

THE CENTER FOR PREVENTIVE ACTION

Dealing with Damascus

Seeking a Greater Return
on U.S.-Syria Relations

Mona Yacoubian
Scott Lasensky

CSR NO. 33, JUNE 2008
COUNCIL ON FOREIGN RELATIONS

The Council on Foreign Relations is an independent, nonpartisan membership organization, think tank, and publisher dedicated to being a resource for its members, government officials, business executives, journalists, educators and students, civic and religious leaders, and other interested citizens in order to help them better understand the world and the foreign policy choices facing the United States and other countries. Founded in 1921, the Council carries out its mission by maintaining a diverse membership, with special programs to promote interest and develop expertise in the next generation of foreign policy leaders; convening meetings at its headquarters in New York and in Washington, DC, and other cities where senior government officials, members of Congress, global leaders, and prominent thinkers come together with Council members to discuss and debate major international issues; supporting a Studies Program that fosters independent research, enabling Council scholars to produce articles, reports, and books and hold roundtables that analyze foreign policy issues and make concrete policy recommendations; publishing *Foreign Affairs*, the preeminent journal on international affairs and U.S. foreign policy; sponsoring Independent Task Forces that produce reports with both findings and policy prescriptions on the most important foreign policy topics; and providing up-to-date information and analysis about world events and American foreign policy on its website, CFR.org.

THE COUNCIL TAKES NO INSTITUTIONAL POSITION ON POLICY ISSUES AND HAS NO AFFILIATION WITH THE U.S. GOVERNMENT. ALL STATEMENTS OF FACT AND EXPRESSIONS OF OPINION CONTAINED IN ITS PUBLICATIONS ARE THE SOLE RESPONSIBILITY OF THE AUTHOR OR AUTHORS.

Council Special Reports (CSRs) are concise policy briefs, produced to provide a rapid response to a developing crisis or contribute to the public's understanding of current policy dilemmas. CSRs are written by individual authors—who may be Council Fellows or acknowledged experts from outside the institution—in consultation with an advisory committee, and are intended to take sixty days from inception to publication. The committee serves as a sounding board and provides feedback on a draft report. It usually meets twice—once before a draft is written and once again when there is a draft for review; however, advisory committee members, unlike Task Force members, are not asked to sign off on the report or to otherwise endorse it. Once published, CSRs are posted on the Council's website, CFR.org.

For further information about the Council or this Special Report, please write to the Council on Foreign Relations, 58 East 68th Street, New York, NY 10065, or call the Communications office at 212-434-9888. Visit our website, CFR.org.

Copyright © 2008 by the Council on Foreign Relations® Inc.
All rights reserved.
Printed in the United States of America.

This report may not be reproduced in whole or in part, in any form beyond the reproduction permitted by Sections 107 and 108 of the U.S. Copyright Law Act (17 U.S.C. Sections 107 and 108) and excerpts by reviewers for the public press, without express written permission from the Council on Foreign Relations. For information, write to the Publications Office, Council on Foreign Relations, 58 East 68th Street, New York, NY 10065.

To submit a letter in response to a Council Special Report for publication on our website, CFR.org, you may send an email to CSReditor@cfr.org. Alternatively, letters may be mailed to us at: Publications Department, Council on Foreign Relations, 58 East 68th Street, New York, NY 10065. Letters should include the writer's name, postal address, and daytime phone number. Letters may be edited for length and clarity, and may be published online. Please do not send attachments. All letters become the property of the Council on Foreign Relations and will not be returned. We regret that, owing to the volume of correspondence, we cannot respond to every letter.

This report is printed on paper that is certified by SmartWood to the standards of the Forest Stewardship Council, which promotes environmentally responsible, socially beneficial, and economically viable management of the world's forests.

CONTENTS

| | |
|--|-----|
| Foreword | v |
| Acknowledgments | vii |
| Map | ix |
| Council Special Report | 1 |
| Introduction | 1 |
| Syria: Stable but Stagnant | 6 |
| Isolate and Undermine: Lessons from U.S.-Syria Confrontation | 17 |
| Why Engage? The Strategic Context | 22 |
| Options and Recommendations | 40 |
| About the Authors | 44 |
| Advisory Committee | 45 |
| CPA Mission Statement | 46 |
| CPA Advisory Committee | 47 |

FOREWORD

Syria has more often than not represented a problem for U.S. foreign policy. Its unwillingness to make peace with Israel, close ties to Iran, political and military interference in Lebanon, and support for Hezbollah and Hamas—both of which appear on the U.S. State Department’s list of Foreign Terrorist Organizations—have caused significant strain. Syria itself is one of five countries on the State Department’s list of State Sponsors of Terrorism. In recent years, bilateral tensions have further increased over Syria’s role in allowing militants and weapons into Iraq. Damascus is also widely suspected of involvement in the 2005 assassination of former Lebanese prime minister Rafik Hariri and of attempts to build a nuclear reactor with help from North Korea.

At the same time, the United States and Syria have a history of limited cooperation and there are occasions when U.S. and Syrian interests overlap. The United States facilitated the negotiation of the disengagement agreement between Israel and Syria after the 1973 Arab-Israeli war. In 1990 and 1991, Syria took part in the U.S.-led Gulf War coalition that expelled Iraqi forces from Kuwait. Then, after the war, Syria attended the Madrid Conference sponsored by the United States and the Soviet Union. It also sent a representative to the Annapolis conference held by the Bush administration in November 2007. And most recently, it was announced in May 2008 that Israel and Syria were engaging in peace talks through Turkish mediators.

In this Council Special Report, Mona Yacoubian and Scott Lasensky make a strong case that the Bush administration’s policy of diplomatic isolation of Syria is not serving U.S. interests. They provide guidance for U.S. policy toward Syria on questions concerning Lebanon, Israel-Syria peace talks, and Iraq. Wherever one comes out on these and other difficult questions, the report offers informed history and thoughtful analysis of the country and U.S. policy options.

Richard N. Haass
President
Council on Foreign Relations
June 2008

ACKNOWLEDGMENTS

The authors wish to thank the Council on Foreign Relations for sponsoring this publication and, in particular, Douglas Dillon Fellow Steven A. Cook, who initially approached us about developing a more constructive approach to U.S.-Syria relations. We also thank Dr. Paul B. Stares, the director of the Council's Center for Preventive Action, who offered generous advice and support as our senior colleague and mentor at the United States Institute of Peace (USIP), and later in his role at the Council.

We wish to acknowledge USIP and its generous sponsorship of our work on Syria over these past two years, including two research trips to Syria. Special thanks to USIP President Richard H. Solomon and Executive Vice President Patricia Powers Thomson for encouraging our work on Syria. The institute published a five-part Syria essay series by Mona Yacoubian, which is available at www.usip.org.

As part of this Council Special Report, we conducted a series of not-for-attribution interviews and consultations with current and former U.S. government officials in 2007. We would like to extend our thanks to the interviewees, both for their time and their candor.

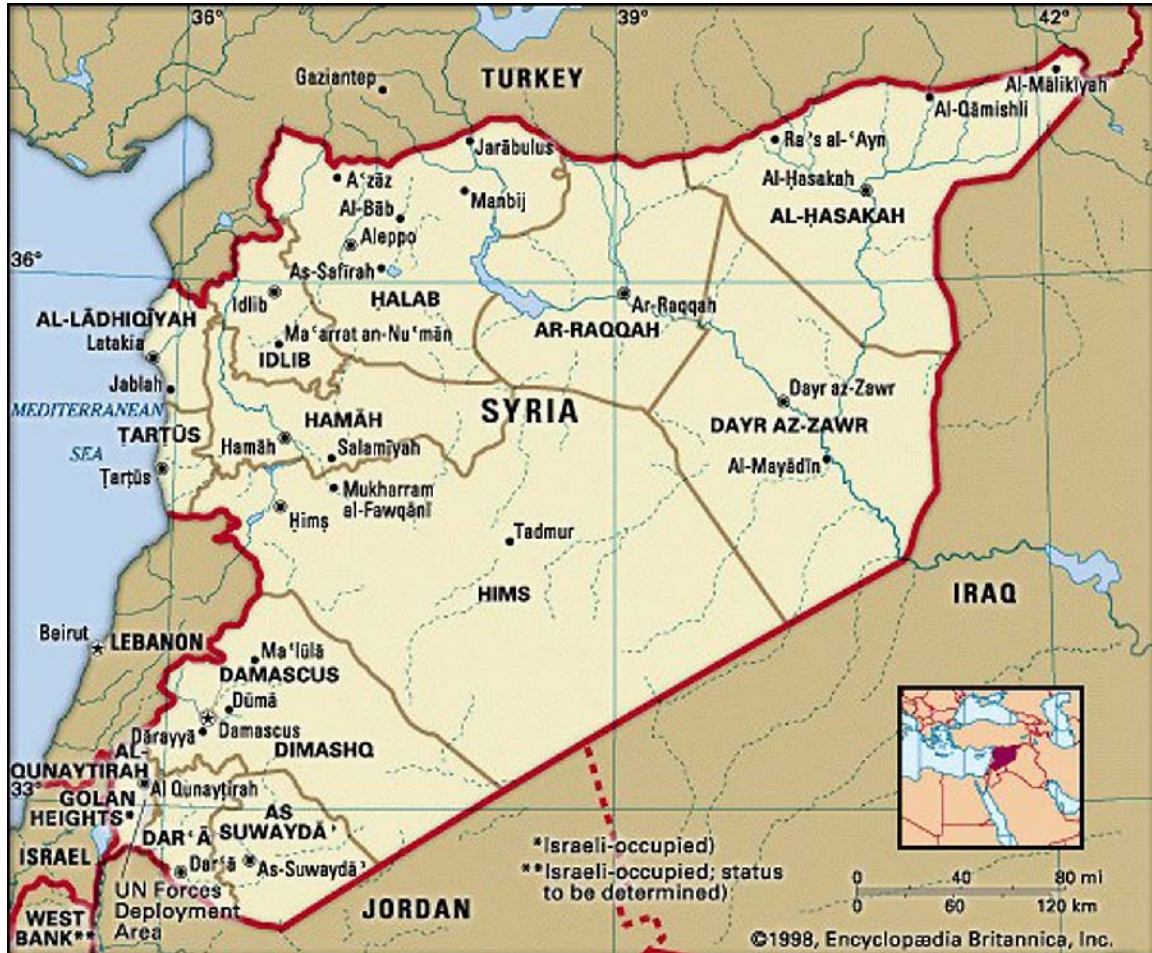
We received valuable input from members of the report's advisory committee, not only at a workshop organized by the Council in October in Washington, but in subsequent rounds of written comment and discussion. We express our appreciation to each member of the group.

This publication was made possible by a grant from the Carnegie Corporation of New York. The statements made and views expressed herein are solely our own.

Mona Yacoubian

Scott Lasensky

MAP



Source: Encyclopædia Britannica Online, <http://media-2.web.britannica.com/eb-media/51/4551-004.gif>. By courtesy of Encyclopædia Britannica, Inc., copyright 1998; used with permission.

COUNCIL SPECIAL REPORT

INTRODUCTION

Punctuated by conflict in Iraq, an ascendant Iran, and continued instability in Lebanon and the Palestinian territories, rising volatility in the Middle East threatens U.S. interests in the region. Meanwhile, sectarianism, al-Qaeda–inspired terrorism, and the proliferation of weapons of mass destruction (WMD) all serve as troubling overlays to this complex mix. Mired in Iraq and Afghanistan, the United States has yet to develop a comprehensive strategic framework that addresses these interrelated challenges. Instead, U.S. policy has been largely crisis-driven, attempting to put out fires by confronting issues on an ad hoc basis rather than seeking to respond to the underlying forces and tensions that catalyze conflict and instability in the Middle East.

Given these challenges, a return to a more traditional U.S. approach to peace and stability in the region is warranted. A pragmatic approach to the region—based on a phased U.S. troop withdrawal and a regional compact for Iraq, rebuilding strategic alliances in the Gulf, active Arab-Israeli peacemaking, and broadening the front against the twin challenges of Islamist militancy and Iran’s nuclear ambitions—would not only improve America’s strategic position, but would go a long way toward reviving its faltering reputation in the region and, more broadly, the Muslim world.

Indeed, American influence in the Middle East continues to suffer as the U.S. policies of isolating Iran, Syria, and their regional allies, Hamas and Hezbollah, are outpaced by events on the ground. Seeking to resolve their conflicts with a newfound sense of urgency, regional actors have recently undertaken negotiations and even hammered out agreements with no trace of U.S. involvement. Turkey’s facilitation of indirect Israel-Syria talks, a Qatar-brokered agreement among warring Lebanese factions, and Egyptian sponsorship of talks between conflicting Palestinian factions—not to

mention Cairo serving as a go-between for Hamas and Israel—have all proceeded without a U.S. role.

