

# Getting Down to Business

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## ABOUT THE AUTHORS



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## Articles & Testimony

**R**elations between the Syrian government and Americans who work with Syrians here are as bad as I have seen in the four years since I began working as the American editor of Syria Today, the country's first private-sector English language magazine.

Last November, the Syrian authorities closed the Damascus offices of Amideast, an American nongovernmental organization that seeks to promote understanding and cooperation between Americans and the people of the Middle East. Syrian coordination with the Fulbright program has petered out as well. Residency permits, normally rubber-stamped long in advance for teachers at the local American School, were approved after intense diplomacy only days before classes started this autumn. Americans are still studying in Syria's excellent Arabic-language institutes, but their visa applications are being scrutinized more closely than at any time since 2000, when I first began coming here. These disruptions -- the direct result of Washington's schizophrenic Syria policy -- are blocking the best path to rapprochement between the two countries, the development of economic ties in the private sector.

On the one hand, Secretary of State Condoleezza Rice is following the recommendations of the Baker-Hamilton commission by "engaging" Syria on "Iraq only." Damascus, sensing its isolation is over, wants its concerns with Lebanon, Israel and the Palestinians on the table as well.

On the other hand, the "Syria Democracy Project" of the State Department's Middle East Partnership Initiative is financing exiled Syrian dissidents bent on overthrowing the Assad regime -- which increasingly views American activities in Syria as a Trojan horse for "regime change." The resulting diplomatic dialogue of the deaf has yet to produce any tangible results.

The isolation and engagement camps agree that "dealing" with Syria politically, albeit in distinctly different ways, is key to containing spiraling violence in Iraq, to ending political turmoil in Lebanon and to making peace between Israelis and Palestinians.

Both arguments make strong points. But the policy that is likely to work in the long run will be that which bolsters America's waning leverage in Syria today by engaging its booming private sector.

Diplomatic pressures on Damascus following accusations of its involvement in the assassination of the former

Lebanese Prime Minister Rafik Hariri in February 2005 spurred a number of economic crises in Syria that led Damascus to implement long-delayed plans to loosen its 44-year socialist grip on the economy. Be it in finance, trade, or foreign exchange, everywhere the lethargic public sector gives way, the private sector blooms -- a testament to the trade and entrepreneurial base of Syria's secular society and culture. The International Monetary Fund has estimated that non-oil economic growth in Syria in 2006 will hit a record 7 percent.

Getting involved in this boom makes sense for two reasons. First, it's an arena where America can compete with spreading Iranian influence in the Arab World. As the media focused on Iranian-financed arms shipments to Syria over the last year, Iran invested \$400 million in Syria, equal to 66 percent of Arab and half of all non-Arab investment in the country. Earlier this year, Iran helped Syria open its first automobile assembly plant.

Many Syria watchers belittled announcements of Iranian joint ventures in refining, transportation, chemicals and food processing as mere "paper projects." But if only half break ground by the time a new American president takes office in January 2009, Tehran's influence will be that much harder to uproot later as part of any U.S. attempt to "wedge" Syria from Iran or secure a Syrian-Israeli peace deal.

Second, embracing Syria's private sector would help reverse America's rapidly declining reputation in the Arab world by engaging through our shared trade and entrepreneurial traditions. Many Syrians are repulsed by sectarian chaos in Iraq and resent Washington's tacit support for Israel's strikes on civilian areas in Lebanon during the war last summer. But they still admire and respect America's business prowess.

Given the rapid pace of globalization, and with it Syria's options to develop trading partnerships with China, Iran and elsewhere, America's "soft-power" advantage will not last long. The irony here is that the biggest hurdle to Americans engaging Syria's private sector hasn't been the Assad regime, but failed U.S. trade sanctions on Syria. Last year, official U.S. exports to Syria actually increased by 30 percent, which combined with rampant smuggling from Lebanon and Dubai, means that the Syrian market is full of American goods. But American companies refrain from sending trainers and consultants to talk about the ideas and values behind their products for fear of crossing some line in the fog of Washington's Syria policy. American investors face the same obstacles as well.

For sure, if Washington re-calibrated or lifted trade sanctions on Syria, the Assad regime would dub it a "victory." But this would allow America to invest in shared ties that will lead to greater influence in Syria, undermine Damascus' hard-liners who cite sanctions to justify curbing American programs in Syria, and, perhaps most importantly, prove that America doesn't have a beef with the Syrian people -- and never did.

Andrew J. Tabler is editor-in-chief of Syria Today and an outgoing fellow of the Institute of Current World Affairs. He is author of *The High Road to Damascus: Engage Syria's Private Sector*. ❖

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