

## Syria and the EU.

### The crisis in Syria and the international sanctions with a focus on Syrian-EU relations

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The Syrian crisis in 2011-2012 has seen a reaction from regional and international actors, where restrictive measures against the Syrian regime have been brought into play. Also the EU has in rounds of tightening sanctions attempted to influence the tragic development in Syria. The EU has thereby – confronted with the clampdown on the Syrian opposition by the Syrian armed forces – given up on years of efforts aiming at entering deals with Syria, that never included the Ba'ath regime into the group of ENP-states, with which the EU gradually develops closer cooperation.

The sanctions by the EU, the US, the Arab League, Turkey etc. are putting increasing pressure on the Syrian regime and the elite around it. It is the ambition of this article to describe and analyze the sanctions and discuss to which degree they have influenced the situation in Syria. Furthermore the article seeks to shed light on strategic regional and international dimensions of the sanctions against Syria with a focus on the EU as actor vis-à-vis a MENA-region in transition.

## Introduction

The Syrian crisis in 2011-2012 has seen a reaction from the EU, the US, the Arab League, Turkey and a number of other actors, where restrictive measures against the Syrian regime have been brought into play. The EU has in rounds of tightening sanctions attempted to influence the tragic development in Syria, and thereby – confronted with the clampdown on the opposition by the Syrian military – given up on years of efforts aiming at entering deals with Syria, that might have included the Ba'ath regime into the group of ENP-states, with which the EU gradually develop closer cooperation.

As mentioned at the European External Action Service (EEAS) homepage, Syria is a member of the ENP, “but does not yet benefit from all its instruments and incentives, pending entry into force of the Association Agreement”.<sup>1</sup> Behind this innocuous remark lie years of rather unsuccessful cooperation between the EU and Syria, which at the organizational level has left the partnership without formalized agreements within the framework of the ENP. The bilateral EU-Syria relations remain governed by the 1977 Cooperation Agreement, pending the signature of the ENP Association Agreement and also not having agreed on and signed an ENP Action Plan. Syria is one of the 16 partners forming the “southern” dimension of the Union for the Mediterranean, launched at the Paris Summit in July 2008 as replacement of the Euro-Mediterranean Partnership of 1995, the so-called Barcelona-process.

The EU has been very explicit in its criticism of the authoritarian regime in Damascus in 2011-2012. The EU has strongly condemned the violations of human rights and rule of law, which have taken place since the Syrian revolt started in early 2011. The EU-document “Delivering on a new European Neighbourhood Policy” contains this very explicit statement: “The EU has called on President Assad to step aside and allow a peaceful and democratic transition. Together with EU Member States at the United Nations Security Council, the EU spared no effort to ensure that the international community speaks with one voice in full support of the UN-League of Arab States Special Envoy Kofi Annan's plan.”<sup>2</sup>

The Arab revolts have placed revolutionary events at the doorstep of the EU<sup>3</sup> and created a situation which calls upon the EU to demonstrate its ability to live up to its

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<sup>1</sup> EEAS 2012. Syria. *In*: COMMISSION, E. (ed.). Brussels: European Commission.

<sup>2</sup> EU-COMMISSION 2012. Implementation of the European Neighbourhood Policy in Egypt. Progress in 2011 and recommendations for action. Delivering on a new European Neighbourhood Policy. Brussels: EU-Commission.

<sup>3</sup> BISCOP, S., BALFOUR, R. & EMERSON, M. 2012. *An Arab Springboard for EU Foreign Policy? Egmont Paper 54*, Brussels, Academia Press. See also SCHUMACHER, T. 2011. The EU and the Arab Spring: Between Spectatorship and Actorness. *Insight Turkey*, 13, 107-119.

potential as a foreign policy actor. The Syrian crisis seems – compared to the events in Tunisia, Egypt and Libya – to be unending, in many ways more complex both regarding the internal and external dimensions. Obviously the Russian and Chinese policies towards Syria have had the consequence that a foreign intervention based on an agreement in the UN Security Council is still impossible.

The EU has during 2011 and 2012 established a sanctions regime with an ambition of putting increasing pressure on the Syrian leaders and the elite around them. It is the ambition of this article to describe and analyze the EU sanctions and discuss to which degree they have influenced the situation in Syria. Furthermore the article seeks to shed light on strategic, regional and international dimensions of the EU policies vis-à-vis Syria. Furthermore the article seeks to shed light on strategic regional and international dimensions of the sanctions against Syria with a focus on the EU as actor vis-à-vis a MENA-region in transition.