In this context, U.S. policy toward Syria merits substantial rethinking. Syria has played a destabilizing role, to varying degrees, in the many crises plaguing the region—Iraq, Lebanon, Israel/Palestine—and remains an important regional ally of Iran. Although not a decisive player in all arenas, Damascus does exercise important influence. At a minimum, Syria maintains the capacity to obstruct U.S. interests if it feels its own interests are threatened. Moreover, each of these crises appears to be at a critical crossroads. In Iraq, a diplomatic and political “surge” is needed to capitalize on the relative calm achieved by the military surge. In Lebanon, the May 2008 Doha agreement between the government and the Hezbollah-led opposition has led to the election of a new president and the formation of a coalition government, important measures that have broken a dangerous political impasse. Regional cooperation, including support from Syria, will be essential for keeping Lebanon on the path toward lasting peace and stability. Renewed Israeli-Palestinian peace negotiations, initiated by the Annapolis conference in 2007, will require intensive diplomacy to have a chance of making any progress. Meanwhile, Turkish-mediated Syria-Israel negotiations, following an eight-year break in peace talks, enhance the prospects for comprehensive regional peace. Dealing with Damascus in each of these arenas could help to tip the scales away from crisis and toward stability.

Engagement is not a concession; nor is it an end. Rather, engagement should be considered a means, a tool for achieving certain foreign policy goals. Just as engagement with Libya and North Korea brought certain benefits—both directly and in terms of alliance management—engagement with Syria also holds the potential for gain. The benefits of tough, conditioned engagement with Syria are derivative of broader U.S. goals in the region: curbing extremism, seeking stability in Iraq, guaranteeing peace and stability both with Israel and among moderate Arab allies, and staving Iranian influence. Given the mounting difficulties the United States has encountered in attempting to achieve these goals, a reassessment of U.S. policy toward Syria is long overdue.

Today, U.S.-Syria ties stand at a low point. In response to Damascus’s support for terrorism, new sanctions were imposed in 2004. The United States withdrew its

ambassador the following year, citing suspected Syrian involvement in the February 2005 assassination of former Lebanese prime minister Rafik al-Hariri. The Bush administration has largely refused to engage with the Syrian regime. Some advisers within the Bush administration have called for regime change in Syria (a point not lost on the Syrians), although the debate appears to have been settled in favor of those who advocate a change in Syrian behavior rather than the Syrian government's overthrow.

Since 2007, episodic meetings on Iraq, together with Syria's participation at the Israeli-Palestinian peace conference in Annapolis, suggest that Washington has taken some tentative steps toward renewed engagement with Damascus. But the Bush administration has been careful not to signal a broader reorientation of Syria policy, and each move toward engagement has been followed by tough messages from the White House. Indeed, in late December 2007, President George W. Bush underscored his rejection of dialogue with Syria, stating, "My patience ran out on President [Bashar al-] Assad a long time ago. The reason why is because he houses Hamas, he facilitates Hezbollah, suiciders go from his country into Iraq, and he destabilizes Lebanon. ... and so, if he's listening, he doesn't need a phone call, he knows exactly what my position is."¹ Moreover, President Bush expanded financial sanctions against Syria in November 2007 to include Syrian individuals deemed responsible for undermining Lebanese sovereignty. The sanctions were broadened further in February 2008, naming senior Syrian government officials and their associates who are engaged in public corruption. Later in the month, in a further ratcheting of pressure, the United States dispatched three warships, including the USS *Cole*, off the coast of Lebanon, a thinly veiled warning to the Syrian government regarding its continued meddling in Lebanon. In March 2008, citing continuing concerns about Syrian support for terrorism, the U.S. government put Syria on the port security advisory list, allowing the Coast Guard to impose additional port security measures on any ship that has traveled via Syrian ports. The move will put additional pressure on businesses trading or shipping through Syria.

The Bush administration's Syria policy—fortified by new economic sanctions, a diplomatic boycott, and increasing contacts with the Syrian opposition—is predicated on

¹ Brian Knowlton, "Bush has harsh words for President Assad of Syria," *International Herald Tribune*, December 20, 2007.

the notion that pressure and isolation will coerce Damascus to change course and comply with Washington's policy demands. Some policymakers in the administration view the Assad regime as unredeemable and believe Damascus should remain ostracized until it fundamentally changes its behavior. To do otherwise rewards Syria and strengthens an irresponsible and dangerous regime.

Yet U.S. policy has been largely ineffective. The U.S. government's decision to isolate Syria has produced few tangible results, with substantial costs to American interests. Syria has cooperated only fleetingly with the United States in Iraq and has strengthened its alliance with Iran. Meanwhile, Damascus has been a destabilizing force in Lebanon, particularly given its suspected involvement in the assassinations of anti-Syrian political figures. Furthermore, Syria continues to play host to Hamas and other rejectionist Palestinian groups. At home, Syrian repression of democracy and human rights activists has worsened considerably over the past several months, with the regime arresting and imprisoning numerous dissidents and forcibly expelling the husband of one of the arrested opposition leaders. Mounting evidence of nascent Syrian nuclear ambitions constitutes yet another deeply troubling development.² Damascus has agreed to allow inspectors from the International Atomic Energy Agency (IAEA) to visit al-Kibar, a suspected Syrian nuclear site bombed by Israel in September 2007. However, the Syrians have refused to allow IAEA inspectors access to three additional sites identified by U.S. intelligence as potentially connected to a covert Syrian nuclear program.

Advocates of isolation believe the strategy must be strengthened in order to be more effective. Their policy recommendations consist of a range of options, including strengthening existing U.S. sanctions, prohibiting U.S. congressional visits to Syria, pushing for multilateral sanctions, and launching U.S. military cross-border strikes from Iraq into Syria. But these tactics are only likely to sow further instability.

The time has come to try a different approach, and seek a greater return on U.S. policy toward Syria. The United States could gain significant advantages by channeling Syria's regional influence in a positive direction. Adopting a policy of serious,

² In late April 2008, the U.S. government released photographs taken inside a secret Syrian nuclear reactor before it was destroyed by an Israeli airstrike in September 2007. See David E. Sanger, "Bush Administration Releases Images to Bolster Its Claims About Syrian Reactor," *New York Times*, April 25, 2008. Available at <http://www.nytimes.com/2008/04/25/world/middleeast/25korea.html>.

conditional engagement, rather than intensified isolation is the best option to promote U.S. interests in the region. In some instances, such as preventing Iraq's disintegration or defeating al-Qaeda, the United States and Syria share common goals. By ignoring areas of commonality and the positive role Syria could play, the United States risks losing an opportunity to promote its interests in the Middle East.

This report examines U.S.-Syria relations and formulates policy recommendations for the U.S. government on how to develop a more constructive approach to the Syrian regime. It also explores potential opportunities that could arise from a shift in U.S. strategy toward engagement, while seeking to minimize Syria's destabilizing influences and its penchant for obstructing U.S. interests.

SYRIA: STABLE BUT STAGNANT

A deeper understanding of Syria's internal dynamics helps to illuminate its potential "ripeness" for engagement. Two critical aspects of Syria's domestic situation stand out: the country's deepening political and economic stagnation and the minority-led Alawite regime's worsening crisis of legitimacy. While the government's authority remains entrenched, Syria's long-term prospects in the absence of significant reforms are bleak. With fast-dwindling oil reserves and with 37 percent of its population under the age of fifteen, the Syrian economy must grow and diversify significantly to respond adequately to the needs of its young population. Moreover, the regime's popular legitimacy, at one time galvanized by a pan-Arab, Baathist ideology that garnered support throughout Syria's hinterlands, has all but vanished in the face of an increasingly corrupt regime that rules by fear and intimidation. Taken together, these two imperatives—dynamism and legitimacy—could provide important leverage for U.S. engagement.

It is difficult to ascertain Syrian leader Bashar al-Assad's interest in or capacity to negotiate with the United States. Little is known about the balance of power within the ruling clique. Moreover, the Syrian government's intentions can be difficult to discern. For example, what lies behind Syria's proposal to resume negotiations with Israel? Is Damascus genuinely interested in pursuing peace? Or is it maneuvering to break out of international isolation? What impels the Syrian government to crack down on internal dissent? Is the regime feeling insecure and under siege, or is it acting from a renewed sense of confidence? The answers to these and other important questions remain something of a "black box," and any insight into Syrian politics and strategic decisions has further eroded as the U.S. policy of isolation has intensified. Indeed, given U.S. estrangement from Syria, coupled with the opacity inherent to any authoritarian regime, concrete information on decision-making in Syria, critical to policy decisions, is sorely lacking. Nonetheless, even with these strong limitations, it is essential to analyze Syria's internal situation, while underscoring where critical information gaps lie.

Nearly eight years after the death of Syria's longstanding ruler Hafez al-Assad in June 2000, Syria under Bashar al-Assad remains stable, but largely stagnant. Despite

early hopes that the young Assad would reform Syria's state-controlled economy and allow space for political activism, significant, sustained political and economic openings have not been forthcoming. On the political front, Bashar's seven-year term was renewed in a May 2007 referendum that endorsed him as the sole candidate, further consolidating his control. Paving the way for Bashar's renomination, April parliamentary elections conferred another term on Syria's rubber-stamp legislature, comprised of the Baath party and allied groupings. (There are no legal opposition parties in Syria.) Taken together, these two highly orchestrated votes underscore Syria's near-total lack of political freedoms. Syria's authoritarian government is further buttressed by its pervasive internal security apparatus, most notably the secret police (*mukhabarat*).

For its part, the opposition in Syria is weak, fractured, and increasingly intimidated by government repression. During two brief periods of Bashar's rule (2000–2001 and 2005), a broad spectrum of oppositionists were emboldened to act. They held political salons and forums, issued statements, and eventually published the October 2005 Damascus Declaration, demanding the lifting of the Emergency Law (in effect since 1963), free elections, and broad civil and political liberties, as well as a just solution to the Kurdish problem.

By 2006, the regime—sensing an easing of international pressure with attention diverted to the worsening conflict in Iraq—had consolidated its hold on power, initiating a series of arrests, political trials, and jail sentences and further clamping down on opposition activities.³ Indeed, as Syria's isolation from the West deepened due to political and economic boycotts, Damascus—perhaps calculating it had less to lose—seemed to act against its internal opponents with greater impunity. Syria's repressive policies continued in 2007 and into 2008. Notably, the regime initiated a new crackdown against oppositionists, arresting several activists who had signed the Damascus Declaration. Government security forces also blocked access to numerous websites including Facebook, a popular social networking website used by Syrians to express their opposition to the regime. In March, the Syrian government placed tighter restrictions on

³ See, in particular, Akram al-Bunni, "Syria's Crisis of Expression," in *Arab Insight*, Volume 2, Number 1, Winter 2008, pp. 99–106, <http://www.arabinsight.org>. It should be noted that Bunni was among those arrested and jailed during a January 2008 crackdown by the Syrian regime.

Internet use, requiring owners of Internet cafes to register all users and allow government security agents access to their information.

With the regime resurrecting the “wall of fear” against political adversaries, those oppositionists not in prison, whether businessmen, intellectuals, human rights advocates, or Islamists, have either left the country or been intimidated by the regime into maintaining a low profile. Meanwhile, externally based opposition groups, such as the National Salvation Front (NSF)—largely comprised of a “strange bedfellows” alliance of the Syrian Muslim Brotherhood (MB) and former regime stalwart vice president Abdul Halim Khaddam—appear to have only limited resonance inside Syria. Most Syrians appear to favor stability over the chaos in neighboring Iraq that many associate with regime change.

Hailing from the Alawite sect (an offshoot of Shiite Islam), the Assad family is part of a distinct minority (varying estimates suggest roughly 12 percent) in a country that is estimated to be 74 percent Sunni Muslim.⁴ A strong sense of clan or tribal solidarity binds the Alawites and is a significant factor undergirding Bashar’s ties to the Alawite community. Although the regime maintains a tight grip on power, its base of support has narrowed considerably. While Hafez skillfully cultivated Sunnis and other sects as allies in his regime, Bashar has not been as astute at maintaining a broad power base. Instead he has relied increasingly on a small clique of family members, including his brother Maher (head of the presidential guard), brother-in-law Asef Shawkat (head of military intelligence), and sister Bushra. As a result, wealth and power have become more concentrated in the hands of the Assad family, as well as the Makhloufs—relatives of Bashar’s mother.

