Semblance of Order:
Institutional Layers of the Syrian Uprising

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Preface

In this issue of Syria Studies, we focus on those aspects of institutional activity in Syria that either persisted despite the havoc unleashed by the Uprising, or surfaced after older layers were extracted. Rashad al-Kattan provides insights on the former, through his focus on Syria's resilient banking system, and Rana Khalaf delves into the latter by explicating manifestations of governance in areas that are no longer under the authority of the Syrian regime. Ferdinard Arslanian's review of a book by Dr. Mohammed Imady, the longest standing Minister of Economy in Bathaist Syria, completes this issue, and provides important insights on the contrast between 'restrained economic liberalization' with which Imady is associated, and the type of economic liberalization that took root after he left his position in 2001.

In Mapping the Ailing (but Resilient) Syrian Banking Sector, al-Kattan provides an analytic survey of Syria's banking sector on the eve of the Syrian Uprising. The decision to open up this sector in 2001 was consistent with the move towards what was described as a social-market economy. It was clear, however, from the outset that the local major players in this sector would be the elite and the politically connected. To the outside world, Syria was virgin territory with over 20 million unbanked citizens. There was much to be invested in and the prospects were bright. Beyond March 2011, the blows came hard and successive with almost every major player targeted and blacklisted. Yet the sector, to use al-Kattan's words, remained 'resilient.' It is this resilience, which is the most intriguing, and the reader cannot help but associate it with the parallel resilience of the regime after four years of war. Al-Kattan also draws our attention to several paradoxes including the passive stance of the Syrian government towards investments by the very countries seeking regime change, and the decision of external investors to not divest, despite their consistent and incremental loss.

In Governance Without Government in Syria: Civil Society and State Building During Conflict, Khalaf makes the first systematic attempt to assess governance in the non-regime controlled areas of Syria. Theoretically informed, her study is also empirically rich, demonstrating, through its analysis of governance in Raqqa, Deir ez-Zor and Aleppo, the considerable variations in different areas. The withdrawal of state-delivered welfare and security from opposition controlled areas left a vacuum that rival civil society groups, armed factions, tribal networks, ideological movements, sharia courts, and local councils competed to fill, resulting in hybrids, power competition, power-sharing, and fragmentation of jurisdictions. A war economy has driven competition over resources, giving war lords and jihadi groups a stake in the conflict while the weight of civil society groups has declined as they rose. She also finds that the exiled leadership enjoys no legitimacy inside Syria. Also, her findings that the impact of international agencies and their private contractor, with their rival agendas and sponsorships, exacerbated fragmentation in local governance reinforces

the view that external interference has fuelled and prolonged the conflict. If one were, additionally, to look at the impact of rival regional states, especially Turkey, Iran, Saudi Arabia and Qatar, that have channelled funding, arms and fighters to the now favoured clients on the opposing sides, this finding would come across even stronger.

In his review of Tatawwur al-Fikr al-Tanmawi fi-Suriya (The Evolution of Development-Related Thought in Syria) by Dr Mohammed Imady, Arslanian conveys valuable insight into the gradual liberalization of Syria's initially socialist economy beginning with Hafiz al-Asad's presidency; the "first infitah" of 1970-71 was followed in the mid-eighties by an austerity drive meant to deal with the fiscal crisis and correct the imbalance of payments; Imady was the architect of this phase, although he arguably also inspired the whole movement toward liberalization before and after. A third phase, marked by the investment law of 1990, further opened the economy to the private sector. After Bashar al-Asad's consolidation of power at the 2005 party conference, Syria officially adopted the aim of a "social market economy." Arslanian raises the issue of how far these measures contributed to the Syrian Uprising at the end of the 2000s. It might be said that the earlier waves promoted by Imady broadened the regime's base by bringing the Damascene merchant class into the regime coalition. The deepening of economic liberalization under Bashar had contradictory effects. While détente with the Aleppine bourgeoisie was attempted, the free trade agreements with Turkey damaged some industrialists. A wave of Gulf investment flooded into Damascus but, concentrated in real estate and luxury hotels and shopping malls, it only drove up the cost of housing for ordinary people and promoted a conspicuous consumption that offended the moral economy of ordinary Syrians, shrinking the regime's base among the lower classes. Worst, however, was the way a monopoly of economic opportunities became over-concentrated, at the expense of the wider Sunni business class, in the crony bourgeoisie around the Asad family, among whom Rami Makhlouf was the most visible—and hated figure. Thus, the overall effect was to narrow the ruling coalition, opening the door to the Uprising.