### **EU relations with Syria up until the crisis in 2011-2012**

A number of significant historical events took place in the 1970s in the Middle East, which directed the European attention towards the region. The October War of 1973 led indirectly to the Camp David Accord five years later. The Syrian regime intervened in 1976 in the Lebanese Civil War, and the following years in the Middle East witnessed an extremely tense atmosphere in the region, not the least due to the Islamic revolution in Iran in 1979 and the Israeli invasion in Lebanon in 1982, officially with the aim of getting rid of the threat from the Palestinian militias in Southern Lebanon, but maybe more importantly in order to destroy a “complex, sophisticated Soviet-built SAM network”<sup>4</sup> in the Beka’a-valley, leaving the Syrian forces in Lebanon without substantive air defenses. In 1982 Israel attacked the Osirak nuclear reactor outside Bagdad, which the Israelis claimed was being developed to facilitate the production of nuclear weapons.<sup>5</sup> The negotiations between Egypt and Israel and Camp David accord of 1978-79 together with the attacks against Iraq and the Syrian installations in Lebanon without doubt weakened the Arab front against Israel and contributed thereby to a radicalization of the Syrian rhetoric against Israel and the West in general.<sup>6</sup>

In 1982 the Syrian regime carried out an extremely brutal attack on the Muslim Brotherhood in Hama, as described by for instance Yvette Talhami: “The city was strafed by helicopters and bombarded with rocket, artillery, and tank fire. Large parts of the city were destroyed, leaving hundreds of people homeless. Many more deserted

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<sup>4</sup> MORRIS, B. 1999. *Righteous victims : a history of the Zionist-Arab conflict, 1881-1999*, New York, Knopf., p. 528.

<sup>5</sup> *Ibid.*, p. 507.

<sup>6</sup> RABIL, R. G. 2003. *Embattled neighbors: Syria, Israel, and Lebanon*, Boulder, Co., Lynne Rienner Publishers.

the city. Estimates of the number killed vary, but it is clear that thousands were killed or injured.”<sup>7</sup>

These dramatic historical developments constituted the back cloth for a Middle Eastern political scene, where the EEC, taking small steps, was beginning to present itself as a foreign policy actor. The first significant step came with the so-called Global Mediterranean Policy (GMP) of 1972, structurally and institutionally in some ways anticipating the Barcelona Process. The GMP defined three major fields of activities, which together should constitute the new EEC policy, the first one being the establishment of a free trade area for industrial goods in the Mediterranean region. The second element was an easing of the custom restrictions related to some agricultural products and the third ambition was to aim at closer cooperation in financial, technical and social affairs.<sup>8</sup>

In 1977 the EEC signed a Cooperation Agreement with Syria, which still in principle governs the relations between EU and Syria. The agreement took its point of departure in the fact that the trade between the two parties had increased dramatically during the 1970s and that the EEC wanted to expand this cooperation by supporting Syria in developing its economy: “The main object of the agreement between Syria and the EEC signed in Brussels on 18 January 1977 is to establish a wide area of cooperation between the two sides and to promote Syria's economic and social development.”<sup>9</sup> Furthermore the EEC declared that they through an aid programme wanted to contribute to the economic and social development of Syria.

The description in the agreement of the aid programme was not very detailed, and was concentrated on production and economic infrastructure investment projects aiming at diversifying the Syrian economy, assist the Syrian industrialization process and modernize its agriculture. In addition to that the EEC would help Syria with feasibility studies, planning and training of staff to work on and later operate the above projects. The EEC underlined, that “Given the modest volume of Community aid in relation to Syria's development needs, co-financing is of special importance. The EEC may jointly finance projects along with Syrian credit and development organisations, EEC Member States and International Finance Organisations e.g. Arab Funds.”<sup>10</sup> The total amount of the funding related to the programme was 60 million Eua<sup>11</sup>, even in the late 1970s a rather small amount of aid. This fact emphasizes that the relations between

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<sup>7</sup> TALHAMY, Y. 2009. The Syrian Muslim Brothers and the Syrian-Iranian Relationship. *Middle East Journal*, 63, 561-580., p. 570.

<sup>8</sup> STEINBICHLER, S. 2009. *The Barcelona Process a result of postcolonial politics? (Dissertation)*, Wien.

<sup>9</sup> EU-COMMISSION 1977. EEC-Syria Cooperation Agreement. In: EU-COMMISSION (ed.). Brussels: EU-Commission.

<sup>10</sup> Ibid., p. 18.

<sup>11</sup> The value of the European Unit of Account (1 E.u.a.) on 1 July 1977 was the equivalent of \$ 1.10.

the EEC and Syria was in an early phase, where the actual cooperation was very limited and the political contacts insignificant. The same was the case in 1980s, in the first part of the decade particularly due to the above mentioned turmoil in the Mashreq-region.

