

# To Ease Syria's Energy Crisis, Assad Must Return to the Negotiating Table

by [Andrew J. Tabler \(/experts/andrew-j-tabler\)](#), [Erik Yavorsky \(/experts/erik-yavorsky\)](#)

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## ABOUT THE AUTHORS



### [Andrew J. Tabler \(/experts/andrew-j-tabler\)](#)

Andrew J. Tabler is the Martin J. Gross Senior Fellow in the Program on Arab Politics at The Washington Institute, where he focuses on Syria and U.S. policy in the Levant, and Director of the Institute's Junior Research Program.

### [Erik Yavorsky \(/experts/erik-yavorsky\)](#)

Erik Yavorsky is a research assistant in The Washington Institute's Program on Arab Politics.



Brief Analysis

## Washington can help alleviate the country's fuel crisis, but only if Damascus and Moscow agree to extend the cross-border aid mechanism and resume progress toward a final political settlement.

**O**n December 4, Syrian security forces in the southern city of Suwayda opened fire on over two hundred protesters who were demonstrating against energy shortages, skyrocketing prices, and governance issues. In response, protesters expelled a joint Russian-Syrian patrol that had been deployed to monitor local unrest, then returned to the streets on December 12. Although protests occur daily in Syria, they are rarely seen in minority-dominated areas like Suwayda, where many residents fill the ranks of the regime's military and security forces.

The precise cause of the energy shortages remains unclear, but the fact that they are happening so early in the season means this may be the harshest winter for Syrians since 2016. Meanwhile, another UN Security Council vote on cross-border assistance looms on January 10. These urgent factors highlight the need for Washington to work creatively with its allies on developing a plan to alleviate humanitarian suffering for Syrian civilians—all the while leveraging the regime's economic woes to obtain concessions in negotiating a final political settlement under UN Security Council Resolution 2254.

## Protests Highlight Dire Energy Situation

**T**he December 4 protest was [described \(https://www.thenationalnews.com/mena/syria/2022/12/04/street-protest-in-syria-met-by-heavy-gunfire/\)](https://www.thenationalnews.com/mena/syria/2022/12/04/street-protest-in-syria-met-by-heavy-gunfire/) as Suwayda's largest demonstration since the days of Syria's

nationwide uprising in 2021. Dozens of locals stormed a local government building, destroying photos of President Bashar al-Assad and lighting fires inside. Security forces eventually opened fire on the protesters, killing one; a police officer died as well.

In response to the incident, the governor of Suwayda was recalled (<https://suwayda24.com/?p=20335>) to Damascus, while locals in Suwayda city expelled (<https://suwayda24.com/?p=20339>) the aforementioned joint patrol and resumed street protests days later. The governor is now reportedly (<https://suwayda24.com/?p=20367>) back in Suwayda with assurances from Prime Minister Hussein Arnous that additional electricity and diesel allotments will be provided. Yet protests continue as of this writing.

