

Name: Alert ID: TMML2024033745575 The ascent of Bashar al-Assad in 2000 paved the way for a new rampant class of corrupt businessmen – often sons or relatives of the governing apparatus which inaugurated the Assad era in Syria in 1970. Thus, his fellow Alawite maternal cousin and close confidant, Rami Makhlouf (b. 1969) was able to become the wealthiest man in the country. Makhlouf's privileged position was well-known and became a lightning rod for popular rage and discontent during the 2011 Syrian uprising. Makhlouf used corruption, intimidation and governmental ties to expand his businesses and amass a fortune even without secrecy. Moreover, his predatory-capitalistic approach proved detrimental for the economy itself, limiting the Syrian middle class, as he earned the nickname of Mister Five – or Ten – percent, depending of the interest percentage he received on every loan his companies would make. In the analysis which follows, a focus on this particular player highlights the new opportunities for predatory capitalism which have been unearthed due to the Syrian war economy that emerged beginning in 2011. Sanctions and business shift In the March 2011 demonstrations held in the city of Dara'a, Syrian citizens raged against the magnate as well, in addition to chanting slogans against the regime, and burned a local Syriatel branch. This was not coincidental. [2] It was, in fact, an indicator that Makhlouf, despite his attempt at maintaining a low public profile, had indeed been included by the Syrian opposition as part of what they viewed to be an evil triumvirate responsible for having led the country to disaster. Makhlouf controlled several mafia-style businesses and monopolies which had worsened the economic conditions of many Syrians. The other members of the trio are Syrian president Bashar al-Assad, who was blamed for mismanaging the government and for being an elitist, and his brother Maher, who controlled Syria's brutal security apparatus. On the international stage, Makhlouf had already been discredited and sanctioned; in 2008 the US Treasury National Department designated him as "responsible for having benefitted from public corruption of senior officials of the Syrian regime." [3] On May 11, 2011, a few weeks after the beginning of the uprisings, the European Union sanctioned the billionaire as well by forbidding his travel to EU countries and freezing his accounts therein. Alongside Makhlouf, twelve other members of Assad's inner circle were blacklisted, including Maher. [4] Despite Makhlouf's occasional indication of his intention of exiting his businesses, [5] it turns out that, on the contrary, he was too dependent on the fate of the regime to abandon the country or to passively accept the events that followed the 2011 uprising. In fact, he took full advantage of the horrifying conflict to further strengthen his grip on Syria and benefit from the new war economy that had begun to develop. Now that many parts of the country have been destroyed, those close to the regime aim to capitalize on rebuilding projects. Most recently, thanks to a government decree, a spin-off of Makhlouf's Damascus al-Cham Holdings joint-capital investment firm is positioned to control a planned massive real estate project – including a large new shopping mall – in place of the slums of Damascus. This is specifically designed to attract a new elite class which will be loyal to the regime. [6] Moreover, Syria expert Joshua Landis noted recently that Makhlouf's firm has received a license for Syria's first mortgage finance operation—giving the Makhlouf-Assad family even deeper control of the economy in addition to another mechanism for shaping the demographics of Syria's housing landscape. [7] Illegal trade In order to finance Assad's repression and build his own empire, Makhlouf smuggled assets from Lebanon and Europe, in particular by monopolizing the tobacco trade. On May 25, 2011 Makhlouf managed to receive a shipment of 90 million cigarettes distributed in 9,000 cases by IBCS, the Middle-Eastern partner of Japan Tobacco International (JTI). The cigarettes were loaded in the port of Limassol, Cyprus, a member state of the EU. Just four days earlier the EU had decided to impose sanctions on Makhlouf's assets. Makhlouf succeeded in bypassing the sanctions thanks to his Cypriot citizenship, which had been given to him a few months prior by its government, and which was later extended to the rest of his family. [8] The tobacco shipment was unloaded in Makhlouf's stronghold of Lattakia port and distributed to duty-free shops under his control. [9] The cigarettes were used as a source of income or even as an alternative currency to pay the regime-allied shabiha and other irregular battalions loyal to Damascus. [10] The shabiha – literally 'ghosts' – started operating in the late 70's, during the Syrian intervention in Lebanon. Often possessing special ties to the regime, they terrorised the local population and ran tobacco and drugs in and out of occupied Lebanon. [11] Rami Makhlouf and Maher al-Assad used the shabiha to do the government's "dirty work" at the start of the uprising – beating, arresting, torturing, and killing civilian protesters who criticized the government.