The launching of the Renovated Mediterranean Policy in December 1990 still found the EC reluctant to insist on democracy promotion in the Middle East. Syria received only a tiny proportion of the funding from the MEDA Democracy funds, officially because of hindrance of the implementation of projects supported by the European Commission. According to Richard Youngs "The Syrian government blocked a number of apparently innocuous projects assisting grass-roots developmental organizations, fearful of incipient civil society momentum."<sup>12</sup> Youngs, however, shows how in 1992 the withholding of assent for a new aid package to Syria represents an expression of a new normative tendency in EU's Mediterranean policies, which became much more explicit in 1995 with the Euro-Mediterranean Partnership (EMP) programme.

Syria became a part of the Barcelona-process from its start in November 1995. In the first years after 1995 the general expectations were somewhat optimistic, even though it was anticipated, that Syria would have difficulties in living up to the idealistic narrative of the EMP, as pointed at by Richard Edis: "As regards the Med. partners, what is involved is nothing less than the overturning of established economic, social and also political mindsets. Some such as Tunisia and Morocco are likely to find this rather less painful than others like Syria." Five years after the launching of the EMP in 1995, in June 2000, Hafiz al-Assad died (and was succeeded as president by his son, Bashar al-Assad). The general impression is that the last five years of Syrian rule under Hafiz al-Assad did not change much regarding EU-Syrian cooperation.

There was much skepticism in the West attached to the conservative autocrat in Damascus – and not the least in the EU. Information about Syria's attempts to acquire weapons of mass destruction (WMD), in the official Syrian narrative shaped by the perceived imbalance of power with Israel and the generally volatile regional environment, was considered a severe problem in Brussels. The EU attempted to offer economic and political incentives to encourage a gradual Syrian shift away from WMD as part of a greater effort to moderate Syria. But, according to Michael Elleman, "Syrian strategic thinking, concerned with the regional balance of power and confrontation with the United States and Israel, appears to have largely ignored the EU."<sup>13</sup> Hafiz al-Assad was primarily preoccupied with the major strategic issues on behalf of Syria and

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<sup>12</sup> YOUNGS, R. 2002. The European Union and Democracy Promotion in the Mediterranean. A New or Disingenuous Strategy? *Democratization*, 9, 40-62.

<sup>13</sup> ELLEMAN, M., ESFANDIARY, D. & HOKAYEM, E. 2012. Syria's Proliferation Challenge and the European Union's Challenge. Stockholm etc.: EU Non-Proliferation Consortium.

never really realized that the EU gradually was developing into a foreign policy actor in the Middle East.

As described by Raymond Hinnebusch there was much optimism about Bashar al-Assad, when the young president came to power in July 2000.<sup>14</sup> His inaugural speech underlined his intentions of developing Syria into a different direction with focus on economic liberalization and adapting “the country to the age of globalization through measures such as introduction of the internet.”<sup>15</sup> Bashar al-Assad inherited an extremely authoritarian regime from his father and initially tried to deal with its built in weaknesses.<sup>16</sup> However, despite the fact that he as mentioned by Hinnebusch went relatively far in trying to restructure the social base of the regime, he failed to change the political system correspondingly.

The EU in the first place shared this view, and has since then also emphasized, that the expected changes have not emerged: “...there has been little change in the political legacy Hafez Al-Assad left after his thirty year term (...) Though President Bashar Al-Assad mentioned the right to freedom of speech at his inauguration, the discussion forums that were subsequently established, notably by human rights activists, intellectuals and political opponents during a period called the ‘Damascus Spring’, were closed down by the following year.”<sup>17</sup>

Bashar al-Assad furthermore inherited a weak economy. To which degree this reality can be used as explanation for the lack of political reforms in Syria over the last decade is difficult to say, but obviously an enormous foreign debt in combination with a backward production sector and the many institutional obstacles related to the authoritarian system together constitute a significant challenge. The foreign trade relations between the EU and Syria declined already before the recent crisis, as described by the ENP Strategy Paper: “The EU is Syria’s main trading partner, although the share of the EU in Syria’s exports and imports has decreased significantly in the past years (from 60% and 35% in 2001 to 23% and 19% in 2005, respectively). Most exports to the EU are oil-related (85%)....”<sup>18</sup> Some of the traditional European trading partners have experienced a decrease in exports in the last part of the first ten years of the 2000s. From 2007 to 2009 the export from Syria to France dropped from \$ 61,279 mio. to \$ 31,474 mio. In the same period the export from Syria to Italy dropped from \$126,396 mio. to \$27,537 mio.<sup>19</sup>

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<sup>14</sup> HINNEBUSCH, R. 2012. Syria: from 'authoritarian upgrading' to revolution? *International Affairs*, 88, 95-113., p. 95

<sup>15</sup> *Ibid.*, p. 98.

<sup>16</sup> See LESCH, D. W. 2005. *The new Lion of Damascus: Bashar al-Asad and Modern Syria*, New Haven [Conn.], Yale University Press., p. 234ff.

