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# MANAGING IDENTITIES AMONG EXPATRIATE BUSINESSMEN ACROSS THE SYRIAN-LEBANESE BOUNDARY

Elizabeth Picard

Faced with the challenge of state formation in the Middle East since the First World War, government authorities had to overcome a number of common difficulties in their attempts at creating a political community on their new national territory. The most frequent was to establish agreed fixed international boundaries separating the domestic realm from the exterior, the world of (supposed) social solidarity from the world of Leviathan. In this respect, the separation of Lebanon from Syria bore similarities with the demarcation between Syria and the new Turkish state. A foreign colonial power (France) played a significant role in the negotiation, mingling its own interests with those of the new local governments, and tipping the power scale between the local states in order to achieve its own political ambitions. Hence, the transfer of Iskanderun to the Turkish state in 1939, or the carving out of Greater Lebanon in 1920.

Another similarity was the length of the interstate crisis in relation to border fixing in spite of periods of appeasement. In the case of Syria and Lebanon, as in the Syrian-Turkish case, the crisis lasted well after independence, and international boundaries are still a topical question today. Official declarations at the time of independence in 1943, and the simultaneous adhesion of Beirut and Damascus to the League of Arab States the following year, seemed for a while to clarify the bilateral relationship. However, although most (not all) of the territorial boundaries between the two states were finally agreed upon, their meaning and political implications remained subject to public debate. Moreover, the two related questions of the separation of Syria and Lebanon, and of the inclusion within Lebanon of peripheral areas carved out of the Ottoman *wilâya* (province) of Damascus, such as the Biqaa, Tripoli and Akkar, were reopened years later, during the Lebanese civil war. They continue to nourish a political controversy to this day.

A third similarity has to do with the functionality of the international boundary, and more specifically with the discrepancy between state boundaries and social (ethnic, linguistic, religious, tribal) boundaries. However, in the Syrian-Turkish case, strong nationalist doctrines contributed to impose a sharp distinction between Turkish and Arab identities as the only legally relevant national distinction, thus provoking a stream of migrations, forced assimilation, and marginalisation of the various minorities remaining within each state. In the Lebanese-Syrian case, the circumstances were different, as the two states could not claim a different ethnic identity: their populations were both Arab. However, their international boundary cut across communal territorial continuity (as in the case of the Sunnis from Tripoli on the Lebanese coast to Homs in the Syrian hinterland, for example), or communal solidarity (as in the case of the Druzes in the Lebanese Shuf and the Syrian Jabal al-Arab). Moreover, active communal networks (such as those linking the Orthodox Christians from various cities of the Levant) operated across the boundary.

If not according to an ideological definition of national identity based on ethnicity (Smith 1986: 23-35; Aflaq 1962: 242-249), on what criteria could the distinction be made between the Lebanese and the Syrian states? More specifically, on what criteria has the border between Syria and Lebanon been not only drawn but also accepted, challenged, lived, interpreted, imagined – all activities that can be summed up as its *invention*? These questions call for an examination of its formation process, its changing image over time, as well as the variety of actors involved in the process.

Besides the legal drawing and official keeping of the international boundary, its mental, ideological and practical uses involve a large variety of actors. It would be meaningless to make a distinction between those who take responsibility for defining the boundary (the international system, the Syrian and Lebanese political authorities), on the one hand, and those on whom the boundary is imposed and who sometimes utilise it (such as traders, smugglers, migrant workers, tourists, transnational private and public institutions, etc.), on the other. At a given time, each of them for his (her) own part gives meaning to the border through his (her) discourse and practices, and contributes to the plurality of its meaning.

Inventing the boundary also implies that social and political actors draw on collective values and norms that change over time, according to change in the regional configuration and in the domestic arena as well as in the relations between the domestic and the regional realms. In Lebanon, for example, the border with Syria was seen and dealt with differently during the statist Shihabist period (1958-64), the fling of ultra-liberalism that succeeded it, the civil war (1975-90), and the post-war reconstruction period. In Syria, the officers who seized power in

the late 1940s, the Unionist leaders of the United Arab Republic (1958-61), the Ba'thist regime after 1963, all looked at the boundary with Lebanon through different eyes.

To this synchronic diversity and diachronic variation in the definition of the border, a third dimension had to be added after the Cold War. Globalisation had new effects on the international system. It led to the blurring of the distinction between domestic and foreign realms, between public and private spheres, in matters of security, markets, communication as well as in the formation of social movements. It contributed to the withering of the Westphalian notion of state sovereignty: the Weberian monopoly of the use of legitimate force, the territorialisation of state power, the separation between the state and other social actors (Migdal 2001: 26). It gave density, and sometimes autonomy, to the border area through the creation of free zones, the granting of dual citizenship, the bilateral management of public goods, and new configurations of meaning.

Within the framework drawn by the three notions of synchrony, diachrony and globalisation, this chapter aims at examining the process of construction/deconstruction of the Lebanese-Syrian border *from the point of view and through the practices of* one group of actors whose contribution to the process can be considered strategic. The group concerned is made up of the Syrian businessmen who had left Syria since the creation of the United Arab Republic in February 1958 and had settled, and prospered, in Lebanon. Choosing a non-governmental actor in order to analyse the international boundary separating Lebanon from Syria imposed itself. In most of the studies already available on the subject, the boundary has been examined in a classic international relations perspective privileging the state, and even more in a narrow governmental perspective (Qubain 1961; Dawisha 1980; Chehade 1990), thus ignoring complex processes and dynamics. Also, analysing the distinction between Lebanon and Syria by means of the examination of businessmen's representations and strategies allows us to bridge the gap between international relations and political economy, and possibly to throw light on the domestic structures that make the specificity of each state with regard to the other (Evangelista 1997: 217-222). While I am aware that by choosing to examine *one* set of actors, this chapter offers only a limited view of the Lebanese-Syrian boundary, what it intends to do is to shift the perspective and shed a new light on the shaping of this border, and on its meaning.

In order to reflect upon the redefinition of the Lebanese-Syrian border since the end of the civil war in Lebanon and following the second Syrian economic *infitâh*(opening) in 1991, two 'critical junctures' (Collier and Collier 1991: 31) are successfully examined, in which these businessmen contributed to the (re)definition of the border : (i) the period of their emigration

to Lebanon (1960-65) and (ii) the early years of the of the Syrian regime's involvement in the Lebanese civil war (1976-82). Privileging the examination of strategic junctures and periods of crisis (Dobry 1986) over the observation of continuities imposed itself in view of the existing documentation as well as the narrative of the actors. In spite of their economic power and, as discussed in the chapter, their political influence on, and at some point ethical leadership in, the Lebanese polity, the Syrian businessmen of Lebanon have not been studied by historians, sociologists, or by political scientists to this day.<sup>1</sup> One could even suggest that they have successfully managed to remain hidden. As a matter of consequence, the main sources documenting the present study are the discourses of members of the business community themselves, interviewed in informal non-directive sessions in 2000-2002.<sup>2</sup> Although the interviewees had a natural tendency to insist on their formative years when asked about their life story, most of their testimony made clear that the two periods cited above (1960-65 and 1976-82) were of special importance. They offered a clue to the understanding of their posture and strategy during the course of the new Syrian-Lebanese relations in the 1990s-2000s.

