



# SYRIA AT WAR

## Syria at War: Eight Years On



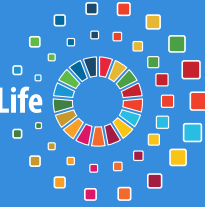
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# SYRIA AT WAR

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## Foreword

This report is the second product of the collaboration between the United Nations Economic and Social Commission for Western Asia (ESCWA) and the Centre for Syrian Studies (CSS) at the University of St Andrews, which began with a letter of understanding on joint scholarly activity, signed in January 2016. It is the result of extensive research by scholars and experts associated with the National Agenda for the Future of Syria (NAFS) Programme, as well as NAFS-sponsored dialogue with a broad spectrum of Syrian stakeholders, including actors in civil society, the private sector and national and international academic institutions, aimed at moving towards consensus beyond the polarizations of the conflict period. It benefited from analysis by CSS resident experts and an extensive network of scholars.

The report provides data on the socioeconomic impact of the conflict in the Syrian Arab Republic. It documents the consequences for the economy and social fabric that pose daunting future challenges: whether it is production, investment or human development, the conflict has cost the country its hard-won socioeconomic gains, even though the flaws in the pre-conflict order contained the seeds of the uprising.

This socioeconomic portrait is located within the political and social context of the conflict that identifies additional challenges, from territorial division of the country, internationalization of conflict, partial State failure and the problems of a war economy. The documentation provides the foundation for a series of recommendations on ways forward as the conflict potentially winds down and the challenge of reconstruction and reconciliation looms, though with an ongoing risk of further violence as rival parties – Syrian and outside actors – maneuver to best position themselves for the post-conflict era. The recommendations stress the need to move beyond the zero-sum mentality that has wrought such destruction on the country and towards an inclusive approach to peacebuilding that takes account of the vital interests of all parties, not least the weak and the victims of the conflict.

The report provides policymakers at international and national levels, and civil society activists, with an understanding and the information base to address the Syrian conflict in a positive way and hopefully avoid mistakes of the past.



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## Acronyms

<b>DAA</b>	Democratic Autonomous Administration
<b>GDP</b>	gross domestic product
<b>GDI</b>	Gender Development Index
<b>GNI</b>	gross national income
<b>HDI</b>	Human Development Index
<b>IDPs</b>	internally displaced persons
<b>IMF</b>	International Monetary Fund
<b>ISIL</b>	Islamic State of Iraq and the Levant/Da'esh
<b>MENA</b>	Middle East and North Africa
<b>MPI</b>	Multidimensional Poverty Index
<b>NAFS</b>	National Agenda for the Future of Syria
<b>NGOs</b>	non-governmental organizations
<b>PPP</b>	purchasing power parity
<b>PYD</b>	Democratic Union Party
<b>SCPR</b>	Syrian Center for Policy Research
<b>SDF</b>	Syrian Democratic Forces
<b>SMEs</b>	small and medium-sized enterprises
<b>SYP</b>	Syrian pound
<b>UNDP</b>	United Nations Development Programme
<b>ESCWA</b>	United Nations Economic and Social Commission for Western Asia
<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>WFP</b>	World Food Programme



## Introduction

Almost a decade of conflict has radically transformed all aspects of Syrian society. The purpose of this report is to trace these transformations at social, economic and governance levels. It provides a framework for moving forward, proposing principles, priorities and pragmatic steps toward an inclusive and sustainable economic recovery and peacebuilding process.

Such an undertaking is of the utmost urgency. The human and social toll of the conflict has been devastating. Casualties number in the hundreds of thousands. The total number of involuntary internally displaced persons (IDPs) and refugees amount to almost 12 million, or half of the pre-conflict population. Those who have survived face an incredibly difficult daily reality. In 2019, more than 11.7 million people within the Syrian Arab Republic were still in need of at least one form of humanitarian assistance, with 5 million of these in acute need. About 6.5 million were food insecure and an additional 2.5 million susceptible to becoming acutely food insecure. Widespread destruction of the educational and health infrastructure casts a shadow over current and future human development prospects, particularly for an entire generation of school-age children.

The economic toll has been equally staggering. By the end of the eighth year of conflict, damage to physical capital was estimated at \$117.7 billion. When added to the estimated gross domestic product (GDP) losses of \$324.5 billion, total economic losses amounted to \$442.2 billion. Real GDP by the end of 2018 was 46 per cent of its 2010 level. The significant destruction of the economic infrastructure, particularly in sectors such as housing, manufacturing, electricity and power generation, also implies a significant transformation in productive capacity. Unlike before the conflict, when it placed an emphasis on relative diversity and self-reliance, the Syrian Arab Republic is less diverse economically, and society as a whole is more reliant on external assistance. There is a danger that the war economy that took hold during the conflict will entrench the power of warlords and connected business profiteers.

However, the numbers do not tell the full story of the conflict landscape. Years of intense polarization and suffering, rights violations and widespread abuses have also torn the social fabric, threatening to irreversibly change the Syrian Arab Republic's once well-known coexistence and culture of tolerance. Intolerance is not only found in actions and through armed combat, but also in the political repertoires that uphold zero-sum accounts of the conflict and its resolution, and agitate along identity lines, further exacerbating societal polarization. But despite the deep challenges, most Syrians speak of a unified society, and believe in that society, even if they

disagree on political vision or various aspects of Syrian modes of governance. For every incident of hatred, there are numerous examples of societal initiatives, grass-roots efforts and other joint initiatives seeking to cross boundaries, build bridges and move society forward. While the Syrian Arab Republic, as a country and a society, has changed, so too has the regional and international context. Perhaps earlier than others, Syrians sensed shifting political and economic dynamics. Most Syrians routinely say that the pain of global indifference is as searing as that of their daily hardships. Since 2015, they have witnessed one border after another begin to shut down for those seeking refuge from the conflict, accompanied by a rise in hostility and xenophobia in previously welcoming environments.

At the same time, the geopolitical landscape has become more complicated. Syrian territory became a battlefield, first for regional proxy wars and then for the direct presence of international troops. For the international community, 2014 marked a watershed moment, with the so-called Islamic State (hereafter referred to as Islamic State in Iraq and the Levant or ISIL/Da'esh) overtaking large areas of the Syrian Arab Republic and Iraq in brutal fashion. The rise of ISIL and other factors precipitated the direct intervention of the United States of America, and in 2015 the Russian Federation, as direct combatants in the Syrian Arab Republic. After the period 2014-2015, the conflict's trajectory changed decisively. The Government, with support of the Russian Federation and the Islamic Republic of Iran, recaptured a significant amount of lost territory. Both the United States and Russian Federation, in addition to Turkey and Iran, maintain a military presence inside the country. In turn, all four countries have alliances with non-State actors, such as Hezbollah and the Kurdish militia (YPG), who continue to play roles in determining military and political dimensions of the conflict.



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Soldiers and patrols from multiple armies brush up against one another in heavily militarized regions in northern Syrian Arab Republic. Coordination and various truces and other informal and formal agreements between different militaries have attempted to minimize direct clashes and have at times led to symbolic joint patrols. However, such truces are precarious and have been rolled back on many occasions. More importantly, the lack of political progress and a comprehensive settlement means the threat of escalation is ever-present. Routinely left out of key deliberations and summits on matters concerning their own life and death, Syrians have felt this lost agency acutely.

Blanket economic sanctions have negatively affected the economy and had an impact on ordinary people, diminishing the capacity to fulfil basic needs and meet urgent humanitarian concerns. The impact of sanctions has been magnified by the financial crisis affecting Lebanon – a vital outlet for Syrians – since October 2019, which has resulted in increased shortages and further devaluation of the currency.

Within this complex picture, there are promising signs the conflict may finally be ebbing. In the Syrian Arab Republic, improvements in human development, such as access to basic needs, health and education, have often corresponded with the cessation of hostilities. In 2019, the total number of people categorized as being in need was down by approximately 1.5 million from 2017. Health indicators have shown marginal improvement since 2017 from the low of 2015, including a small rebound in life expectancy. Returning home is still considered risky for refugees. In 2017 and 2018, however, large numbers of IDPs – more than 1 million according to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) – have returned to their communities of origin, and there was a downward trend within the country until the resurgence of fighting in Idlib in early 2020.

Similarly, over the past four to five years there has been a marked shift at international level, with widespread recognition that the conflict must come to an end. The United Nations Security Council resolution 2254, which was adopted in December 2015 and calls for a ceasefire and political settlement in the Syrian Arab Republic, set the framework for what a political resolution might entail. Despite increases in violence that cause tremendous suffering, some positive changes have emerged at regional and international levels. The number of actors fuelling the conflict has diminished. Though multiple and parallel peace processes have not achieved a political solution, they have brought people to the table in ways never thought possible in the early years of the conflict.

The report aims to document these developments, track their socioeconomic impact, and assist the international community in drawing conclusions on the best way forward. The novel coronavirus pandemic, known as COVID-19, has had a devastating impact across the globe, with intensified risk for countries in conflict. They face additional socioeconomic pressures due to sanctions, food insecurity and deteriorated health infrastructure, as

well as a drop in remittances because of contraction in neighbouring economies induced by COVID-19 mitigation measures. The spread of the virus has shown the vital interconnections between governance, the economy and social infrastructure. The extent to which societies around the world have responded effectively to this public health crisis is correlated with transparent and meritocratic institutions, economic resilience and social safety nets, in addition to vital public health infrastructure and human capital. The approach in the report is guided by a similar logic, as are the priority areas and suggestions offered throughout, particularly in chapter 4.

We present the report as a diagnostic, analytical and prescriptive tool for civil society, activists, policymakers, States and organizations around the world. It is diagnostic in identifying, enumerating and quantifying the various costs and impacts of the conflict; analytical in examining causal factors, consequences and dynamics of the conflict; and prescriptive in bringing together and highlighting the work of Syrian experts from all walks of life, who are joined by the belief that an end to the conflict and a better future for all Syrians is possible. The people have shown exceptional resilience despite the devastation documented here. Now, more than ever, there is an urgency for the international community to find a comprehensive solution that will allow Syrians to achieve this ambition.

The report is structured as follows. Chapter 1 provides the political, governance and international dimensions of the conflict. The aim is not a comprehensive history of the eight years of the conflict but a summary of the crucial factors that have shaped the landscape, and a context through which to understand the report.

Chapter 2 enables an appreciation of the impact of the conflict on the human development status of Syrians across the country and those who have sought refuge in neighbouring countries, and considers demography, education, health, nutrition and poverty levels.

The macroeconomic ramifications are detailed in chapter 3, which elaborates the scale, sectoral and geographic distribution of economic destruction, and the financial and fiscal repercussions for the State. Understanding the scope of the economic challenges enables a more sober assessment of the requirements for economic recovery.

Finally, chapter 4 provides the outcomes of ESCWA's research and consultations regarding the way forward for the Syrian Arab Republic. It offers a framework to understand the peacebuilding process that includes the principles and vision for peacebuilding, as well as the key challenges requiring priority attention in the recovery phase if setbacks are to be avoided.





# 01

## Continuity and Transformation in the Syrian Conflict

“Losses in human development in education and health have been disastrous and, seemingly, irreversible, which has been particularly painful for the generation of Syrians who came of age at the time of the uprising.”



## A. Introduction

The conflict has resulted in a dramatic transformation at all levels of State and society. After several years of conflict involving Syrian and non-Syrian actors, the Syrian Arab Republic has exhibited many of the symptoms of State failure, including loss of monopoly over the use of violence, compromised territorial control and, in many areas, a complete breakdown of order.

Intervention by rival external States turned the conflict into a proxy war, the regular economy giving way to a war economy and whatever layers of civil society that did exist transformed to a conflict society. Losses in human development in education and health have been disastrous and, seemingly, irreversible, which has been particularly painful for the generation of Syrians who came of age at the time of the uprising.

The toll of death and injury will haunt Syrians for years to come, especially if such deep societal impacts remain unaddressed, along with the massive internal and external displacement, which imply major demographic changes in the country.

Though the Government has regained control over large parts of the country, the conflict will leave a lasting legacy. The capacity of State institutions to deliver services has deteriorated. The involvement of multiple external and powerful actors is a further complication and makes a comprehensive solution difficult. Their ability to extend the conflict or block a political solution indicate a collective action dilemma for the conflict's resolution. For most Syrians still committed to political boundaries, there is a fear this will entrench a de facto partition of the country into several territories.

Despite these changes, there are elements of continuity. The Government remains in power and has significantly restored its status, and presently rules over most of the population. All the main Syrian actors have reaffirmed their commitment to a political solution and to the country's political boundaries. There is belief in a viable and unified Syrian State, despite disagreement on issues of political power, democratic representation and the degree of State centralization. Syrians of all political persuasions are exhausted and ready to move forward.

## B. Territorial divisions: fragmentation, segmentation and reconsolidation

All the Syrian Arab Republic's territory and the vast majority of its people have been affected by the conflict, though the conflict has not proceeded in a linear fashion. With the distribution of territorial control, however, divisions within the country have followed a sequence of fragmentation, segmentation and reconsolidation. The proliferation of early violence, from late 2011 to 2013, implied a general fragmentation of control, whereby all sides had a presence throughout the country. In 2013, and particularly with the rise of ISIL, this gave way to more segmented control, the various sides were in charge in more distinct areas, with instances of conflict and cooperation between them but little or no presence in each other's territory. Aided by the Russian Federation intervention in 2015, the Government has gradually reconsolidated most, though not all, territory.

Starting in 2012, many areas fell outside government control and witnessed a proliferation of non-State armed groups. Initially, this coincided with territorial fragmentation due to the rapid escalation of conflict and the rise of groups fighting the Government in the north, east and south of the country, as well as around the main cities. The Syrian Arab Republic was opened to penetration

as never before. Though the borders were still recognized by the international community, they were routinely violated by external powers.

The original protest demands and root causes of the conflict were quickly lost, the conflict's intensity and widespread nature evident in the increasing number of deaths and injuries, which rose to hundreds of thousands, and in the millions of refugees and internally displaced people that eventually amounted to at least half of the pre-conflict population.<sup>1</sup> What complicated the conflict, and exacerbated territorial fragmentation, was not just the external backing of various groups with weapons and funds, and the arrival of foreign fighters, but also the increasing rivalry between these external backers. As a result, armed groups opposed to the Government were in conflict with the Government as well as each other.<sup>2</sup> Further, there was and remains a parallel rivalry between countries involved in the conflict.

From mid- to late 2013 through to 2015, the Syrian Arab Republic's territory was slowly segmented into distinct areas of control as smaller groups were defeated or consolidated by bigger ones. The most dramatic change

was the rise of ISIL, which in June 2014 defeated a large number of anti-government forces and seized a notable amount of the east and north-east provinces.

In some cases, boundaries were stable for several years; in others, they were in flux on a daily basis. For at least a time during 2015, however, there was a stalemate, and more defined spheres of influence. Each of the areas had their own governance projects with administrative structures and security, judicial and even educational systems that often mirrored the ideology of the dominant political formations. The relationship between them was complex, alternating between conflict and collaboration. Cooperation was in some instances strategic, in others tactical and pragmatic. The Democratic Autonomous Administration (DAA) gained its de facto autonomy in 2012 following negotiations in the aftermath of the withdrawal of government forces. At the time, mounting opposition obliged government forces to adopt a contraction strategy.<sup>3</sup> Yet, administrative ties were maintained; for example, government agencies maintained operation of the civil records that register births, deaths, marriage and divorce in areas controlled by the main Syrian Kurdish faction, the Democratic Union Party (PYD), particularly Afrin and Hasaka, even when they discontinued them in other areas outside government control, and often with the same employees and official supervision.<sup>4</sup> More pragmatic concerns characterized cooperation in other areas. All areas engaged in trade or bartering in agricultural products, electricity supply and crude oil, and illicit goods. This exchange, along with smuggling, kidnapping, theft, extortion and other activities, gave rise to a war economy that entrenched the power of middlemen and warlords, and allowed non-State armed groups to finance themselves for long periods. As economic opportunities dwindled, more of the population became involved directly or indirectly in the war economy.