The balance of power within this ruling clique remains unclear. Although Bashar appears firmly in control and remains the public face of the regime, the extent of his power vis-à-vis other figures is difficult to discern. Can Bashar impose decisions? Or must he act by the consensus of those around him? In any event, the intricacies of power and decision-making in Syria are hard to unravel, and therefore it is difficult to assess with much certainty Bashar’s interest in or ability to make a deal with the United States.

⁴ CIA World Factbook 2007. Available at <http://www.cia.gov/library/publications/the-world-factbook/geos/sy.html>.

The Assad regime's legitimacy has always been somewhat vulnerable due to its minority status. However, two regional trends—the rise of Salafism and increasing sectarianism—have heightened this vulnerability. The Salafist trend in Sunni Islam calls for a return to the “pure” Islam as practiced in the days of the prophet Mohammad and his early successors. It views the Shiite sect and its offshoots as heretical. Salafism has certainly made inroads among Syria's Sunni majority, although the extent to which it has penetrated mosques and *madrassas* is not clear.⁵ Mounting sectarianism, propelled in part by the conflict in Iraq, has also contributed to a stronger sense of identity by religious sect or ethnicity, further underscoring the Assad's Alawite sect as different from the religious affiliation of most Syrians.

Bashar's leadership on economic issues has also been a disappointment. Reform efforts have been pursued fitfully at best, with minimal progress in an economy where food and energy subsidies, slated to cost \$7 billion next year, equal nearly 20 percent of the country's gross domestic product (GDP).⁶ Meanwhile, given declining oil production, experts predict relatively weak GDP growth in the coming year (3.5 percent).⁷ Syria's burgeoning population—its 2.2 percent population growth rate is among the region's highest—underscores the need for greater economic growth in order to ensure jobs for the estimated 200,000 to 250,000 Syrians entering the labor force each year.⁸

A high degree of cronyism has impeded economic reforms. Syria's privileged business elites thrive on the market's lack of transparency, profiting from their access to lucrative deals. Corrupt business practices also distort market signals, often drawing money into the pockets of well-connected businessmen rather than attracting profits into new ventures. Privileged connections are rewarded rather than creative ideas. Moreover, foreign investors may be dissuaded by the surplus cost of doing business in a corrupt environment. In one instance, a Syrian-American investor who started a tradeshow

⁵ Nonetheless, even prior to the rise of Salafist Islam, the regime's most potent opposition hailed from the Sunni Muslim Brotherhood, who viewed the Alawite regime as nonbelievers and an affront to their religion. Following a years-long, violent revolt, Hafez Assad brutally suppressed the Brotherhood, killing an estimated twenty thousand insurgents and civilians in the city of Hama in February 1982. Under Law 49, passed in July 1980, membership in the Muslim Brotherhood is punishable by death in Syria.

⁶ Hugh Naylor, “Syria, Seeking Investors, Turns Cautiously to Iran,” *New York Times*, October 4, 2007.

⁷ Syria Country Report, Economist Intelligence Unit, August 2007.

⁸ Syria Country Profile, Economist Intelligence Unit, 2006.

venture in Damascus reportedly was forced to abandon his business and flee Syria when his life was threatened for not paying large bribes to Syrian security officials.⁹

Indeed, corruption in Syria is rampant, reaching unprecedented levels and pervading nearly every aspect of daily life. Syria's well-oiled patronage system ensures benefits to regime supporters—creating a “crony capitalist” class nourished by corruption. Moreover, poorly paid government workers typically resort to bribery and other forms of petty corruption in order to make ends meet. The net effect is that nearly every government institution from the military to the courts to universities to the police operates via a parallel system of graft and corruption.

Not surprisingly, the corrosion of these institutions has diluted the role of the state in terms of its capacity to deliver basic public services. Anecdotal reporting suggests that the Syrian state is receding in the country's vast hinterlands, further undermining its legitimacy. Increased lawlessness reportedly characterizes some regions, while nongovernmental (often Islamist) organizations have assumed greater responsibility in providing basic services.¹⁰ The growing gap between an enriched elite and the general population is hard to miss when visiting Syria, where gleaming new hotels and glittering European cars can be seen alongside grey and crumbling buildings and children begging in the streets of the Old City.

Corruption is also a prominent feature of Syria's business environment. Lucrative contracts typically are awarded to big families with close ties to the regime. For instance, the president's cousin, Rami Makhlouf, has amassed a fortune reportedly estimated at \$3 billion through his ownership of two mobile phone companies, the port of Latakia, and numerous factories, hotels, and duty-free shops.¹¹ (Citing Makhlouf's corrupt business practices, the U.S. government imposed targeted sanctions on him in February 2008, calling for any of his assets held by U.S. financial institutions to be frozen.) The regime is fiercely protective of its patronage system—another important element ensuring its control. In July 2001, Riad Seif, then an independent member of parliament, insisted on investigating the licensing of the country's mobile phone providers. Despite government

⁹ Authors' meeting with a Washington-based attorney, July 17, 2007.

¹⁰ This issue was raised in several interviews with Syrian lawyers and activists during a research trip to Syria by the authors in May 2006.

¹¹ Carsten Wieland, *Syria: Ballots or Bullets? Democracy, Islamism, and Secularism in the Levant* (Cune Press, 2006, p. 60).

warnings, he published a report documenting the corrupt deal and was promptly imprisoned in September 2001. (He was eventually released in early 2006 but again imprisoned in January 2008, despite needing critical medical care.)

While Syria has yet to implement comprehensive economic reforms, the regime has been somewhat responsive to economic pressures. Syria's dwindling oil reserves—a major source of earnings—have impelled the government toward action. In March 2007, Finance Minister Mohammad Hussein suggested Syria had already become a net importer of oil in 2006, potentially costing the economy \$1 billion this year.¹² During his first seven-year term, Bashar promoted a series of economic reforms designed to transform Syria into a “social market” economy modeled after that in Germany. Reforms implemented to date include provisions allowing private banks, liberalized foreign currency laws, the establishment of a stock market, and the opening of a private insurance company.¹³ While these reforms mark gradual progress, Syria's bloated bureaucracy, poor planning, and inefficient state enterprises suggest that much remains to be done.

Initially Bashar vacillated between a Western-oriented, modernizing mindset—he formerly headed the Syrian Computer Society—and a strident, nationalist mindset that rejected American influence in the region. However, with his country stymied from doing business with the West, he has increasingly turned to the East. Bashar has nurtured Syria's alliances with Iran and Russia and cultivated ties with China, Malaysia, and India, among others. During the authors' two research visits to Syria in 2006 and 2007, regime officials underscored their growing ties “to the East,” with one leading figure even boasting that her children were learning English in Malaysia, rather than the West, where the Syrian elite traditionally was trained.¹⁴ In effect, by isolating Damascus, the United States and Europe are ceding important levers of influence to Iran, Russia, and others.

Moreover, Bashar appears to be more ideologically driven than his father, while lacking Hafez's strategic prowess. His rash decision-making style has resulted in a number of critical blunders, most notably Syria's suspected role in the Hariri assassination and the subsequent forced withdrawal of Syrian troops from Lebanon. He has alienated most, if not all, of Syria's Arab allies, instead drawing closer to Iran, albeit

¹² Country Report: Syria, Economist Intelligence Unit, April 16, 2007, available at <http://www.eiu.com>.

¹³ Country Profile: Syria, Economist Intelligence Unit, 2006, available at <http://www.eiu.com>.

¹⁴ Authors' meeting in Damascus, May 2006.

as an increasingly junior partner in the twenty-five-year-old alliance. The Iran alliance and the Hariri case have driven a wedge between Saudi Arabia and Syria, which had previously maintained closer ties. Indeed, Syria-Saudi ties are at a nadir, with the Saudi government spearheading a high-level boycott of the Damascus-hosted Arab League summit in March 2008. Syria also appears to have lost the upper hand in its relationship with Hezbollah, with the Shiite militia expanding its influence in Lebanon following its summer 2006 war with Israel.

Given Syria's strategic errors and the manifold challenges of breaking Western isolation, regaining legitimacy at home, and injecting much-needed dynamism into its floundering economy, the timing appears ripe for U.S. engagement. Although Syria's isolation and internal challenges are not serious enough to topple the government, they do provide an impetus for the regime to engage. For Syria, improved relations with the United States would mark the end of the West's economic and diplomatic boycott, improve opportunities for economic growth, and enhance regime legitimacy, particularly if this new approach ultimately led to the return of the Golan Heights—an objective the senior Assad never succeeded in achieving. At the same time, the very challenges that might impel Syria toward engagement offer important levers of influence for the United States, which could dangle a bevy of economic and political incentives to the Syrians that would only be available with a strategic shift in Damascus's behavior, both at home and abroad. Given Syria's deepening stagnation, Damascus is likely to respond positively to these incentives.

EVOLUTION OF U.S.-SYRIA RELATIONS

Unlike U.S. ties with Israel or Saudi Arabia, pivotal relationships that often adhere to long-established (and predictable) patterns, ties with Damascus have swung wildly in recent years—from limited cooperation in the 1990s to confrontation and estrangement since 2001. To be sure, the strategic context was dramatically different in the 1990s. But so too was the American approach to diplomacy—with an emphasis on pragmatic, multilateralist foreign policies. For both the George H.W. Bush and Bill Clinton

administrations, managing the end of Cold War competition in the region, containing Saddam Hussein, promoting Arab-Israeli peace, and preserving energy security were the priorities. Each of these also pointed toward engagement and cooperation with Syria. In the first Gulf War, Syria even sent its armed forces to the Gulf in support of the U.S.-led coalition—an unprecedented move in light of the traditionally tense bilateral relationship. Syria had its own interests in containing Saddam, but that alone did not assure cooperation. Determined American diplomacy, a willingness to engage, and tough bargaining brought Syria into the coalition.

The same was true for Washington's other top priority in the region: Arab-Israeli peacemaking. In the aftermath of the Gulf War, Syria agreed to participate in the Madrid Peace Conference (October 1991)—an initiative that launched a new phase in the Middle East peace process. President Clinton engaged directly with the Syrian leadership, meeting with President Assad on more than one occasion. During intensive peace talks in 1999 and 2000, the United States came agonizingly close to brokering a peace deal between Israel and Syria. Despite significant policy differences, a working relationship was maintained. Syrian support for terrorism, particularly its support for Palestinian rejectionist groups like Hamas, its occupation of Lebanon and support for Hezbollah, its recurrent anti-Americanism, and its dismal record on human rights and governance complicated, but did not rule out, cooperation in other areas. Since 2001, attempts to isolate and undermine the Syrian regime have done little to mitigate these challenges.

Downward Spiral (2001–2007)

The deterioration in U.S.-Syria relations from 2001 onward was both rapid and unprecedented. To be fair, the downward spiral had as much to do with Syria's miscalculations and strategic blunders as it did with Washington's own policy. Nevertheless, the deterioration stands in stark contrast with a decade of engagement that began with Syria joining the U.S.-led coalition against Saddam Hussein in the first Gulf War.

When President George W. Bush came to office in 2001, Syria was largely off the radar—particularly given the dramatic failure of President Clinton’s Middle East peace initiatives in 2000. Nonetheless, given the mix of pragmatists and conservatives, there were indications early on that a split was emerging within the Bush administration on how to deal with adversarial states like Syria. In the immediate aftermath of 9/11, Syria condemned the attacks and cooperated with Washington in going after al-Qaeda—providing assistance that was “enormously helpful,” in the words of a former senior Bush administration official. Nevertheless, some senior figures in the administration were eager to underscore Syria’s reputation as a rogue state and urged a hard-line approach—basing their argument on Syria’s occupation of Lebanon, its continued support for Palestinian and Lebanese militant groups, and its rapprochement with Saddam.

Secretary of State Colin Powell made visits to Syria to elicit greater cooperation, especially vis-à-vis Arab-Israeli relations, given the upsurge in violence during the administration’s first two years. With only modest results from such high-level engagement, administration hard-liners pointed to engagement as a concession and urged a halt to all high-level dealings. For his part, Powell defends his visits and rejects the notion that Washington can simply dictate terms to Damascus.¹⁵

The U.S. invasion of Iraq in 2003 dramatically raised tensions with Syria, which had allowed large numbers of militants to transit Syria on their way to Iraq to fight American and coalition forces. Syria also harbored leading figures from the Saddam Hussein regime. Secretary of Defense Donald Rumsfeld was particularly harsh in warning Syria, saying Washington viewed these as “hostile acts.” Given the situation in Iraq, and increasingly tough rhetoric from Damascus, Powell and the pragmatists were fast losing ground to others within the administration who preferred a more muscular approach.

In late 2003, UN Security Council Resolution (UNSCR) 1559 was approved, which increased pressure on Syria to end its military occupation of Lebanon. Congress also passed a new set of tougher economic sanctions, which the White House eventually embraced after some hesitation. The last high-level visit from a U.S. official was in

¹⁵ See Aspen Institute, Proceedings of the Aspen Ideas Festival, “Conversation with Colin Powell,” July 3–8, 2007.