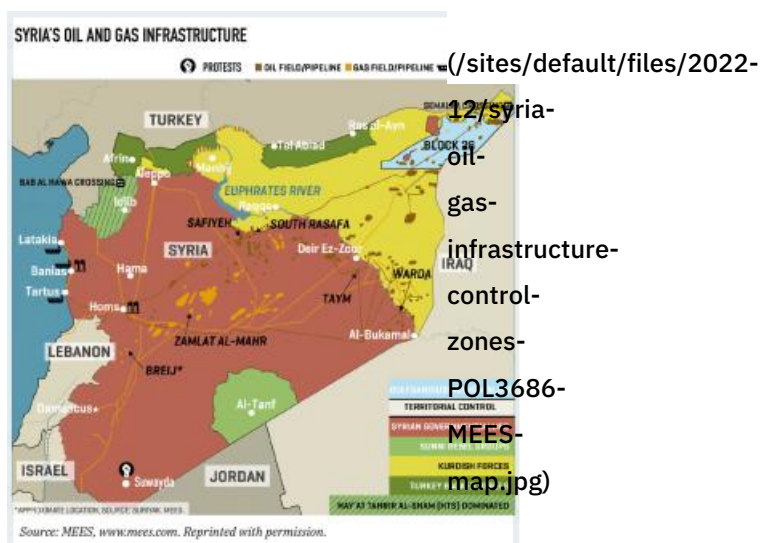
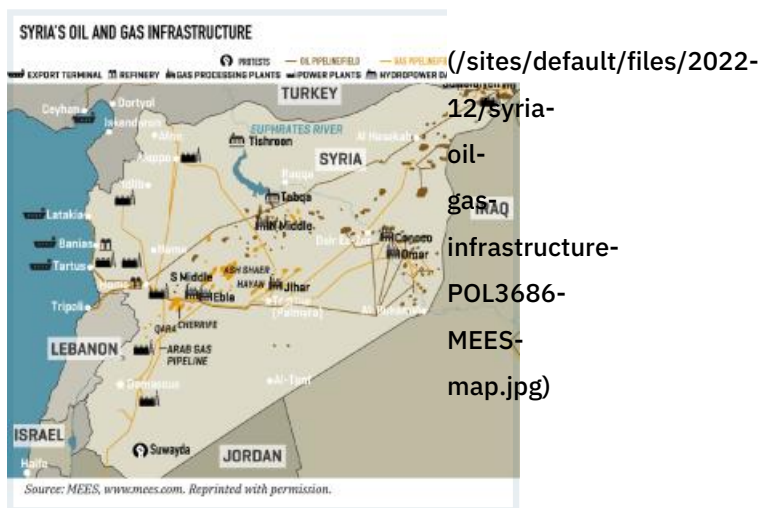
Previously, reports indicated that the prospect of wider instability and unrest in the area had spurred Assad to transfer (<https://syriadirect.org/is-damascus-reaping-the-fruits-of-local-factions-campaign-against-military-security-linked-gangs-in-suwayda/>) the Suwayda security file from the Military Intelligence Directorate (Mukhabarat) to his trusted hand Husam Luqa, head of the General Intelligence Directorate. In October, the regime opened a settlement center (<https://npasyria.com/en/86499/>) in Suwayda for military deserters and individuals who evade conscription, placing it under the watchful eye of Luka and the army's 4th Armored Division, an elite unit dominated by Assad's younger brother Maher.

These steps have been taken against a backdrop of new energy and fuel shortages that are far more severe than the chronic shortfalls resulting from a decade of civil war. Photos from Damascus show long lines waiting for buses, whose services have been reduced for want of fuel. Taxi drivers are likewise cutting back (<https://npasyria.com/en/88853/>) now that subsidized fuel is scarce. Food transportation is being affected as well—the price of vegetables has increased (<https://npasyria.com/en/88909/>) over 100 percent in some areas because it is too expensive to transport them to city centers, while bread distributors in certain Aleppo neighborhoods are unwilling (<https://npasyria.com/en/88829/>) to move their product when it is cheaper to just stay home. And absent heating mainstays such as mazut fuel oil, some Syrians have resorted to burning pistachio shells (<https://www.reuters.com/world/middle-east/syrians-brace-long-cold-winter-fuel-crisis-bites-2022-12-08/>) in order to survive the winter.