Since 2015, particularly with the advance of ISIL and the ensuing military intervention by the United States and Russian Federation, the territorial areas of control have shifted appreciably. The group's rapid rise alarmed the international community due to its extreme brutality and the threat it posed to the territorial boundaries of the Syrian Arab Republic and Iraq, as well as to international security. The major powers established a presence, and took part in military action in the Syrian Arab Republic, including areas under ISIL control. Since 2018, the group has collapsed and, while it has not vanished, it no longer controls territory. The government, with the support of its allies, has regained most of the territory, including the city of Aleppo and areas controlled by ISIL, as well as much of the south that was previously held by the opposition. In 2020, control over segments of territory was reduced from four areas in 2015 to three main areas. The Syrian Government controlled most of the country, from the Jordanian border to the central and northern areas and east to the Euphrates river, alongside Russian and Iranian troops. The Democratic Autonomous Administration held areas, dominated by the PYD and the Syrian Democratic Forces (SDF), with western coalition forces led by the United States, held territory east and north-east of the

Euphrates. The Idlib Governorate and Afrin in the Aleppo Governorate remained outside government control. Along with a few other areas, as of 2019 they were directly controlled by Turkey, Turkish-backed Syrian troops and, in the case of Idlib, several armed groups, including Hayat Tahrir al-Sham (previously Jabhat al-Nusra (JAN), or Al-Qaida in the Syrian Arab Republic).<sup>5</sup>

To assert that the Syrian Government has regained control over the majority of the Syrian Arab Republic, however, should not be misunderstood as denoting the type of control it enjoyed prior to 2011. Indeed, in significant parts of areas reclaimed from opposition control, government authority is often nominal, and/or requires a heavy military presence. Nor can services once enjoyed by the people of these areas be compared in any meaningful sense with the precarious conditions they continue to live under.

It can be argued that in the Syrian Arab Republic there was a case of partial State failure. While State failure is the conventional category for understanding the situation, between complete Weberian Statehood and total State collapse, there is a continuum with many hybrid or mixed scenarios. There is evidence of continuity and resilience. There is a continued belief among all but a few Syrians that the country's historical boundaries are inviolable, which suggests a robustness and durability of the "State", independent of any specific government or regime. Over recent years, the government attempted to keep State agencies running, even continuing to pay civil servants in areas outside Government control. The capacity of public institutions was seriously degraded but they continued to operate. Even in locations where the central Government lost control of territory, alternative forms of governance emerged. And in key respects, local administrative boundaries, and by-laws and practices, demonstrate continuities with those of the pre-conflict State, such as aspects of laws in the DAA. In many cases these continuities were deliberate decisions by local councils to maintain future State cohesion.



“the councils halved in number, from 800 in 2012 to 400 in 2016, in parallel with the shrinking of their territory, from 40 per cent to 15 per cent of the country”



## C. Governance and rule of law during conflict

### 1. Fragmented governance

The consequences of the conflict on governance in the Syrian Arab Republic were dramatic. As territory was segmented under different areas of control, those holding power established their own governance structures. Syrian refugees were also living under different structures, laws and practices, depending on the host country or even location within a country. For the competing governing powers, legitimacy rested as much on ideology and political vision as their competence in governance and delivering services. The most successful were in areas able to maintain a certain rule of law, security and basic service delivery, and there were limited though important examples of democratic self-governance. The Government attempted to maintain normal functioning of its institutions, including administrative work and service delivery, to all areas under its control, but was hampered when severe shortages arose as a result of the conflict, such as a decline in power generation capacity and water availability.

Governance in areas controlled by the State continued to exhibit many of the features of the pre-conflict model, despite early attempts at reform. The revoking of the Baath Party's leading status in the revised 2012 Constitution provided an opportunity for transition to multiparty rule. While in principle this cleared the way for competition, and several new parties were licensed, no such system was compatible with the conflict period. The Government's policy towards power-sharing was minimalist. While the opposition and the 2012 Geneva Communiqué<sup>7</sup> prescribed power-sharing, the government model was one of national unity that would include acceptable opposition forces that acknowledged the legitimacy of the ruling body, under the continued presidency of Bashar al-Assad. The centralization of power, impunity of security services and stifling of political life and civil liberties continued largely as before.

When the State's administrative reach contracted from areas lost to opposition groups, the resulting ungoverned space was filled by informal, hybrid governance, including the opposition-founded Syrian Interim Government's attempts in the north, and the DAA. Service provision was initially filled by councils born of the local coordination committees that had organized anti-government protests, and by civil society movements. Opposition activists saw this civil system as constituting an institutional alternative to government rule. It was highly localized, however, and reliant on intermittently functioning networks, resulting in increasing fragmentation. This was exacerbated by regional-level backing for rival groups and the third layer of governance by international donors, who channelled funds, along with their own conflicting agendas, through rival external opposition groups or

private subcontractors.<sup>8</sup> At the same time, an integral part of the war economy was intentional destruction of independent governance attempts through shelling and aerial bombardment by government forces. In addition, massive fires across wheat, barley and cotton fields in the late spring and summer of 2019 in north-eastern of the Syrian Arab Republic and northern Iraq devastated farmers' livelihoods and further drove up food prices.

In many places, the governance vacuum was filled by Islamist movements and organizations, driven by a combination of sectarianism, jihadist ideology and competition for control of resources. While ISIL and Jabhat al-Nusra were the most radical and effective, differences in doctrine and practices between them and the likes of Ahrar al-Sham were, generally, only a matter of degree. Their recruitment pool was the marginalized population. People saw themselves fighting for survival or with no economic alternative to employment as fighters, or they had no choice and joined out of fear for their lives. Foreign fighters made up a significant contingent, of ISIL ranks in particular. These movements eschewed political compromise, backed as they were by external supporters who provided better access to financing and sophisticated weapons than that enjoyed by non-Islamist opposition groups, and had command of the war economy, such as oil wells. Their power-building practices were broadly similar; charismatic, authoritarian leadership that was effective in mobilizing followers but excluded all those who did not accept their vision of Islam. ISIL acquired some of the attributes of Statehood, including heavy weaponry, oil resources, bureaucratic capacity, control over cities and the ability to provide a modicum of order and welfare where it governed. But the jihadists could not shift the balance of power against the Government and remained divided, despite the efforts of ISIL and Jabhat al-Nusra to impose their domination.<sup>9</sup>

A civic alternative initially embodied in the Local Coordination Committees of Syria that led early anti-government protests, and the governing local councils they established, faltered. As the conflict and militarization deepened, local councils faced competition as people turned to more traditional authorities, such as tribal and religious notables and armed Islamist movements, which provided a measure of security. Islamist groups set up parallel institutions and often attacked the councils. Marginalized by violence and suffering from the mass exit of secularists from the Syrian Arab Republic, the councils halved in number, from 800 in 2012 to 400 in 2016, in parallel with the shrinking of their territory, from 40 per cent to 15 per cent of the country. They survived in the local interstices between the Government and jihadists, usually in hybrid forms, where elements of Islamist

militias and Sharia courts shared power with elected councils composed of more secular-minded activists and traditional notables, such as ulamā or Muslim scholars, and tribal leaders. Compared with the main warring sides, the councils were starved of resources and fragmented.

Later in the conflict, a growing wave of truces or de-escalation zones led to a patchwork of power-sharing arrangements on government/opposition front lines. The Government, facing manpower shortages that precluded the reconquest of opposition areas, resorted to imposing

settlements, piece by piece, via bombing and/or sieges, on the margins of areas it controlled. People were alienated, as opposition fighters were unable to shield them from the sieges and air assaults, and by their infighting over control of supplies and access points, personal power and doctrinal differences. It was often popular pressure that led fighters to accept government truces.<sup>10</sup> These settlements or reconciliation agreements varied, from those amounting to virtual surrender to others in which ex-fighters remained in place but pledged loyalty to the Government and enjoyed some real autonomy.

## 2. Human rights violations and gender violence: an inescapable legacy

Rights violations, crimes of the conflict and lack of accountability threaten attempts at sustainable peace. The 2018 report of the Independent International Commission of Inquiry on the Syrian Arab Republic for the United Nations Human Rights Office stated "... civilians have not only been the unintentional victims of violence, but have often been deliberately targeted through unlawful means and methods of warfare. Arbitrary arrests, enforced disappearances, torture, and sexual and gender-based violence have all been used against thousands of persons in detention". In addition, the report says, "Vital civilian infrastructure has been decimated by repeated attacks on medical facilities, schools and markets. Humanitarian aid has been instrumentalized as a weapon of conflict with siege warfare and denial of life-saving assistance used to compel civilian communities and parties to the conflict, alike, to surrender or starve"<sup>11</sup> According to the Commission, "No party has abided by its obligations, either under international humanitarian or human rights law, to protect civilians, the infrastructure that protects civilian life and livelihoods or specially protected sites that form the backbone of their communities". Mass arrests, enforced disappearances, torture and death in custody were disturbingly widespread, it said.<sup>12</sup> A Human Rights Council report on children's rights, meanwhile, had revealed the scale of injustice befalling Syrian children: "Prolonged high-intensity conflict across the Syrian Arab Republic in 2017 had resulted in the highest verified number of grave violations against children since 2012. Widespread human rights violations and violations of international humanitarian law affecting children had been committed by the Syrian authorities and by non-State armed groups. The scale, scope and gravity of crimes committed against children were shocking."<sup>13</sup>

Gender-based violations, rife almost since the onset of conflict, have reached unbearable levels. Moreover, while the worst causes occurred during and as a result of the conflict inside the country, violence and discrimination has continued to affect many Syrian women and girls after their displacement. A 2018 Human Rights Council paper on gender-based violence reveals that all parties committed grave violations against women, including rape and gang



Source: Istockphoto, photo credit: pmmart

rape, and reports male detainees raped with objects and subjected to genital mutilation.<sup>14</sup> Sexual violence was used to terrorize communities and extract confessions.

Despite ample documentation of mass gender-based violence, a Report of the United Nations Secretary-General in 2016, Situation of Human Rights in the Syrian Arab Republic, observes that due to cultural norms, gender violations may, in fact, be underreported.<sup>15</sup>

### 3. From normal economy to war economy

Fragmentation of governance and militarization in the Syrian Arab Republic transformed the economy. Even as the productive capacity of the normal economy declined, a war economy – lacking cohesion and with regional and transnational connections – grew, empowering a sector of middlemen, war profiteers, warlords, smugglers and a host of other intermediaries. It has also involved an increasing number of ordinary civilians desperate to identify an income-generating activity that could help sustain their families.

Economic deconstruction was driven by several forces. First, western-imposed sanctions, notably on the export of oil to Europe, greatly reduced government revenues and cut the banking system off from the west. Second, the increasing violence damaged production and infrastructure. A main watershed was the opposition takeover of Aleppo, where the industrial sector was looted and local business left for Turkey. And, finally, the eastern hydrocarbon and grain-producing areas were lost to the opposition.<sup>16</sup>

The most obvious symptom of the decline of the normal economy was the fall in production, income and investment. The total economic activity is estimated to have contracted by more than 54 per cent between 2011 and 2018, and the cumulative losses in GDP amounted to about 324.5 billion. In addition to the contraction of all productive sectors, there has been a depletion of household income and assets, inflation and rampant unemployment. It would be an exaggeration to suggest production ceased altogether; indeed, improved weather in the early years of the conflict increased agricultural output. In cities, low-grade industrial activity continued, and small workshops produced goods ranging from textiles to car generators.<sup>17</sup>

The Syrian Arab Republic's pre-conflict economy had well integrated infrastructure networks and nationwide institutions, though inequalities existed, particularly between regions. The onset of fragmentation was, however, an indication of deconstruction. Internal trade barriers sprang up, controlled by fighters levying taxes on the flow of goods. At the same time, the regions were more closely linked economically to the outside world than hitherto. As the Government lost control of the border hinterlands, widespread smuggling by pre-existing criminal networks or cross-border tribes proliferated. First, there was massive arms trafficking to the opposition, followed later by the smuggling of people, looted artefacts and, after the opposition took over the oil fields, crude oil outwards. Scarce items, including food, flowed inwards, much of it from Turkey.<sup>18</sup> As internal production declined, inward flows of resources, including humanitarian aid and funding from opposition sponsors, became main prizes for which rivals competed.<sup>19</sup> As such, a war economy was created around predatory and intermediary activities,



Source: Istockphoto, photo credit: AbdukadirSavas

rather than production. This raised transaction costs and prices for citizens, and living standards for the majority declined, though a few reaped significant profits. Control of supply chains and checkpoints between areas was lucrative, for government and opposition officers, creating a societal logic of sustainability.

Amid the economic decline, government delivery of basics, notably food and education, was still expected but became geographically differentiated. Widespread looting, coupled with regular attacks on storage and production facilities, reduced the capacity to collect grain and produce bread. Only 40 of the 140 wheat collection centres operating before the conflict survived. Many flourmills and bakeries remain closed. In areas controlled by the Government, "... it is rare that one finds a bakery without long lines, but [bread] is available for all"<sup>20</sup> By contrast, in opposition-held territories, shortages and supply disruptions meant bread was scarce. In 2015, the Government raised the price of a standard bread bundle (1.55 kg) to 35 Syrian pounds (SYP) or \$0.19, from 25 Syrian pounds, the second increase in seven months, apparently forced by the depletion of government resources.<sup>21</sup>

Food provision was also weaponized, with supplies cut to areas held by the opposition. The channelling of most humanitarian aid to government-approved zones



gave it considerable leverage over opposition fighters if they were unable to provide the basics for their putative constituents.<sup>22</sup> Despite a United Nations resolution requiring the Government to provide access to areas controlled by the opposition, the increase in distribution was due largely to food being made available for displaced people fleeing into areas controlled by the government.

Starving besieged populations into submission was a strategy used frequently in the conflict.<sup>23</sup> Though mainly used by government forces in recapturing Syrian territory, including Al-Ghouta and parts of Aleppo, the tactic was practiced also by opposition forces, such as the siege of Nubl and Al-Zahraa from July 2012 to February 2016.

The war economy has transformed economic agency in the Syrian Arab Republic. Pre-conflict, economic leadership centred on alliances between the Government, including the public sector, and well-connected businesspeople. More than 90 per cent of enterprises were small and medium-sized, and lacked strong political connections. A potential objective of the international sanctions was to drive a wedge between the Government and capitalist class, the backbone of rule, particularly from 2000. Since the onset of the conflict, the number of individuals and entities under sanctions has been continuously increasing.<sup>24</sup> This policy has largely failed, since many businesspeople have substantial investments in the country that outweigh their overseas assets and commercial interests. Hence, the majority remained highly invested in the Government's survival. Not only did business actors closest to the Government not defect, but because their stake in its survival increased, they also put parts of their wealth at its disposal, financing pro-government militias, for instance. As with other social actors, businesspeople are subject to a variety of direct and indirect pressures and it would be inaccurate to portray their actions as entirely pragmatic or voluntary.

Some of the old, large capitalist class did leave, while many small and medium-sized enterprises have survived in areas controlled by the Government. There was a huge capital flight to neighbouring countries, the conflict in Aleppo precipitating a widespread exit by firms to Turkey. Syrian-held foreign currency deposits, especially in banks along the Syrian-Turkish border, increased dramatically and Syrian investors became the primary source of new registered enterprises in Turkey. In 2014, more than 26 per cent of all new foreign companies in Turkey were established by Syrian investors, especially in the geographic borderlands of Gaziantep, Mersin and Kilis, from where they carried out economic activity in the Syrian Arab Republic. Many were supportive of the opposition. As Syrian businesspeople established enterprises outside the country, their capital became increasingly embedded, and immobile, and unlikely to readily return home.<sup>25</sup> The same applies for the most part to Syrian businesses established in Egypt, Jordan and Lebanon.