January 2005, when Deputy Secretary of State Richard Armitage met with President Assad. He reportedly laid out a series of tough demands, on Iraq and Lebanon, which elicited some cooperation from the Syrians but fell short of full compliance. (The view from Foggy Bottom was that Armitage made headway, though others in the administration argued that he came away empty-handed.) U.S.-Syria relations deteriorated dramatically a month later with the assassination of former Lebanese prime minister Hariri, which many blame on Syria. Washington recalled its ambassador and sharply raised its rhetoric against Damascus.

As Lebanese protests forced Syria to withdraw its troops that spring, the United States and France (some say with the support of Saudi Arabia) stepped up international pressure on Damascus, which suddenly faced a UN investigation and potential UN economic sanctions. By late 2005, with the UN investigation of the Hariri assassination pointing a finger at Syria,¹⁶ Washington enjoined its allies to isolate the Assad regime. European leaders were pressured not to visit Damascus. Moreover, the administration sent clear signals to Israel that the United States would not support renewed Israel-Syria peace negotiations. Although “behavior change” remained the official U.S. policy, the sharp internal debate within the administration created an atmosphere in late 2005 and early 2006 that sent unmistakable signals to Damascus that Washington potentially sought the end of the Assad regime.¹⁷

Starting in December 2006, with the Iraq Study Group (ISG) recommending a diplomatic surge and direct U.S. engagement with both Tehran and Damascus, the debate about Syria appeared to be shifting. More than a dozen U.S. senators and House members—Democrats and Republicans—visited Damascus after the ISG report, over the objections of the White House. By March 2007 the Bush administration started to adjust its policy on Syria and explored the idea of working more directly with all of Iraq’s neighbors. Periodic high-level contacts resumed, but only in multilateral forums dealing with Iraq. U.S. Secretary of State Condoleezza Rice briefly met with the Syrian foreign minister, Walid Mualem, at a May 2007 international meeting of Iraq’s neighbors in

¹⁶ An initial version of the report, which revealed text edits, specifically named Maher Assad and Asef Shawkat as possible suspects in the plot. The names were removed in the report’s final version.

¹⁷ Indeed, in a December 17, 2007, speech at the Woodrow Wilson International Center for Scholars, the Syrian ambassador to the United States underscored Syria’s perception that it remains vulnerable to “joining the ‘axis of evil.’”

Sharm el-Sheikh in Egypt. The Syrians, according to a former U.S. official with access to the regime, thought they had received clear signals from Washington that the Sharm meeting would lead to a broader dialogue. But this was not in Washington's playbook.¹⁸ A fundamental shift did not take place, but the United States continued to make tentative moves, such as inviting Syria to participate in the November 2007 Annapolis meeting. Overall, while bilateral relations in 2007 and early 2008 were less tense than from 2005 to 2006, tit-for-tat diplomatic snubs continue.

¹⁸ Authors' interview with former U.S. official, Washington, DC, December 6, 2007.

ISOLATE AND UNDERMINE: LESSONS FROM U.S.-SYRIA CONFRONTATION

What lessons can be drawn from this lengthy period of confrontation? First, prospects for Syrian cooperation were diminished due to maximalist demands from Washington and its unwillingness to bargain.¹⁹ Moreover, U.S. policy had the effect of blurring the lines between “regime change” and “behavior change,” thus further reducing prospects for managing areas of disagreement. Second, coercive diplomacy was most effective when used in coordination with other powers, as evidenced from 2004 to 2005 when the United States worked closely with the French to line up Western support for a UN resolution demanding Syria’s withdrawal from Lebanon. Third, unilateral economic sanctions have had little practical effect aside from diplomatic signaling and contributing to a general climate of uncertainty surrounding investment and trade with Syria. With the U.S. sanctions regime more broad-based than targeted, the ruling clique has come out largely unscathed (and, ironically, U.S.-Syria bilateral trade surged in 2006, increasing 30 percent).

Fourth, the attempt to isolate Syria diplomatically because of its destabilizing behavior, including its alliances with Iran, Hezbollah, and Hamas, has largely been a self-fulfilling prophecy that has only served to limit U.S. options and raise the costs of reengaging. Syria’s deepening isolation from the West impelled it to turn toward the East, strengthening its alliance with Iran and nurturing economic ties with non-Western partners such as Russia, China, and Malaysia. Moreover, defining “engagement” as a concession rather than merely a diplomatic tool necessarily limited U.S. options. American diplomacy was hamstrung by a policy that relied largely on “sticks” and offered few if any incentives to the Syrian regime to change its behavior.

¹⁹ U.S. demands included Syria ending its support for terrorism—specifically Hezbollah, Hamas, and other Palestinian rejectionist groups—ceasing its meddling in Lebanon, and adopting a more cooperative stance on Iraq.

Lesson One: Isolation Yields Limited Results

High-level diplomatic engagement, according to some in the Bush administration, sets back U.S. interests and only serves to “embolden” and “reward” the Syrian regime. The problem with this view is twofold. First, there is little concrete evidence from recent years to back up the assertion, which has more to do with ideology and polemics than with the dynamics of this case. Syria’s suspected involvement in the campaign to assassinate leading anti-Syrian Lebanese figures occurred when the United States—not to mention France and others—was boycotting, rather than engaging, Damascus. The withdrawal of the U.S. ambassador in early 2005, and the subsequent diplomatic boycott, did not lead to Syrian compliance. Instead, it led to a slow and steady campaign of diplomatic tit-for-tat that continues to this day, with negative implications for civil society institutions like AMIDEAST, which was ordered out of Syria, as well as for cultural exchanges such as the Fulbright program.

During this same period of U.S. isolation, Syrian support for Hezbollah escalated in the run-up to the 2006 war with Israel. Moreover, the 2006 and 2007 crackdowns on domestic reformers, which led to long prison sentences for several pro-democracy advocates, occurred during a time when the United States was largely boycotting Damascus. In the face of the U.S. diplomatic boycott, Syria increased its support for Hezbollah and Hamas, even brokering talks in January 2007—against explicit U.S. wishes—that were aimed at creating a Palestinian unity government. Unlike in the 1990s, Syria’s support for both groups increased dramatically, without any countervailing pressures from bargaining with Israel, the United States, or the West.

Second, forgoing dialogue and diplomacy cedes too much of the diplomatic landscape to others, forces Syria to draw closer to Iran and other U.S. adversaries, and leaves the United States feeling righteous but nevertheless on the sidelines. As former secretary Powell argued at a conference, “We should be talking to Syria... and you can’t have negotiations or discussions when you put preconditions down that are the results you want. They will not do it. ... You can’t say to the Syrians, we won’t talk to you or we don’t want to talk to you because you will want compensation.”²⁰ If “bad behavior” was

²⁰ Aspen Institute, Proceedings of the Aspen Ideas Festival, “Conversation with Colin Powell,” July 3–8, 2007.

the litmus test, the United States would need to curtail its engagement with a wide range of international actors, including Pakistan, Saudi Arabia, and Russia. Even at the height of the Cold War, the United States maintained normal diplomatic relations with the Soviet Union. Periodic protests and negative signaling are par for the course, especially given the tensions inherent in the United States' bilateral ties with Syria. But in the case of Syria, the administration's "isolate and undermine" approach went too far. Engagement with Damascus does not a priori contradict U.S. policy objectives.

Lesson Two: Unilateral, Patchwork Sanctions Have Little Impact

The patchwork of U.S. economic sanctions against Syria—Patriot Act money-laundering actions against a major Syrian bank; Treasury Department terror designations against select individuals and companies; and the export, flight, and commercial sanctions of the Syria Accountability Act of 2003—have had limited impact on the Syrian economy or the regime.

Despite the popular impression that there is a U.S. embargo on Syria, the present sanctions regime is a complex set of financial and commercial constraints that is far from stringent. U.S. sanctions, including a ban on military and economic aid, date back to 1979, when Syria was first designated as a state-sponsor of terrorism. Since 2004, when the Syria Accountability and Lebanese Sovereignty Act (SALSA) was implemented, the sanctions regime has been expanded. Some actions, such as trade restrictions, are more consequential. Others, like the flight ban, have been symbolic in nature (Syrian airlines had no American routes). The most relevant sanctions can be divided into three broad groupings:

- **311 Actions.** Named for Section 311 of the Patriot Act, this anti-money laundering measure has been used against the Commercial Bank of Syria (CBS) and a corollary bank in Lebanon, both of which are closely linked to the Syrian government and the Assad regime. As a result of the 311 action against the CBS, it is barred from transactions and corresponding relationships with U.S. banks. European banks still allow transactions with the CBS, but

some are reportedly studying the matter so as not to run afoul of U.S. banking rules.

- **Office of Foreign Assets Control (OFAC) Prohibitions.** Individuals and entities with ties to terrorist activities can be designated under the Treasury Department's OFAC rules and are thus barred from transactions with U.S. banks and the government—and U.S. nationals are cautioned against any and all transactions with anyone on the list. Asef Shawkat, Assad's brother-in-law and a senior regime figure, was added to the list in early 2006. Several others connected with the Hariri assassination are also included.
- **Commerce Department Sanctions.** With SALSA, the ban on U.S.-made exports was expanded to include most categories of goods (food and medical supplies are exempted, as is some telecommunications equipment).

To be fair, sanctions have done more than just express Washington's displeasure. The complexity of U.S. rules, combined with its icy diplomatic ties, has created an atmosphere of uncertainty and ambiguity around trade and investment in Syria. While the sanctions have undoubtedly sowed confusion in the business community, said a former Treasury official who works with U.S. companies trying to do business in Syria, the climate of doubt may be more important than any measurable impact of the sanctions themselves.

Lesson Three: Be Clear about Objectives and Expectations; Be Prepared to Bargain

Even before 9/11, the Bush administration had an aversion to dealing with authoritarian adversaries, whether North Korea, Iran, or Syria. The administration made a strategic decision not to engage with these regimes. The September 11, 2001, terrorist attacks and the war in Iraq only reinforced these views. But these regimes, including Syria, have proven more resilient, forcing Washington to reconsider its approach.

With Syria, the confrontation of recent years suggests the need to be clearer about objectives and expectations. As the U.S. approach hovered between demands for

“behavior change” and hints at “regime change,” most notably from mid-2005 to mid-2006, this ambiguity heightened Syrian fears and consequently reduced prospects for cooperation. Whether the ambiguity resulted from disagreements within the administration or was a deliberate policy choice is less important than how the policy was perceived in Syria. The lack of clarity about objectives was accompanied by a policy style that lacked nuance, casting relations with Damascus in “black and white” terms and leaving little room for maneuvering by either the United States or Syria.

Lesson Four: Concerted, Multilateral Action Works Best

Coercive diplomacy toward Syria has been most effective when the United States works in concert with other important outside actors. Not only does the United States have relatively few direct levers of influence vis-à-vis Syria, but given the crisis of credibility facing Washington in the region, unilateral measures lack legitimacy and have had less impact on the regime. UNSCR 1559 and the ongoing UN Hariri probe are just two examples of the effective use of multilateral pressure. Closer coordination with principal actors in Europe (such as France and Germany) and in the region (such as Saudi Arabia and Turkey) would make U.S. policy more effective.

WHY ENGAGE? THE STRATEGIC CONTEXT

Over the past five years, U.S. efforts to deepen Syria's isolation and intensify pressure on the regime appear to have borne few, if any, successes. Indeed, some of Syria's worst transgressions, such as its suspected involvement in the Hariri assassination and the killings of other Lebanese political figures, occurred *after* the imposition of additional U.S. sanctions and after the U.S.-led campaign to isolate the regime. While sanctions and other policies designed to isolate Damascus did not result in Syria's bad behavior, neither did such measures deter Damascus from its perilous course.

A new approach to U.S.-Syria relations is needed. By opting for a policy of engagement rather than isolation, the United States stands to achieve a greater return on its relations with Syria. U.S. policy toward Syria has long been derivative of the broader U.S. interests in the region. Syria plays a role in every critical arena in the region: Iraq, Lebanon, Iran, and Israel/Palestine. To be successful, a policy of engagement with Syria must acknowledge the complex and interrelated character of these conflicts and leverage these linkages to the advantage of U.S. interests wherever possible. The policy must also be informed by an understanding of Syria's role in each of these crises, including its underlying motivations, strengths, and weaknesses.

