adviser with several European and international organisations and universities

### Imprint

Friedrich-Ebert-Stiftung | Dep. for Middle East and North Africa  
Hiroshimastraße 28 | 10785 Berlin | Germany

Responsible:  
Dr Ralf Hexel | Head | Dep. for Middle East and North Africa

Phone: ++49-30-269-35-7421 | Fax: ++49-30-269-35-9233  
<http://www.fes.de/nahost>

To order publications:  
[info.nahost@fes.de](mailto:info.nahost@fes.de)

Commercial use of all media published by the Friedrich-Ebert-Stiftung (FES) is not permitted without the written consent of the FES.

The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung.

This publication is printed on paper from sustainable forestry.



ISBN  
978-3-96250-260-7