In the vacuum, a new class of wealthy war profiteers emerged, thriving on the chaos, sanction-busting and

scarcities. These economic actors were to an extent favoured by the Government. A first group is made up of sanction-busters. As sanctions were targeted at businesspeople known to be closely aligned with the Government, an opportunity arose for second-rank little-known operators with external connections to replace them in arranging exchanges between Syrian public companies and external markets, such as importing commodities. The second group are the middlemen arranging economic deals crossing battle lines, for example, by facilitating exchanges between the Government and ISIL to ensure oil and gas continued to flow from eastern areas to State-run power plants further west.<sup>26</sup> Then in every area there are money changers, who have transferred up to \$5 million a day for a 1-2 per cent commission across battle lines.<sup>27</sup> The third group is made up of warlords taking cuts on economic flows; some commanders of pro-government militias became extremely rich and enjoyed extravagant lifestyles. Interestingly, their predatory activities gave rise to government-sponsored security companies whose function was to protect convoys from pro-government militias.<sup>28</sup> As academic Aaron Lund put it, a "veritable army of political fixers, entrepreneurs, and smugglers has emerged to provide the connective tissue" binding the fragmented nation, establishing deals where "the worst of enemies are also partners in business". This new economic elite was more decentralized than its pre-conflict counterpart; the tightly linked State-connected businesspeople have been replaced by a "many-headed hydra of armed actors running their own rent-seeking operations and trade networks."<sup>29</sup>

Countries involved in the conflict have also maneuvered for a share in the new economy, particularly in strategic areas such as energy. One obstacle to post-conflict economic reintegration is that much of the hydrocarbons, and the hydropower capacity of the Tabqa Dam, are situated in areas controlled by the United States-backed, Kurdish-dominated SDF. Throughout the conflict, pragmatic economic deals have been reached to trade electricity for oil or gas, which can be expected to continue. In this respect, reconstruction may require formal planning, and investment agreements and legal arrangements to cross truce lines, a much more daunting prospect.



“Since the onset of the conflict, the number of individuals and entities under **sanctions** has been **continuously increasing.**”



## D. The different manifestations of conflict internationalization

The internationalization of the conflict will be one of its enduring legacies. This has been particularly dramatic because, though the Syrian Arab Republic was moving towards an open economic system, it was one of the more inward-oriented countries in the region, and the world. The Government placed a premium on its economic and political sovereignty, which manifested itself in various ways, from its international economic treaties, to limiting and reducing the national debt in the 2000s and previously maintaining its food sovereignty. This relative self-sufficiency has been shattered by the conflict. At the same time, international actors – States and intergovernmental organizations – have acquired enhanced leverage over the Syrian Arab Republic's fate. Specifically, there is an international consensus on the need for a political solution (though it still seems distant), backed by several United Nations resolutions and multiple ongoing peace processes. Such political factors will inevitably impact on any reconstruction and reintegration of the divided economy, possibly obstructing it in the absence of a political settlement.

What are the manifestations of this internationalization? First, there is the direct military presence of several foreign countries, including Iran, the Russian Federation, Turkey and the United States, and their involvement in political and even humanitarian and economic affairs, albeit in different regions and to different degrees. Alongside these countries are others that became involved in political, diplomatic and financial support to various parties of the conflict, from countries of the European Union to those of the Gulf.

Second, was the Government's loss of control over its borders, which were contested by internal opposition groups, trans-State movements and external powers. Border control was crucial to taxing and controlling the flow of humanitarian aid, oil, fighters, smuggled goods and weapons into the Syrian Arab Republic from outside funders, non-governmental organizations (NGOs) and States, and exporting commodities such as oil. Battles took place over supply routes. As the State's control contracted, the Syrian Arab Republic's borderlands – boundaries in depth – became disputed areas where tribes and trans-State movements were empowered, and safe havens for fighters and platforms for international NGOs were concentrated. Opposition fighters depended on safe havens for rear bases and training facilities in neighbouring countries, and they selectively softened and hardened borders, seeking to intervene in the conflict, yet prevent spillover and blowback.<sup>30</sup>

Third, despite the popular perception of a United Nations Security Council stalemate on the Syrian Arab Republic, there have been 23 resolutions since 2012.<sup>31</sup> The scope of the resolutions is far reaching and includes a comprehensive political transition and solution to the conflict, human rights violations, the destruction

of chemical weapons stockpiles, counter-terrorism frameworks, humanitarian assistance and cross-border aid delivery, as well as targeting illegal trafficking and networks. The most significant is United Nations Security Council resolution 2254, which was unanimously adopted on 18 December 2015. It was the first to focus exclusively on a political solution and remains the underlying basis for the United Nations approach to the end of the conflict. The resolution affirmed that an inclusive and Syrian-led political process was the only sustainable solution, and called for the drafting of a new constitution and subsequent free and fair elections, establishment of an inclusive transitional governing body with full executive powers, continuity of governmental institutions, equality-based citizenship, unfettered humanitarian access, and the end of attacks against civilians and civilian infrastructure, and encouraged the full participation of women.<sup>32</sup>

Fourth, multiple countries, mainly European ones and the United States, maintain international sanctions against Syrian government agencies and individuals.<sup>33</sup> These directly or indirectly affect most sectors of the economy. They target the Central Bank of Syria and the Commercial Bank of Syria directly, apply bans on trade with State economic institutions (on the import and transport of crude oil from the Syrian Arab Republic, and on investments in the Syrian oil industry), and ban Syrian financial institutions from establishing new correspondent banking relationships abroad.<sup>34</sup>

Fifth, the presence of millions of Syrian refugees in neighbouring countries and Europe, and the international response necessary to assist and manage them, and to seek durable solutions, implies a multinational and multi-institutional effort. This has spawned an enormous industry with secondary and tertiary effects on international diplomacy and even domestic politics in the European Union, the United States and elsewhere. The spillover can be seen, for example, in the European Union-Turkey refugee deal of March 2016, which mixed refugee issues with geopolitical concerns.

Sixth, the devastating impact of the conflict and its destruction of national infrastructure and the economy has given rise to a wide international humanitarian presence in and around the country, which includes multinational institutions, regional and international NGOs, and foreign government humanitarian and relief organizations. These actors are increasingly involved in sustaining economic life and livelihood, another manifestation of how the Syrian Arab Republic has become internationalized.

Finally, there have been multiple parallel peace processes sponsored by international actors. The United Nations-led political initiative (known as the Geneva Process), based on resolution 2254 (2015) and facilitated by the United Nations Special Envoy for Syria, has involved several rounds of negotiations, beginning with the June

2012 Geneva I Conference. Alongside, there has been an ensemble of initiatives, starting with the Astana process in January 2017, which focused on military and security issues. They resulted in a series of actions, most famously the creation of four de-escalation zones. By early 2020, the Astana process had gone through more than 12 rounds of negotiations. In early 2019, the United Nations Secretary-General appointed Geir Pederson as the fourth Special Envoy charged with leading international efforts to implement resolution 2254 and the 2012 Geneva Communiqué. The focus has been on two aspects of

the resolution, namely establishment of a constitutional committee and internationally supervised elections. The final list of committee members was announced in September 2019.

By and large, however, 2019 and early 2020 saw momentum stalling in the settlement process due to external and internal factors, including the increased tightening of sanctions by the United States, the Turkish invasion of northern area, and the battle by the Government and allied forces to recapture Idlib.

## E. A hopeful peace and precarious status quo

Armed combat had declined in most of the country as the conflict entered its ninth year. Despite the multiple peace processes, however, there has been no comprehensive political settlement. The Government regained control of large swathes of territory previously held by opposition groups and ISIL. This “new” status quo has had a positive impact, dramatically lowering rates of death and destruction but violence continues, quite heavily, in some parts of the country, and the potential for conflict relapse along new axes remains. Further, thousands of people remain imprisoned, displaced or missing.

Syrians who have faced the brunt of the conflict are exhausted after almost a decade of it. Most yearn for normality and a relief from the fighting. They are now trying to come to terms with the legacy of violence, death and disability, and the collective trauma. Among large sectors of Syrian society inside and outside the country, there is no appetite for more conflict, or polarization, though this must not be confused with a willingness to reconcile or make peace with those regarded as having inflicted systematic violence on civilians. Long-lasting conflicts often overflow their borders, and for neighbouring countries that have faced a spillover, the reduction in violence suggests a regional escalation due to the Syrian conflict is less likely. With the reduction in fighting, a fledgling recovery is evident in some parts of the country, as well as a revival of economic linkages between countries in the region, vital for those such as Jordan and Lebanon.

On the other hand, the lack of a comprehensive agreement implies that the situation remains precarious. Two major areas in the north-west and north-east are outside government control. Any escalations could cause severe humanitarian catastrophes for a largely trapped and completely aid-dependent population. The DAA remains in the north-east, as well as the United States-led western coalition forces.

There is no declared intention, nor mechanism, for meaningful accountability and reconciliation for the gross violations and brutal crimes committed during the conflict. Sanctions entailed high costs on the Syrian

society as well as exacerbated the war economy. While economic recovery in some parts, particularly those experiencing complete destruction, is a positive, the lack of a comprehensive settlement implies piecemeal reconstruction that does not address the legacy of the war economy. This process may also reward warlords and continue a process of illegitimate wealth accumulation. Moreover, no settlement and the continued status quo do not address the root causes of the conflict, which it disempowers Syrian civil society. Deep poverty, food insecurity and social problems suggest deprivation rates are at alarming levels.

Any relapse would be devastating. A sustainable and inclusive process of peacebuilding is imperative, one that addresses the root causes as well as the transformations wrought by the conflict itself. There have been missed opportunities, but now is as good a time as any for all sides to engage in protracted peacemaking and peacebuilding – for the good of Syrians, the region and the world.



Source: Istockphoto, photo credit: MuhanadHammoud



# 02

## Social Landscape

### Human development index



The Syrian Arab Republic's human development index (HDI) fell sharply from 0.64 in 2010 to 0.549 in 2018, downgrading its status from the medium human development countries umbrella to that of the low human development countries.



## A. Introduction

The conflict continues to cause damage to social structures and the physical infrastructure, from disruptions in electricity or no safe water, to a lack of access to health care, education and decent employment. The country's social fabric has been shattered, destroying the livelihoods and capabilities of many civilians, straining social ties and invigorating community intolerance. Syrian civilians have suffered the most. The proportion of civilian deaths has been high and rising while the bulk of survivors have either been internally displaced or sought asylum in neighbouring countries where the suffering continues among refugee communities.

Even after the cessation of conflict and moderate stabilization, the Syrian Arab Republic's reconstruction is problematic. At this stage, the odds of overcoming the setbacks or reverses in social development and reaching development targets over the coming years are slim. The population may gradually increase to its pre-conflict levels as refugees and IDPs return to rebuild their communities, leading to a relatively rapid recovery and growth in the construction industry, but there are long-term social

repercussions and damage to infrastructure that may take years to restore. The loss of a generation is a worrisome trend that will continue as youth become increasingly deprived of basic needs, education and employment opportunities. These will likely create a vicious cycle where impoverished individuals, deteriorated livelihoods and a sluggish economy continuously intersect. Conflict-related trauma and mental health illnesses are also bound to affect the long-term well-being of Syrians, and their contribution to a productive workforce and community life.

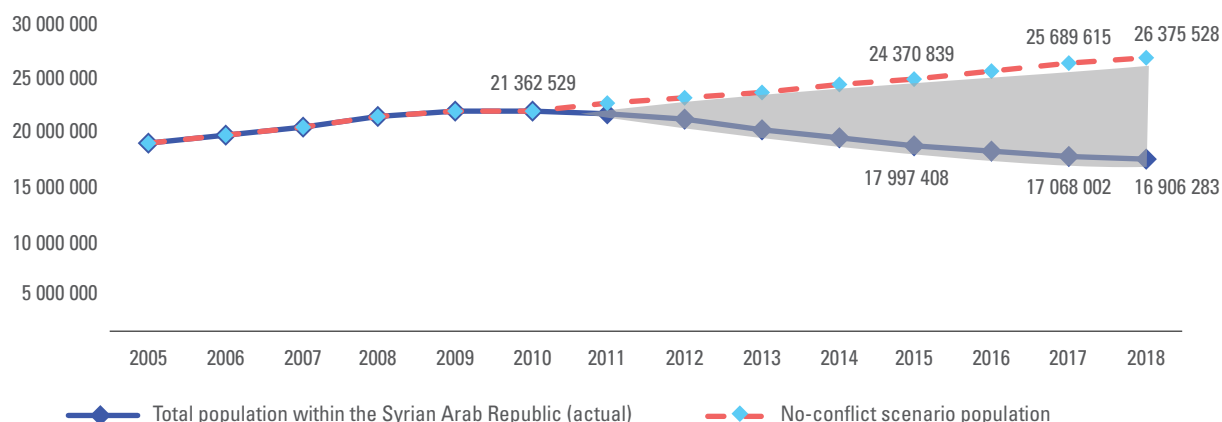
This analysis provides an in-depth picture of the social and developmental status quo in the Syrian Arab Republic, using the latest data available from sources including the United Nations Refugee Agency (UNHCR), the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO). Systematic and current data for several indicators, such as the conflict-induced death toll and school enrolments, were limited. The results do not capture the full magnitude of social deprivation but are still indicative of the state of affairs.

## B. Demographic outlook

Since the onset of the conflict, the Syrian Arab Republic's demographic outlook has been transformed, with an estimated average annual population growth rate of near -3 per cent (people inside the country).<sup>35</sup> The conflict has led to around 21 per cent decline in population, from 21 million to 16.9 million over the period 2010-2018 (figure 1). If the population had continued to rise annually at the pre-conflict average of near 2.67 per cent, it would have reached more than 26 million in 2018. The deviation from

the no-conflict projection mainly reflects: first, the rising number of Syrians fleeing the country, with more than 5.5 million officially registered as refugees in neighbouring countries in 2019 (figure 2), and second, the high number of conflict-induced deaths. The conflict has resulted in high non-combatants fatalities. The death toll is expected to have increased over the past few years as hostilities persisted, but updated data are not available.

**Figure 1.** The Syrian Arab Republic's population, 2005-2018



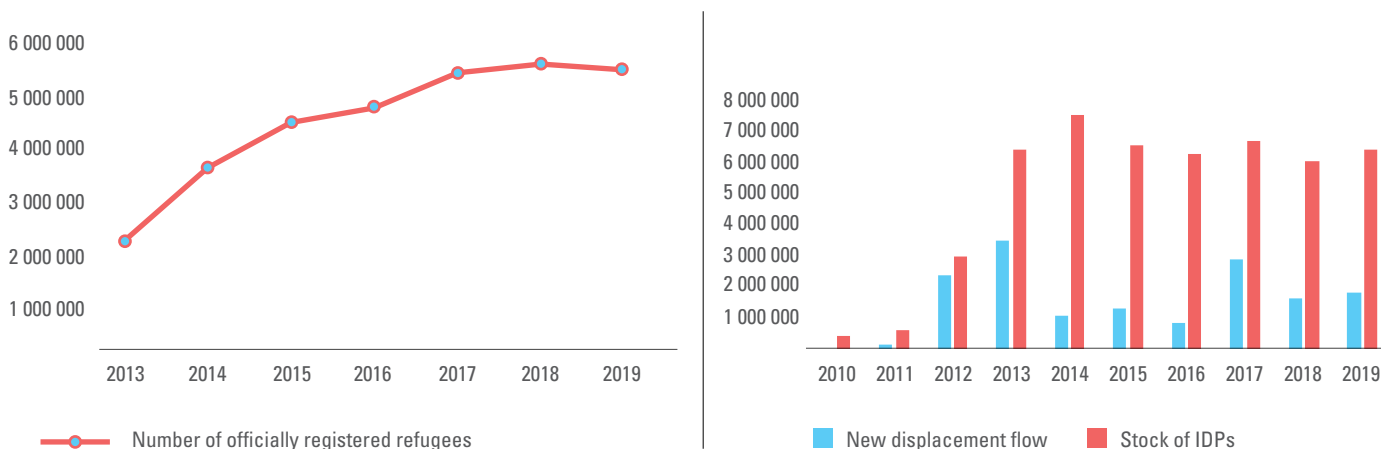
Source: Based on World Bank, "Population, total", DataBank. Available at <https://data.worldbank.org/indicator/SP.POP.TOTL> (accessed on June 2020).  
Note: Shaded area represents deviation away from the no-conflict projection.



