

Book Review: Mohammed Imady, *The Evolving Concepts of Development in Syria*: Damascus: Dar Tlas Lil-Dirasat wa-al-Nashr, 2004

Reviewed by Ferdinand Arslanian

What makes ‘the Evolving Concepts of Development in Syria’ intriguing to read is the role of the author himself: Muhammad Imady, a Western- educated, economically neoliberal, socially conservative, Damascene aristocrat and yet the longest serving Minister of Economy in Baathist Syria. He was the mastermind of a liberalisation process undertaken by a reluctant regime faced with no other viable option. As such, one can argue that he embodies the different trends that encompass contemporary Syria rendering him the most eligible to narrate the story of economic development thought in Syria. The fact that the book was published in 2004, a time when Syria was at both economic and political crossroads, further adds to its interest..

The book, focuses on the conflicting trends in applied economic policy in Syria, with its main concern the struggle over the roles of the state and the private sectors in the Syrian economy. These conflicting trends are manifested through the book’s reference to debates taking place within the Syrian Economic Society and inside official public institutions. The book also relies on presidential speeches and official pronouncements. From another aspect, the book can be viewed as an insider account wherein the author highlights his contribution to redirecting Syria towards the path of economic liberalisation, illustrated by copious quotes from his own speeches and writings at the time when the debate over Syria’s path was on-going.

The book is divided into three main parts and twelve chapters. The first part, consisting of the first three chapters, is an introduction to the worldwide historical development of economic thought. The second part, from Chapters 4 to 6, covers the development of economic thought and policies in the early phase of modern Syria; more precisely, from the French Mandate to 1970 when Hafez Assad assumed power. The final part, from Chapter 7 onwards, covers the latter period from 1970 to the early 2000s and represents the essential part of the book.

The first part dedicates each chapter to a specific theme in the history of economic thought. Respectively, it discusses the concept of Development in Islam, Western economic thought, and contemporary economic issues emerging in the Eighties such as the contribution of governance, democracy and corruption to development. Moving to the second part, Chapter 4 highlights the early economic debates that took place in the post-independence era such as the role of foreign experts in policy making, illustrated by the reports of the World Bank and Sir Alexander Gibb & Partners, as well as the debate on economic relations with Lebanon between those advocating a customs union and arguments for a complete economic union. The chapter moves on to the period of Union with Egypt and describes the resentment of Syrian businessmen following the nationalisation of Syrian banks and discusses how during the subsequent Separation period capitalists values were reemphasised. Considerable detail is given regarding the implications of the 1963 Baathist coup for both economic thought and policy. In addition to detailed illustration of the various policies carried out including the agrarian reform, the

nationalisation and reorganisation industry and finance, the significance of the early Baathist period in terms of the evolution of development thought in Syria is related to the commencement of debates between three rival approaches, the liberal, statist and a middle way. The following two chapters (Ch5 & Ch6) discuss the conferences of the Syrian and Arab associations of economists taking place during the late 60s/early 70s period following the 1967 Six Days War which had provoked a reevaluation of economic policies and a rethinking of Syria's future course in light of this strategic defeat. Despite these conferences' call for pushing the central planning economy forward in response to the new challenges faced, in actual fact at the policy level the result was the solidification of the liberal economic current with its call for reintegrating the private sector into the economy as an overall national necessity.

As mentioned, the third part of the book represents the essential part of the book. Special emphasis is given to the financial crisis of 1986, its related debates, the author's role in overcoming the crisis and its repercussions on both economic policy and discourse in Syria. It adopts a more thematic structure viewing the period of analysis (1970 – early 2000s), more or less, as a single phase. These themes include the role of the private sector (Chapter 7), the public sector (Chapter 8), the challenges of development (Chapter 9), economic reform (Chapter 10), and the lessons learned from reform programmes in Arab countries (Chapter 11). Finally, Chapter 12 discusses the future of development in Syria.

