War by other means: US/EU sanctions aimed at crippling Syria

By Jean Shaoul
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This past week has seen massive queues in Syria's capital Damascus outside petrol (gas) stations. The fuel shortage has become far worse than during the war—bringing commercial life almost to a standstill. With domestic oil production down as a result of war damage and disruption to only 24,000 barrels per day (BPD), far less than the 136,000 bpd it needs, the government has rationed petrol. Private cars are allowed 20 litres every five days and taxis 20 litres every 48 hours. Before the war, Syria enjoyed relative energy autonomy. This follows the ending of a credit line and oil supplies from Iran in October and US sanctions against Iran and Syria that have intensified since US President Donald Trump's declared "the final defeat" of the Islamic State of Iraq and Syria (ISIS). Damascus sought to replace Iranian supplies via private sector importers, but this met with little success as ships have been prevented from reaching Syria after entering regional waters. In November, the US Treasury issued a warning, threatening anyone involved in shipping petroleum to the Syrian government with sanctions. The aim is to cut off the Syrian government and its supporters from the global financial and trade systems. The Pentagon has also made it clear that despite Trump's plan to withdraw US troops from Syria, the illegal US military presence in Syria will continue indefinitely with a "residual force." The US wants to preclude any reunification and reconstruction of the war-ravaged country, by carving out its own sphere of influence in Syria's northeast. This would seize control over the country's main oil and gas-producing region, using Syria as a base for preparing a wider and bloodier war against Iran, while encouraging Israel to play a major role in military operations against Syria. Washington is seeking to create the conditions for a rebellion against the Assad regime, as in Iran and Venezuela, by crashing its economy and exacerbating the country's social and economic crisis and thereby impose a pro-US regime in Damascus. The Assad government is compelled to manoeuvre between the threats from an increasingly rapacious US imperialism, the demands of its backers in Moscow and Tehran, and the mounting anger of an impoverished working class against the war profiteers, traffickers and regime insiders benefiting from what little "reconstruction" is taking place. Washington's eight-year-long proxy war against Syria—along with its more than four years of intense aerial bombing—has devastated the country, causing immense human suffering. Nearly half a million people have died. There are 3 million people living with permanent disabilities. Around 11 million people, nearly half the population, have fled their homes. Some 5.6 million are living in neighbouring countries, including 3.6 million living in Turkey, while there are 6.2 million internally displaced, creating the world's largest refugee crisis since World War II. The war, involving hundreds of militias fighting the Syrian regime and each other, has laid waste to industrial cities and infrastructure. Water, sanitation and electrical systems barely function in the former rebel-held areas. Schools and hospitals have been flattened. Some 2 million children are not in school. US bombing has reduced cities and towns such as Raqqa to rubble, while in rural areas irrigation channels no longer function and grain silos have been destroyed, leading to a 40 percent reduction in food production, particularly wheat. More than 80 percent of Syrians are living in extreme poverty, on less than $1.90 per day, in what was a middle-income country. According to a World Bank survey, 56 percent of the country's businesses have either closed or relocated outside the country since 2009, while unemployment rose from less than 10 percent in 2010 to over 50 percent in 2015. It estimates that the cumulative loss in GDP between 2011 and 2016 was $226 billion, around four times Syria's 2010 GDP. A third of those losses were in the oil and gas sector. Soaring inflation, a depreciating currency that has plummeted from a pre-war exchange rate of 50 Syrian pounds to 550 pounds to the dollar, stagnant wages and plummeting purchasing power means that even the basics are unaffordable. The ever-deepening poverty is causing endless privation, compounded by frequent and lengthy water and electricity shutoffs and fuel shortages. Many are dependent on remittances from Syrians abroad, estimated by the World Bank to be about $1.62 billion in 2016, higher than the total from salaries and wages, as well as unofficial transfers through unlicensed offices, individuals and traffickers. The wealthy are insulated from all of this, with cafes and restaurants in the upscale neighbourhoods busy, in stark contrast to the long queues to buy subsidised bread and replace empty gas canisters for cooking. The hardships of the war have been compounded by the sanctions imposed since 2011 by the United States, the European Union (EU) and the UN on imports such as some fuels, as well as Syrian individuals accused of financially supporting the regime. Last January, after Trump said he was bringing US troops in Syria "back home," the EU issued sanctions against a further 11 businessmen and five associated companies, while the US Congress passed legislation, the Orwellian Caesar Syria Civilian Protection Act, broadening existing sanctions to include non-US citizens who deal with the Assad regime, so-called secondary sanctions. While Saudi Arabia and the United Arab Emirates appear to be considering giving some financial support to Damascus to counter long-term Iranian hegemony in Syria, these sanctions could hit anyone—including Gulf-based companies involved in Syria's reconstruction, variously estimated at between $250 billion (about four times Syria's pre-war GDP) and $400 billion. The banks block transfers from Syria, making it impossible to source European parts without using prohibitively expensive informal financial networks. While Russia and Iran's military support was a crucial factor in the Assad regime's survival, they do not have the resources to make a major contribution to Syria's reconstruction. Iran is in the grips of economic crisis, due to US sanctions, and is suffering from unprecedented floods, especially in its oil-producing region. Syria has indicated they will both have "first priority" in the allotment of any reconstruction funds that it receives, particularly in the energy and construction sectors. In January 2018, Damascus gave Moscow exclusive rights to extract oil and gas from areas under Assad's direct control, and later "the restoration of oil fields and the development of new deposits." Moscow also won a 50-year deal to run Syria's phosphate industry. The US and major European powers have refused any significant aid while Assad remains in power, in a bid to force his main international and domestic supporters to withdraw their backing. Last March, international donors at an EU-hosted conference in Brussels pledged almost $7 billion, including $397 million from the US, for civilians affected by the conflict—far less than the EU said was needed. Last year, only 65 percent of the $3.4 billion required for the inside-Syria plan last year was received, while its regional refugee and resilience plan costing $5.6 billion was only 62 percent funded. The focus was not on reconstruction, but on measures to encourage refugees to return home amid reports that the Syrian government's treatment of returning refugees includes killings, disappearances, intimidation and sometimes compulsory military service. New legislation makes it difficult for returnees to prove ownership of the homes they fled. The EU fears an influx of refugees to Europe unless aid for both Syria and the countries hosting the refugees is forthcoming. The US drive to crash Syria's economy is bound up with its campaign to reimpose neo-colonial bondage over the entire region and to continue the series of ruinous wars Washington has sparked in the Middle East since 1991 in a bid to exercise unfettered dominance of the world's most important oil and gas-exporting region.