Continuously shifting front lines have caused an increase in internal displacements.<sup>36</sup> Seeking physical safety and access to basic services top the list of reasons given for displacement. The de-escalation and truce agreements made in 2016 led to a partial restoration of basic services, including water and electricity, in many areas. This led to a decline in internal displacements in early 2017, and a wave of voluntary returns, estimated at 721,000, to communities of origin.<sup>37</sup> About 90 per cent were IDP returns, less than 10 per cent were refugees.<sup>38</sup> A similar pattern in return movement continued in 2018 as more areas regained relative stability. According to OCHA, 1.4 million spontaneous returns were reported in 2018,

56,047 of them refugees.<sup>39</sup> UNHCR emphasizes that going back to the Syrian Arab Republic is risky, especially as several areas, including those that are comparatively stable, remain susceptible to explosive hazards, such as landmines, improvised explosive devices (IEDs) and explosive remnants of wars (ERWs), as well as episodes of active violence.<sup>40</sup> Thus, residents, including returnees, are prone to repeated displacements and, in some cases, detention. Around 1.8 million people were displaced in 2019, marking an increase relative to 2018, mostly due to the escalation of hostilities in the north-east and north-west.<sup>41</sup> By the end of 2019, the total number of IDPs exceeded 6.4 million.

**Figure 2.** Trend in registered refugee numbers, and the Syrian Arab Republic’s internal displacement



Sources: UNHCR, Syria Regional Refugee Response. Available at <https://data2.unhcr.org/en/situations/syria> (accessed on June 2020); and Internal Displacement Monitoring Centre (IDMC), Syria Country Profile. Available at <https://www.internal-displacement.org/countries/syria> (accessed on June 2020).

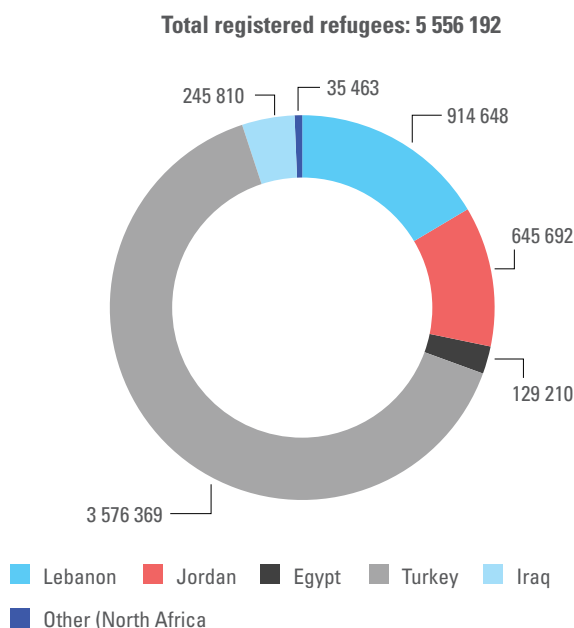
Note: The yearly figure for officially registered refugees reflects the number reported on 31 December of each year.

## C. Refugees

The number of refugee migration has risen considerably since the onset of conflict (figure 2), an indication the country remains largely unsafe and insecure. In 2019, more than 5.5 million Syrians were registered as refugees (figure 3), dispersed predominately in five countries, namely Egypt, Iraq, Jordan, Lebanon and Turkey.<sup>42</sup> While Turkey hosts the largest absolute number of registered refugees, with 3,576,369 (figure 3), Lebanon and Jordan have the highest refugee-to-population ratio, with near 13.4 per cent and 6.5 per cent, respectively (figure 4). The numbers would be higher if asylum seekers and non-registered refugees were included, especially those in Lebanon and Jordan who have not yet been granted refugee status.

It is important to acknowledge that many Syrian refugees are unaccounted for, remaining unregistered due to financial, political and legal constraints, such as not having civil documentation. They face even greater obstacles when it comes to securing humanitarian aid and decent livelihoods. An estimated 73 per cent of surveyed Syrian refugees aged 15 and older and living in Lebanon did not have legal residency, meaning their education and employment opportunities are limited and that settling for informal, underpaid and sometimes hazardous jobs becomes commonplace.<sup>43</sup>

**Figure 3.** Number of officially registered refugees in neighbouring countries, 2019



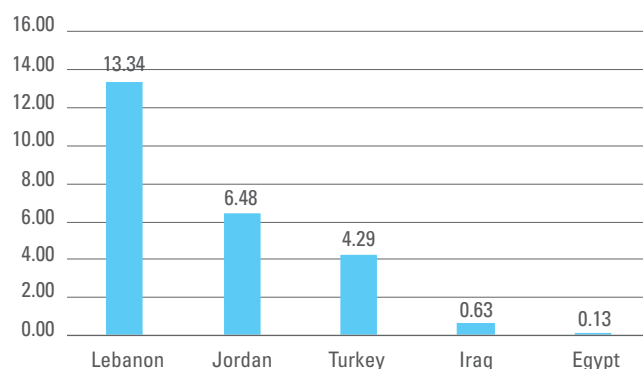
Source: UNHCR, Syria Regional Refugee Response. Available at <https://data2.unhcr.org/en/situations/syria> (accessed on June 2020).

Note: The yearly figure for officially registered refugees reflects the number reported on 31 December of each year. In Jordan, the number of refugees reflects that reported on January 5, 2020 since the number was not reported on 31 December 2019.

The majority of the Syrian refugees (about 94 per cent) live outside refugee camps. For instance, Lebanon, which holds about 1 million refugees, has no formal camps. In Jordan, three camps, Azraq, Emirati Jordanian Camp and Zaatari, have about 18 per cent of the refugees, leaving more than 80 per cent without a formal sanctuary.<sup>44</sup> Syrian refugees may have escaped widespread chaos at home but they continue to face daily obstacles and deprivations that prevent them from leading dignified lives. According to the World Food Programme (WFP),<sup>45</sup> 46 per cent of refugees in Turkey fall below the poverty line. The poverty rate increases to 73 per cent in Lebanon, and 78 per cent in Jordan.<sup>46</sup> In Egypt, the latest vulnerability assessment shows that 69 per cent of refugees fall below the poverty line.<sup>47</sup>

The total number of in-camp Syrian refugees across the region was 286,342 by the end of 2019,<sup>48</sup> less than 6 per cent of the total Syrian refugee population. Camp conditions are deteriorating, especially during winter. Overcrowding is increasing and assistance shrinking.<sup>49</sup> Lack of access to basic sanitation, health services, clean water, food and medicine are commonly reported.<sup>50</sup> In-camp refugees, however, seem proportionately better off than those living in informal tented settlements (ITS). In Jordan, those in ITS households were deemed to be among the most vulnerable populations as they lack access to basic needs and services, live in inadequate and

**Figure 4.** Officially registered Syrian refugees, share of population in neighbouring countries, 2019 (percentage)



Sources: Computed using UN DESA Database, Total Population- Both sexes. Available at <https://population.un.org/wpp/Download/Standard/Population/> (accessed on June 2020); and UNCHR, Syria Regional Refugee Response. Available at <https://data2.unhcr.org/en/situations/syria> (accessed on June 2020).

squalid housing, and do not have the means to carry out a dignified life.<sup>51</sup> Similarly, in Lebanon, in 2019, about 32 per cent of assessed Syrian refugees lived in overcrowded environments.<sup>52</sup>

Poor living conditions, whether in camp or out, along with depleted savings and limited livelihood opportunities, are the foundation for harmful exploitation, such as gender-based violence, child abuse, child labour and early marriage. In Lebanon, 27 per cent of Syrian refugee girls aged 15 to 19 were married, yet this also varied across governorates, with the North governorate having the highest child marriage rate of 34 per cent. Households trying to close the income-expenditure gap also resorted to harmful or short-term coping mechanisms, including borrowing and relying on humanitarian assistance, and cutting down on essential needs, such as food rations and health care. In 2018, assessed Syrian refugee households living in Jordan continued to rely on one or more negative coping mechanism, including removing children from school, child labor, or marrying a daughter to close the income-expenditure gap.<sup>54</sup> In fact, children are the hardest hit by deprivation: of refugee communities assessed in Jordan, more than 81 per cent of Syrian children aged 0-5, and 50 per cent of those aged 6-17 are monetarily and multidimensionally poor, with high deprivations recorded in health, child protection and childhood education.<sup>55</sup>

On a positive note, there has been improvements in some areas such as access to health-care services and education, though this varies by country and governorate. Even though conditions overall are deemed to be improving in certain regions, shortages in funding and assistance, and stricter border and registration policies, are bound to

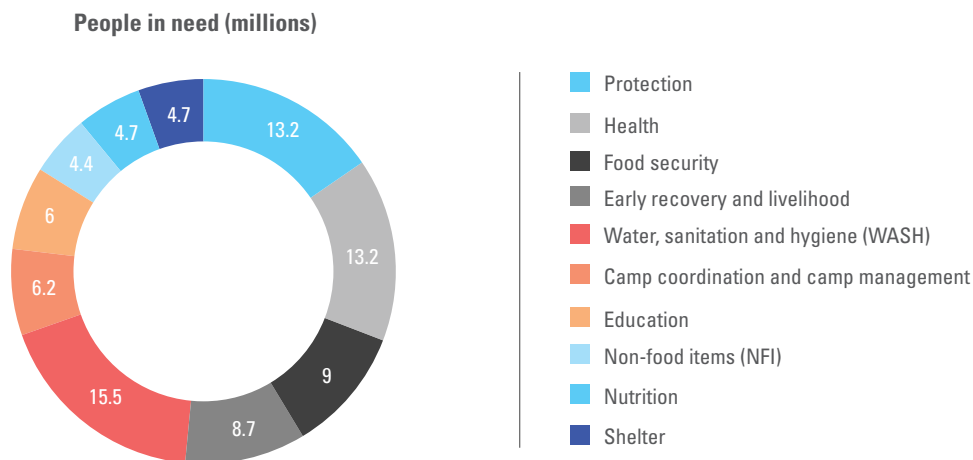
result in a deteriorating humanitarian situation, especially if no resolution to the conflict is reached. Besides, the increasing refugee toll exerts pressure on the economic and social infrastructure of host communities, which may trigger tensions and hostility towards refugees.

## D. Population in need

The conflict has not only caused one of the largest human displacements that has left vast numbers homeless and unprotected, it has also ruthlessly compromised their remaining basic rights and survival needs. In 2019, more than 11.7 million people within the Syrian Arab Republic were in need of at least one form of humanitarian

assistance, with 5 million in acute need.<sup>56</sup> Moreover, children constitute about 42 per cent (5 million) of those in need. It should be noted that this is a substantial decrease on the 13.1 million people in need in 2017, and partly a result of the de-escalation of conflict in various areas.

**Figure 5.** Breakdown of people in need, 2019



Source: OCHA, 2019.

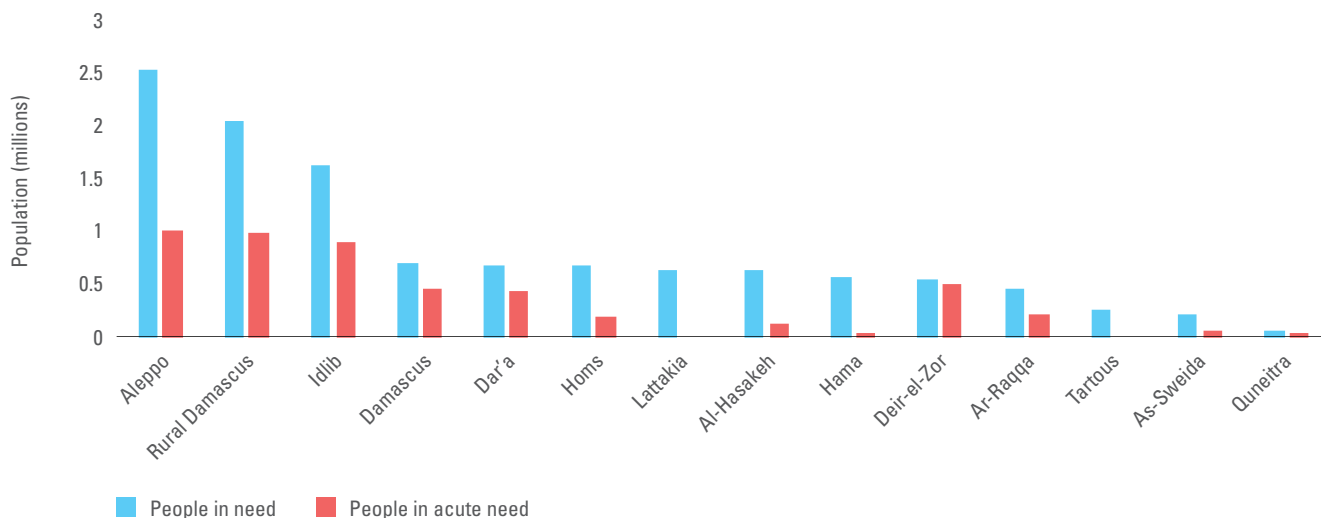
Water, sanitation and hygiene (WASH), protection and health are the three main categories in which need is pressing, with the number of vulnerable people exceeding 15.5, 13.2 and 13.2 million, respectively (figure 5). The assistance required across the remaining dimensions is also substantial, with 9 million having food security needs and another 6 million in need of educational support. More than 59 per cent of those in need are concentrated in the governorates that experienced intensified bloodshed and sustained sieges, particularly Aleppo, Damascus and Rural Damascus, and Idlib (figure 6).



Source: Istockphoto, photo credit: ridvan\_celik



**Figure 6.** People in need by governorate, 2019



Source: OCHA, 2019.

While United Nations-declared besieged locations were evacuated over the course of 2018, 76 per cent of those communities are still classified by the United Nations as hard to reach.<sup>57</sup> People in these areas are severely

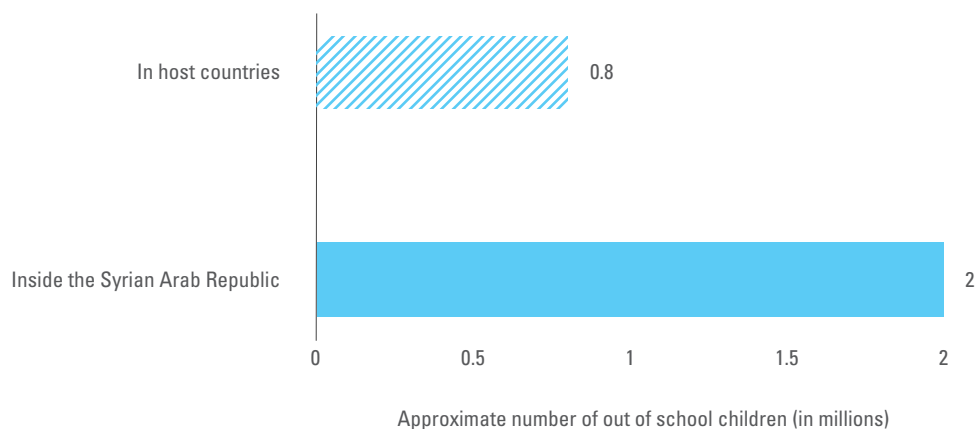
vulnerable as the delivery of humanitarian assistance is generally obstructed. The disruption of civil documentation procedures is another impediment to providing aid.

## E. Education

Schools have endeavoured to operate in conflict zones but deliberate attacks on educational institutions have not ceased, with 426 school bombardments officially verified since 2011.<sup>58</sup> More than 40 per cent of school infrastructure

is crippled, with one out of three schools either damaged or destroyed or used as a shelter.<sup>59</sup> The widespread use of schools as collective shelters for IDPs has increased pressure on the education infrastructure.

**Figure 7.** Children out of school, academic year 2017-2018



Source: No Lost Generation, "Investing in the Future: Protection and learning for all Syrian children and youth", Brussels III Conference pamphlet, March 2019.

Some 6 million people, 5.9 million of them children, need educational support.<sup>60</sup> Nearly 2 million school-aged children inside the Syrian Arab Republic were out of school during the 2017-2018 academic year (figure 7) and a further 1.3 million were at risk of dropping out.<sup>61</sup> The total number would rise to around 2.8 million if the 800,000 Syrian children out of school but residing in the five major host communities were taken into account.<sup>62</sup>

According to No Lost Generation (NLG), an initiative led jointly by UNICEF and World Vision, overall school enrolment increased in 2018 relative to 2017,<sup>63</sup> though it still did not reach pre-conflict levels. Based on United Nations Educational, Scientific and Cultural Organization (UNESCO) data, net and gross enrolment ratios have sharply decreased at primary and secondary levels during the conflict (figure 8). The higher gross ratios relative to their respective net ratios may also indicate worsening education quality due to factors such as grade retention and overage students.<sup>64</sup> Additionally, more than 140,000 teachers are no longer in their positions.<sup>65</sup> This staff scarcity contributes to the deterioration in quality as reflected in a higher pupil-to-teacher ratio. Unexpectedly, the tertiary gross enrolment ratio shows an increase in 2016,<sup>66</sup> though this should be treated with caution, given that for males it may reflect enrolment to evade mandatory military service.