Engagement with the Syrians would rely on a variety of diplomatic tools, assessing both the potential benefits and limits of cooperation. It would entail a mix of "carrots" and "sticks," balancing rewards for sustained cooperation with severe consequences for continued Syrian intransigence. By exploiting areas of shared interest, leveraging incentives to induce positive changes in Syrian behavior, and holding out credible threats in the event Syria continues to behave badly, engagement with Syria could reap significant benefits for U.S. interests over the long run. Some payoffs will be easier to attain, such as greater Syrian cooperation in Iraq, while others, such as successful Syria-Israel negotiations or normalization of Syria's relations with Lebanon, will require much greater commitments of time and resources.

Arguments in favor of engagement have gained currency across a broad spectrum of foreign policy practitioners and experts. The bipartisan Iraq Study Group report

strongly advocated the need to engage diplomatically with Syria, among Iraq's other neighbors. Several congressional figures have since visited Damascus, most notably House Speaker Nancy Pelosi (D-CA). The chorus calling for engagement with Syria includes several foreign policy luminaries including Henry Kissinger, Zbigniew Brzezinski, Brent Scowcroft, and Madeleine K. Albright. In Senate testimony in 2007, both Kissinger and Albright underscored the need to negotiate with countries like Syria, where the United States has deep disagreements.

U.S. allies in Europe have also moved toward a policy of engagement with Syria; senior European diplomats, including EU foreign policy chief Javier Solana and Spanish foreign minister Miguel Angel Moratinos, have resumed their dealings with Assad in Damascus. Even France broke its long-term isolation of Syria in fall 2007, with President Nicolas Sarkozy speaking to Assad twice by phone and sending his chief of staff to Damascus twice in an effort to seek Syria's cooperation in breaking Lebanon's political impasse over electing a new president. Paris temporarily shunned contact with Damascus when Sarkozy's initiative failed to bring results; however, in April 2008, increasingly concerned by Lebanon's crisis, the French foreign minister met with his Syrian counterpart to discuss Lebanon.

As the Bush administration serves out its final year, the United States faces a strategic context defined by declining influence, increased threat, and a stalled normative agenda, i.e., democracy promotion.²¹ The civil war in Iraq and the continuing U.S. occupation in that country stand at the center of this volatile mix. Although the United States has not been defeated militarily, the U.S. political project for Iraq has suffered crushing setbacks. The American design for post-Saddam Iraq is in tatters and, along with it, much of Washington's credibility in the region. America's power remains robust, but its influence is at a historic low.

The potential benefits of engagement with Syria become more apparent by reviewing each of the core issues. Specifically, an examination of Syria's interests and motivations, where these interests might intersect with U.S. goals, as well as areas of bilateral tensions can illuminate where unrealized returns to U.S. interests may exist.

²¹ For more on the strategic context facing Washington, see Richard N. Haass, "The New Middle East," *Foreign Affairs*, November/December 2006.

While it is difficult to determine the exact parameters of engagement on each issue and the specific, concrete benefits to be gained by the United States in each case, the broad outlines of potential gains for U.S. interests are clear.

IRAQ

The primary U.S. interest in Iraq is to continue to reduce violence across the country and capitalize on this “breathing room” to implement critical political reforms that will help build the foundations for sustained peace and stability. Leery of mounting instability and sectarian violence in Iraq, Syria’s primary interest is to ensure against Iraq’s complete disintegration, particularly given the likelihood that all-out civil war would result in additional refugee flows into Syria and the potential spillover of sectarian violence. Syria already hosts at least 1.5 million Iraqis. In addition, Damascus would be deeply threatened by the establishment of an autonomous Kurdistan in northern Iraq, given Syria’s own restive Kurdish population of 1.7 million.

From the U.S. perspective, Syria’s record in Iraq has been mixed, characterized by limited instances of tactical Syrian cooperation coupled with behavior that has contributed to Iraq’s instability. Specifically, the flow of arms and insurgents into Iraq via Syria and Syria’s harboring of former Iraqi Baathists constitute significant tensions between the United States and Syria.

- **Insurgents.** Syria opposed the U.S. invasion of Iraq and reportedly allowed busloads of insurgents to enter Iraq in the early days of the conflict. More recently, the Syrians have intermittently worked to stave the flow of arms and insurgents across its 450-mile border. The Syrians assert they have taken measures to increase border security, such as stationing additional fixed checkpoints and border patrols and tightening restrictions on people under age thirty entering the country at the Damascus airport or crossing the border with Iraq, allegedly arresting a large number of infiltrators. However, both Iraqi and U.S. officials assert the Syrians can do more. As an incentive to improve Syrian

cooperation, Baghdad has reportedly pledged to reopen the Kirkuk-Baniyas oil pipeline, which crosses Syria, should the border be made safe.

- **Haven for Former Baathists.** Thousands of Iraqi refugees in Syria reportedly were members of Saddam's Baath party. On occasion, the Syrians have turned over fugitive Baathists, such as in 2005, when Damascus rendered Saddam's half brother, along with twenty-nine other former Baathists. However, numerous Iraqi oppositionists continue to seek haven in Syria, holding meetings and organizing conferences. These include senior members of the former Baathist regime such as Mohammad Yunis al-Ahmad, who is on Iraq's most-wanted list. To date, Syria has refused to hand over these senior officials, despite repeated requests from the Iraqi government. This policy reflects Syria's long-standing practice of harboring oppositionist forces from around the region.

Despite these tensions, the United States and Syria share some common goals on Iraq, which could be leveraged through engagement to help minimize outstanding tensions. These include stabilizing Iraq, staving refugee flows, and countering al-Qaeda's presence in Iraq.

- **Iraqi Stability.** Concerned by the potential fallout of intensified sectarian violence, both Washington and Damascus seek greater stability in Iraq. Neither country wants to see the breakup of Iraq and the potential spillover of violence that would accompany the country's disintegration. Indeed, the costs of Iraq's chaos—massive refugee flows and intensified sectarianism—would be exceedingly high for both the United States and Syria. Syria is particularly concerned by the prospect of the establishment of an independent Kurdistan in northern Iraq and is deeply opposed to a “soft partition” of Iraq. Instead, Damascus would favor a strong, central authority in Baghdad capable of ensuring relative security throughout the country. Likewise, Washington's current strategy in Iraq is focused on translating security gains into opportunities for political reconciliation and working with Sunni tribes, many of whom have ties to Syria, to defeat insurgents sympathetic to al-Qaeda. Moreover, over the past few years Syria has worked to cultivate ties across Iraq's ethno-religious spectrum. It is a

respected interlocutor and could leverage its influence among Iraq's varied political actors to help seek greater cooperation.

- **Refugees.** Both Washington and Damascus share an interest in staving the flow of Iraqi refugees and ensuring the welfare of those already outside the country. Until recently, Syria has served as the most effective safety valve, receiving far more Iraqi refugees than neighboring Jordan, which implemented strict regulations restricting the refugee flow. Not only have the Syrians taken in large numbers of refugees, but Damascus has provided access to a multitude of social services. The Syrian press has reported that seventy-five thousand Iraqi students have enrolled in Syrian schools, with as many as sixty students crowded into a classroom, well beyond capacity. In the health sector, the Syrian Arab Red Crescent has increased to ten the number of clinics it operates to serve the Iraqi population.²² Yet the Syrian government remains concerned that the flow of Iraqi refugees into Syria could lead to domestic instability. Already the streaming of Iraqi refugees into Syria has triggered widespread inflation and severely strained Syria's overly extended public services, particularly health, education, and housing. Syria has urged both the Iraqi and U.S. governments to share the burden of providing for the refugees. On October 1, 2007, Syria closed its borders to most refugees and imposed new visa requirements on the existing refugee population. These new measures could dramatically affect the plight of Iraq's poorest refugees. It remains unclear whether Syria will opt to begin deporting Iraqi refugees currently residing within its borders.
- **Battling al-Qaeda.** Both the United States and Syria share a deep antipathy to al-Qaeda and its jihadist ideology. Given al-Qaeda's stated goal of overthrowing apostate governments in the region (and Syria's secular Baathist regime would be high on the list), the Syrians have a distinct interest in preventing al-Qaeda elements from gaining momentum in Iraq. In the aftermath of 9/11, the Syrians engaged in intelligence sharing on al-Qaeda with U.S. counterparts. This cooperation ended as bilateral tensions rose, but could be resurrected with an

²² "Iraqi Refugees: Donor Governments must provide Bilateral Assistance to Host Countries," Refugees International Bulletin, July 16, 2007, available at <http://www.refugeesinternational.org>.

improvement in relations. Indeed, signaling a potential Syrian policy shift, insurgent border crossings from Syria decreased by half or two-thirds since summer 2007, according to General David H. Petraeus, U.S. commander in Iraq. The reduction in foreign fighters crossing from Syria possibly corresponds to a decrease in suicide bombings in Iraq. U.S. government analysts also believe the Syrians are impeding fighters attempting to leave Iraq.²³ Indeed, an August 2007 U.S. intelligence assessment noted that the Syrian government has cracked down on jihadist smuggling networks operating near the Iraqi border.²⁴ The Syrians also have reportedly arrested upwards of two thousand suspected jihadists.

Potential Gains from Engagement

U.S. engagement with Syria could lead to greater cooperation by the Syrians on significant areas of tension in Iraq. Specifically, Damascus could be induced to further stave the flow of insurgents into Iraq by taking more decisive action against jihadist networks funneling fighters into Iraq from Syria, instituting visa requirements for travelers from “high risk” countries such as Saudi Arabia, and improving coordination between the Syrian and Iraqi interior ministries. In exchange, the United States could provide greater financial assistance to help the Iraqi refugee community in Syria (beyond the current \$5 million U.S. program) and lean on its European and Arab allies to follow suit. The United States could also assist with refugee resettlement in coordination with neighboring Arab countries. The United States may also opt to facilitate joint Syria-Iraq border patrols. In another realm, the United States—as part of its broader efforts at political reconciliation in Iraq—could seek Syrian cooperation on helping to achieve important political benchmarks in Iraq by consulting with the Syrians more frequently on Iraq and encouraging Damascus to play more of a mediating role among Iraq’s warring factions.

²³ Karen DeYoung, “Fewer Foreigners Crossing Into Iraq From Syria to Fight,” *Washington Post*, September 16, 2007.

²⁴ Hugh Naylor, “Syria Is Said to Be Strengthening Ties to Opponents of Iraq’s Government,” *New York Times*, October 7, 2007.

IRAN

Increasingly bound by a series of overlapping interests in the Middle East and their joint antipathy to the West, Syria and Iran have forged an enduring alliance that has superseded the fundamental differences dividing the two countries (such as Arab versus Persian, secular versus theocratic, Sunni majority versus Shiite). Cooperation between the two countries has increased in several spheres. Militarily, the countries have signed cooperation agreements; Iran has reportedly sold missiles to Syria. Economically, direct Iranian investment in Syria has increased to record levels over the past few years. The Syrian government estimates that Iranian investment amounted to \$400 million in 2006 alone. Indeed, in Damascus and other major cities, Iran's significant presence is unmistakable, particularly in the large numbers of Iranian-made cars jamming the streets. Moreover, Iranian and Syrian officials recently announced plans to expand Iranian investment to \$10 billion over the next five years.²⁵ Cultural exchanges and cooperation are also on the rise. Indeed, the alliance's breadth has ensured that the bilateral relationship is not merely a tactical "marriage of convenience."

Syria's alliance with Iran constitutes a major source of friction for the United States. The Bush administration has strongly criticized both Syria and Iran for contributing to the region's volatility, and, in particular, for playing a destabilizing role in each of three regional conflicts: Iraq, Lebanon, and Israel/Palestine. Yet Damascus has responded to U.S. pressure and attempts to isolate it by moving closer to Tehran—in some ways turning U.S. allegations of a Syria-Iran front into a self-fulfilling prophecy.

Potential Gains from Engagement

Unlike the Iraqi case, U.S. engagement with Syria on Iran is less likely to yield immediate, concrete gains, but instead could result in a shift in Syria's worldview over the long run. Given the depth of Syria's alliance with Iran, U.S. efforts to drive a wedge between the allies are unlikely to be successful. Yet Syria's national interests do not

²⁵ Hugh Naylor, "Syria Seeking Investors, Turns Cautiously to Iran," *New York Times*, October 4, 2007.

coincide completely with those of Iran. First, Syria's ties to Iran put it at odds with its Arab allies, thus damaging its Arab nationalist credentials. Second, unlike Iran, Syria seeks to engage Israel and, for example, accepted the U.S. invitation to participate in the Annapolis conference, much to Tehran's dismay. Third, even in Iraq, Syria's interests may diverge from Iran's over the long run when an eventual U.S. withdrawal could turn Iraq into an arena of competition rather than cooperation between Syria and Iran.