The main argument of the chapter is that *ottomanism* offered an implicit but still efficient reference for modern actors of the Near East when dealing with their economic and political environment, even after the creation of nation-states such as Syria and Lebanon. Here, *ottomanism* is used in its anthropological (and somehow a-historical) dimension. It refers to shared sensitivity, culture and *arts de faire* –what today's sociologists call a common public sphere –inherited from four centuries of Ottoman rule over the lands stretching along the Eastern shores of the Mediterranean.<sup>3</sup> Throughout this period, a constant flow of human, material and symbolic exchanges between the Near Eastern provinces was inspired by a nomadic *habitus* that contradicted territorialisation and the stabilisation of identities and belongings. This flow was a strong indication of the ecological and cultural unity of the region, especially through its linguistic characteristic (the common use of Arabic since the seventh century), its sectarian identities (mainly Sunni and Greek Orthodox) as well as its traditional social mode of domination – the rule of landowners and urban notables. Sociabilities developed at the regional level, spreading families around in several cities, and

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<sup>1</sup> A notable exception is the excellent but unpublished MS thesis submitted by Rania W. Ghosn, *Syrian Elites' Practices and Representations of Beirut: The Intimate Nearness of Difference*, University College, London 2003.

<sup>2</sup> Eight initial contacts and interviews were conducted by Perla Srour, at the time a student at INALCO (Paris), in Lebanon in 2000. I undertook in-depth and specific interviews of seventeen others in 2001-2. The large majority of them asked to remain anonymous. They were all selected at random through personal contacts.

<sup>3</sup> It should be clear that I am not referring to *ottomanism* as the intellectual and political nationalist movement that spread throughout the Empire in the early 1900s, as studied by Hasan Kayali (1997).

encouraging individual mobility during professional lifetime. In the political realm, patrimonialism was a common characteristic of local powers whose incumbents generally imposed an authoritarian rule on populations they considered to be subjects – not citizens, while clientelism pervaded elite-mass relations. All these common characteristics wove a shared, if not unified, social and economic space known as *Bilâd al-Shâm* (Damascus' land), that offered a base for regional political designs long after the fragmentation of the Ottoman Empire.

Lebanon and Syria became independent nation-states only twenty-five years after the fall of the Ottoman Empire. A large majority of the notables who were entrusted with political power in Beirut and Damascus at the time (Hourani 1946) had personally experienced Ottoman governmentality – meaning the mode of exercising power (Foucault 1997: 655). While Lebanon officially endorsed the Ottoman heritage through the adoption of political communalism and the National Pact of 1943 (Akerli 1993: 184-192), the new Syrian military and revolutionary leaderships were prompt to reject it, only to enhance its conservation within the society and its instrumentalisation by extra-parliamentary opposition forces (Seale 1965: 74).

Far from withering away at the end of the Ottoman era, *ottomanism* persisted within the societies of the Near East as a paradigm of discourse, and mode of functioning of domestic and trans-border relations. It did not matter only for the religious, landowning, and administrative notables (*a<sup>c</sup>yân*) whose heirs had managed to stay in power in the first years of independence. By means of penetrating in the minds of the people of every layer and segment of the local society (with specific modalities and meanings for each layer and segment), it remained a structure of signification for state policy and popular sensitivity as well as for actors' strategies long after the disappearance of the Empire. *Ottomanism* even met a new fortune in the late 1970s in reaction to the flaws in the process of nation-state building in several Arab countries, the re-mobilisation of communal identities, and the growing porosity of international boundaries to religious, ethnic and political movements (Picard 1993: 160-5). Thus, the social, economic, and political practices of the local actors constantly referred, consciously or unconsciously, to a regional and networked definition of space (Denoeux 1993: 11-25), as discussed here in the case of the Syrian businessmen who settled in Lebanon. Add to this that, in recent decades, globalisation offered a favourable background to *ottomanism* through its 'natural' support for trans-boundary identities and networks, as well as the development of a new partnership between the state and private actors according to the requirements of governance (Rosenau 2003).

## **When Syrian Businessmen Fled to Lebanon**

The departure of the business community from Syria, and the settlement of some of its members in Lebanon, can be considered two steps of a unique process, according to the 'push and pull' theory. I therefore examine the circumstances and causes of the departure of the business community from Syria, and then their beginnings in Lebanon. In order to understand the significance of the international border in the process, I take into consideration the common cultural references of Lebanon and Syria, then the preferential choice of Lebanon by the Syrian bourgeoisie.

### *Exile and settlement*

The departure of the Syrian business community from Syria in the late 1950s and 1960s was considered a forced departure by the majority of the interviewees. Actually, it was the result of a deep divorce between Syria's new revolutionary leaders and the entrepreneurial class. Before the revolutionary period, the societies, economies and polities of Lebanon and Syria had been closely related and very similar since independence: in both countries primordial solidarities and communal loyalties prevailed over a nascent national integration. After twenty years of Mandate and in the wake of the Second World War their economies were still mainly agricultural and outward-oriented. In both countries landowners, new industrialists, and traders aimed at forming a 'power block' in the Gramscian sense (Portelli 1972: 86-9) that spurred leadership. In Beirut as in Damascus the polity was officially organised according to republican parliamentarism, but was actually permeated by pervading clientelism.

Only with the dispute over the financial incomes of the *Intérêtscommuns*, especially the customs taxes, did contradictions grew between the import-export merchants in Beirut who were in favour of an ultra-liberal economy (Shehadi 1987), on the one hand, and industrialists in Damascus and Aleppo who advocated state control (Sadowski 1984: 152). Syria opted out from the *zone franc* in 1950, and its government began to exert control over the national industry and agriculture (Heydemann 1999: 177). At that time, there was no contradiction between a rapidly growing state apparatus and the entrepreneurial class – big landowners who developed extensive dry farming, new industrialists or private bankers – in spite of the

establishment of successive military regimes between 1949 and 1954.<sup>4</sup> Only popular demonstrations against the triple aggression at Suez (1956) signalled a change in the political balance of forces. Even in the first years of the United Arab Republic, the limited land reform imposed by the Nasserist regime was of little concern to the land-owning aristocracy (Métral 1980: 298-300). As for the nationalisation of a few industrial companies, it was promulgated only in late 1961 (Ducruet 1969: 54).

Things changed when the Ba'ath party came to power in March 1963, a date that really marked the end of the liberal age and the downfall of the traditional notables. It also marked the rupture and the beginning of an open confrontation (such as in Hama in April 1964) between the Syrian business community and the new radical-populist regime. A series of actions against private enterprise were adopted: the nationalisation of banks and exchange control (May 1963), of 90 per cent of industrial companies (January 1965), of 80 per cent of external trade (1967), as well as the adoption of an extensive land reform between 1963 and 1966. Excluded and repressed within Syria, the capitalists had no external resources to check the Ba'athist policies. They soon became conscious of the contradiction between their interests and those of a committed populist regime. Acceleration of the transfer of their money out of the country began as early as 1963. With capital fleeing the country, a large part of the entrepreneur elite chose to leave as well, which neither the bureaucrats nor the new Ba'athist militants would be able to substitute for. In four years (1963-7), several hundred thousands of people (out of a population of some 5 million) – Syrian businessmen and their families – left their country. In consequence, Syria was soon hit by a severe economic crisis.