Children face obstacles that put them at risk of dropping out of school. As family incomes become strained and standards of living deteriorate, the likelihood of participating in income-generating activities to support families increases. Of assessed communities within the Syrian Arab Republic, 81 per cent reported the occurrence of child labour as a barrier to school attendance. Moreover, 45 per cent reported child recruitment to fighting groups as a matter of concern.<sup>67</sup> Mainly adolescent boys aged under 15, and in some

cases as young as 12, have been recruited,<sup>68</sup> which is alarming as it nurtures a culture of violence and renders their reintegration in mainstream schools and civil society highly challenging. Early marriage for girls as young as 10 was also reported by 45 per cent of assessed communities.<sup>69</sup> Such infringements of children's basic rights can aggravate impairments in mental and emotional health, leading to serious and in many cases irreversible psychological disorders. The loss of civil documentation is another barrier to school enrolment and grade completion, particularly when sitting official exams.

With these emerging social epidemics, the Syrian Arab Republic faces the acute challenge of having lost a generation. The detrimental outcomes of a rising generation of undereducated youth will likely unfold throughout the later stages of their lives, jeopardizing their future employment opportunities, mental health and lifetime well-being.



Source: Istockphoto, photo credit: ridvan\_celik

**Figure 8. Gross and net enrolment ratios**



Source: UNESCO Institute for Statistics (UIS) Database, Available at <http://uis.unesco.org/en/country/sy> (accessed on June 2020).

<sup>a</sup> Figures represent the latest available point in time: 2013 for primary and secondary, 2016 for tertiary.

## F. Food insecurity and nutrition

Nutritional assistance remains substantial as the agriculture sector, which provides the main source of income for most Syrians, continues to suffer from losses in crucial infrastructure, crop production, livestock and human capital. Droughts in 2017-2018 furthered limited production capacity.

De-escalation of the conflict in the past few years has led to improvements in food security and market access, yet restrictions on delivering goods remain high. As of the end of 2016 and up to mid-2018, the price of an average food basket fell steadily across the Syrian Arab Republic, yet since then the food prices began to increase again.<sup>70</sup> Compared with pre-conflict levels, prices are much higher and purchasing power substantially lower due to various factors, including the limited production capacity described above, disrupted trade and the currency devaluation. In some 40 per cent of Syrian households, more than 65 per cent of expenditure is on food.<sup>71</sup> This spending pattern has squeezed the middle-class budgets and is pushing more people into poverty.

About 6.5 million people were food insecure and a further 2.5 million were liable to becoming acutely insecure in 2019.<sup>72</sup> Many families have adopted harmful mechanisms to cope with the emerging status quo, including poor consumption patterns. The Food and Agriculture Organization of the United Nations (FAO) and the United Nations World Food Programme (WFP) estimate that 46 per cent of households are cutting down on their daily food rations, and 38 per cent on adult consumption to ensure children have enough to eat.<sup>73</sup>

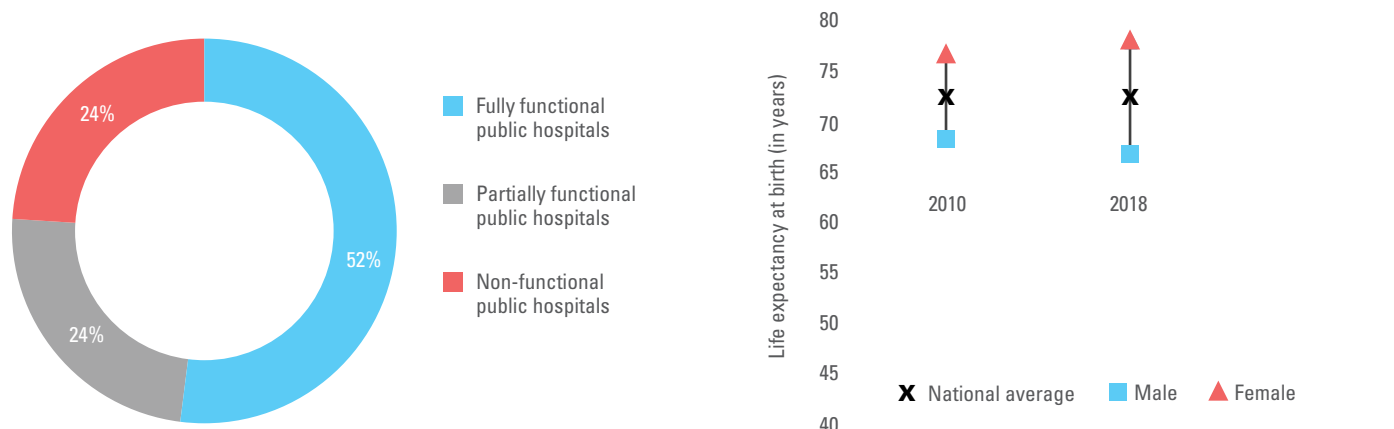
Chronic malnutrition has increased during the conflict, incurring relatively high stunting and mortality rates among children.<sup>74</sup> Trends in displacement, food prices, unemployment and access to health services and humanitarian aid are all factors that affect malnutrition. Unfortunately, systematic statistics on malnutrition remain largely unavailable.

## G. Health

Health facilities and staff are indiscriminately targeted during attacks, with a detrimental impact on civilians. The availability of services in terms of quantity and quality has sharply declined. In 2018, health facilities and workers were attacked 142 times, a significant increase compared with 2017.<sup>75</sup> Some 48 per cent of total public health facilities are reported to be partially functional or non-functional by the end of 2018 (figure 9). Despite the de-escalation in several regions, attacks on health facilities were persistent in 2019. The number of people in need of care increased in 2019 to 13.2 million across the country compared with

11.3 million in 2018. Additionally, widespread displacement continues to put a strain on health infrastructure affecting those in need of urgent treatment. Electricity disruptions due to damaged infrastructure has also become an impediment.<sup>76</sup> Even though international efforts are directed at securing adequate aid, the situation remains dire. The delivery of basic life-saving medical supplies is obstructed, often affecting populations in acute need located in hard-to-reach areas. Hence, they have little – if any – chance of accessing treatment.<sup>77</sup>

**Figure 9.** Public hospitals, 2018, and life expectancy at birth (years), by sex



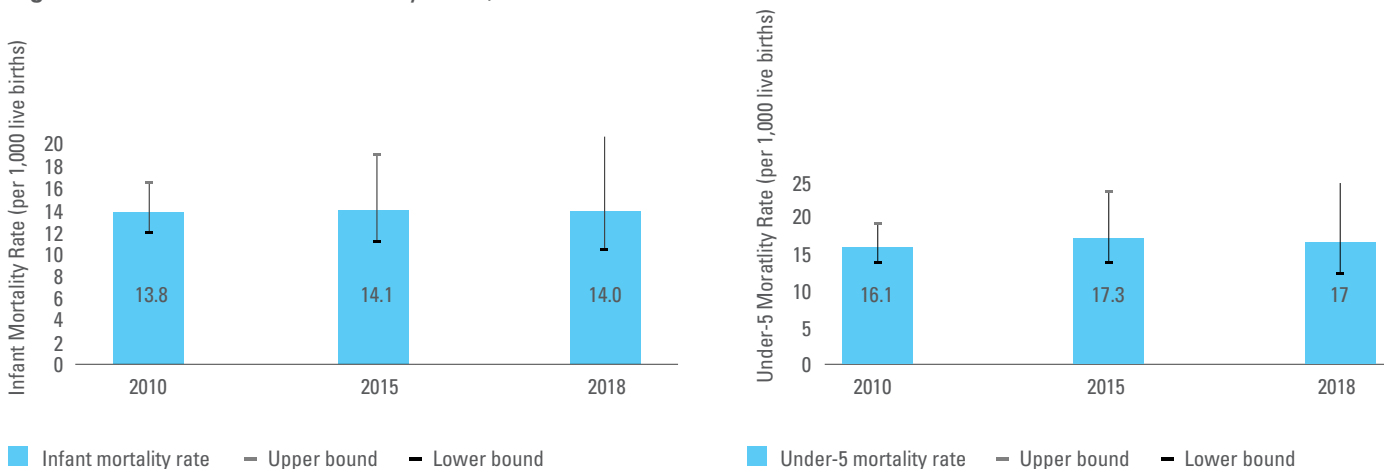
Source: WHO, HeRAMS Syria report, Snapshot for public hospitals, December 2018. Available at [https://applications.emro.who.int/docs/SYR/COPub\\_SYR\\_Dec\\_2018\\_EN\\_22337.pdf?ua=1&ua=1](https://applications.emro.who.int/docs/SYR/COPub_SYR_Dec_2018_EN_22337.pdf?ua=1&ua=1); and UNDP, 2018.

<sup>a</sup> Figures represent the latest available point in time: 2013 for primary and secondary, 2016 for tertiary.

The health situation, already precarious, further deteriorated in 2019, with 15.5 million people lacking access to safe water sources, which inevitably creates breeding grounds for waterborne diseases. Only 13 per cent of people were receiving piped water in Idlib, and 16 per cent in Aleppo.<sup>78</sup> According to WHO, in the first quarter of 2018, of 300 monitored groundwater wells in Aleppo, more than 95 per cent were contaminated. WHO reported that acute diarrhea was among the top five health-related morbidities, alongside influenza-like illnesses, the parasitic disease leishmaniasis, chicken pox and lice.<sup>79</sup> Moreover, several infectious disease outbreaks were reported. Measles cases tripled in the first quarter of 2018 compared with 2017. Approximately 7,073 cases

were reported, with 684 confirmed, possibly due to a lack of consistent immunization; 33 per cent of infants did not receive vaccine, compared with 18 per cent pre-conflict.<sup>80</sup> Over the course of 2018, measles cases declined from 1,176 cases a week to 80.<sup>81</sup> A further 2,800 cases of tuberculosis (TB) were reported in 2017, though actual numbers are estimated to be much higher.<sup>82</sup> This sheds light on the direct toll on health of poor living conditions, since infectious diseases such as TB usually thrive in substandard and overcrowded environments. Any risk is amplified among young children, who are more likely to face the consequences of ill health due to their specific needs and vulnerability.

**Figure 10.** Infant and child mortality rates, modelled estimates



Source: UN Inter-agency Group for Child Mortality Estimation (UN IGME) 2019 data. Available at <https://data.unicef.org/resources/dataset/child-mortality/> (accessed on June 2020).

Notes: The 90 per cent confidence intervals are reported. For the Syrian Arab Republic the UN IGME holds the estimates constant since the start of the conflict while increasing uncertainty over time. See UN IGME, Levels and Trends in Child Mortality (2019). The UN IGME consists of UNICEF, WHO, World Bank and UN DESA, Population Division.

Pre-conflict, the Syrian Arab Republic showed appreciable progress in attaining health development goals, particularly in reducing infant and child mortality rates. The growing scarcity in health-care provision, and rising food insecurity and environmental pollution amid persistent insecurity and conflict, have reversed the progress.

De-escalation agreements may have had a positive impact on the provision of care in several areas, facilitating humanitarian assistance, but the situation is still worse than before the conflict. Measuring health status and mortality rates during conflict is increasingly difficult and scarce. The modelled estimates indicate the higher probability of dying among children and infants in 2018 as compared with pre-conflict levels. Nevertheless, these figures must be treated with caution, as modelled estimates often do not incorporate the broader and direct impact of conflict on the health system and death toll. The widened confidence intervals over time reported with these estimates indicate the increased uncertainty and measurement difficulties during conflict. Syrian life expectancy at birth has declined, from 72.1 years in 2010

to 71.8 in 2018. It declined from 68.1 in 2010 to 66.6 in 2018 (figure 9) among males due to their inadequate access to humanitarian aid and health care – women and children are more likely to be prioritized – as well as the likelihood of them engaging in riskier activities, including armed recruitment.

WHO has adopted a comprehensive definition of health that encompasses physical and mental health, and social well-being. Unfortunately, in the Arab region mental health is often overlooked. WHO estimates that 1 in 30 people living in the Syrian Arab Republic is affected by a severe mental health disorder, such as extreme depression and psychosis, with one in five experiencing more moderate forms of mental distress, such as depression and anxiety.<sup>83</sup> More than two thirds of children require health services to treat physical and mental disabilities.<sup>84</sup> WHO estimates that one in four children is likely to develop a mental health disorder.<sup>85</sup> Many suffer various forms of mental distress, having witnessed extreme violence, lost one or more parent and seen their homes destroyed, and facing the daily reality of life in abysmal conditions.

UNICEF has reported that an estimated 50 per cent of children have trouble sleeping, and suffer from nightmares or bedwetting.<sup>86</sup> A previous assessment surveying Syrian refugees in urban areas of south and central Jordan, revealed the high levels of trauma experienced by boys and girls under the age of 15, manifested through behavioural changes, violent tendencies, withdrawal symptoms, suicidal thoughts and fear reactions, among others.<sup>87</sup> Such long-term trauma will have irreversible

consequences on their well-being, coping mechanisms and cognitive ability, especially when it comes to being reintegrated into society, either in the Syrian Arab Republic or as refugees abroad. Recent assessments are not available, but earlier figures suggest symptoms of mental distress are most likely to be intensified in certain parts of the country due to ongoing conflict and a shortage of psychological support outlets.

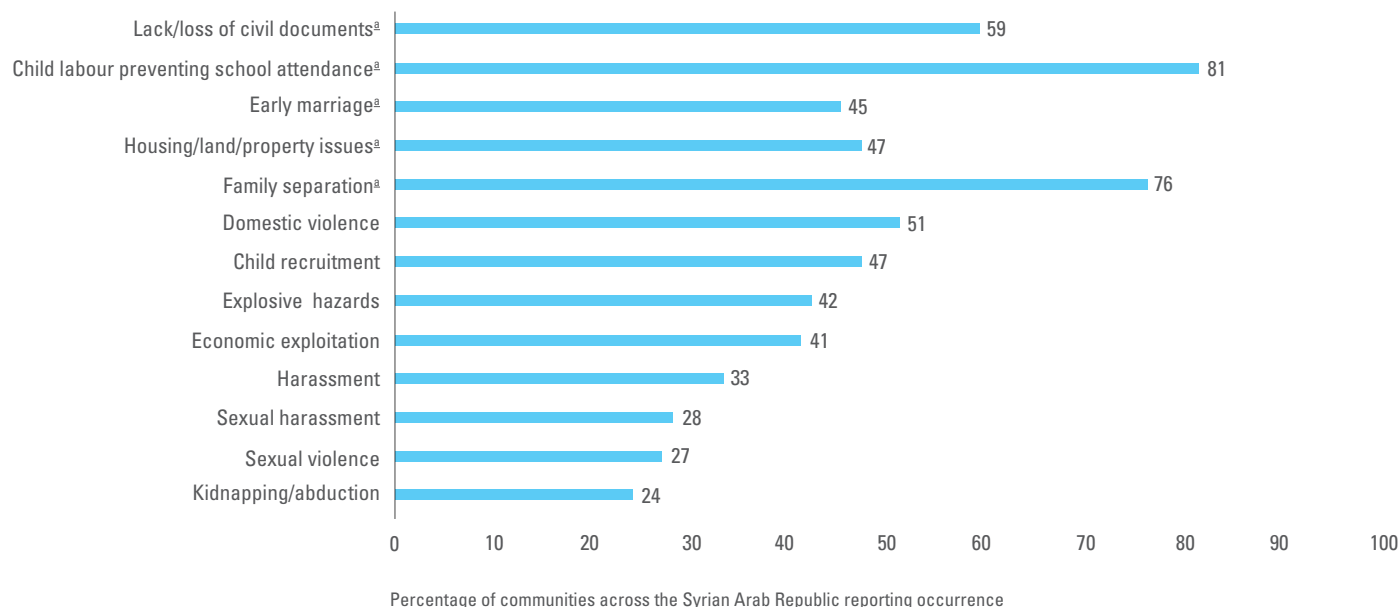
## H. Other social implications

Exploitative practices have escalated during the conflict. Several groups, commonly children, youth, women and the elderly, have been left unprotected from various threats, including loss of civil documents, human trafficking, looting and other forms of exploitation (figure 11).