Over time, U.S. engagement with Syria on a variety of issues may leverage Syria's divergent interests with Iran toward a greater convergence of interests with the United States, potentially reorienting Syria more closely toward the West. The benefits would not necessarily be measurable deliverables, but rather would reflect a shift in Syria's perspective and orientation. Furthermore, these benefits would most likely come following successful engagement with the Syrians on other issues (e.g., Iraq, Israel). In particular, movement toward a peaceful resolution of the Syria-Israel conflict would likely result in a distancing between Syria and its Iranian ally, by removing a key item from their shared anti-Western agenda—conflict with Israel. At a minimum, engagement would complicate the Iran-Syria-Hezbollah axis that has grown stronger in the face of U.S. attempts to isolate the Assad regime.

While Damascus would remain unlikely to forsake completely its alliance with Tehran, it could well serve as an important bridge, possibly helping to mediate differences between the United States and Iran. Indeed, Syria's current anti-Western orientation is not preordained. In the not-so-distant past, Syria participated in the U.S.-led coalition that defeated Saddam in the first Gulf War. Damascus also took part in the 1991 Madrid Peace Conference and negotiated with Israel throughout the 1990s as part of the Oslo peace process. An engagement policy that provides appropriate diplomatic incentives to Syria and vests Damascus in a "new order" in the Middle East could once again turn Damascus toward the West.

LEBANON

Syria's interests in Lebanon are both complex and deeply entrenched. While regime survival is Syria's first priority, preserving its interests in Lebanon is likely a close second. Damascus has long meddled in Lebanon, and stands accused of political murders, such as the Hariri assassination, as well as other violence. Lebanon also holds strategic significance as Syria's "soft underbelly" and a potential invasion route. Prior to Syria's 2005 military withdrawal, Damascus was the primary power broker in Lebanon. While Syria no longer rules by virtual diktat in Lebanon, its political, economic, and social ties constitute a vast network of influence.

Syria's long-standing alliance with Hezbollah has evolved significantly over time, reflecting the ebb and flow of Syria's projection of power into Lebanon more broadly. During the era of Syria's outright dominance in Lebanon in the 1990s, Hezbollah acted very much as a "junior partner" in the strategic relationship. Today, following Syria's military withdrawal and Hezbollah's ascendance in Lebanon, the alliance is more akin to an equal partnership. Hezbollah relies on Syria for the transshipment of arms from Iran, while Syria depends on Hezbollah to guarantee that its interests are protected. Hezbollah's enhanced political power in Lebanon, secured via the May 2008 Doha accord, will likely provide greater assurance to Damascus that its strategic imperatives will be guarded.

Syria's destabilizing role in Lebanon—particularly its support for Hezbollah and its meddling in Lebanese affairs—constitutes a critical source of tension with the United States. The United States has specifically called for Syria to respect UN Security Resolutions 1559 and 1701, which call for the disarming of Hezbollah, an end to foreign meddling in Lebanon, and the formal demarcation of the Lebanon-Syria border. The United States was also a primary sponsor of UNSCR 1757, which established a special tribunal to try suspects in the Hariri assassination.

While the UN reports that Syria has provided "generally satisfactory" cooperation with the UN Independent Investigative Commission (UNIIC), Damascus steadfastly refuses to cooperate on other main issues of concern. In particular, the Syrians remain opposed to the special tribunal, which they view as a threat to the regime. The

Netherlands-based tribunal's proceedings—expected to begin by late summer or autumn—could strike at the core of the ruling clique should either Maher Assad or Asef Shawkat be indicted, although disagreement exists as to how “fatal” a blow this would be to the regime.²⁶ In his first report to the UN Security Council in March 2008 (the tenth report overall), newly appointed prosecutor Daniel Bellemare wrote that evidence gathered in the current investigation pointed to a “criminal network” (deemed the “Hariri network”) that had been in place prior to the assassination and that may be linked to other, subsequent assassinations in Lebanon. Meanwhile, Syria's relationship with Hezbollah stands as the primary vector of Syrian influence in Lebanon and a critical linchpin in its alliance with Iran. Finally, Syria continues to refuse to move forward with normalizing relations with Lebanon, such as demarcating its border and exchanging embassies.

The United States and Syria have few, if any, overlapping interests in Lebanon. Indeed, Lebanon represents perhaps the most intractable issue dogging U.S. relations with Syria. Syria's deeply troubling role in Lebanon casts a long shadow on efforts to engage Damascus. For the Syrian regime, protecting itself from external threat (the special tribunal) and preserving its historic, strategic interests in Lebanon are top priorities. From the U.S. vantage point, negotiating away Lebanese sovereignty or allowing Hariri's killers to run free are nonstarters. The challenge then is how to move beyond virtual isolation of the Syrians (e.g., the occasional meeting to discuss Iraq) without compromising the principles violated by Syria's role in Lebanon. As one administration official noted, “We're not willing to deal with Syria at Lebanon's expense. Lebanon is off the table.”²⁷

Potential Gains from Engagement

Given the current chasm between U.S. and Syrian interests in Lebanon, engagement with Syria on Lebanon necessarily will be difficult and fraught with obstacles; the UN special

²⁶ Both were named in an earlier version of the first UN investigation report, although more recent indications suggest that the UN investigation is backing away from these initial allegations.

²⁷ Authors' meeting with U.S. government official, June 12, 2007.

tribunal and Syria's continued meddling in Lebanese politics are perhaps the two critical stumbling blocks. In addition, the disarming of Hezbollah stands as another major issue, albeit one intimately linked with Lebanon's conflict with Israel as well as Lebanese internal politics. Yet, while U.S. engagement with Syria on Lebanon is among the most difficult issues, successful engagement could yield among the greatest returns—a normal, healthy relationship between Syria and Lebanon that is bound by international norms, while yielding important political, economic, and social benefits to both the Syrians and the Lebanese. Normalization of Syria-Lebanon relations along these lines would make a significant contribution to regional stability.

The United States must be clear that it will not sacrifice Lebanese sovereignty in the name of initiating an engagement policy with Syria, but efforts to stabilize Lebanon will more likely be successful if Syria, a principal stakeholder, is engaged in discussions. Indeed, a lasting solution to Lebanon's security and stability problems simply cannot be found without the inclusion of Syria. In this, the 1989 Taif Accord, which paved the way to ending Lebanon's civil war, is instructive. The accord states: "Lebanon should not be allowed to constitute a source of threat to Syria's security and Syria should not be allowed to constitute a source of threat to Lebanon's security under any circumstances. Consequently, Lebanon should not allow itself to become a pathway or a base for any force, state, or organization seeking to undermine its security or Syria's security. Syria, which is eager for Lebanon's security, independence, and unity and for harmony among its citizens, should not permit any act that poses a threat to Lebanon's security, independence, and sovereignty."

Ultimately, Syria's long-standing interests in Lebanon must be acknowledged, although such recognition does not translate to ceding Lebanese sovereignty. Indeed, when isolated and ignored, Syria has not hesitated to play the "spoiler" in Lebanon, often exerting a destabilizing influence. Instead, consulting with the Syrians on Lebanon could help prevent Lebanon's slide into violence. The United States should seek a middle-ground solution that both preserves Lebanese sovereignty and acknowledges Syria's stake in Lebanon, as outlined by the 1989 Taif Accord. The choice for Washington is not necessarily between sacrificing Lebanon and isolating the Assad regime. Reaching a

middle-ground solution will be difficult, but is nevertheless more likely to produce a stable outcome.

In the short term, the United States, like France, Italy, and Spain, should work with the Syrians and others to ensure the success of Lebanon's Qatar-brokered political compromise between the governing March 14th coalition and the Hezbollah-led opposition. The agreement—negotiated following the worst outbreak of violence in Lebanon since the end of its civil war—led to the election of General Michel Suleiman, former head of the army, as Lebanon's new president. The deal also gives Hezbollah veto power in the cabinet, a long-standing demand of the Shiite militia, and establishes a new electoral law for parliamentary elections slated for May 2009.

While the longer-term implications of the agreement are still unclear, Syria's willingness to work with the United States and its European allies to make sure that Lebanon does not fall back into crippling instability would serve as an important gauge of Syria's intentions vis-à-vis Lebanon. In particular, Syria's use of violence in Lebanon for political score settling or to insure its influence ahead of the 2009 parliament should not be tolerated. While Damascus can be expected to pursue its interests in Lebanon through its various proxies and via the "backroom deals" that typify Lebanese politics, hard evidence of a Syrian role in ongoing assassinations and other violence—currently being investigated by the UN commission—should be met with a tough, multilateral response, including the possibility of international sanctions.

The UN special tribunal stands as another critical issue to be addressed. The United States should continue to support the special tribunal, although its distinction as a legal, UN-mandated initiative, as opposed to a U.S.-driven effort aimed at political score settling or perhaps even regime change, should be made clear. Indeed, while the tribunal should continue to play a central role in seeking redress for the Hariri assassination, Washington should underscore that it will not seek to manipulate the proceedings as a Trojan horse for regime change in Syria. Lebanese minister of justice Charles Rizk echoed this distinction: "It would harm the tribunal to consider it as a political tool. The tribunal is not a political tool which is directed at this or that regime. The tribunal is a

legal institution whose role is only to render justice and to punish the perpetrators. We should not overlay and distort its nature.”²⁸

Certainly, if senior Syrian officials are indicted and the Syrians refuse to cooperate, prospects for engagement would be severely diminished. Indeed, Syria’s refusal to hand over indicted suspects likely would serve as a “red line” against continued engagement until the Syrians comply with the UN tribunal process. It would be extraordinarily difficult to justify U.S. engagement with Damascus when officials at the highest level of the Syrian government are under indictment by a UN-sponsored tribunal.²⁹ By the same token, the United States should be willing to continue engagement with Syria if Damascus hands over any Syrians indicted in the case.

In the longer term, engagement with the Syrians on Lebanon could open the way for normalization of ties between the two countries, finally cutting the Gordian knot of dysfunctional Syria-Lebanon relations. While such discussions would be complicated and difficult, only by engaging both sides can a sustainable agreement be achieved. Moreover, given that Syria-Lebanon issues are part of a broader, interlocking web of security concerns, such negotiations likely would need to be part of comprehensive regional security discussions that would include Syria-Israel and Lebanon-Israel talks. While engagement with Syria cannot guarantee success in either of these admittedly ambitious endeavors, opening discussions with Syria on these issues constitutes a critical first step.

THE ARAB-ISRAELI PEACE PROCESS

Since the signing of the U.S.-brokered disengagement agreement in 1974, the Israel-Syria frontier has been relatively quiet. The Golan Heights remains occupied by Israel and a UN force is stationed along a narrow, demilitarized buffer zone. Despite a quiet border, this unresolved conflict has other costs. Negative externalities of the Israel-Syria

²⁸ Public lecture by Lebanese justice minister Charles Rizk, Woodrow Wilson International Center for Scholars, Washington, DC, February 28, 2008.

²⁹ In a similar vein, the U.S. refused to engage with Libya until the government agreed to hand over two suspects indicted in the Pan Am 103 trial.

stalemate include instability and cross-border violence in Lebanon as well as Syria's continuing support for Hezbollah and rejectionist Palestinian groups. Reports of a Syrian arms buildup, the September 2007 Israeli bombing of a suspected Syrian nuclear installation, and periodic war scares suggest that even the quiet frontier poses serious risks over the long term. Mindful of the costs of a continued stalemate, Israel and Syria recently disclosed that they have been undertaking indirect talks, under Turkish mediation, since February 2007. The negotiations stand as a strategic opportunity for Washington: without a negotiated Israel-Syria peace agreement, America's longstanding goal of a comprehensive Arab-Israeli peace will remain out of reach. Both sides assert that successful talks will only be possible under U.S. sponsorship.

The United States would be well served to seek a more direct role in the current negotiations between Israel and Syria. In fact, by engaging more directly on the Syria-Israel track, the United States can use its leverage with Israel to ensure that peace talks do not undercut U.S. interests in Lebanon.

Unlike the Palestinian track, Israelis and Syrians have come agonizingly close to a deal.³⁰ There is little dispute about the broad outlines of a negotiated settlement, including provisions for normalization and security.³¹ Only the lack of political will, plus a few remaining questions on border demarcation and normalization, separate the parties. Yet no negotiations have taken place for seven years, and prior to the Annapolis conference the United States actively discouraged Israel from pursuing Syrian overtures.

For Syria, the return of the Golan is a national priority. Although politically, strategically, and economically less important than Lebanon, the Golan issue carries substantial weight in Syrian politics. That said, there is less clarity about the preferences of the Assad regime. According to one argument, the regime eagerly wants a deal with Israel so that the return of the Golan would legitimize what has become an increasingly narrow-based regime. Bashar, according to this theory, by achieving what even his father

³⁰ See Dennis Ross, *Missing Peace* (New York: Farrar, Straus and Giroux, 2004), and Daniel Kurtzer and Scott Lasensky, *Negotiating Arab-Israeli Peace* (New York: USIP Press, 2008).