These chapters reflect, in particular the deepening integration of the Damascene merchant class into the Syrian regime. The ascension of Assad to power through the 'Corrective Movement' and the subsequent first wave of 'infitah' (partial economic liberalisation) are viewed positively, as a period that achieved unity among all segments of the Syrian population. The stance of the Syrian merchants and industrialists is specifically emphasised. The author recalls how representatives of different chambers of commerce and industry used to send letters of gratitude to the president for achieving equity among Syrians and how Damascene merchants used to hang banners inside their shops proclaiming "The merchants and the industrialists are an honourable class among the productive people's classes"

At that time, Imady was already serving as a Deputy Minister of Planning and would, shortly, head the Ministry in 1972, serving as the Minister of Economy and Foreign Trade for the rest of the decade. During this period, the author envisaged his task as translating Assad's new economic vision into a practical action plan. However, by the late 70s, the author became more disillusioned with the deterioration of the economic outcome and the growing cronyism of the burgeoning private sector and left his post to preside over the Arab Fund for Economic and Social Development in Kuwait (1979-85).

With the initial signs of a looming financial crisis in 1985, Imady was recalled to preside over the Ministry of Economy and Foreign Trade for the second time. The author recalls the atmosphere of fear that economists used to live in. The constant fear of being labelled as reactionaries, the enemies of the working class or the promoters of the World Bank agenda compelled them to refrain from mentioning the simplest of economic terminology such as 'economic reform'. The author's 1986 lecture at the Syrian Economic Society highlights this point.. In this lecture,

the author discusses the role of the private sector in development. He called for creating an enabling environment that lures the private sector towards productive investment while putting in place procedures for preventing the sector from straying from the needs of society. These arguments - which in later years would be taken for granted - were greeted, at that time, with deep criticism. And despite all his efforts to base his argument on the economic vision of the state and the actual economic policies undertaken, the author was attacked as being a World Bank advocate.

However, gradually the arguments of the author triumphed. Government committees' recommendations and state legislation gradually adopted his economic arguments. The late 1987 change in the cabinet provided a further boost for his economic vision and, most importantly, the enactment of the famous Investment Law No. 10 in 1991 represented a turning point in Syrian economic policy under his auspices as a Minister of Economy and Foreign Trade. The implications of Law No. 10 on economic thought in Syria were enormous: rather than being a taboo, promoting the private sector was now proclaimed as official state policy. By the Nineties, the attitude towards the private sector would have changed drastically from questioning the mere right to discuss the role of the private sector towards glorifying and encouraging its role in the Syrian economy.

A detailed description of the reforms implemented in facing the 1986 crisis, or what is referred to as the second wave of *infitah*, is provided in Chapter 10. The Chapter goes to the very specific details of the procedures undertaken in the fields of external trade and foreign exchange policies, the pricing system and in managing of the public debt in order to overcome the crisis. This is followed by a brief mentioning of the reforms undertaken in the early 2000s including banking and financial legislation in addition to preparations for signing the EU-Med agreement and applying for WTO membership.

The final chapter is dedicated towards discussing the future challenges and the potential scenarios for development in Syria, the economic vision of the then-new president Bashar Assad as well as the state's economic reform program. In the 21st century, the challenges Syria would face were said to be twofold: From one side, Syria needed to address challenges related to globalisation such as challenges in scientific research, education and innovation. From another side, Syria needed to address the challenges of increasing natural resource scarcity in food, energy and water. More specifically, Syria needed to manage its integration in an increasingly competitive global economy in light of its dwindling oil production and exports.

The year following the publishing of the book marked the release of the 10th Five Year Plan (2006 -2010). The plan itself represented an important milestone in the history of Syrian economic policy exceeding in importance 1991 Investment Law No. 10 of 1999 since it did not merely promote the private sector within the framework of economic pluralism but rather explicitly endorsed the market economy as Syria's envisaged future economy. Interestingly, the architect of this plan was another Western educated, non-Baathist, Damascene, Mr Abdullah al Dardari. Ironically, the end of the 10th Five Year Plan marked the outburst of the Syrian uprising, for which many have blamed the newly adopted neoliberal policies. As such, one can question to what extent neo-liberal economic policies, per se, resulted in this crisis and how far, the problem lay, rather, in the details of

their implementation. Whatever the cause, the uprising resulted in the reversal of all the development gains made in Syria over many decades.