<sup>17</sup> EU-COMMISSION Syrian Arab Republic. Strategy Paper 2007-2013. Brussels: European Commission.

<sup>18</sup> *Ibid.*, p. 11.

<sup>19</sup> 2011. *The Middle East and North Africa 2012*, London, Routledge., p. 1083.

As an alternative to the former dominant role of the EU Syria has engaged with new trading partners including Turkey, Ukraine, Russia, Iran and China. A relatively close cooperation with Turkey based on a Free Trade Agreement was established in 2007 and in 2010 Turkey represented 11% of Syria's total trade. Some states loyal to Syria, among them Russia and Iran, have entered debt settlement agreements, where they have accepted to cancel the main parts of their debt. Nevertheless the Syrian economy has been in a more or less permanent debt crisis for the last decades, and the tragic development in 2011-12 has probably led to a deterioration of the problem, even though the economic aspects of the Syrian crisis might be out of the media focus.

### **Sanctions against Syria from early 2011 with a focus on the EU measures**

The unrest in Syria started in February 2011 in Da'ra, a southern town a few kilometers north of the Jordanian border, where some schoolchildren had written anti-regime graffiti on walls. The arrests and brutal handling of the kids led to local demonstrations, which soon spread to other cities in Syria. Shortly after that Human Rights NGO's like for instance Human Rights Watch began to report about violent crackdowns on the demonstrations and about incidents of barbaric torture even of children by Syrian security personnel.<sup>20</sup>

The confrontations between protesters and the Syrian regime rapidly developed into an armed conflict, which in the international media coverage more and more was described as a civil war; this despite the fact that in reality it was a war between uncoordinated groups of anti-regime fighters <sup>21</sup> and the Syrian army, secret services and regime-loyal militias. In early spring 2011 international sanctions were imposed on Syria, most significantly by the Arab League, the EU, Turkey and the US. The sanctions have aimed at stopping the violence, but also at pressuring the regime by making it "apparent that Assad's regime is unable to keep peace and maintain the economy"<sup>22</sup> – thereby hoping to turn not only the Syrian people but even segments of the political and economic elite against the Assad family and their narrow inner circles.

As mentioned by Steven Blockmans the EU has "cranked up the pressure on Assad and his cronies by adopting a comprehensive package of restrictive measures."<sup>23</sup> The measures have included a large amount of different types of sanctions ranging

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<sup>20</sup> REPORT, H. R. W. 2011. "We've Never Seen Such Horror": Crimes against Humanity by Syrian Security Forces. Available from: <http://www.hrw.org/en/reports/2011/06/01/we-ve-never-seen-such-horror?print> [Accessed 1 December 2012].

<sup>21</sup> For an excellent analysis of the early uprisings in Syria and the reasons for the lack of coherence in Syrian opposition, see LEENDERS, R. & HEYDEMANN, S. 2012. Popular Mobilization in Syria: Opportunity and Threat, and the Social Networks of the Early Risers. *Mediterranean Politics*, 17, 139-159.

<sup>22</sup> BUCKLEY, C. A. 2012. Learning from Libya, Acting in Syria. *Journal of Strategic Security*, 5, 81-104.

<sup>23</sup> BLOCKMANS, S. 2012. Preparing for a post-Assad Syria: What role for the European Union? *CEPS Commentary*. Brussels: Centre for European Policy Studies., p. 2.

from broad restrictions dealing with arms trade to specific sanctions targeted at specific persons typically being part of the inner circles around the Assad family.

Starting with the “Council Regulation No. 442/2011 of 9 May 2011 concerning restrictive measures in view of the situation in Syria”<sup>24</sup> the EU has gradually expanded its sanctions. Regulation 442/2011 represents an early example of the EU strategy and describes measures, which should enter into force from the day of publication. The Council Regulation is structured so that in Article 1 definitions are listed, that are used for the specific measures mentioned in Articles 2, 3 and 4, as quoted below.

According to Article 2, dealing with trade:

**“It shall be prohibited:**

- (a) to sell, supply, transfer or export, directly or indirectly, equipment which might be used for internal repression as listed in Annex I, whether or not originating in the Union, to any person, entity or body in Syria or for use in Syria;**
- (b) to participate, knowingly and intentionally, in activities the object or effect of which is to circumvent the prohibitions referred to in point (a).”<sup>25</sup>**

Furthermore, as mentioned in Article 3, with a focus on cooperation:

**“It shall be prohibited:**

- (a) to provide, directly or indirectly, technical assistance related to the goods and technology listed in the Common Military List of the European Union ( 1 ) (Common Military List), or related to the provision, manufacture, maintenance and use of goods included in that list, to any person, entity or body in Syria or for use in Syria;**
- (b) to provide, directly or indirectly, technical assistance or brokering services related to equipment which might be used for internal repression as listed in Annex I, to any person, entity or body in Syria or for use in Syria;**
- (c) to provide, directly or indirectly, financing or financial assistance related to the goods and technology listed in the Common Military List or in Annex I, including in particular grants, loans and export credit insurance, for any sale, supply, transfer or export of such items, or for any provision of related technical assistance to any person, entity or body in Syria or for use in Syria;**
- (d) to participate, knowingly and intentionally, in activities the object or effect of which is to circumvent the prohibitions referred to in points (a) to (c).”<sup>26</sup>**

Article 4 deals with restrictive measures, where economic assets are frozen or made unavailable for legal persons, entities or bodies listed in an Annex (in the first Council Regulation, 9 May 2011), who are selected for the specific sanctions. The list of

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<sup>24</sup> EU-COMMISSION 2011c. Council Regulation (EU) No 442/2011 of 9 May 2011 concerning restrictive measures in view of the situation in Syria. Brussels.

<sup>25</sup> Ibid., p. 2.

individuals includes persons with different relations to the regime, who represent specific types of members of the Syrian elite, listed according to name and the reason for being listed. It is hardly meaningful to distinguish between specific functions related to the listed individuals, since many of the persons belong to several categories. Nevertheless it can be relevant to establish a kind of typology for the targeted individuals.

A first category is close family members like for instance Maher al-Assad, who, besides being a brother of Bashar al-Assad, is "Commander of the army's 4th Division, member of Baath Party Central Command, strongman of the Republican Guard; principal overseer of violence against demonstrators."<sup>27</sup> A second category is members of the security apparatus in Syria like for instance Ali Mamlouk, being Head of the Syrian General Intelligence Directorate, heavily involved in violence against demonstrators. A third category is members of the political system, like for instance Muhammad Ibrahim Al-Sha'ar, Minister for the Interior in the Syrian government, also listed for being involved in violence against demonstrators. A fourth category is business-people closely related to the regime, like for instance Rami Maklouf, who is listed because he is "Associate of Maher al-Assad; bankrolls the regime allowing violence against demonstrators."<sup>28</sup> Fawwaz al-Assad and Mundir al-Assad, also both family members, represent as parts of the Shabiha militia a fifth category.

It is relevant to distinguish on one side between individuals, who belong to the official Syrian establishment, i.e. army and intelligence officers, government representatives and Ba'ath Party members (category 1, 2 and 3 above), on the other side individuals with more informal institutional relations to the elite, i.e. important business people or members of regime related militias (category 4 and 5 above), but this grouping is not precise, first of all because several of the persons belong to several categories.

A few weeks after the Council Decision of 9 May containing a list of 13 persons the list was expanded to 23 individuals. The added 10 individuals included the President, Bashar al-Assad. As the reason for adding him to the list it is mentioned, that he is "President of the Republic; person authorizing and supervising the crackdown on demonstrators."<sup>29</sup> The expanded list includes furthermore people with close relations to the individuals mentioned in the first list, so that gradually a network is described in the narrative of the reasons mentioned for the imposed sanctions. An

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<sup>26</sup> Ibid., p. 2-3.

<sup>27</sup> Ibid., Annex II.

<sup>28</sup> Ibid., Annex II.

<sup>29</sup> EU-COMMISSION 2011b. Council Implementing Regulation (EU) No of 23 May 2011 implementing Regulation (EU) No 442/2011 concerning restrictive measures in view of the situation in Syria. Brussels: EU-Commission.

example is Mohamed Hamcho, who is a well-known business leader with a very close affiliation to the al-Assad family. The reasons for adding him to the list are the following: “Brother-in-law of Maher Al-Assad; businessman and local agent for several foreign companies; provides funding to the regime allowing the crackdown on demonstrators.”<sup>30</sup> The logic of this is obviously that by creating this network of people being exposed to sanctions, it is the ambition from the EU side, that the specific individuals experience that being part of the regime elite and closely affiliated to the directly responsible for the violence against the population, you are also being sanctioned.

Throughout 2011 and 2012 the number of persons on the list has increased (starting with 13 on the first list in May 2011 to 155 individuals in Nov. 2012). Furthermore the reasons for being on the list have become less directly related to the violence against the opposition and the civilian casualties. In a EU Council decision of 23 Juni 2012 Riyad Chaliche was added to the list for reason of being “Director of Military Housing Establishment; provides funding to the regime; first cousin of President Bashar Al-Assad.”<sup>31</sup> Besides the individual members of the Syrian elite the EU decided to add “entities and bodies”, which constitutes important parts of the institutional and/or financial foundation for the regime. In a Council decision from 23 June 2013 a private company called Al Mashreq Investment Fund was included, because it belongs to and is controlled by Rami Makhoul and provides funding to the regime.