³¹ See draft Israeli-Syrian peace treaty, *Ha'aretz*, January 13, 2000. This leaked draft from the Shepherdstown talks was published by journalist Akiva Eldar under the title "A Framework for Peace Between Israel and Syria."

could not, would cement his rule. Senior regime figures repeatedly expressed to the authors Syria's strong desire to reach a deal with Israel.³²

But an alternative theory suggests that the unresolved conflict with Israel and the continued Israeli occupation of the Golan serve as a convenient excuse for the Assad regime, giving the ruling clique greater license to keep an iron grip at home and maintain high military expenditures. Assad's harsh rhetoric toward Israel when speaking to Syrian and Arab audiences, as with his summer 2006 speech at the end of the Israel-Hezbollah war calling for "liberation" of the Golan, is cited as further evidence of Syria's disinterest in negotiations.³³ Both theories rest on some degree of speculation, since the opacity of the regime leaves many questions unanswered.

Fueled by deep skepticism of Syrian intentions toward Israel and disapproval of Syrian actions in Lebanon and Iraq, the Bush administration defined Israel-Syria peace talks as counter to U.S. interests. Given the policy of isolating and punishing the Syrian regime, which reached a fever pitch in the months after the Hariri assassination, Washington reportedly discouraged Israel from taking any steps toward resuming peace talks. In contrast, the Israeli leadership has moved decisively toward engaging with Syria—even in the aftermath of the September 2007 Israeli raid. Prime Minister Ehud Olmert, politically weak and perhaps seeking to deflect attention from his own legal problems, seems willing to take risks for peace with Syria. Moreover, he could draw on deep support within the Israeli security establishment for a deal on the Golan. More than in the United States, the debate within the Israeli foreign policy and security establishment has been intense and wide-ranging.

³² Authors' interviews with senior Syrian officials, Damascus, May 2006 and January 2007. Also see "Key Passages From Interview With Syria's President," *New York Times*, December 1, 2003; and Gideon Alon, Aluf Benn, and Yoav Stern, "Olmert: Now is Not Time to Start Talks with Syria, Bush Opposed," *Haaretz*, December 17, 2006.

³³ Translation of Assad speech to the fourth conference of the Syrian Journalists' Union, Damascus, August 15, 2006, Syrian Arab News Agency. Cited from MEMRI, Special Dispatch No. 1256, August 22, 2006, available at <http://www.memri.org>.

Potential Gains from Engagement

An opportunistic U.S. approach aimed at testing Syrian intentions would be more in line with the strategic imperatives facing Washington. With the Israeli government now involved in early stage negotiations with Syria, Washington's active support is vital for success. The Syrians have already laid down a marker calling for a direct U.S. role in order for negotiations to proceed. U.S. engagement is therefore critical. Moreover, the example of Israelis and Syrians sitting down to negotiate could have a powerful demonstration effect in the region—bolstering the Annapolis process, and possibly even encouraging Palestinians to resolve their internal differences. Also, the mere process of bargaining with Syria, and testing its intentions vis-à-vis Israel, will create pressure in the rejectionist camp and put Iran on the defensive.

GOVERNANCE AND HUMAN RIGHTS

Engagement with Syria should not come at the expense of the promotion of human rights and civil society in Syria. The human rights situation has been steadily declining and corruption appears to be on the rise. As with Iran, the State Department has set aside funds for democracy promotion in Syria, through the Middle East Partnership Initiative (MEPI). Few public details are known about how the \$5 million fund—announced in 2006—is being dispensed. However, U.S. support for a number of Syrian dissidents and reformers only seems to have led to certain detention and lengthier prison sentences.

Given the sensitivities of direct U.S. government engagement with Syrian reformers, nongovernment engagement offers the best chance for progress. Specifically, exchange programs—both Syrians to the United States and Americans to Syria—should be encouraged and expanded. These programs should touch on all aspects of civil society, but especially focus on education, media, and private sector business, which may yield the greatest chances for success. Establishing partnership programs between American nongovernmental organizations (NGOs) and their Syrian counterparts, particularly in the areas of human rights advocacy and anticorruption, could constitute an important first

step. From the U.S. perspective, such exchanges could significantly enhance these actors' capacity to effect change. For its part, Damascus would likely view exchanges as an important means to break out of international isolation.

The regime's internal weaknesses—in particular, economic reform and corruption—have not been the focus of U.S. efforts, but may be more fruitful and deserving of future attention and support. Engaging the Syrians on economic reform issues would be viewed as a major incentive from the Syrian perspective and potentially provide an important lever of influence to U.S. policymakers. Moreover, in numerous discussions, Syrian reformers expressed their deep frustration that external pressure has failed to address Syria's rampant corruption. Instead, reformers—be they business leaders or civil society figures—expressed a strong hope that the United States and other outside actors would develop more effective tools to pressure Damascus on those issues that resonate with average Syrians, and not limit the agenda to terrorism and regional concerns.³⁴

Syria's application to the World Trade Organization (WTO) could offer an important area for cooperation. The Syrian government has long desired entry, but has yet to successfully fulfill entry requirements. From the U.S. perspective, the nexus of corruption and economic reform could be more clearly addressed through Syria's application to the WTO—a move the Bush administration currently opposes. Instead, the United States should encourage (and even assist) the Syrian government in the application process as a means of pushing for greater reform and transparency—necessary requirements for successful entry into the organization. Damascus may very well fail the test, but the United States has little to lose by calling their bluff.

Finally, the United States could encourage its European allies to reinvigorate Syria's pending Association Agreement with the European Union. The agreement has been initialed but placed in a “deep freeze” following the Hariri assassination. While the agreement would provide Syria with potentially lucrative access to European markets, it would also require the Syrians to fulfill certain human rights and governance-related obligations, among other conditions. Of course, the Syrians would need to cooperate on a

³⁴ The authors encountered this view numerous times during meetings in Syria with reformers in May 2006.

number of outstanding issues, such as the UN special tribunal, in order for these negotiations to move forward.

Potential Gains from Engagement

The present environment of estrangement and confrontation highly circumscribes U.S. influence concerning Syria's dismal human rights record. At the same time, engagement with Damascus does not mean abandoning the United States' commitment to human rights and reform. On the contrary, greater interaction between the United States and Syria would allow for greater scrutiny of Syria's political situation and enhanced opportunities to raise objections to the mistreatment of oppositionists. Moreover, absent a threat of regime change and with the continuation of improved ties with the United States hanging in the balance, Damascus would be more reluctant to rely on the arrest and intimidation of opposition activists, particularly if U.S. interlocutors keep human rights and governance issues high on the agenda. Unlike the Libyan case, where human rights and governance issues appear to have fallen by the wayside, it will be essential to raise these issues consistently as part of any engagement policy. Engagement would also help forge renewed links between Syrian NGOs and their counterparts in the West, which could have important long-term benefits for the reform movement.

OPTIONS AND RECOMMENDATIONS

The U.S. government faces two fundamental choices regarding its policy toward Syria: continued isolation or serious engagement. Of the two, engagement could do more to further U.S. interests in the region. The isolationist policy of the past several years has yielded few, if any, results. It remains to be seen whether a meaningful dialogue with the Syrians would in fact resolve outstanding issues. Yet the very act of engagement may yield important insights and open up previously unrecognized possibilities. While success is by no means assured, engaging and exploring the possibilities for compromise constitutes a critical first step. If the Syrians are not responsive, the United States cannot be faulted for having tried and should then opt to pursue a more aggressive policy of isolation. Having made a genuine attempt to engage Damascus, the United States will more likely receive multilateral support in isolating Syria, including economic sanctions, should serious efforts at engagement fail.

A policy of U.S. engagement with Syria could be pursued via one of two approaches: (1) conditional engagement that builds and expands engagement, issue by issue, in response to appropriate Syrian responses; or (2) a “grand bargain” approach, à la North Korea or Libya, that puts all issues on the table in order to reach a comprehensive settlement. These two options lie along a continuum that ranges from low risk/low benefit to the most ambitious and difficult option, engaging in broad-based negotiations, which if successful would also yield the greatest payoff.

- **Conditional Engagement.** This option would seek to build momentum for broader engagement by engaging in two arenas: Iraq and the peace process. The policy necessarily would entail a series of in-depth exchanges and also would map out possibilities for broadening discussions conditioned on Syrian intentions and responses to U.S. initiatives. The possibility of broader discussions would be made clear to Syrian interlocutors, but these enhanced negotiations would be contingent on appropriate Syrian responses. Conditional engagement would entail sustained interaction, characterized by a series of diplomatic discussions on discrete issues. The meetings would be bilateral and ideally undertaken out of the

public spotlight. If mutual confidence and trust is established, engagement would be expanded gradually to include additional issues of mutual concern. This type of engagement would entail both meetings and concrete policy measures and should include the return of the U.S. ambassador to Damascus.

- **“Grand Bargain” Negotiations.** This option is the most ambitious, seeking to resolve all outstanding issues with Syria—including Iraq, Israel, Lebanon, and Iran—and on support for terrorism and WMD proliferation. Grand bargain negotiations would leverage potential linkages among the various outstanding issues, and would require support from and coordination with important European and Arab actors, to achieve an overall agreement. Comprehensive in nature, these negotiations likely would be part of broader Middle East peace talks that seek to resolve the conflict between Israel, Syria, Lebanon, and other Arab states. This ambitious and risky option would involve significant commitment at the highest levels of government. It would demand sizeable human and ultimately financial capital.

While the payoff of “grand bargain” negotiations would be significant, this option is not practical at this time. The geostrategic linkages inherent in such a deal are overwhelmingly complex and would likely result in diplomatic “system overload.” Damascus, for example, is unlikely to renounce its long-standing alliance with Iran. Moreover, discussions could be easily derailed or sabotaged by external actors who oppose resolution of any one of the conflicts being negotiated. Unlike U.S. rapprochement with Libya, a grand bargain with Syria would demand the simultaneous resolution of multiple regional conflicts.

Instead, conditional engagement—leveraging progress on issues related to Iraq and the peace process—stands as the best option under the current circumstances, and would garner the widest support among U.S. allies. Candid diplomatic discussions facilitated by the return of the U.S. ambassador to Damascus would constitute the first step in this strategy. To move forward, dialogue with Syria should *not* consist of the United States dictating a series of demands to Syria—an approach that has repeatedly failed. Rather, the U.S. approach should seek a genuine exchange with Damascus. A

number of symbolic, confidence-building measures could signal to Syria that the United States is serious about engagement. In addition to returning the U.S. ambassador to Damascus, the United States should facilitate Syria's WTO application, while seeking Syrian approval for the return of U.S. NGOs, such as AMIDEAST. The United States could also encourage the European Union to revive Syria's Association Agreement, which has been pending since 2005.

Engaging on both Iraq and Arab-Israeli peace would serve as an ideal starting point for discussions. Regarding Iraq, in probing areas where the United States and Syria might cooperate, the United States must also be willing to discuss a range of topics, including Iraqi refugees, border security, and the political situation in Iraq. For example, the Syrians could agree to implement sustained measures to stave the flow of arms and insurgents, including tighter border controls and visa restrictions at the Damascus airport, in exchange for a significant infusion of U.S. aid to help provide for Iraqi refugees in Syria. While the United States provided approximately \$125 million in aid to Iraqi refugees in 2007, UN and other agencies estimate the financial burden of hosting Iraqi refugees to be upwards of \$1 billion yearly in Syria. The United States might also consider supporting joint Syria-Iraq patrols—possibly with periodic UN Security Council reporting—along their shared border. The opening of the Kirkuk-Baniyas oil pipeline, which would bring Iraqi oil to the Mediterranean in a cost-efficient manner, could be an additional incentive that would serve Iraqi, Syrian, and U.S. interests.

At the same time that Washington opens discussions with the Syrians on Iraq, it should also support and seek a direct role in renewed Syria-Israel peace negotiations, both as a confidence-building measure to signal Damascus about Washington's seriousness regarding engagement, as well as to tee up the next set of issues for discussion. The United States should actively promote ongoing Syria-Israel dialogue and actively help to broker Syria-Israel negotiations. Moreover, the United States should seek to leverage its brokering of an eventual Syria-Israel peace deal (and the significant human and financial capital investment required) with full Syrian cooperation on Iraq.

