

On December 8, 2024, we received news President Bashar al-Assad of Syria was overthrown by opposition forces. In a world consumed by geopolitical conflict, this was surprisingly good news. Political tension in Syria originated long ago and persisted for years. Bashar's father, Hafez took power in a coup and ruled the country from 1971 until June 2000 when he died. Bashar followed as president and ruled until he was forced from power in December. The Assads, who ruled Syria for 53 years, became dictators who oppressed their people and sided with other authoritarian nations like Russia and Iran to retain power. The country's prior notable struggle occurred during the Arab Spring demonstrations that rocked the Middle East nearly 15 years ago. Despite intensive fighting at the time, including with involvement from the U.S., Bashar al-Assad managed to hold on to power with the help of his rogue benefactors. Those countries contributed manpower and weapons to assist the disliked dictator who was accused of genocide and countless deaths.

The timing of Assad's fall and the circumstances surrounding it deserve attention. Many politicians and defense experts have worried about "escalation" in today's bellicose conflicts. It did not escape anyone's attention that the countries keeping the Syrian dictator in power are enmeshed in their own fights. Russia's war with Ukraine has come at an enormous cost in both manpower and weapons. Iran has a direct skirmish on its hands with Israel, while its proxies in Lebanon and Gaza are fighting full-scale wars. Efforts to defend Hezbollah and Hamas took a huge toll on Iran's resources and military stockpile. Without external support, Assad's military was no match against an opposition force that gained the backing of many Syrians.

In another worthwhile observation, western nations were repeatedly warned these authoritarian regimes commanded elite armies with sophisticated weapons. Despite these claims, neither country succeeded in its objectives to defeat or neutralize a nominally lesser power. In fact, the opposite happened. The fighting exposed weaknesses in both countries' vaunted military might and rendered them essentially mediocre combatants.

Historically, many authoritarian regimes ultimately fall because the citizens they lead shift their allegiance to rebels or opposition groups that gain enough strength (militarily or politically) to oust unwanted leaders. The world has witnessed plenty of demonstrations of popular discontent with rulers in authoritarian countries, like North Korea, Iran, Venezuela, Belarus, and Russia. Dictators in those countries have been able to retain power because the opposition has not succeeded in gaining military traction and the controlled political processes prevent the masses from freely expressing their will.

In most faltering dictatorships a common feature is a deteriorating and often languid economy. Authoritarian regimes are, by definition, centrally planned and motivated by goals other than growth of output or maximizing citizen wellbeing. When the USSR collapsed in 1991, outsiders were surprised by the economic decay and corruption the population endured. On December 16, 2024, the Wall Street Journal ran an article entitled "Assad's Fall Upends the Middle East's Largest Drug Empire." The article notes how the regime became dependent on drug trafficking to sustain itself and Syria's hobbled economy. The Islamist group that toppled the regime cited that activity as evidence of the leadership's corruption and illegitimacy. Venezuela too is believed to be led by individuals who are tied to Colombian and Mexican drug cartels. These illicit activities provide the resources to pay off the military, the police, and civil servants to ensure their cooperation, and they foster a culture of corruption that permeates all economic activity.

Geopolitical risk is often cited as a meaningful risk to financial markets and global growth. Strategists and economists elevated the status of this risk for 2025 given active wars in Eastern Europe and the Middle East. Furthermore, a few noted China's friendly relations with warring nations warranted caution regarding that country's mounting threat level. Syria's news should do the opposite. Suddenly, Western democracies have a unique opportunity to defuse the rise of the "axis of evil" by ensuring Ukraine and Israel succeed in their respective fights.

Surprising Good News in Geopolitics

By Eduardo Cortes, CIO

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The world owes an immense debt of gratitude to Ukraine and Israel. Those countries' unconditional defense of their independence and liberty thrust aside the intimidating façade of regimes bent on regional hegemony. Like most free countries, they care about the wellbeing of their citizens, including their right to live safely and openly in their country. The West can ensure such freedoms become a reality for millions more over many decades!

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