So in other words important parts of the politically relevant Syrian elite, with a concept from Volker Perthes’,<sup>32</sup> is in other words what the EU is attempting at affecting with the measures aimed at individuals. and added to that entities and bodies or, in short, instruments for the regime and the elite ruling the country and maintaining their own social and economic interests. The same is the case for the US sanctions, even though the impact of those they are rather limited, due to the fact that the trade between Syria and the US is rather small, as discussed by Hufbauer et al.<sup>33</sup>

As emphasized by Lesch: “In the near term, US sanctions against Syria are mostly symbolic because of the dearth of US–Syria trade; however, if the EU cuts off its trade with Syria, it would have a much more direct effect as one-quarter of Syria’s trade is

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<sup>30</sup> Ibid., Annex II.

<sup>31</sup> EU-COMMISSION 2011a. Council Implementing Regulation (EU) No 611/2011 of 23 June 2011 implementing Regulation (EU) No 442/2011 concerning restrictive measures in view of the situation in Syria. Brussels.

<sup>32</sup> PERTHES, V. E. (ed.) 2004. *Arab Elites. Negotiating the Politics of Change*, Boulder; London: Lynne Rienner Publishers.

<sup>33</sup> HUFBAUER, G. C., SCHOTT, J. J., ELLIOTT, K. A. & PETERSON, J. M. 2011. EU, US v. Syrian Arab Republic. *Case Studies in Economic Sanctions and Terrorism* [Online], Case 2011-2.

with the EU.”<sup>34</sup> Contrary to this the rapid decrease in Syrian-Turkish trade due to the conflict between the two countries is highly significant and contributes to the isolation of Syria in the Middle East.

The Arab League boycott, despite the fact that Lebanon and Iraq have decided not to take part in the action, also constitutes a significant problem for the regime in Damascus. The actions taken by the Arab League include cutting off transactions with the Syrian central bank, halting funding by Arab governments for projects in Syria, a ban on senior Syrian officials travelling to other Arab countries and a freeze on assets related to President Bashar al-Assad's government. Furthermore the organization calls on Arab central banks to monitor transfers to Syria, with the exception of remittances from Syrians abroad and finally the league voted to impose a ban on commercial flights between Syria and member states. Two of Syria's immediate neighbours, Iraq and Lebanon, abstained from the vote, as Iraq suggested an economic blockade would not work in practice.

### **The effect of the sanctions**

It seems to be fair to assume that the sanctions hardly have affected the regime to a degree where regime survival is at stake. On the other hand it would be wrong to assume that the sanctions not at all have made it difficult for the al-Assad family and the inner circles around it to maintain its dominance. The consequences of the sanctions can be analyzed in different dimensions, where the first dimension focuses on internal consequences, i.e. the weakening of the regime vis-à-vis the opposition in a wide sense of the word. The second dimension deals with regional consequences, hereunder how the regime suffers from a gradual marginalization in the MENA-region as a result of the sanctions. Thirdly the international dimension focuses on how the Syrian regime is affected in an international perspective – especially by the EU and US sanctions.

#### *Internal consequences*

When a regime like the one in Damascus experiences limited financial resources due to the sanctions it obviously becomes more difficult buying the continued support of the “outer parts” of the power circles. Consequently the regime is undermined and in accordance with the intended logic of the sanctions the loyalty towards the regime diminishes. It is of course difficult to estimate to which degree this has actually happened, but apparently during 2011-12 an increasing amount of “defections” within the business community is beginning to take place. A small resourceful part of the

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<sup>34</sup> LESCH, D. W. 2011. The Arab spring - and winter - in Syria. *Global Change, Peace and Security*, 23, 421-426., p. 425.

Syrian elite leaves and settle temporarily in the Gulf or even in the West, if this is possible (this, of course, is not the case for those persons belonging to the elite, who are “selected” for sanctioning).

A significant element in the centre of power in Syria is the Ba’ath Party. Over the last years – and therefore not only as a result of the sanctions – the role of the governing party has been reduced. Irrespective of that the sanctions affect the possibility for maintaining the whole structure of privileges and meritocracy attached to membership of the Ba’ath party. Obviously the decreasing amount of resources available has consequences for the ability for the upper echelons of the party in making the whole machinery function as an efficient entity of support for the regime. The same is the case for the significant number of NGO’s related to the regime. The network related to these organizations has in more peaceful periods an important ideological role to play for the regime in upholding an illusion of a well-functioning civil society. In the recent context this loses its meaning. Some of the NGO’s have simply stopped their activities; others have developed into militias fighting together with the army against the opposition.