Lebanon welcomed a large part of the Syrian capital and manpower, even though the brief 'civil war' of the summer of 1958 bore witness to the fragility of the country. Syrian capital brought in between 1958 and 1970 has been estimated at 500 million LL.<sup>5</sup> The balance of border movements noted by the Lebanese national security police indicated that the number of Syrians in Lebanon doubled between 1963 and 1969.<sup>6</sup> In sharp contrast, the early 1960s saw Syria in growing political and economic turmoil, while Lebanon experienced the most peaceful and prosperous period of its history. In Beirut, the short civil war episode in 1958

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<sup>4</sup> According to Winder (1962-3), merchants and capitalists have made up around 10 per cent of all cabinet ministers from 1946 to 1958.

<sup>5</sup> According to Dubar and Nasr, 1976: 356. It represents approximately \$1.5 billion. There is much speculation about the total amount transferred out of Syria between 1958 and 1967. An interviewee gave the figure of \$6 billion. Ghosn in her footnote 19 quotes an official report published by *The New York Times* (17 May 1966) which estimates that more than \$200 million had been smuggled into neighbouring Lebanon during the period 1961-5.

<sup>6</sup> From 129,509 on 1 January, 1963 to 255,264 on 1 January, 1969. Direction Centrale de la Statistique, *Recueil de Statistiques Libanaises* (Beirut: Ministère du Plan 1969) quoted in Lamothe, 1975: 67.



had ended with the establishment of a more respected and more efficient government. The state was slowly institutionalising (creation of the Banque du Liban in 1964), while transport, the public services, and the banking sector took advantage of the new oil prosperity in the Gulf (Dubar and Nasr 1976: 67-9). The growth of the processing industry and the tertiary sector (70 per cent of GNP in 1970) offered plenty of well qualified jobs and high profits.

The new Syrian immigrants arrived at a favourable time in a country with relaxed legislation and endless private accommodation. While private banks were closing in Syria, new branches were opening in Lebanon to which Syrian financial activities were soon relocated, and their managers resettled. Capital transferred by Syrian expatriates was preferably entrusted to Syrian-managed banks, which soon became hegemonic in the Lebanese banking system. According to a recent report, 22 out of 70 of the bank directors in Beirut in 1971 were of Syrian origin (mafhoum: 7). As for traders and industrialists, whereas they were able to transfer (illegally) only a part of their capital, they benefited from their high education, their proficiency and skills, while they brought with them their networks of clients and suppliers. Some had only to transfer their previous activity such as the production or import of building materials, spinning or cloth mills. Others took advantage of the trauma to invest in new booming market niches such as pharmaceutical products or the importing of cars. Things were less easy for landowners who received forty-year bonds in compensation for their lost domains, and took years transferring some of their financial assets and gradually selling parts of their remaining properties, and they did not always succeed in entering new business. On the whole, Syrian expatriate businessmen would rather invest in de-territorialised activities such as trade and banking – a practice common among emigrants all over the world.

When telling the story of their departure and crossing the border, most of the interviewees evoked an atmosphere of emergency and a forced exodus. They said they had to leave places and belongings all of a sudden; they remembered their family clinging together in the car, the truck overloaded with hastily piled up furniture; they recalled difficult negotiations at the customs and the payment of bribes. While their narration contains all the stereotypes of forced exile of the kind shared by so many other refugees around the world (Mehlman 2000), most of those concerned also alluded to one or several journeys back to Syria in the following weeks or months, in order to sell a property, settle a pending business deal, or visit those members of the family who had chosen to stay behind, and sometimes retained their position in the public administration under the new regime. While some cases were reported of people arbitrarily jailed for a few days, which spread anxiety among the business community, they were neither

banned from Syria nor physically threatened in general. Rather, they chose to enter Lebanon not because their survival was at stake, but because they wanted to regain the liberal atmosphere that had sustained their past prosperity.

Globally, the economic success of the Syrian businessmen in Lebanon was remarkably fast, just like anywhere they settled (the United States, Canada, France)<sup>7</sup> But in Lebanon, it was especially 'smooth', as put in English by one of the interviewees. Entrepreneurs from Syria were soon propelled among the most important and richest bank managers, in the import-export sector, and in industry as attested by the fact that an eminent Syrian family ranked among the seven largest industrialists of Lebanon in the early 1970s. It is difficult, however, to estimate their success, due to the difference of attitude towards wealth and economic success in Beirut and in Syrian society at the time. The social history of the Levantine Arab provinces has given birth to a different *ethos* according to the religious context (Christians being more extrovert than Muslims), the inscription within international space (hinterland cities being isolated, while the coast had long been open to foreign influence), the relation to time (Syrian entrepreneurs privileging long-term investments and legal institutions, while their Lebanese counterparts looked for rapid gains, and endeavoured to take advantage of fluid situations and changes of fortune), the relation to money (the austerity of the Syrian bourgeoisie contrasting with the prodigality and ostentation of the rich Lebanese), etc.

In actual fact, the *émigré* Syrian entrepreneurs became integrated extremely rapidly within the economic as well as the social Lebanese elite. They soon occupied leading positions because they had received an excellent education, and were far-sighted, and ambitious: They were the perfect example of 'learning capitalism'.<sup>8</sup> However, they did not fully adopt the economic practices and daily manners of their Lebanese partners which were distinct from their own business ethic and social values. They insisted on the inner border that distinguished them from the Lebanese, and stuck to the collective values of their (national) community, although striving to blend into the society of their new homeland – an apparent contradiction rightly depicted as 'intimate nearness of difference' by Rania Ghosn. Tending to concentrate in specific neighbourhoods of Beirut – the richer in Hay as-Sarâsiq, Aleppians in Badâro, Damascus Sunnis in Ras Beirut – the new Syrian expatriates did not usually appear in public, did not participate in political life, and were hardly mentioned in the press, in sharp contrast to the Palestinian economic and financial elite at the same period (Ben Mahmoud 2002: 80-95).

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<sup>7</sup> The largest landowner in the Jazirah resettled in Spain and successfully cultivated rice in the Guadalquivir basin.

<sup>8</sup> The expression is Joseph Maïla's, a Lebanese vice-recteur of the Institut Catholique de Paris. Interview, 3 June 2002.