Indeed, the momentum built through successful, issue-based interactions is the underlying dynamic driving conditional engagement. Under this framework, progress in one area would lead to the opening of other areas for engagement. Progress on the Israel-

Syria track could provide greater traction and momentum for addressing other, more contentious questions, such as Syria's role in Lebanon. As such, the United States should provide strong support for the May 2008 Doha accord and help Lebanon's opposing factions seek a consensus on a lasting political settlement to outstanding issues. At the same time, the terms for conditional engagement must also include "red lines," or contingencies that would suspend engagement. The United States would make clear to Syria that its refusal to cooperate if Syrians are indicted by the UN-sponsored tribunal would constitute such a "red line." Holding out a credible threat of international isolation, potentially including multilateral sanctions against Syria, would also be important. Having made a genuine attempt to engage the Syrians, a U.S. move to isolate Damascus in the face of Syrian intransigence would find greater support among our allies.

Finally, for conditional engagement to work, the United States must provide clear guarantees to Damascus that it is not seeking the regime's outright ouster from power. The Bush administration's ambiguity on this issue—in the months just after the Iraqi invasion, a number of Bush officials ratcheted up rhetoric suggesting that Syria was ripe for regime change—may have undermined its attempts to achieve "behavior change." In internal policy debates, some administration officials strongly advocated for a more aggressive policy aimed at overthrowing the Assad regime. If the Syrians are uncertain of America's ultimate intentions, they would be hard-pressed to make concessions that they believe may lead to their ultimate demise. This is not to suggest that the United States should cease its support of the special tribunal to try those suspected in the Hariri and other assassinations. As underscored by the Lebanese justice minister, the UN-sponsored tribunal should continue, but should not be exploited or trumpeted as a tool for regime change in Syria.

ABOUT THE AUTHORS

Mona Yacoubian is a special adviser to the Muslim World Initiative at the United States Institute of Peace, where she provides analysis and policy advice on the Middle East and North Africa. From 1990 to 1998, Ms. Yacoubian served as a Middle East analyst with the State Department's Bureau of Intelligence and Research. She was previously an international affairs fellow at the Council on Foreign Relations and also held a year-long Fulbright scholarship in Syria. Ms. Yacoubian received an MA in public administration from Harvard University's Kennedy School of Government.

Scott Lasensky is coauthor of *Negotiating Arab-Israeli Peace: American Leadership in the Middle East* (with Daniel Kurtzer, 2008). Formerly a fellow at the Council on Foreign Relations in New York and a research fellow at the Brookings Institution, he has taught at Mount Holyoke College and Georgetown University. A senior research associate at the United States Institute of Peace, Dr. Lasensky received a PhD in politics from Brandeis University. He recently received a Fulbright research grant for Israel and Syria.

ADVISORY COMMITTEE FOR
DEALING WITH DAMASCUS

Mohamad Bazzi
COUNCIL ON FOREIGN RELATIONS

Max Boot
COUNCIL ON FOREIGN RELATIONS

Rachel Bronson
CHICAGO COUNCIL ON GLOBAL AFFAIRS

Daniel M. Brumberg
UNITED STATES INSTITUTE OF PEACE

Robert S. Ferrell
COUNCIL ON FOREIGN RELATIONS

Steven Heydemann
UNITED STATES INSTITUTE OF PEACE

Murhaf Jouéjati
NATIONAL DEFENSE UNIVERSITY

Theodore H. Kattouf
AMIDEAST

Martha Neff Kessler
CONSULTANT

Samuel W. Lewis
AMERICAN ACADEMY OF DIPLOMACY

Robert A. Malley
INTERNATIONAL CRISIS GROUP

Richard W. Murphy
RICHARD W. MURPHY ASSOCIATES

Richard Newcomb
DLA PIPER U.S. LLP

Marcus Noland
PETER G. PETERSON INSTITUTE FOR
INTERNATIONAL ECONOMICS

Jonathan Paris
MBI INTERNATIONAL

Christopher W.S. Ross
U.S. DEPARTMENT OF STATE

David K. Schenker
WASHINGTON INSTITUTE FOR NEAR EAST
POLICY

Steven Simon
COUNCIL ON FOREIGN RELATIONS

Paul B. Stares
COUNCIL ON FOREIGN RELATIONS

Shibley Telhami
UNIVERSITY OF MARYLAND

Tamara Cofman Wittes
SABAN CENTER FOR MIDDLE EAST
POLICY

Note: Council Special Reports reflect the judgments and recommendations of the author(s). They do not necessarily represent the views of members of the advisory committee, whose involvement in no way should be interpreted as an endorsement of the report by either themselves or the organizations with which they are affiliated.

MISSION STATEMENT OF THE CENTER FOR PREVENTIVE ACTION

The Center for Preventive Action seeks to help prevent, defuse, or resolve deadly conflicts around the world and to expand the body of knowledge on conflict prevention. It does so by creating a forum in which representatives of governments, international organizations, nongovernmental organizations, corporations, and civil society can gather to develop operational and timely strategies for promoting peace in specific conflict situations. The center focuses on conflicts in countries or regions that affect U.S. interests, but may be otherwise overlooked; where prevention appears possible; and when the resources of the Council on Foreign Relations can make a difference. The center does this by:

- *Convening Independent Preventive Action Commissions* composed of Council members, staff, and other experts. The commissions devise a practical, actionable conflict-prevention strategy tailored to the facts of the particular conflict.
- *Issuing Council Special Reports* to evaluate and respond rapidly to developing conflict situations and formulate timely, concrete policy recommendations that the U.S. government, international community, and local actors can use to limit the potential for deadly violence.
- *Engaging the U.S. government and news media* in conflict prevention efforts. The center's staff and commission members meet with administration officials and members of Congress to brief them on CPA's findings and recommendations; facilitate contacts between U.S. officials and critical local and external actors; and raise awareness among journalists of potential flashpoints around the globe.
- *Building networks with international organizations and institutions* to complement and leverage the Council's established influence in the U.S. policy arena and increase the impact of CPA's recommendations.
- *Providing a source of expertise on conflict prevention* to include research, case studies, and lessons learned from past conflicts that policymakers and private citizens can use to prevent or mitigate future deadly conflicts.

CENTER FOR PREVENTIVE ACTION ADVISORY COMMITTEE

John W. Vessey Jr., USA
GENERAL, USA (RET.);
CHAIR, CPA ADVISORY COMMITTEE

George A. Joulwan
GENERAL, USA (RET.);
ONE TEAM, INC.

Morton I. Abramowitz
THE CENTURY FOUNDATION

Jane Holl Lute
UNITED NATIONS

Peter Ackerman
ROCKPORT CAPITAL INC.

Vincent A. Mai
AEA INVESTORS INC.

Patrick M. Byrne
OVERSTOCK.COM

Margaret Farris Mudd
FINANCIAL SERVICES VOLUNTEER CORPS

Antonia Handler Chayes
TUFTS UNIVERSITY

Kenneth Roth
HUMAN RIGHTS WATCH

Leslie H. Gelb
COUNCIL ON FOREIGN RELATIONS

Barnett R. Rubin
NEW YORK UNIVERSITY

Joachim Gfoeller Jr.
GMG CAPITAL PARTNERS, L.P.

Julia Vadala Taft

Richard N. Haass
COUNCIL ON FOREIGN RELATIONS

Robert G. Wilmers
MANUFACTURERS & TRADERS TRUST CO.

David A. Hamburg
CORNELL UNIVERSITY MEDICAL
COLLEGE

James D. Zirin
SIDLEY AUSTIN LLP

John G. Heimann
FINANCIAL STABILITY INSTITUTE

COUNCIL SPECIAL REPORTS
SPONSORED BY THE COUNCIL ON FOREIGN RELATIONS

Climate Change and National Security: An Agenda for Action
Joshua W. Busby; CSR No. 32, November 2007
A Maurice R. Greenberg Center for Geoeconomic Studies Report

Planning for a Post-Mugabe Zimbabwe
Michelle D. Gavin; CSR No. 31, October 2007
A Center for Preventive Action Report

The Case for Wage Insurance
Robert J. LaLonde; CSR No. 30, September 2007
A Maurice R. Greenberg Center for Geoeconomic Studies Report

Reform of the International Monetary Fund
Peter B. Kenen; CSR No. 29, May 2007
A Maurice R. Greenberg Center for Geoeconomic Studies Report

Nuclear Energy: Balancing Benefits and Risks
Charles D. Ferguson; CSR No. 28, April 2007

Nigeria: Elections and Continuing Challenges
Robert I. Rotberg; CSR No. 27, April 2007
A Center for Preventive Action Report

The Economic Logic of Illegal Immigration
Gordon H. Hanson; CSR No. 26, April 2007
A Maurice R. Greenberg Center for Geoeconomic Studies Report

The United States and the WTO Dispute Settlement System
Robert Z. Lawrence; CSR No. 25, March 2007
A Maurice R. Greenberg Center for Geoeconomic Studies Report

Bolivia on the Brink
Eduardo A. Gamarra; CSR No. 24, February 2007
A Center for Preventive Action Report

After the Surge: The Case for U.S. Military Disengagement from Iraq
Steven N. Simon; CSR No. 23, February 2007

Darfur and Beyond: What Is Needed to Prevent Mass Atrocities
Lee Feinstein; CSR No. 22, January 2007

Avoiding Conflict in the Horn of Africa: U.S. Policy Toward Ethiopia and Eritrea
Terrence Lyons; CSR No. 21, December 2006
A Center for Preventive Action Report

Living with Hugo: U.S. Policy Toward Hugo Chávez's Venezuela
Richard Lapper; CSR No. 20, November 2006
A Center for Preventive Action Report

Reforming U.S. Patent Policy: Getting the Incentives Right
Keith E. Maskus; CSR No. 19, November 2006
A Maurice R. Greenberg Center for Geoeconomic Studies Report

Foreign Investment and National Security: Getting the Balance Right

Alan P. Larson, David M. Marchick; CSR No. 18, July 2006
A Maurice R. Greenberg Center for Geoeconomic Studies Report

Challenges for a Postelection Mexico: Issues for U.S. Policy
Pamela K. Starr; CSR No. 17, June 2006 (web-only release) and November 2006

U.S.-India Nuclear Cooperation: A Strategy for Moving Forward
Michael A. Levi and Charles D. Ferguson; CSR No. 16, June 2006

Generating Momentum for a New Era in U.S.-Turkey Relations
Steven A. Cook and Elizabeth Sherwood-Randall; CSR No. 15, June 2006

Peace in Papua: Widening a Window of Opportunity
Blair A. King; CSR No. 14, March 2006
A Center for Preventive Action Report

Neglected Defense: Mobilizing the Private Sector to Support Homeland Security
Stephen E. Flynn and Daniel B. Prieto; CSR No. 13, March 2006

Afghanistan's Uncertain Transition From Turmoil to Normalcy
Barnett R. Rubin; CSR No. 12, March 2006
A Center for Preventive Action Report

Preventing Catastrophic Nuclear Terrorism
Charles D. Ferguson; CSR No. 11, March 2006

Getting Serious About the Twin Deficits
Menzie D. Chinn; CSR No. 10, September 2005
A Maurice R. Greenberg Center for Geoeconomic Studies Report

Both Sides of the Aisle: A Call for Bipartisan Foreign Policy
Nancy E. Roman; CSR No. 9, September 2005

Forgotten Intervention? What the United States Needs to Do in the Western Balkans
Amelia Branczik and William L. Nash; CSR No. 8, June 2005
A Center for Preventive Action Report

A New Beginning: Strategies for a More Fruitful Dialogue with the Muslim World
Craig Charney and Nicole Yakatan; CSR No. 7, May 2005

Power-Sharing in Iraq
David L. Phillips; CSR No. 6, April 2005
A Center for Preventive Action Report

Giving Meaning to "Never Again": Seeking an Effective Response to the Crisis in Darfur and Beyond
Cheryl O. Igiri and Princeton N. Lyman; CSR No. 5, September 2004

Freedom, Prosperity, and Security: The G8 Partnership with Africa: Sea Island 2004 and Beyond
J. Brian Atwood, Robert S. Browne, and Princeton N. Lyman; CSR No. 4, May 2004

Addressing the HIV/AIDS Pandemic: A U.S. Global AIDS Strategy for the Long Term
Daniel M. Fox and Princeton N. Lyman; CSR No. 3, May 2004
Cosponsored with the Milbank Memorial Fund

Challenges for a Post-Election Philippines

Catharin E. Dalpino; CSR No. 2, May 2004
A Center for Preventive Action Report

Stability, Security, and Sovereignty in the Republic of Georgia
David L. Phillips; CSR No. 1, January 2004
A Center for Preventive Action Report

To purchase a printed copy, call the Brookings Institution Press: 800-537-5487.
Note: Council Special Reports are available to download from the Council's website, CFR.org.
For more information, contact publications@cfr.org.