

# Syria's quiet revolution

To understand the real impact of Lebanon's 2005 Cedar Revolution, look across the border at neighbouring Syria

Sakhr al-Makhadhi - [guardian.co.uk](http://guardian.co.uk), Sunday 21 March 2010 11.00 GMT

Five years after the Cedar Revolution promised to change Lebanon forever, the country is back to its old ways. The political earthquake that followed the assassination of former Prime Minister Rafiq al-Hariri may have left Lebanon looking almost untouched, but in neighbouring Syria it has had profound, and unexpected, effects.

One million people marched through the streets of Beirut, in the biggest demonstration Lebanon had ever seen. It was 14 March 2005 – the date which gave its name to the anti-Syrian political movement founded in its wake. But five years on, many of March 14's founding politicians have disowned the group and switched sides, and some of those who remain have apologised for their earlier angry statements.

This U-turn of an entire political class has left today's Lebanon looking almost identical to the Lebanon of 2005. Syrian troops may no longer be on the streets (they left the capital Beirut years before their complete withdrawal in 2005), but little else has changed. A Syria-friendly member of the Hariri family is back in power, Rafiq's son Sa'ad, who visited Damascus in December to make his peace with President Bashar al-Assad. And the Hizbollah-led opposition is back in government.

If you want to understand the real impact of the events of March 14, look across the border at Syria. Lebanon's neighbour is changing more every month than it did in an entire year back in the 1990s.

As George Bush almost immediately sought to blame Assad for the 2005 killing, many were predicting the fall of the regime in Damascus within months. Later that year the interior minister committed suicide, and the vice-president defected.

Five years on, those expecting regime implosions have been proven wrong. Assad is stronger now than he has been at any point during in his 10 years in power. Socially and economically, though, Syria is almost unrecognisable.

Syria is now officially a "social market economy", ending decades of socialism. Private banks have started appearing on the Syrian streets, many offering credit cards for the first time. Institutions from neighbouring countries dominate, although a recent decision to allow foreign companies to hold a majority share in their Syrian subsidiaries may encourage large western banks to enter the Syrian market. Imports now flow in freely, and the long-awaited stock market is finally (albeit very slowly) getting off the ground.

The results of this economic revolution are astonishing. While the global economy contracts, Syria expands. Real GDP was up 4% last year, according to the IMF. And inflation halved, from 14.5% in 2008 to 7.5% last year.

The US is realising it has failed to hold back this Syrian gold-rush. It imposed an economic embargo in the wake of the Hariri assassination, which looks like it could finally be eased this summer. Assistant secretary of state Jeffrey Feltman admitted: "So you ended up at a point when we isolate – we were the ones isolated. It was no longer Syria being isolated. It was the United States that was being isolated." Remarkable words from the man who was George Bush's ambassador to Beirut at the time of the Cedar Revolution.

The EU, too, knows it can no longer ignore Syria's emerging economy. In 2004 it was about to sign an association agreement with Syria. This would have allowed a degree of free trade between the two economies. But as international political pressure on Syria mounted, it put the deal on hold, infuriating Syria. Last October, the EU suddenly offered to finalise the agreement but an economically emboldened Syria says it wants to wait and see.

Five years ago, doors were being closed in the faces of Syrian businessmen. Now, Arab states, America and finally the EU are trying to get their hands on this untapped market. But those Damascene entrepreneurs aren't so sure they want foreigners to have easy access to their home territory. They are already struggling to compete against cheaper, higher-quality imports from Turkey, following a free-trade deal with Ankara. The EU association agreement would mean handing a bigger chunk of their market over to foreigners.

But not all foreigners are bad for Syrian business. The country is awash with tourists, even a few Americans, following the New York Times's decision to name Damascus as one of its top 10 destinations for 2010. The country, whose economy has traditionally been dependent on tourism, received another boost when the US lifted its warning against travel to Syria last month. To cater for the influx of western visitors, around 70 traditional courtyard houses have been converted into hotels, breathing new life into the Old City of Damascus, which was on the verge of collapse earlier in the decade.

In January, Syria's First Lady, Asma al-Assad, announced that she wanted civil society to play a bigger role in Syria. NGOs, she said, would be given more freedom, and even legal protection. The president's London-born wife was speaking at a conference that itself would have been unthinkable five years ago. Former British foreign office minister Lord Malloch-Brown was one of the keynote speakers at the event where some local NGO leaders dared to get on stage and publicly challenge the government to do more.

This new social and economic optimism is drawing back thousands of Syrian expats. The length of military service has been reduced, and it is easier for Syrians born abroad to gain exemption. There's a Beirutisation of parts of Damascus, with the English language more common than Arabic on the upmarket streets of Shaalan. Private universities have been established, and they're teaching – for the first time – in English.

It wasn't Lebanon that changed following the so-called Cedar Revolution, it was Syria.