A large majority of the new immigrants sought and were granted Lebanese citizenship, anxious as they were to raise a legal boundary between them and the Syrian government. Most of them found rapid and easy ways to do this: Either they 'returned' to the national choice initially made by their family in the first years of the Mandate (1923-5) by putting forward their father's Lebanese citizenship, and asserting they had never been Syrian. Or they took advantage of the granting by Camille Chamoun in 1958 of Lebanese citizenship to thousands of Near Eastern Christians. They sought the patronage of a Lebanese leader, the protection of their community clerics, or managed to bribe a civil servant in the Ministry of the Interior. Only a few had to wait until the large wave of naturalisations in 1994 to become Lebanese. However, as the naturalisation process could drag on for years, families had to search for solutions to travel, often as expensive as the purchase of a South American passport. While it cannot be said that they feared specific threats from the Syrian regime (as did political opponents who had also taken refuge in Lebanon in the same period), their willingness to adopt Lebanese citizenship was rarely restrained by any Syrian patriotism. In other words, they did not share a 'diasporic consciousness' (Cohen 1997) linking their individualistic pride to their national (Syrian) identity, although the Syrian law makes it impossible to renege on Syrian national identity. In consequence, their crossing of the national border may be analysed as the result of a rational choice made in order to maximise individual gains. While their strategy took place in a deeply antagonistic configuration with Lebanon, which considered itself a haven of pro-Western democracy threatened by the radical stance of its pro-Soviet Syrian neighbour (Kerr 1967), the Syrian business community in Lebanon contributed to the strengthening of the Syrian-Lebanese boundary by their quality of 'border people' (Wilson and Donnan 1998: 4).

In the early decades, the group lived in denial of its origins. Syrians tried to dissimulate their *shâmî* or Aleppan accent in public places; they refrained from alluding to their past life. While aiming at facilitating their integration into the Lebanese elite, the strategy of smoothing the difference paradoxically went along with a deep consciousness of collective identity, a great care for collective memory and home traditions, as attested by the preservation of culinary customs as well as the frequency of endogamous marriages – although not as numerous as marriages with Lebanese from the same religious sect. This double-edged strategy of 'entryism' and withdrawal is reminiscent of the destiny of the French *pieds noirs* – at least the wealthiest of them – who, incidentally, left Algeria in the same years, with their eagerness to forget a bitter past and make a new life. Like the *pieds noirs* in France, the Syrian *émigrés* blended into Lebanese society while feeling estranged from it. Like them, they

were to be confronted by their memory three decades later, through an unpredictable turn of history.

### *Foreigners but not Strangers*

Rejection by Syria of its class of businessmen (the *push* factor, according to migration sociologists) combined with the *pull* of the Lebanese (or rather Beirut) economic space in the mid-1960s. *Push* and *pull* are not sufficient to explain the preference for Lebanon on the part of the Syrian business community, nor its discreet but undeniable success in the country. Of course, many other Syrian exiles chose to settle in other places, mainly in the Americas, and soon in Saudi Arabia and the Gulf emirates, especially Muslims. To illustrate the specificity of his choice, one of the interviewees commented on a photograph of his promotion's graduating day in a prestigious Syrian secondary school in the 1960s (he himself had left Damascus in 1967 at the age of 20), and remarked that 26 out of 30 of the students on the photo had also left Syria. Among them, only two had settled in Lebanon, and their choice bore a special meaning.

This is where the *Ottoman* paradigm appears heuristic. For, contrary to the expectations of so many entrepreneurs and analysts of the nation-state in the Near East, the establishment of modern territorial states did not put an end to the solidarity and circulation of members of extended families – *âl,â'ila*, *ahlorhamûla* – from one city of the region to another, nor to the effectiveness of networks organised around marriages, genealogy and traditional alliances. Every city in the Near East, from Aleppo to Nablus, from Jaffa to Tripoli (not to mention Alexandria in Egypt), shared the same social structure and a similar urban culture, and members of extended families felt at home wherever they moved. At the time of independence of Lebanon and Syria, for instance, several ministers in each country were related by marriage: Riyadh al-Solh married the niece of Sa'dallah al-Jabri, Abdallah al-Yafi a cousin of Khalid al-Azm, Muhsin al-Barazi married Solh's sister, Selim Taqla had been born in Homs, etc. (Zisser 2000: 15, 100, 165, 187). In 1960, a rich industrialist family based in Beirut and Damascus could pride itself on having a deputy in the Lebanese parliament, and another in the Syrian one.

Throughout the twentieth century, the existence of these trans-boundary networks allowed the elite to survive political reversals thanks to its regional mobility. For example, Syrian leaders often had to take refuge in Transjordan at the time of the French mandate. Incidentally,

another group of Syrians had already emigrated to Beirut two decades before the 1950s: the Christian (and, in lesser numbers, Sunni) trading and land-owning bourgeoisie who left Iskanderun after the Turkish takeover of the province in 1936-9. This tradition was extended after independence, when the MardamBeys became accustomed to residing between Damascus and Beirut (MardamBey 1994). During the 1950s, Khalid al-‘Azm had to take refuge in Beirut on several occasions, and finally settled there (Azm 1972).

Although the new entrepreneurial Syrian elites (*khâssa* or *nukhba*) of the 1950s and 1960s originated from a lower social stratum and were more numerous and diversified than the old notables (*a’yân*), they also adopted the *Ottoman* logic by extending their business networks in the region and especially to Beirut, even after the creation of the two states. In the years following independence, Syrian banks either opened a branch in Beirut or were legally Syrian Lebanese institutions. Every trader and merchant from the hinterland had an office in Beirut harbour, the more so because Lattakiah was still under construction. Every businessman recalls the dispatching of a son or a younger brother to the Lebanese capital in order to open an office. Most of them had a second house there, where members of the family would live permanently. They all grew used to travelling to Beirut for business purposes and, for some of them, to commuting weekly along the 80 kilometres of bad road linking the two capital cities. Around a quarter of them (although the sample is not representative) had married in Lebanon before settling in the country, and most of them had attended a Lebanese boarding school, and spent the summer in the Lebanese mountain. They had established close relations and friendships in Lebanon, which they were able to make use of at the time of their emergency arrival.

One of the interviewees resorted to a lexical invention in order to describe the circulation of members of his social group in the regional space, and their ease in adapting to political contingencies and local conditions on either side of the Lebanese-Syrian boundary. ‘We are straddlers’, he said (in French, *chevauchants*). Another stressed that Beirut used to be secondary, compared with Damascus, for his family business (banking and industry) for several decades. It was only in the 1960s that the Damascus branch of the family joined up with the Beirut branch that had already settled there in the early 1920s. And in a few cases, the family left behind one or two members when leaving Syria, thus allowing them to manage their remaining properties by ‘remote control’. Later on, in better times, they might become the junior partners of their prosperous cousins in Lebanon, as discussed in the final part of this chapter. More than the entrepreneurial mind or appetite for profit, this family dimension (should I say ‘this familiarity’?) explains the success story of the exiled Syrian businessmen

in Beirut. Unlike so many political and economic migrants around the world, unlike those Syrians who preferred a distant exile, they were foreigners – but not strangers – in Lebanon, thanks to the strength of *ottomanism*.