The Syrian public sector, ministries, municipalities etc. which under normal circumstances work slowly and inefficiently, have under the given circumstances even bigger problems offering the service they normally provide. Probably the only part of the Syrian society which relatively speaking is gaining from the civil war, is the security sector, the military, the security services and the state related militias (the Shabiha etc.), which need all the means they can get in order to continue fighting for the survival of the regime. The sanctions against “entities and bodies” lead to a crumpling of business life, the banking sector suffers (the banks directly sanctioned have huge trouble especially in their international activities) and the international financial and institutional relations tend to dissolve.

Added to that the sanctions have imposed financial constraints on the Syrian state, which only partly is able to implement fiscal policies. Pending financial reforms have been postponed or rolled back because of the necessity to deal with the urgent recent needs.<sup>35</sup> Public investment projects are suspended – due to the lack of resources. Besides the EU economic sanctions the US also have implemented measures, which create internal problems, not the least the suspended services of VISA and MasterCard, which makes it difficult to do regular business. Thus the sanctions have left a considerable mark on Syria, not the least in business life and banking.

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<sup>35</sup> LYME, R. F. 2012. Sanctioning Assad's Syria. Mapping the Economic, Socioeconomic and Political Repercussions of the International Sanctions Imposed on Syria since March 2011. *In*: STUDIES, D. I. F. I. (ed.) *DIIS Report*.

Summing up the international sanctions have weakened the regime in Damascus. Internally the regime has lost its legitimacy and gradually it's backing in wider segments of the Syrian population beyond the elite. The international sanctions have significantly added to the negative socioeconomic repercussions of the armed conflict borne by considerable segments of the civilian population, particularly its most vulnerable groups.<sup>36</sup>

#### *Regional implications*

The sanctions imposed by the Arab League and Turkey lead to an increased regional isolation, which also affect the legitimacy of the regime in the region. Especially the Turkish sanctions are a disaster for Syria, with the trade between the two countries going down with 80% during the recent tragic development in Syria. Iraq and Lebanon have declined to follow the Arab League sanctions, but this cannot compensate the setback resulting of the Arab League and Turkish sanctions.

As a counter maneuver to the regional sanctions the regime have attempted to launch a "Looking East campaign" (Iran, Iraq, India, China etc), but given the recent conditions this have not solved anything. By the end of 2012 Syria stands as a pariah in the MENA-region – isolated and unable to pursue its foreign policy interests as a state traditionally representing a radical anti-Israeli and anti-Western point of view in the Arab World. It has difficulties maintaining its alliances with states (Iran) and with non-state actors like Hezbollah and Hamas, to which Syria has difficulties in providing support.

#### *International perspectives*

Syria is severely hit by the economic consequences of the international sanctions, not the least by those imposed by the EU, which has for many years by far been the largest trading partner for Syria. The international sanctions have focused on transport, trade, insurance etc. and with the selective sanctions of more than 50 entities and bodies and first of all more than 155 individuals associated with the regime, it seems that the Syrian leadership regarding international actors is in profound trouble – as a result of the sanctions, but of course not only because of them.

Syria has for many years been on collision course with the US, but it is something of a novelty that the EU is carrying out sanctions of a very direct and apparently relatively efficient character. Together with the Arab League and Turkish sanctions the international society is affecting the possibilities for survival for the al-Assad regime. The alliance between Syria and Iran might still be there, but it is weakened by what takes place in Syria. The international repercussions of this are significant because of

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<sup>36</sup> Ibid.

the sanctions and international criticism of Iran, Syria's main alliance in the MENA-region.

### Conclusion

If the first ten years after the turn of the century for the Syrian regime (to quote Carsten Wieland) was a decade of lost chances<sup>37</sup>, the first two years of the new decade has been a political and economic disaster, to which the international sanctions severely have contributed. As described above the Syrian regime has during the recent crisis in 2011-2012 been affected by sanctions from the EU, the US, the Arab League, Turkey and a number of other actors and the restrictive measures have influenced the tragic development in Syria in the sense that the regime has been weakened politically, financially and regarding its institutions, having enormous difficulties functioning under the conditions given by the sanctions. It should of course be emphasized that this article has focused on the sanctions without going deeper into the interconnectedness between them and the ongoing war between the regime and the opposition.

As shown the history of the EU-Syrian relations goes back to the 1970s, where a cooperation agreement was signed in 1977. The cooperation has since then had a rather limited scope, and Syria is still – despite the fact that the EU used to be Syria's main trading partner – not much involved in the EU programmes. As mentioned Syria has tried gradually to replace the EU with countries to the East: Turkey, Ukraine, Russia, Iran, India and China, a strategy which has shown only moderate success. Syria was in other words already before the start of the crisis weakened by its poor economic performance.

The international sanctions started shortly after the violent crackdowns on the demonstrations were reported by the UN, by human rights NGO's and by the international media. As shown the sanctions cover an extensive range of areas where trade or other forms of exchange are prohibited for the involved states. A large number of individuals belonging to the inner circles around the regime are exposed to sanctions and even though some of the international sanctions predominantly have a symbolic character, as mentioned for instance US trade measures, there can be no doubt that the international sanctions are creating problems for the persons they aim at hitting.

