Negotiating Influence: The Economy, Security Apparatus, and the Asad Regime

As waves of Arab revolts continue to sweep the Arab Middle East, different political formulations of power have appeared. While the collective Arab societies’ quest for change has met some measurable outcomes in various countries in the Arab world, the case of Syria remains a cliffhanger. The conflict between the loyalists of the regime and the opposition continues, but most notably, the cliffhanger is due to the uniquely sophisticated political and economic legacy of state-business partnerships between the state and select business elite. Drawing on first hand accounts, and using all types of data a social scientist could possibly utilize, Bassam Haddad’s *Business Networks in Syria: The Political Economy of Authoritarian Resilience* provides an unparalleled insight into the politics, economy, and nature of state-business relationships in Syria since the 1970s and paints a picture of the Syrian regime as one concerned primarily with its own survival.

Haddad provides indispensable and in-depth critical insight to explain the relationship between the regime and some of the business elite of Syria. The process, as Haddad suggests, began in the 1960s but became a standardized dialectic relationship in the 1970s, lasting until 2005, and explains state intervention in the economy, prolonged economic stagnation, and the erratic Syrian economy of many years. In reaction to a severe foreign exchange crisis in 1986, the state’s “top leadership internalized the need for reform.” (4) Haddad provides an elaborate historical and socio-political context centered around the legacy of mistrust between the state and the business elite. He asks whether the security apparatus of the regime occupied the center stage of the relationship from the viewpoint of the regime. Elites in business networks found their agency limited to a context of mistrust and narrowly defined interests. (105)

Haddad’s research focus on business networks allows for a stronger theoretical understanding of the Syrian economy since the 1970s, and provides clear methodological grounding to the complex puzzle of state-business relations. In this case, looking at the networks themselves rather than limiting the study to a Marxian class-based analysis of society yields more comprehensive explanations of certain socio-political and economic phenomena. While Marxian analyses can be helpful in understanding the context of state-business relations, Haddad's exploration of business networks goes beyond such approaches to effectively present a more plausible explanation of the inner workings of politics in Syrian society.
While taking into account the political legacy of the Ba’athists in Syria, Haddad argues that informal relationships between the state and business moguls were established in a way that would disallow the entire business sector from joining. The reason, Haddad argues, has to do with Hafez al-Asad’s and Salah Jadid’s understanding of the potential costs associated with allowing a prosperous business elite to exist; they could have jeopardized the authority of the Syrian regime, as they did in 1961.

Five years after the death of Hafez al-Asad and the subsequent “inheritance” of the presidency by his son, Bashar, the policy of state-centered economic policy began to shift and a new mixed economy developed. Under this new approach to dealing with the economy, the state continues to play a role, but market forces would play a more significant role in the economy than in the past. Thus, the year 2005 marks the beginning of a new economic policy approach and changing relationships between business elites and the state. Haddad questions, however, if changes to economic policy were earnest efforts to reform, or yet another episode in the state's strategy to strengthen its security apparatus. This question remains unanswered, and we await research that can address this issue, perhaps in Haddad's second edition.

The book provides a detailed explanation of a complex socio-economic picture where the state engages in relationships with a select business elite, in networks where social status, class, and communal identity all play a role. On an organizational note, the book is a bit hard to follow, in large part due to the number of issues tackled. Helpfully, Haddad does clearly outline his arguments and explanation of causal mechanisms early on in the book, which aids readers in their efforts to understand the various relationships and complicated concepts the author so skillfully presents.

Haddad's Business Networks in Syria is a must read for scholars of political economy and state-business relations. Those interested in Middle East society and politics will find his study to be a great contribution to understanding practices of some authoritarian regimes in the region. He provides insight into how a regime’s repressive internal measure operates where the security apparatus occupies center stage in state-society relations. Business networks of Syria have led to devastating economic results, especially since relations were based on mistrust. Syria's move into a new economic position after 2005, coupled with the revolt against the regime since early 2011, leaves the status of Syria’s society, economy, and state unknown. One hopes for a state whose security apparatus does not occupy its mission, but rather a state with better informed economic and social policy that can address the concerns of most of its citizens.

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