### **Deepening the Political Divide**

As mentioned in the introduction, the border between Lebanon and Syrian is less a historical than a political boundary, and even less a natural boundary separating two distinct geographical identities. In spite of official clarifications during the 1936 negotiations for independence between France and each of Syria and Lebanon, and notwithstanding friendly cooperation between the elites of both states after 1943, irredentism, on the Syrian side, and mistrust among the Lebanese leadership attested to the persistence of deep ambivalence in Lebanese-Syrian relations. With the successive changes of regime in Damascus from March 1949 on, each country became a refuge and base for the political opponents of the other: For example, Syrian Social Nationalist Party members fled to Damascus after their failed coup in Lebanon in 1949. Ex-Syrian ministers and even presidents chose Beirut for a peaceful retreat after they had been ousted from power. Syrian politicians of all kinds plotted the next revolution or military coup in the crowded cafés along the *Corniche Raouché* or in summer mountain resorts. Syrian military and police squads as well as members of special units would more often than not track them down across the border (Rathmell 1995: 167), thus provoking deep tensions between governments now ideologically alienated, and turned into enemies. Following the climax of the crisis of 1958 – with Lebanon obtaining the dispatch of a UN observation mission to check Syrian military infringements of its national territory – trans-boundary security operations and political pressures on the Lebanese government became Syrian usual practice, the more so after the Ba‘thist-military coalition seized power in 1963. Interestingly, this kind of practice can be analysed altogether as de-territorialised, in relation to criminal networks outside the Middle East (Seurat 1989: 91-6), and as related to Damascus’s Greater Syria territorial ambitions with regard to Palestinian, Jordanian and Lebanese lands and polities (Pipes 1989).

Most of the Syrian business community settled in Lebanon kept voluntarily away from governmental unfriendly interplay. First, their stakes were clearly in the economy, not the politics of Lebanon, notwithstanding the fact that their past experience had broken the spirits of many of them. Intellectuals like Edmond Rabbath, who wrote extensively about the history

and institutions of Syria and Lebanon while showing little interest in the fate of his family shares in the newly nationalised *Khumasiyya* weaving company, were the exception.<sup>9</sup>

Second, the kind of banking and trading activities they were mainly involved in required that they observe ‘positive neutrality’, as said by one of the interviewees, in other words openness to market opportunities regardless of the social and political configuration that sustained them. As long as the Lebanese regime provided a secure environment for the market through an exceptional array of ultra-liberal legislation (such as banking secrecy or freedom of dismissal for employers), the Syrian *émigrés* were willing to become part of the ‘merchant republic’ with its neo-Phoenician ideology (Shehadi 1987). Their attitude was not inconsistent with the relative disaffection they (like the traditional notables) used to display for politics, and even more for public policies, in Syria during the 1940s and 1950s, which had caused their estrangement from the rest of Syrian society and, finally, their loss of political power on behalf of representatives of other social classes.

It came as no surprise that the Syrian exiled community showed some interest in the ‘reformist’ attempts (*harakat al-tashihyya*) by the new regime of Hafez al-Asad in the early 1970s. In the Syrian Parliament, a few seats were tacitly allocated to ‘independent’ candidates in the 1973 legislative elections. Simultaneously, the Ministry of the Economy adopted a few measures encouraging investment and private business, and allowing *émigrés* to sell their remaining frozen properties. Indirect messages were also sent to businessmen in Beirut, offering them the opportunity to regularise their sons’ military status (the younger generation had escaped the universal draft)<sup>10</sup> as well as to recover some of their properties (families houses but also land, and a few factories), in expectation of their return to Syria. Although some of them seized the occasion to settle their relations with the regime, to receive a limited compensation for their loss, and to confirm their Syrian citizenship by registering their children, very few agreed to return for more than a visit. Not only was the Lebanon of 1970-75 at the height of its economic prosperity, boosted by a sharp rise in oil revenues following the October 1973 war, but Asad could hardly persuade them to return since he was remembered as having been part of the Ba‘thist leadership that had endeavoured to turn Syria into a ‘popular democracy’, and had led the disastrous June 1967 war.

In actual fact, the first Syrian *infitâh* did not last, and the growth of the 1970s was mainly attributable to public investments thanks to Arab subsidies. For the few businessmen who

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<sup>9</sup> A Syrian Catholic from Aleppo, Rabbath became a renowned *Lebanese* scholar and jurist. He died in the late 1990s.

<sup>10</sup> After 1963, exemption from military service became restricted and the *badal* (financial compensation) was raised (Batatu: 158, quoted by Ghosn, note 8).

chose to re-invest in Syria, it was a short-lived and somewhat unsuccessful experience. Nevertheless, Syrian society did not manifest hard feelings towards them, and the *émigrés* were numerous among the half million people who took refuge from the war in Lebanon during several months in 1975-6. They also got into the habit of flying abroad from Damascus airport during the years when Beirut airport at Khaldeh was inaccessible to the inhabitants of the Eastern Christian regions. In the town of their origins, in their own family house, among their parents and ancient neighbours, they discovered with astonishment and emotion that they were still the sons of their fatherland. Whatever their denial, their Syrian identity had been concealed, but not lost.

The war in Lebanon, however, induced a process of invention and crystallisation of collective identities on an ethnic and confessional basis that did not spare the Syrian *émigrés* (Makdisi 2000). Only during the early months of the Two-year war (1975-6) was alignment still conceivable on a class basis. While several Muslim entrepreneurs opted to try new beginnings in the Gulf or in Europe, others moved from West to East Beirut in order to escape the mayhem of the 'Palestinian Progressist' movement, by seeking the protection of the Christian militias. Soon afterwards, it became clear that East Beirut solidarity involved rapprochement either with Camille Chamoun's *Parti National Libéral* or to the Phalangist Lebanese Forces of the Gemayels. Syrian Sunnis, and also Orthodox, whom an ancient history of peaceful urban cohabitation with the Sunnis made particularly suspicious to the Maronite leadership, were especially pressed to choose between the two camps. Although they tend to be discreet on the subject, the *émigré* business community hinted that they had to pay a heavy financial tribute to the PNL or the LF in the tradition of the *khûwa* extracted from city dwellers of the Near East by their Bedouin protectors, in order to be allowed to carry on their activities (Picard 2000: 304). Like their Lebanese counterparts, many of them were driven willy-nilly into international and domestic trades, and financial and real estate transactions that benefited firstly their new patrons. Banks, especially, were involved in money laundering, while arms, oil and illicit goods trade bred enormous profits, sometimes also precipitating the ruin of an unwise investor. As a consequence, the fifteen-year period of war saw rapid and unexpected changes in the distribution of wealth among the Syrian expatriate community. It was hardly perceptible at the time, although it portended new social hierarchies in the post-war reconstruction period.

The war caused another important re-alignment, political this time, as the tactical alliance between the Christian leadership and the regime of Hafez al-Asad encountered a reversal of fortune due mainly to regional circumstances in 1977: the visit of Anwar al-Sadat to



Jerusalem, his acceptance of a separate peace with Israel, and the subsequent hasty reconciliation between Syria and the PLO. Anti-Palestinian feelings, partly fed by the harsh competition between Palestinian and Syrian economic actors in the Lebanese arena, had already brought the Syrian business community closer to the Christian Lebanese Forces. Now, for decades to come, Syria would figure as the main enemy of the Christian forces – an enemy described indistinctly as Muslim (in spite of the crackdown of the Ba‘thist regime on its Islamic opposition in 1982), ‘socialist’ (referring to its statist economy), and dictatorial (because of the overwhelming power of its military and governmental elite).