Many of these problems can be pinned on the regime's economic woes, which largely stem from rampant corruption and the lack of widespread postwar reconstruction. In response, the regime has slashed basic subsidies—historically one of its best tools for maintaining public loyalty. In November, for example, it announced (<https://www.reuters.com/world/middle-east/syria-steps-up-fuel-rationing-shortages-hit-mobile-network-2022-11-29/>) a 40 percent cut in fuel subsidies for government workers. The draft budget for 2023 does not offer much reprieve. The government plans to spend (<https://english.enabbaladi.net/archives/2022/11/less-subsidies-and-a-larger-deficit-2023-budget-does-not-bode-well-for-syrians/>) 12 percent less on social subsidies than in 2022, with wheat and flour subsidies expected (<https://syria-report.com/government-to-decrease-social-support-2023-draft-budget/>) to see a 44 percent decrease. Although provision of oil products is slated to increase by 25 percent, that may not be enough to reverse the current slide. Gasoline is now available only on the black market, where prices are beyond the reach of most Syrians, while Aleppo province has been forced to cut diesel allotments (<https://npasyria.com/133535/>) for cars and public transport by 30 percent. Such problems have led government offices to announce (<https://www.alaraby.co.uk/economy/%D8%A3%D8%B2%D9%85%D8%A9-%D8%A7%D9%84%D9%85%D8%AD%D8%B1%D9%88%D9%82%D8%A7%D8%AA-%D8%AA%D8%B4%D9%84-%D8%B9%D9%85%D9%84-%D9%85%D8%A4%D8%B3%D8%B3%D8%A7%D8%AA-%D8%A7%D9%84%D9%86%D8%B8%D8%A7%D9%85-%D8%A7%D9%84%D8%B3%D9%88%D8%B1%D9%8A>) facility closures on select days, and even recreational activities are taking a hit, with regime-controlled sports leagues temporarily stopping play.

The severity of the current situation is also tied to a nebulous perfect storm of unfavorable decisions made by key regional actors. On December 2, Syria's Ministry of Internal Trade and Consumer Protection announced that Iran had halted oil shipments to the country as of early September, citing "extenuating circumstances." In November, however, Iranian sources [told \(https://www.enabbaladi.net/archives/613508\)](https://www.enabbaladi.net/archives/613508) the pro-regime daily *al-Watan* that Tehran's crude deliveries to Syria would be increasing from 2 to 3 million barrels per month; indeed, [reports \(https://syria-report.com/government-shuts-down-state-institutions-over-severe-fuel-shortages/\)](https://syria-report.com/government-shuts-down-state-institutions-over-severe-fuel-shortages/) show that Iranian oil tankers are still transiting to Syrian ports. Whatever the case, such help is more of a Band-Aid than a panacea—the total of 16 million barrels of oil that Iran [supplied \(https://syria-report.com/suspension-of-iranian-oil-shipments-to-syria-paralyses-several-sectors/\)](https://syria-report.com/suspension-of-iranian-oil-shipments-to-syria-paralyses-several-sectors/) to Syria from January through September was only enough to meet eighty days of local demand.

Another foreign hindrance is Turkey's latest spate of cross-border military strikes against positions held by the Syrian Democratic Forces (SDF) in the northeast. This campaign appears to have taken some Syrian oil fields and facilities offline, reducing national production from 90,000 barrels per day to around 20,000—a stark drop in a country whose daily oil needs hover around 200,000 barrels. It remains to be seen whether external producers can step in to ease the shortages, as [Iran did in 2019 \(https://www.reuters.com/article/uk-syria-security-oil-idUKKCN1SG1FF\)](https://www.reuters.com/article/uk-syria-security-oil-idUKKCN1SG1FF). Overall, though, the multitude of likely drivers behind Syria's current predicament are yet another sign of state failure.



# Leveraging Energy for Humanitarian Relief

The Suwayda protests have ignited the usual debates in policy circles, with some advocating the immediate suspension of sanctions and others calling for tougher sanctions in order to hasten the Assad regime's collapse. Neither approach is realistic, however. Syria's energy shortages and other economic problems are driven by the war's destruction, not sanctions, which do not target the country's imports of oil products. And while the shortages could send more protesters into the streets this winter, the likelihood of regime collapse seems remote—Assad and his circle decided long ago on a policy of shooting Syrians into submission, so the government cares little about closing offices that serve the public or otherwise tightening its budgetary belt in response to sanctions.