The analysis of the impact of the sanctions was divided in three parts, dealing with internal consequences, regional implications and international perspectives. First of all the organizational and institutional setup around the regime seem to be affected.

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<sup>37</sup> WIELAND, C. 2012. *Syria. A Decade of Lost Chances. Repression and Revolution from Damascus Spring to Arab Spring*, Seattle, Cune Press.

The Ba'ath-party, the government run NGO-sector and the ministries, municipalities etc. are no longer functioning in a normal way. And as shown the financial constraints make not only the implementing of fiscal policies troublesome, but the whole nepotistic culture building on economic privileges almost impossible to uphold, thereby affecting elite cohesion.

The implications of the sanctions at the regional level are also, as demonstrated, significant. Again the financial constraints imposed by international actors, mainly the EU and the US, affect the ability for the regime to promote Syrian economic interests in the region and to uphold normal business relations with its MENA-partners. Following the suspension of Syria as member of the Arab League in November 2011 the organization decided, as mentioned, to cut off transactions with the Syrian central bank, halt funding by Arab governments for projects in Syria, freeze assets related to President Bashar al-Assad's government etc. This unprecedented action by the Arab League has led to isolation of Syria, which stands out as a regional pariah. The Turkish sanctions contribute to the regional weakening – not the least because the second half of the former decade witnessed a rapprochement between Turkey and Syria.

Finally the international sanctions have taken their toll on the weakened Syria, not the least the EU sanctions – due to the fact the EU used to be the largest trading partner for the country. As shown measures like this from the EU side is something of a novelty, both in the sense that they are far-reaching in scope, but also their specific character as “smart sanctions” hitting specific individuals and entities (with the ambition not to cause huge problems for the ordinary population) thereby affecting the Syrian state. To which degree the sanctions will contribute to the fall of Bashar al-Assad remains to be seen, but there is hardly doubt that the regional as well as the international sanctions significantly have undermined the regime.

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Annex:

EN

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## ANNEX II

## List of natural and legal persons, entities or bodies referred to in Article 4

## Persons

|     | Name                      | Identifying information   | Reasons   | Date of listing |
|-----|---------------------------|---|---|-----------------|
| 1.  | Maher Al-Assad            | Born on 8 December 1967; diplomatic passport No. 4138             | Commander of the army's 4th Division, member of Baath Party Central Command, strongman of the Republican Guard; principal overseer of violence against demonstrators. | 09.05.2011      |
| 2.  | Ali Mamlouk               | Born on 19 February 1946 in Damascus; diplomatic passport No. 983 | Head of General Intelligence Service; Head of Syrian Intelligence since 2005; involved in violence against demonstrators.   | 09.05.2011      |
| 3.  | Mohammad Ibrahim Al-Chaar |   | Minister for the Interior in the government; involved in violence against demonstrators.  | 09.05.2011      |
| 4.  | Atef Najib                |   | Former Head of Political Security in Deraa; involved in violence against demonstrators.   | 09.05.2011      |
| 5.  | Hafez Makhoulf            | Born on 2 April 1971 in Damascus; diplomatic passport No. 2246    | Colonel and Head of Unit in General Intelligence Directorate, Damascus Branch; close to Maher al-Assad; involved in violence against demonstrators.                   | 09.05.2011      |
| 6.  | Mohammed Dib Zeitoun      |   | Head of Political Security; involved in violence against demonstrators.   | 09.05.2011      |
| 7.  | Amjad Al-Abbas            |   | Head of Political Security in Baniyas, involved in violence against demonstrators in Baida.   | 09.05.2011      |
| 8.  | Rami Makhoulf             | Born on 10 July 1969 in Damascus, passport No. 454224             | Syrian businessman. Associate of Maher al-Assad; bankrolls the regime allowing violence against demonstrators.  | 09.05.2011      |
| 9.  | Abd Al-Fatah Qudsiyah     |   | Head of Syrian Military Intelligence and as such involved in the repression against the civilian population.  | 09.05.2011      |
| 10. | Jamil Hassan              |   | Head of Syrian Air Force Intelligence and as such involved in the repression against the civilian population.   | 09.05.2011      |
| 11. | Rustum Ghazali            |   | Head of Syrian Military Intelligence, Damascus Countryside Branch and as such involved in the repression against the civilian population.                             | 09.05.2011      |
| 12. | Fawwaz Al-Assad           |   | Involved in the repression against the civilian population as part of the Shabiha militia.  | 09.05.2011      |
| 13. | Mundir Al-Assad           |   | Involved in the repression against the civilian population as part of the Shabiha militia.  | 09.05.2011      |