Among protection concerns, 59 per cent of assessed communities reported they had lost civil documentation.<sup>88</sup>

Reasons are numerous, including leaving papers behind when fleeing gunfire, expiration and lack of legal services, and confiscation. A lack of identification documents, especially Syrian identity cards, poses a serious threat for civilians, entailing limited access to humanitarian aid and public services. More importantly, it puts a substantial fraction of them, especially newborns and children, at grave risk of statelessness and long-lasting social marginalization.

**Figure 11.** Protection concerns as reported by assessed communities, 2018-2019



Sources: OCHA, 2017, 2019.

<sup>a</sup> Updated figures based on data from OCHA, 2019.

Protracted conflict has led to a significant rise in the number of jobs destroyed. Soaring unemployment, which prompted the initial upheaval, has intensified, with rates as of 2015 estimated to be near 55 per cent,<sup>89</sup> and 75 per cent among youth,<sup>90</sup> and affecting women more than men. Being without a job for prolonged periods engenders low self-esteem and increases the risk of skills becoming obsolete, decreasing the chance of future employment. The situation is exacerbated among youth by the loss of education infrastructure.

Further, limited socioeconomic opportunities for women have led to pervasive gender-based violence. Forced marriages for girls as young as 10, verbal harassment and sexual violence, including rape, are all reported as mounting concerns by assessed communities. As a result, girls and women continue to be exposed to rising nuisance and insecurity at a time when securing their livelihood chances and rights becomes more challenging. These have not obviated the increasingly key role Syrian women have to play in supporting the resilience of their families and communities.

Youth and children constitute another highly vulnerable group. Their childhoods and academic aspirations have been shattered as families resort to harmful coping strategies to relieve their financial burdens, such as participating in child exploitation, including early marriage and child recruitment to fighting groups. The loss of an entire generation may be irreversible given many have lost their formative childhood years, been deprived of an education and suffered traumatic experiences. Their ability to contribute to society, not only as individuals but also as part of a productive workforce, is at risk. The future of

the Syrian Arab Republic is contingent on reversing these losses, and on enabling women and young people to undertake their indispensable role in reconciliation and development.

As highlighted by the Syrian Center for Policy Research (SCPR), the impact of the conflict on the country's social capital has been extensive. Social capital, which sustains the social fabric, can be defined as the social values, bonds and networks adopted by a society that serve as the foundation for cohesion and integration.<sup>91</sup> The ongoing hostilities have resulted in a loss of social capital, precipitating social fragmentation and exclusion.<sup>92</sup> The Syrian Arab Republic's culture was often characterized as a multicultural mix of traditional and modern, inheriting traits from the civilizations that prospered throughout its history. However, conflict has lessened tolerance and heightened the oppression of multiple identities, ideologies, religions and ethnicities that were part of the social fabric pre-conflict. Even though society was going through a transition, caught between conservative and traditional ideologies and modern ones, the conflict has forced these further apart. Oppressive forces have incited the divide, and coerced individuals into picking sides.<sup>93</sup> Intolerance of all kinds has become deeply enshrined in certain regions, its followers continuously propagating hate messages, and governing using fear and subjugation.

These social capital indicators pose a troubling question for future reconstruction, particularly the dignified return of displaced persons and Syrian refugees from abroad, who will no longer return to the communities they once knew, whose incentive to do so might be weakened, and who will most definitely encounter tension when adapting to their new environments.

## I. Human development

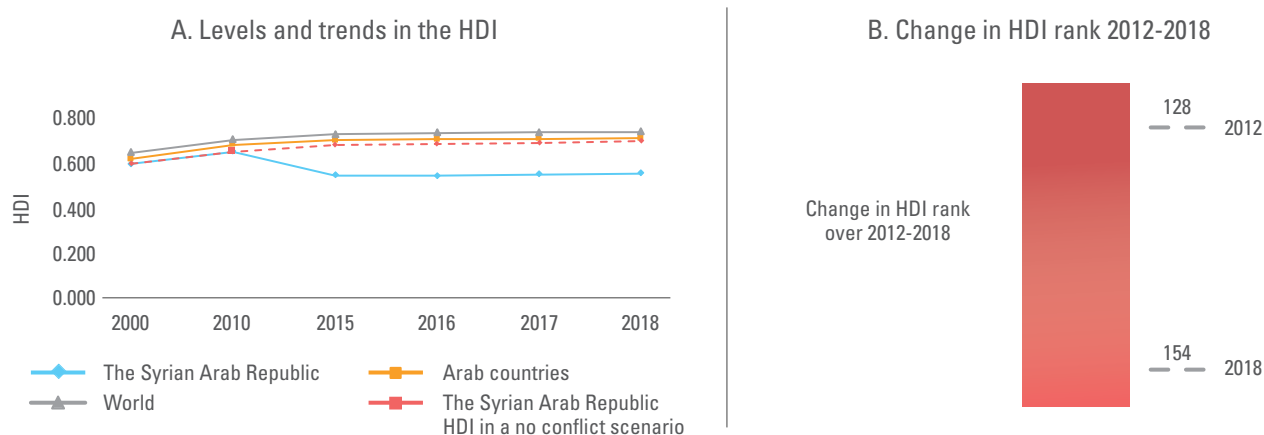
Development has been in a downward spiral since the crisis erupted, a deviation from the regional and global upward course. The Syrian Arab Republic's human development index (HDI) fell sharply, from 0.64 in 2010 to 0.549 in 2018, thus downgrading its status from the medium human development group of countries to the low. As depicted in figure 12, the protracted conflict has wiped out gains accumulated throughout the early 2000s, leading to the gradual downgrading of its HDI rank, from 128 to 154 out of 189 countries over the period 2012-2018. Had it remained on its pre-conflict development path, with HDI growing at the same annual rate of 0.88 per cent as in the period 2000-2010, the Syrian Arab Republic would have had a present-day HDI value of 0.691, equivalent to an upper medium human development country. The accumulated cost of conflict in terms of development is about a 21 per cent loss in its HDI value relative to a no-conflict scenario.



Source: Istockphoto, photo credit: HAYKIRDI



**Figure 12. HDI, value and rank**



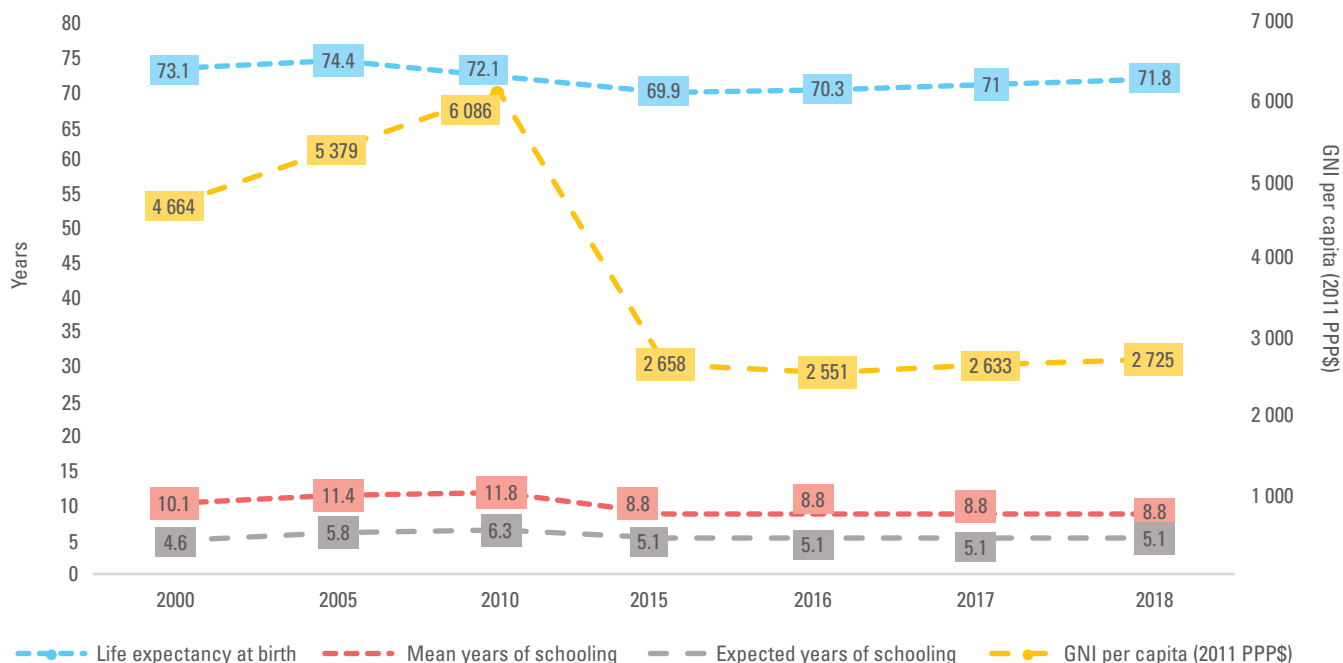
Source: Based on UNDP, 2018.

Conflict detrimentally impacted all three dimensions of HDI (health, knowledge and living standards) as the shelling indiscriminately targeted hospitals, schools and civilians. Examining the trends in the HDI components presents a more complete picture of the development status quo, as well as assessing the development gap between the Syrian Arab Republic, the Arab region and the world.

Caught in the crossfire, civilians suffered from the direct and indirect consequences of conflict. The rising death toll of non-combatants, due to either direct assaults or as a by-product of increasingly scarce health services resulting from impaired facilities and restrictions on

dispatching humanitarian assistance, together with the outbreak of communicable diseases, is reflected in lower life expectancy, which in 2018 was marked at 71.8 years. Average life expectancy for men is even lower, marked at 66.6, especially as women are at an advantage when accessing humanitarian aid. Men are also more likely to engage in armed violence. It is important to note, however, that 2017 and 2018 generally show a fair improvement over the previous two years in health indicators. This can be largely attributed to de-escalation accelerating the delivery of basic health aid and the evacuation of some besieged areas. The Syrian Arab Republic came closer to the regional life expectancy of 71.9 years in 2018, yet it still fell below the world average by almost a year (figure 14).

**Figure 13. HDI, levels and trends in components**

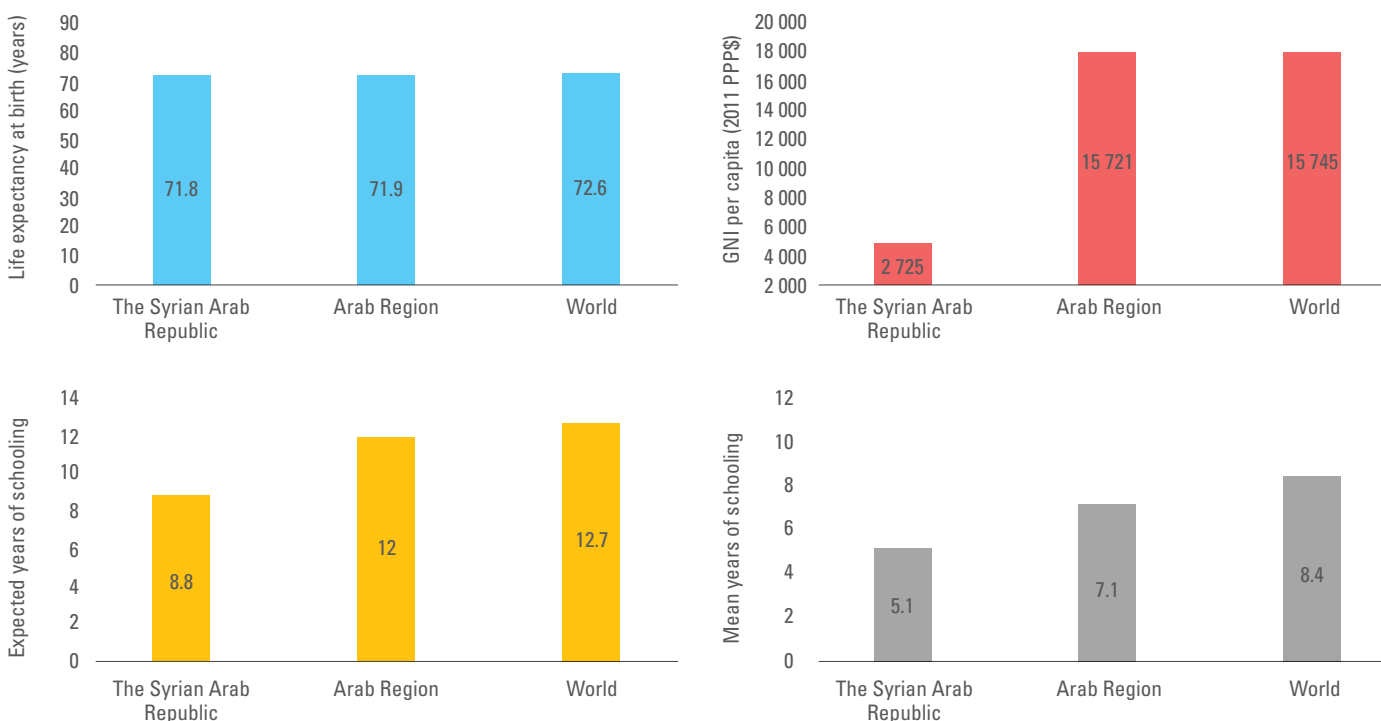


Source: Based on UNDP, 2018.

The gross national income (GNI) per capita, the dollar value of a country's final income in a year, divided by its population, and a proxy for a decent standard of living, has more than halved since the onset of conflict, to reach a little more than \$2,700 (2011 purchasing power parity (PPP \$)) in 2018. As the conflict extended and socioeconomic

conditions worsened, the development gap between the Syrian Arab Republic and the Arab region, as well as the world, widened considerably. On average in 2018, the regional and world GNI per capita – or the average income of a country's citizens – was more than 5.7 times that of the Syrian Arab Republic.

**Figure 14.** 2018 values of HDI components, the Syrian Arab Republic relative to Arab region and world



Source: Based on UNDP, "Human Development Data (1990-2018)", Database.

Presumably, inequality has deepened during the conflict, which would further decelerate development progress. The unavailability of data in recent years, however, has meant the Inequality-adjusted Human Development Index (IHDI) could not be computed for the Syrian Arab Republic.

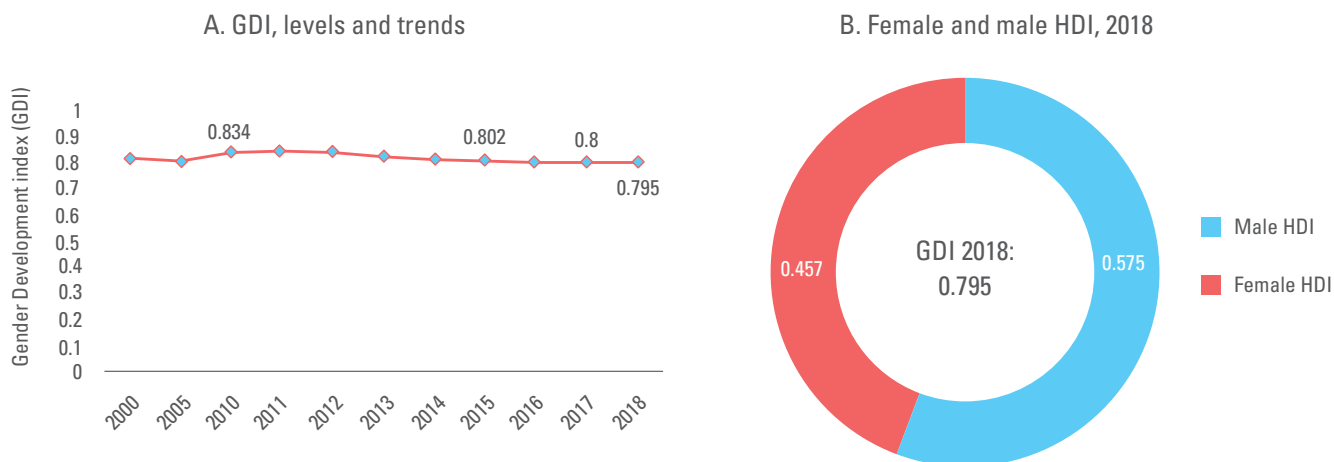
Gender inequality has been prevalent in the Syrian Arab Republic for a long time, yet the pre-conflict period witnessed appreciable progress in promoting parity, as reflected in the improved Gender Development Index (GDI).<sup>94</sup> The conflict has reversed the trend, particularly in reinforcing the correlation between gender inequality and women's exploitation, and especially within patriarchal societies. The GDI fell to 0.795 in 2018, female HDI being at 0.457, male at 0.575. The gender gap is almost entirely due to inequalities in living standards and education (figure 16). Only in the health indicator do women fare better than men.