With this in mind, the United States needs to think more creatively. First, it should work with allies to **sustain cross-border aid (<https://www.washingtoninstitute.org/policy-analysis/time-develop-plan-b-syria-aid>)** before Security Council Resolution 2642 expires on January 10. That mechanism allows for supplies to be sent through the Bab al-Hawa crossing into northwest Syria, where around 4 million refugees and displaced persons continue to take shelter. Russia allowed just a six-month extension of the mechanism last July, seemingly gambling that harsh winter conditions would give it more leverage when negotiating the next resolution. In remarks at the Security Council on December 21, Moscow seemed to **pivot (<https://www.reuters.com/world/russia-readies-another-un-fight-over-syria-aid-deliveries-2022-12-21/>)** away from renewal, stating it is “not convinced” that the current mechanism is the optimal way to bring aid into the country. With Syrians feeling the economic pain even in regime-held areas, however, Russia may yet have incentive to accept an extension in order to help its client in Damascus.

Second, Washington should fully explore expanded humanitarian waivers to help alleviate suffering without benefiting the Assad regime's networks. These include Treasury Department **guidelines (<https://home.treasury.gov/news/press-releases/jy1175>)** announced this week designed to facilitate aid flows while keeping current sanctions in place. Building on these new rules, officials should explore the possibility of emergency fuel shipments to Syria while limiting opportunities for the regime to exploit the flows.

One way to do this is the creation of a “white channel” for humanitarian aid in Syria—similar to the approach taken with Iran in October 2020, when Washington announced that foreign governments and financial institutions could establish a payment mechanism for legitimate humanitarian exports to that country as long as no funds were transferred to the regime. Creating such a channel for Syria would require simultaneous decisions by like-minded governments to allow the mechanism, as well as the establishment of a sovereign clearinghouse to assume transaction risk for shipments in Syria (more details on these technical points will be discussed in future PolicyWatches). This would ensure that the Assad regime and designated organizations do not benefit from or manipulate aid shipments—a major policy concern.

Sending energy supplies to Syria is particularly complicated because most of them are diverted to regime facilities and networks due to the layout of the country's energy infrastructure. To avoid affecting civilians, U.S. sanctions have never targeted the import of refined oil products, though some of the sanctions stemming from the Caesar Syria Civilian Protection Act have secondary effects. Washington has shown a willingness to provide more sanctions exemptions for certain types of energy even if this helps the regime indirectly. For example, it recently exempted the transfer of natural gas and electricity **across Syria to Lebanon (<https://www.washingtoninstitute.org/policy-analysis/power-people-scrutinizing-us-arab-effort-supply-energy-lebanon-syria>)** in return for energy deliveries to the Assad regime. Technically, the latter deliveries were restricted to humanitarian uses, but U.S. officials are no doubt aware that Syria's electricity grid powers regime gulags and military bases, not just civilian homes.

If Washington facilitates emergency fuel shipments to Syria, it should do so in a manner that does not expand normalization with the Assad regime, whose abuses are only getting worse. This means extracting clear political

concessions in return. Specifically, U.S. officials should require the regime to take concrete steps mandated by Security Council Resolution 2254, such as releasing detainees and allowing the Constitutional Committee to actually do its work, in line with UN envoy Geir Pedersen’s “step for step” **confidence-building measures** (<https://reliefweb.int/report/syrian-arab-republic/united-nations-special-envoy-syria-geir-o-pedersen-briefing-security-council-21-december-2022>). By carefully leveraging the energy crisis, Washington could show Syrians that it cares about their fate—while simultaneously signaling Assad and his Russian patrons that he cannot restore full sovereignty over Syrian territory, so a negotiated settlement is his only way out of the ongoing collapse.

*Andrew Tabler is the Martin J. Gross Senior Fellow at The Washington Institute and former director for Syria on the National Security Council. Erik Yavorsky is a research assistant in the Institute’s Program on Arab Politics. ❖*

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