Who could be more sensitive to these accusations than the Syrian *émigré* businessmen? They were only hesitant to acknowledge the first charge for, although Christian in their majority (especially in East Beirut since the beginning of the war), they originated from a multi-confessional (not to say secular) milieu whose economic interests ignored communal boundaries. But the two other accusations rang a loud bell in their minds. They had left Syria because of a doctrinaire takeover of the national production and trade by the state. They had been faced with a Ba‘thist regime that had invested itself with illegitimate power, and had found no resource against it in the law. Then, in 1969, and again in 1973 for several months, they had witnessed the economy of Lebanon being almost paralysed by the political blockade imposed by Damascus on road transport, in an early demonstration of the hegemonic ambitions of Syria with regard to its Lebanese neighbour. In 1978, as the Syrian army advanced inside Lebanon and imposed its rule on every region except the South bordering on Israel, the central Christian region became physically encircled and politically isolated. The boundary between liberal Lebanon and authoritarian Syria was being moved closer to the exiles. It took on the limits of the ‘Eastern areas’ controlled by the Lebanese Forces, and disturbing news began to spread about Syrian military searching for young Syrians in Ashrafiyeh in order to enrol them by force. Siding with the Christian forces under Bashir Gemayyel, and sometimes fighting in their ranks, appeared not only logical but necessary to some of them, confronted as they felt themselves to be with the perspective of a second forced exile, were the Syrian military to succeed in taking over the central Christian region.

In consequence, Christian militias such as the *Tanzim*, and the Lebanese Forces under the leadership of Bashir Gemayyel from 1978 to 1982 (thereafter, internal divisions in the militia would arouse disaffection and cautiousness), received the support of two very different kinds of Syrians. The first category was made up of Syriac fighters recruited in the miserable quarters of East Beirut, whose extreme poverty and ancient animosity towards Muslims (they were refugees from the terrible First World War ethnic cleansing in southern Turkey) made

them perfect mercenaries. The others were members of the *émigré* business community who decided to throw their money, influence and competence behind the so-called Christian side. They were to be found at various levels of the LF apparatus, even within the military council assisting Bashir. Unsurprisingly, the most radical *Lebanists* among the LF leadership – in the sense of being opposed to Syrian domination but also supporters of a homogenous Christian smaller Lebanon even at the price of secession and collusion with Israel – were of Syrian origin. Later on, when the luck of the LF turned and its leadership had to acknowledge the Syrian power on the ground and abide by its rule, these militants of Syrian origin were particularly vulnerable to reprisals from Damascus and its Lebanese allies. At the intermediate level, militants and fighters had little choice but to emigrate again, this time to Canada and Australia. In the upper ranks, family and business networks were of great effectiveness in smoothing the relations with the Syrian command, because families had cleverly maintained the tradition of diversifying their alliances, places of settlement, and political orientations, and also because they were able to strike lavish economic deals with their new Syrian patrons. Nevertheless, the reverse of loyalty displayed during the war by these members of the expatriate Syrian bourgeoisie, although a minority phenomenon, sheds an interesting light on the representation of the Lebanese-Syrian border in their narrative; its implicit coincidence with a communal divide (Lebanon being the Christian, and Syria the Muslim state), and its strong ideological dimension, economic liberalism being equalled to political freedom on one side of the boundary, statism to the suppression of civil and political rights on the other. Through the self-image of these actors caught in the confrontation between their country of origin and their country of adoption, questions arose: How contingent was such a political divide? How resistant would it be to historical change? And what would be the role of the exiled community in consolidating, or blurring, the international boundary after the war?

### **The Production of a Regional Space**

The period beginning in 1990 saw drastic changes in the political life of Syria and Lebanon as well as in their bilateral relations. It is no coincidence that these important changes took place in the context of globalisation, with the vanishing of Soviet influence in the Middle East, and the growing intervention of the Washington-based multilateral institutions in the ailing rentier economies of the region, through a string of political conditionalities supposed to help reorganise public administrations and bring democracy to the people. In the wake of the 1990-

91 war against Iraq, international consensus and local weariness brought the Lebanese civil war to an end with the implementation of the November 1989 Taif agreement. As for Asad's Syria, it took two path-breaking steps simultaneously: Participating, although with reservations, in the Madrid Arab-Israeli peace process, and launching an economic initiative to private investors and entrepreneurs through the adoption, notably, of Law 10 of 1991.

Although discussing the multiple aspects of the transformation of Lebanese-Syrian relations after 1990 goes beyond the framework of this chapter, it is important to stress three characteristics that help analyse the new role of the Syrian expatriate business community in Lebanon during this period. First, the war ended with an almost complete Syrian takeover of the external and domestic security of Lebanon, and the demobilisation of all militias except *Hizbollah*, Syria's close ally and *bras armé* in the South. With tacit international consensus (including the United States and Israel), the sovereignty of Lebanon was then downgraded, transforming it into a 'quasi-state' (Jackson 1990). Behind its formal return to constitutional life and the rehabilitation of its national army, the ultimate power lay henceforth in Damascus, and was exerted through a chain of Syrian military and security command all over the Lebanese territory.

Second, de-ideologisation became a characteristic of the Lebanese and Syrian polities, while common collective norms and political practices drawn from a living Ottoman heritage substituted for the dead ideologies. In Syria, Ba'athist references to Arab unity and socialist redistribution gave way to a crude display of power and a cult of the supreme leader. The regime soon made it clear that the limited economic liberalisation was not to open the door to the formation of political parties outside the National Progressive Front (*Jabha wataniyya*), nor to criticism of its human rights record and core leadership. Simultaneously, the formula of consensus confirmed at Taif, with its flaws and misdeeds related to the inclusion of warlords in the post-war government elite, guaranteed a return to the representative character of the Lebanese political system, and freedom of opinion in society. But now, the confessional distribution of seats in the parliament and government was being altered by the display of wealth and physical intimidation. Thus, a difference in scale in the use of sheer violence, and a power hierarchy between the two polities, were substituted for their difference in nature: powerful Syria dominated a weak Lebanon, both regimes being closely intertwined through clientelist relations.

Third, the Lebanese war, in combination with the limited Syrian *infitâh*, accelerated the inscription of the local economies in dense and diversified trans-regional networks made up of financial transfers and the importation of goods, and, moreover, characterised by the growing

mobility of skilled professionals. Lebanon had indeed been a precursor of globalisation by earning its prosperity as a hub connecting the Gulf countries to Europe already in the 1960s and 1970s. The difference, now, was not only of magnitude, but also in the dichotomy often referred to as ‘glocalisation’ (Appadurai 1996): on the one hand, a capacity to change places, shift roles, adopt a different status, and build human experience beyond the traditional circulation of money and goods, that contributed to the emergence of individualism among Arab Near Eastern upper classes; on the other hand, a growing consciousness of, and loyalty to, prescribed identities and local belongings, which resulted in the consolidation of infra- and trans-boundary solidarities, while challenging the nation-state framework (Roy 2000).

### *Old and new Syrian business in Lebanon*

Economic reconstruction was considered a priority by the post-war governments of Lebanon, rather than social reconciliation or political reform (Débié and Pieter 2003). The cost of rehabilitating of the infrastructure and public utilities, estimated at around \$2.2 billion in the early 1990s, soon soared to more than 30 billion, and the process was still far from complete thirteen years later (Hamdane 2000: 70). On the whole, it offered exceptional opportunities to the market and business companies. In the domain of importating, things were not so stimulating since the slump of the Lebanese pound (down 500 times from 1975 to 1995) rendered foreign products over-expensive for middle- and lower-class consumption.