Source: Istockphoto, photo credit: serkansenturk



**Figure 15. The Syrian Arab Republic GDI**

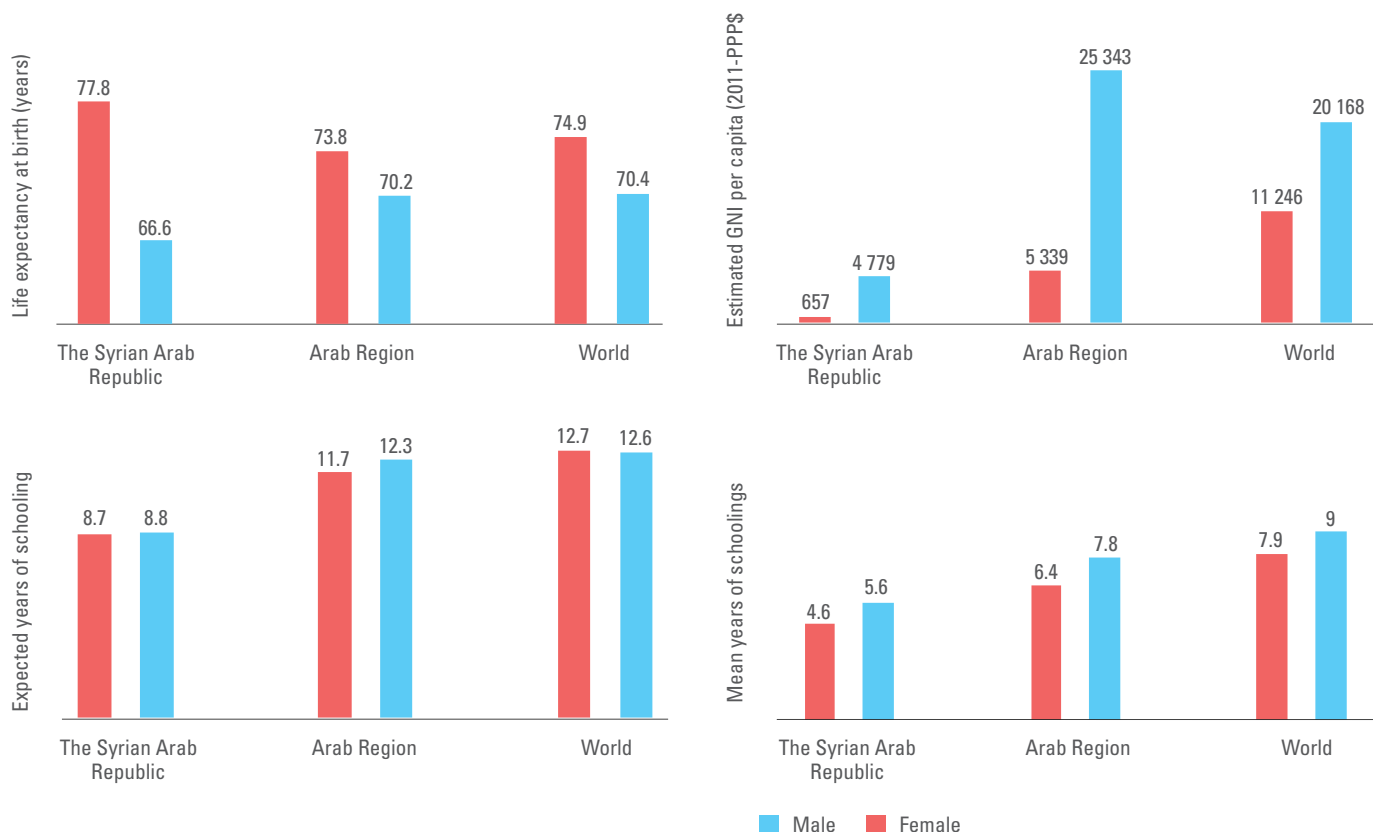


Source: Based on UNDP, "Human Development Data (1990-2018)", Database.

The conflict has had a devastating impact on education, with educational deprivation a rising threat for all children, regardless of their sex. Nevertheless, girls face a higher risk, especially as many families resort to negative means, such as early marriage, to alleviate financial burdens. On

average, girls in the Syrian Arab Republic have access to just four years of schooling. Hence, their educational outlook fares badly relative to the Arab region, and the world, where females on average tend to complete the equivalent of primary and lower secondary education.

**Figure 16. Comparing HDI components by sex, the Syrian Arab Republic relative to Arab region and world in 2018**



Source: Based on UNDP, "Human Development Data (1990-2018)", Database.

The widest disparity between men and women is marked at the living standards dimension across all three sets. In 2018, across the world, the GNI per capita for men was more than 1.78 times that of women, and the ratio increases to 4.7 in the Arab region. In the Syrian Arab Republic it is doubly alarming as, first, the male-to-female GNI per capita ratio exceeds 7, and second, the estimated value of the female GNI per capita is extremely low, barely exceeding \$600 dollars (measured in 2011 PPP \$).

The female-to-male unemployment ratio re-emphasizes the constrained socioeconomic opportunities for women. They are 3.4 times more likely than men to be unemployed, with young females 2.5 times more likely than young men to be unemployed.<sup>95</sup> The socioeconomic exclusion of women deepens their exploitation and abuse, from child marriage to verbal and sexual harassment, which further restrains their socioeconomic and development opportunities.

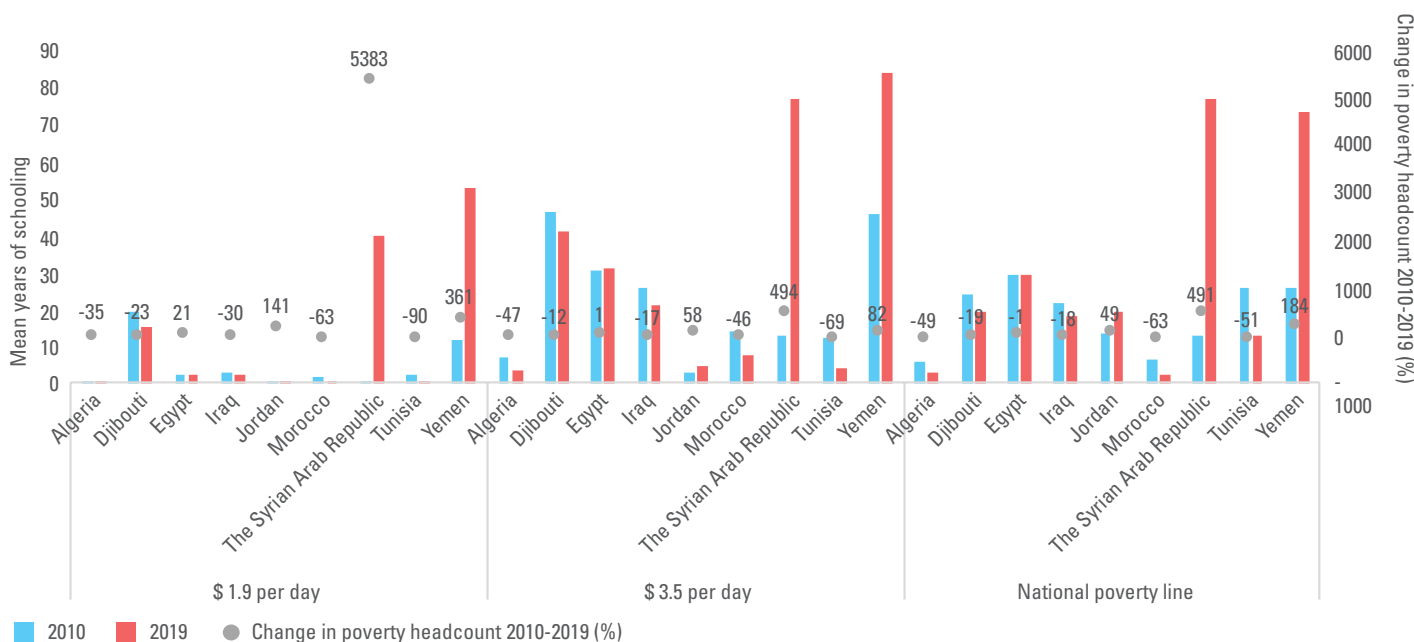
## J. Poverty

### 1. Money metric poverty

Household income and expenditure surveys to estimate the impact of money metric poverty are not available but it is possible to make inferences based on the projected impact of income per capita losses. Figure 17, based on the most recent Household Income and Expenditure Survey for Syria available on the World Bank PovcalNet data portal, presents the results of such an exercise in comparison with other Arab countries based on a recent ESCWA paper.<sup>96</sup> The paper projects headcount poverty ratios for the Syrian Arab Republic and other Arab countries, according to (1) the international extreme poverty line of \$1.90 per day, (2) \$3.50 per day which is population weighted average of the national poverty lines in the region, and (3) the PPP equivalent of the most recent national poverty line based on national poverty rates published in World Development Indicators (WDI).<sup>97</sup>

“Extreme poverty is projected to have increased during the conflict, with an estimated **40 per cent** of the population living under **\$1.90 per day** in 2019.”

**Figure 17.** Headcount poverty ratio \$1.90, \$3.50 and national poverty lines (in 2011 purchasing power parity dollars) and percentage change for selected Arab countries, 2010 and projected 2019 values



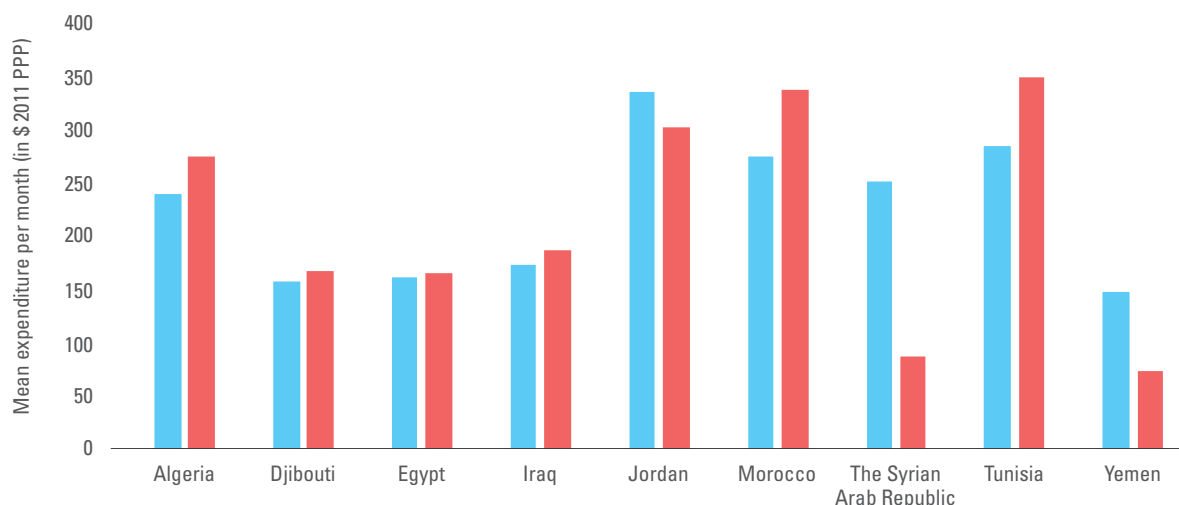
Source: Based on World Bank, PovcalNet datasets. Available at <http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx> (accessed on June 2020) and ESCWA, 2020.

The results are not surprising in the Syrian Arab Republic as extreme poverty is projected to have increased during the conflict, with an estimated 40 per cent of the population living under \$1.90 per day in 2019. This marks a very steep rise in extreme poverty relative to levels in 2010, during which extreme poverty was estimated at less than 1 per cent. For the \$3.50 line, which is more consistent with the pre-conflict value for the Syrian Arab Republic, the corresponding rate of increase was more than 400 per cent relative to 2010 levels, with near 77 per cent of the population living under that line in 2019. A very similar picture emerges when poverty headcounts at national poverty lines are considered. This renders the country the second poorest country, after Yemen, among the group of 10 countries in 2019.

Figure 18 shows the mean expenditures per month in 2010 and the projected values for 2019. The Syrian Arab Republic is estimated to have had a reduction in per capita expenditure from \$250.2 per month (2011 PPP \$) in 2010 to \$86.59 in 2019. The poverty situation today, particularly after the COVID-19 pandemic, may have further deteriorated due the further declines in income per capita and is expected, according to a recent ESCWA study to further deteriorate by 2021 (ESCWA, 2020).

It would appear safe to conclude therefore that the Syrian Arab Republic's poverty profile is closer to that of a least developed country than a middle income one, with major policy implications for post-conflict social and economic policy.

**Figure 18.** Mean per capita expenditure (in 2011 purchasing power parity dollars) for the Syrian Arab Republic and selected Arab countries, 2010 and projected 2019 values



Source: Based on World Bank, PovcalNet datasets. Available at <http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx> (accessed on June 2020) and ESCWA, 2020.

## 2. Multidimensional poverty

The evidence presented thus far captures aspects of human capital loss and the state of poverty and destitution endured by Syrians. This section synthesizes the evidence and presents the status of multidimensional poverty and its change over the period 2006-2017. Data on the Syrian Arab Republic's poverty outlook are largely unavailable, even for the pre-conflict period. This is overcome by first establishing 2006 as the pre-conflict baseline year, and second, using this benchmark to project the poverty profile in 2017.

Multidimensional poverty indices are gaining traction among policymakers globally as a tool to monitor poverty

alongside traditional money metric indices. Anchored in Sen's writings<sup>98</sup> on development as a process of expanding capability, basic rights and freedoms, multidimensional poverty analysis focuses on non-monetary deprivations across various dimensions, such as education, health and living standards to have a more holistic understanding of poverty and the deprivations experienced by the poor.

For the Syrian Arab Republic, the Arab Multidimensional Poverty Index (MPI) methodology<sup>99</sup> was used to examine the prevalence and characteristics of multidimensional poverty in 2006,<sup>100</sup> using Multiple Indicator Cluster Survey (MICS) data.<sup>101</sup>

The prevalence for 2017 is estimated by extrapolating the 2006 index, using and contrasting two approaches: one using recent available data on the Arab MPI's constituent indicators and the rate of change between 2006 and 2017, the other a regression-based estimate using information for 106 countries and the recent global MPI and selected variables. The advantage of using Arab MPI data is that it takes account of the specificities of middle-income Arab countries. Estimated figures for the Syrian Arab Republic are thus comparable with other countries.

The Arab MPI uses the global MPI, adapting the indicators and deprivation thresholds to the region and proposing two poverty levels, for acute and for moderate poverty. As shown in figure 19, the Arab MPI includes the three dimensions of education, health and living standards, and 12 indicators. Dimensions are weighted one third each, with the weight distributed equally among the dimension's indicators. To identify who is poor, a deprivation score for each household is calculated as the sum of the weights of the dimensions in which the household is deprived. The poverty identification cut-off in the Arab MPI—threshold used to identify the multidimensionally poor is set at one

third of all weighted indicators at both acute and moderate poverty levels. A household is therefore considered poor if its deprivation score is 33.3 per cent or more of the total weighted sum for all indicators. Table 1 provides details on the Arab MPI framework at both poverty levels.