In general, businessmen of Syrian origin had resisted the war turmoil well and, while they confessed to having travelled abroad more often than their Lebanese counterparts, they were still to be found in eminent positions in the banking, contracting and importing sectors in the aftermath of the war. Was such durability due to their far-sighted and cautious management, as they proudly claimed, or was it their past experience in adapting to political upheavals? Syrian identity among the business community was more than ever associated (at least in their discourse) with wealth and discretion. The few Syrian members registered in the Beirut branch of the Lebanese-Syrian Chamber of Commerce founded in 1995 under the auspices of the government in Damascus, did not belong to the milieu of immigrants settled in the country in the 1950s and 1960s who rather chose to turn away from an institution obviously linked with the Syrian regime. They found it safer and more efficient to take advantage of their personal long-standing connexions. Moreover, it became more difficult after the war to distinguish ‘Syrian’ capital and managers in Lebanese enterprises, since restructuring, inter-

marriage, and the passage of one generation (from the mid-1960s to the mid-1990s) blurred 'national' identities among businessmen. I have often been misled by insiders who drew my attention to this or that actor, only to discover that the man originated from Palestine, or from a specific area of Lebanon, but not from Syria proper.

However, there has been an important change in the composition of the Syrian business community in Lebanon. Since the second half of the Lebanese war (after 1982), and more extensively in the reconstruction period, the émigré business community was joined in the Lebanese arena by a new brand of Syrian entrepreneurs and investors (Bahout 1994) who owed their accumulation of capital to profits made in relation to public enterprises in Syria, mainly importing for the public sector. This 'state bourgeoisie' (Perthes 1992) had been granted special rights to operate across the border, especially the right to deal in foreign currencies, and enjoyed personal protection from a patron and partner, a member of the Syrian military or Ba'ath party leadership.

Due to such military-mercantile collusion, the Syrian occupation of Lebanon, which lasted nearly thirty years, although not everywhere as continuously as in such areas as Akkar or the Hirmil-Biq'a'a, has sometimes been analysed as class-oriented. A regime whose leadership originated principally from the underdeveloped rural areas of Syria (the jabal Ansarieh, but also the eastern Euphrates valley, and the Hawran) strove to take its revenge on the Lebanese capitalists for the comparatively mediocre record of the Syrian economy since the breaking off of the *Intérêts communs*. Thus, the Ba'athist power took advantage of its military control of the Lebanese territory to pillage the local economy. While privates and non-commissioned officers looted houses to bring home cars, fridges and TV sets, senior officers in charge of various Lebanese regions reigned over quasi-fiefdoms, and accumulated capital mainly through the control of intense smuggling of consumer goods (oil) and illicit products (narcotics) across the Lebanese-Syrian boundary (Sadowski 1985). After several decades of relative deprivation in comparison with Lebanon, 'ils [the Syrians] se sont refaits'.<sup>11</sup>

After the war, the institutionalisation of Syrian-Lebanese relations via a series of agreements signed in the 1990s, and the numerous opportunities offered by the reconstruction, brought this new Syrian bourgeoisie directly on to the Lebanese market, in close relation to their enriched military patrons (here likewise, genealogical and marital links between both groups were salient and significant). These new economic actors succeeded in imposing themselves as partners in major contracts such as in cellular phones as well as on the real estate market,

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<sup>11</sup>Interview with a European diplomat, Damascus, 11 July 2002.

thus revealing their interest in levying taxes, securing rents, and living in lavish suites looking on to the Mediterranean, rather than investing in the economic recovery of Lebanon. With those of their Syrian fellow-countrymen established in Beirut business and banking since the 1960s, they shared in various Lebanese reconstruction contracts, including the controversial *Solidere* project for downtown Beirut. However, contrary to a cliché invoking ethnic (or sectarian), local (such as between Aleppians), and national solidarity, the latter did not become privileged partners of these powerful *nouveaux riches* who preferred to deal with ex-militia leaders and new Lebanese tycoons like Hariri. Between the various groups of Syrians investing in the Lebanese economy, there was competition; deals were struck and interests converged according to individual and network preferences. National identity was not the decisive criterion.

In one domain, however, had the long established bourgeoisie were obliged to deal inevitably with their fellow countrymen: banking. For not only had private banks been banned from Syria since the 1960s, but, as mentioned earlier, capital and managers of Syrian origin had made their way to the core of the Lebanese financial landscape. Although it was sometimes argued that Syrian capitalists preferred European rather than Lebanese banking institutions, while Syrian deposits in Lebanon represented only a temporary step towards safer accounts overseas in spite of the attractiveness of Lebanese banking secrecy, the amount of Syrian deposits in private accounts in Lebanese banks was estimated at over \$6 billion in 2003 (*Daily Star*, 22 April 2003: 4).<sup>12</sup>

When it came to the major financial arrangements related to projects in real estate or in the new Lebanese economy, new Syrian investments were often managed in those powerful Beirut institutions where Syrian *émigrés* had long played a leading role either as owners or as managers. New Syrian investors felt 'represented by these banks', namely, banks such as Banque du Liban et d'Outre-Mer, Audi, Banque Européenne pour le Moyen-Orient, or Société Libanaise de Banque.<sup>13</sup> In return, negotiations and transactions with Syrian investors placed Syrian bank managers in a web of mixed feelings, and contradictory loyalties. According to their comments, professionalism and interest prevailed over identity logics in dictating their attitudes. They were eager to show national and international institutions like Union des Banques du Liban and the International Monetary Fund that they could handle such

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<sup>12</sup>The *Financial Times* estimated total Syrian capital abroad at \$50 billion in the early 2000s, and Oxford Business group at \$100 billion in *Emerging Syria*. Minister of economy and foreign trade Ghassan Rifai was said to have mentioned the amount of \$185 billion at an international conference in Copenhagen in 2002.

<sup>13</sup> According to an interviewee, Beirut, 3 May 2003, 70 per cent of the deposits at BLOM were made by Syrians from Lebanon and Syria.

deals with neutrality and success. But they also had to be careful not to confront powerful members of the Damascus elite, for undeniably security reasons. Moreover, they were preparing for a major financial and political challenge: in the 1990s, Syria was about to re-authorise private banking activities on its national territory.

### *A new regionalism?*

In 1991, when discussing the content of the Lebanese-Syrian treaty of Brotherhood and Cooperation with a Lebanese economist and future minister of Finance, I hinted that, in spite of its blatant bias in favour of Syria, the forced rapprochement could offer a long awaited opportunity to reverse the bilateral balance of power, as Lebanese economic actors would be given a chance to turn the military domination by Syria into an economic domination by Lebanon. Lebanese industries and exports would benefit from the opening of a 16 million consumers market next door, and be stimulated by the diminution of custom fees.<sup>14</sup> In other words, businessmen of Syrian origin would take advantage of their knowledge of local needs and consumers' habits, as well as of their connexions with the local society. Indeed, at that time, certain Syrian expatriates from Lebanon cautiously attempted to reactivate a few industrial activities, preferably in Aleppo where state control was less felt than in Damascus or Lattaquié. However, the limited liberalisation of the Syrian market, and the emergence of an enriched bourgeoisie with new consumerist behaviour, opened up little space for the official exportation of Lebanese products, as confirmed by the record of bilateral trade figures.<sup>15</sup>

For their part, Syrian industrialists resisted Lebanese concurrence. They strove to avoid the mediation of Lebanese importers in order to deal directly with foreign, mainly European, firms. They endeavoured to supply their domestic market with consumer goods of the kind manufactured in Lebanon but at cheaper prices. Also, while smuggling decreased in the post-war period, due to the reduction in custom duties, and Bashar al-Asad's crackdowns on smuggling networks in 1995 and 1999, parallel off-the-record arrangements still accounted for a major part of imports from Lebanon to Syria. On the whole, what could be observed

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<sup>14</sup> Customs duties were cut at a rate of 25 per cent per year from 1998 to 2001.

<sup>15</sup> In the 1990s, Lebanon remained officially Syria's fourth economic partner after Italy, France and Turkey. Syria was even less important for Lebanon. The situation deteriorated in the late 1990s. See *Al-Ba'ath al-Iqtisâdî* 15 August 2000, "Inkhifâdhkabîrfiharakat al-tabâdul al-tijârî" (Big slump in bilateral trade). In the meantime, there have been successful investments by Syrian bankers such as the production of detergents in Aleppo by the Obegis.

were only the sketchy outlines of an emerging sub-regional economic space including Lebanon and Syria. This economic region, although controlled by a single political power, was far from unified, mainly because of the different standards of living in the two countries,<sup>16</sup> and the long period of socialisation and politicisation by two dissimilar regimes. At least, what was taking place in the field of production and trade was a kind of forced complementarity. For the Syrian expatriate community in Lebanon, the fact that the Ba‘thist regime was still unpredictable, the financial legislation obsolete, and the resources of the society limited, constituted as many invisible barriers to their crossing back to Syria.

Banking was another issue. While the re-opening of private institutions had become a matter of economic urgency for Syria since the late 1980s, it was understood that the country lacked the necessary capital, officially at least.<sup>17</sup> The legal and practical aspects were discussed in successive open *nadawât* (meetings) held alternately in Beirut and Damascus in 2000 to 2002, with the most important in January 2003 in Damascus under the title ‘Lebanese-Syrian banking co-operation’, attended by tens of managers of the largest Lebanese banks, who did not spare their criticisms and demands on the Syrian government. Negotiations between Syrian senior civil servants and Lebanese top bank managers, many of them of Syrian origin, respected the codes of local civilities. At some point, however, emotion and bitterness showed, and the discussion became more like a family dispute than an international negotiation. It was frank, also, as many bankers had an intimate knowledge of Syrian financial institutions, of the practices of the political leadership as well as of the size of its underground transactions.<sup>18</sup> They were especially cautious about securing legal international guarantees against Syria’s erratic monetary policies and fixed interest rates, as well as the government’s meddling in their future activities.

The laborious negotiations between the Syrian government and some of these banks also involved the International Finance Corporation (the World Bank’s private sector arm) and the Commission of the European Union. In 2001, Law 24 allowing the private sector to operate in Syria was adopted: this required a 51 per cent Syrian holding in the capital of the new banks. And in spring 2003, the first three Lebanese banks (along with three others) were granted approval. Their chairmen, all of them Syrian expatriates, announced that they had struck deals

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<sup>16</sup> In 2000, GNP per capita was US\$ 4,500 in Lebanon and 1000 in Syria. US-CIA (2001), *Handbook of the Nations, The World Factbook* (Detroit, Grand River Books).

<sup>17</sup> Since the breakdown of several unofficial financial institutions in Aleppo in 1997-8, the Syrian financial authorities were especially eager to deal with strong banks and avoid ‘amateurs’. Interview, Central Bank of Syria, 30 April 2003.

<sup>18</sup> Neeman Azhari, for example, the COS of BLOM, had been COS of Banque de l’Orientarabe in Damascus, then Minister of Finance in the early 1960s. He left Syria for Lebanon in 1962.



with local investors, among them the powerful head of the Union of Syrian Chambers of Commerce. Interestingly, one of the three banks concerned was approved two months after the others, and it was hinted that its chairman had been unable to prove his Syrian identity. Although the problem was soon settled, and the 51 per cent Syrian majority secured, the irony of the situation did not escape observers' attention. Some forty years after fleeing their country and reneging on their national identity, Syrian businessmen in Lebanon were looking back over the international boundary, invoking their ancient citizenship, and seeking a privileged economic return.

All this at least suggests that in the future Lebanese Syrian sub-regional economic space, Syrian expatriate businessmen may play a pivotal role. Their 'straddling' posture allows them to make the most profit from the slow ongoing process, thanks to their experience in both countries their knowledge of procedures, and their inscription in networks operating across the boundary. Once the most convinced advocates of the construction of a solid Lebanese-Syrian boundary, they are cautiously promoting fair bilateral cooperation, and the construction of a joint economic space. For this purpose, they have to pay the price of seeing their identity challenged and their past questioned, and become entrusted with the responsibilities of 'good governance' according to the Washingtonian rules; in a word, to live with the paradoxes of post-modernity. In the meantime, they enjoy flying from Beirut to Aleppo for lavish weekends in the city's aristocratic *Beits*, transformed into luxury hotels. Back in the ambience of their forlorn dreams, they negotiate contracts and draw up investment projects.

How relevant does the *ottomanism* paradigm remain for analysing Syrian-Lebanese relations today? On the one hand, the relatively short history of each state suggests a strong tendency towards differentiation and the formation of a specific national identity grounded in a state-controlled territory. Whatever its flaws, especially in the Middle East, the nation-state model has a future ahead of it, be it only for the ambitions of local elites. To this state-building process, the Syrian *émigré* businessmen brought more than their fair share: Not only did they transfer their symbolic and material capital from one side of the border to the other, thus contributing to a lasting imbalance between the Syrian and the Lebanese economies, but they also endeavoured – discreetly and, on some occasions such as during the civil war, openly – to shape a Lebanese polity antinomic to the Syrian polity they had escaped from. The fragile Beirut Spring of 2005, which saw hundreds of thousands demanding the end of thirty years of Syrian military presence on Lebanese soil, bears witness to their success and to the indisputable existence of national boundaries in the Arab Levant.

On the other hand, however, the transformation of the local societies during the past century in Syria as well as in Lebanon, and the modernisation of the local economies, have resulted in the growing mobility of individuals across the international boundary (such as Syrian workers in the Lebanese manpower market), and in the strengthening of infrastructural (power lines, pipelines, motorways etc.) as well as social and cultural networks. However reluctantly, the Syrian *émigré* community in Lebanon was bound to play a pioneering role in the revival of historical networks, as can be observed in the process of developing the private banking sector in Syria in the 2000s. The recent investment of *émigré* bankers in the fragile Syrian market and the plans of their fellow businessmen do not only express the selfish greed of ‘unruly capitalism’ taking advantage of the wind of deregulation. They also relate to that intangible element we call culture: ethics, values, habits, practices, inscribed in durable, quiet memories of an idealised past, when the empire was without boundaries. The nostalgia of ottomanism feeds their strategies across the boundary.

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