Source: Istockphoto, photo credit: mrtaytas

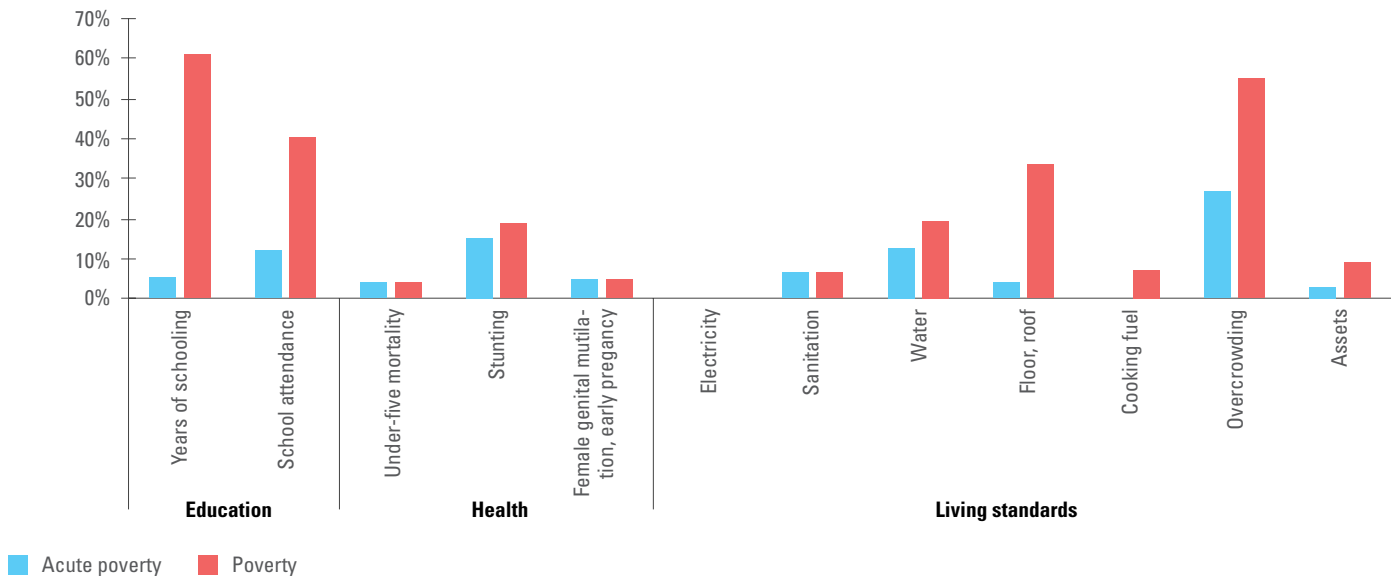
**Table 1.** Deprivation definitions and weights in the Arab MPI framework

Dimension and weight assigned	Indicator and weight assigned	Deprived if	
		Acute poverty	Moderate poverty
Education (weight=1/3)	Years of schooling (weight=1/6)	No household member has completed primary schooling.	No household member has completed secondary schooling.
	School attendance (weight=1/6)	Any child of primary school age is not attending school.	Any school-age child is not attending school or is 2 years or more behind the right school grade.
	Child mortality (weight=1/9)	Any child less than 60 months has died in the family during the 59 months prior to the survey.	Same as acute poverty.
Health (weight =1/3)	Child nutrition (weight=1/9)	Any child (0-59 months) is stunted (height for age <-2) or any adult is undernourished (BMI < 18.5)	Any child (0-59 months) is stunted (height for age < -2) or any child is wasted (weight for height < -2) or any adult is malnourished (BMI < 18.5).
	Female genital mutilation, early pregnancy (weight=1/9)	Any woman under 28 years got her first pregnancy while under 18 years old and has undergone a female genital mutilation (FGM)	A woman less than 28 years old got her first pregnancy before 18 years old or has undergone a female genital mutilation (FGM).

<b>Living standards (weight=1/3)</b>	<b>Electricity (weight=1/21)</b>	Household has no electricity.	Same as acute poverty.
	<b>Sanitation (weight=1/21)</b>	Household sanitation is not improved, according to MDG guidelines, or it is improved but shared with other household.	Same as acute poverty.
	<b>Water (weight=1/21)</b>	Household does not have access to safe drinking water, according to SDG guidelines, or safe drinking water is 30-minutes roundtrip walk or more away from home	Household does not have piped water into dwelling or yard.
	<b>Floor, roof (weight=1/21)</b>	Floor is earth, sand, dung or roof is not available or made of thatch, palm leaf or sod	Floor is earth, sand, dung, rudimentary (wood planks/ bamboo/reeds/grass/canes), cement floor (not slab or tiles/asphalt strips) or roof is not available or made of thatch, palm leaf, sod, rustic mat, palm, bamboo, wood plank, cardboard.
	<b>Cooking fuel (weight=1/21)</b>	Household cooks with solid fuels: wood, charcoal, crop residues or dung or no food is cooked in the household	Household cooks with solid fuels: wood, charcoal, crop residues or dung or no food is cooked in the household or does not have a separate room for cooking.
	<b>Overcrowding (weight=1/21)</b>	Household has 4 or more people per sleeping room	Household has 3 or more people per sleeping room.
	<b>Assets (weight=1/21)</b>	Household has either no access to information or households with no access to easy mobility and livelihood assets	Household has less than two assets for accessing information, or there is more than one information asset and less than two mobility assets and less than two livelihood assets.

Source: League of Arab States' Council of Arab Ministers for Social Affairs, ESCWA, UNICEF and Oxford Poverty and Human Development Initiative (2017). Arab Multidimensional Poverty Report. E/ESCWA/EDID/2017/2. Beirut.

**Figure 19.** Incidence of deprivation in Arab MPI indicators using acute poverty and poverty cut-offs, 2006

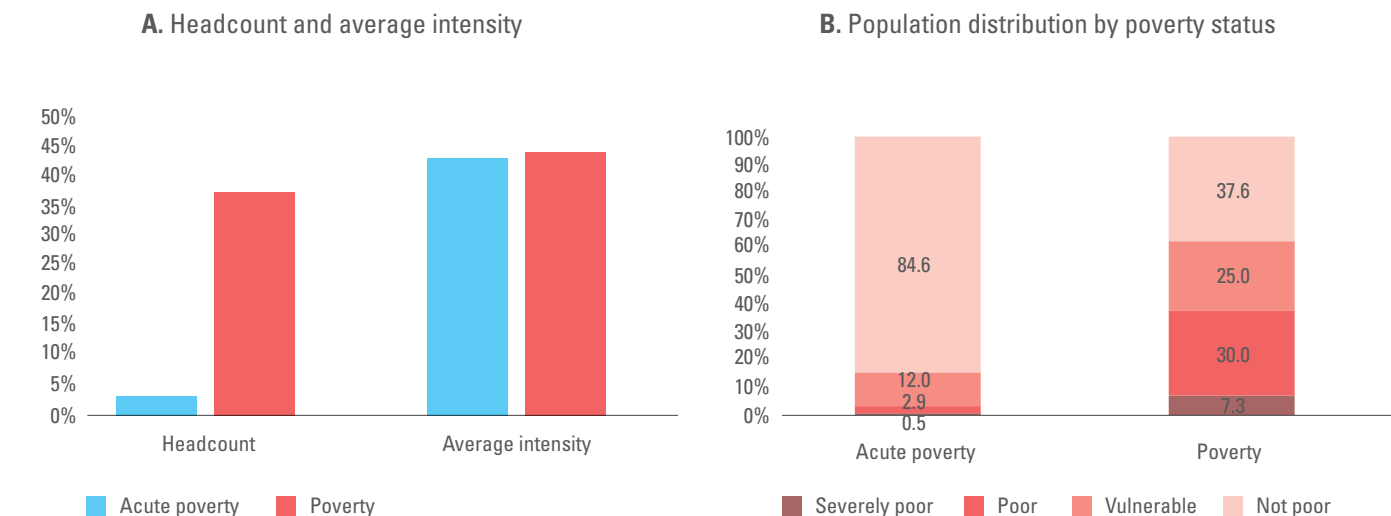


Source: Authors' projections based on the Syrian Arab Republic, Central Bureau of Statistics, UNICEF and PAPFAM, Multiple Indicator Cluster Survey 2006.

Despite a general low prevalence of acute deprivation in 2006 (base year) in the Syrian Arab Republic, there is a sharp rise across all indicators, particularly education and housing, at the poverty cut-off. For instance, deprivation in years of schooling – that reflects primary completion at acute poverty and secondary completion at the moderate poverty level – increases more than eleven fold at the moderate poverty level, relative to the acute one. A significant share of households did not have full access to secondary education. Similarly, overcrowding more than doubles as the poverty score shifts from acute poverty to moderate poverty. Hence, moderate deprivations were not quite as low as acute deprivations in 2006.

The poverty headcount ratios (figure 20) emphasize the actual depth and breadth of poverty in the 2000s. While less than 4 per cent of the Syrian population was regarded as acutely poor, more than 37 per cent was regarded as poor, with multidimensional poverty intensity exceeding 40 per cent. In the context of poverty analysis, it is crucial to draw attention to the vulnerability rate, which focuses on prospects rather than the present situation. In 2006, the country was highly vulnerable to acute and moderate poverty, with an estimated 12 per cent and 25 per cent of the population at risk, respectively, indicating the adverse socioeconomic conditions facing many Syrians even before the uprising.

**Figure 20.** Multidimensional poverty, for acute poverty and poverty, 2006

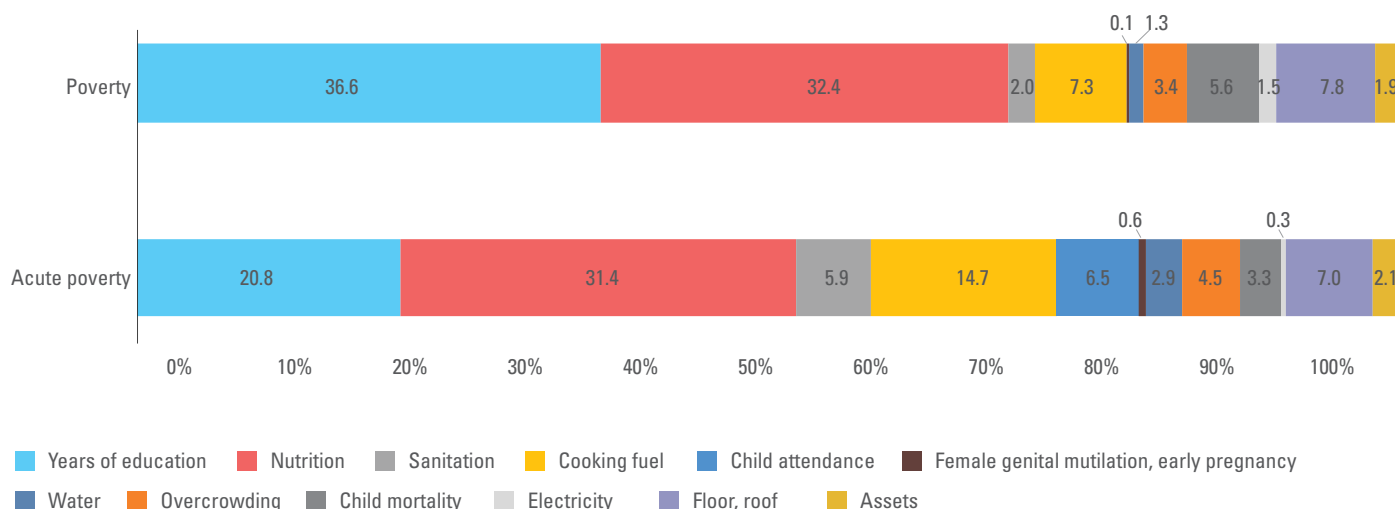


Source: Authors' projections based on the Syrian Arab Republic, Central Bureau of Statistics, UNICEF and PAPFAM, Multiple Indicator Cluster Survey 2006.

Education indicators are the most significant contributors to both poverty levels (figure 21). The association with lifetime outcomes intensifies over time as education shapes future employment opportunities and overall well-being. The contribution of health indicators, particularly

nutrition, doubles at acute poverty level. Despite the relatively lower contributions of health and living standards indicators to poverty levels, they still account for a considerable percentage of the measure.

**Figure 21.** Contribution of indicators to MPI, 2006 (percentage)



Source: Authors' projections based on the Syrian Arab Republic, Central Bureau of Statistics, UNICEF and PAPFAM, Multiple Indicator Cluster Survey 2006.

Broadening the definition of poverty from acute to moderate results in a substantially different pre-conflict socioeconomic outlook. The prospects were far from ideal. Most of the population was deprived in the key social indicators, including education and housing, with another significant proportion of society at risk of falling into deprivation. It is worth noting that the troubles began as a non-violent call for reform as people became discontented with the socioeconomic status quo. Extensive deprivation played a partial role in fuelling discontent, particularly among youth who fell short of their aspirations.<sup>102</sup>

After eight years, conflict had led to a sharp deterioration in all social, economic and development indicators. Quantifying its impact is increasingly challenging, the consequences split between tangible and intangible perspectives and, more importantly, short- and long-term outlooks. For instance, statistics on the quantity and quality of infrastructure, including disruptions in accessing improved water and sanitation, and house demolition, reflect the immediate impairment. Similarly, tightening restrictions on delivering food assistance and basic survival medicine, and inadequate medical provision, directly translate into worsening health and nutrition indicators, such as a rise in food-insecure people, child mortality and reported cases of communicable diseases. Present-day education indicators do not provide a concrete assessment of the cost of conflict as it takes

several years for indicators, such as illiteracy rates, mean years of schooling or completion rates, to fully reflect the generation of unschooled children.

The severe socioeconomic contraction has led to a sharp decline in the middle class. Millions have been pushed into multidimensional poverty, and vulnerability rates have increased. Following the Arab Multidimensional Poverty Report,<sup>103</sup> countries are classified into three clusters based on their two poverty levels, with cluster 1 having relatively low poverty incidences using both definitions (figure 22). In 2006, the Syrian Arab Republic's regional position fell between clusters 1 and 2. Its low levels of acute poverty were close to cluster 1 countries, but with higher levels of poverty and thus into the range of values for cluster 2 countries, where it sat between Morocco and Iraq. Yet, as the conflict escalated, poverty incidences increased considerably at both poverty cut-offs, with headcounts in 2017 estimated to exceed 50 per cent for poverty and 15 per cent for acute poverty.<sup>104</sup> Acute poverty estimates for 2017 mark a fourfold increase relative to the baseline year. The Syrian Arab Republic's position has worsened compared with its Arab counterparts, its deprivation levels approaching those of the least developed countries in cluster 3, which substantiate the Human Development Index (HDI) findings that also indicate a conflict-induced downgrading in rank, from medium to low human development.

**Figure 22.** Prevalence of acute poverty and poverty for the Syrian Arab Republic 2006 and projected estimates for 2017 plotted on prevalence in Arab countries



Source: Authors' calculations based on League of Arab States' Council of Arab Ministers for Social Affairs, ESCWA, UNICEF and OPHI, Arab Multidimensional Poverty Report (2017).

Note: The blue lines indicate the weighted average of countries. please add the yellow circle as it is found in the word document represents the 95 per cent confidence interval for 2017 poverty estimates for the Syrian Arab Republic.

## K. Conclusion

The human suffering due to death, injury and displacement in the Syrian Arab Republic is immense but one of the conflict's most destructive legacies, in the longer term, may be in the social polarization it has produced. The potential for a new social contract has been stunted by this grinding conflict. The actions of the main parties to the conflict became co-constitutive towards further escalation, entrenchment and division. Agitation along identity lines, deep societal mistrust of the motives of other parties and exclusionary discourses that "cancel the other" may have long-lasting and irreversible effects and must be acknowledged in the post-peace accord process if an equitable and sustainable social contract is to be forged.

Despite the deep challenges, most Syrians speak of a unified society and have a belief in that, even if they disagree on many aspects of its mode of governance. There has been a backlash among most Syrians against the warring parties that seek to erase the country's current boundaries, and thus Syrian identity. The years have brought conflict but also numerous examples of societal initiatives, grass-roots efforts and other joint moves seeking to cross boundaries, build bridges and move society forward. If approached with an eye towards human rights and gender equality, an accountable, inclusive and equitable reconstruction process may start the long but necessary task of mending the wounds and building a future for all Syrians.

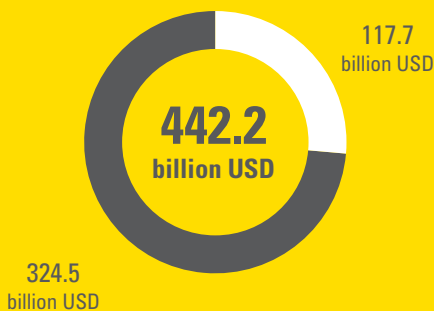




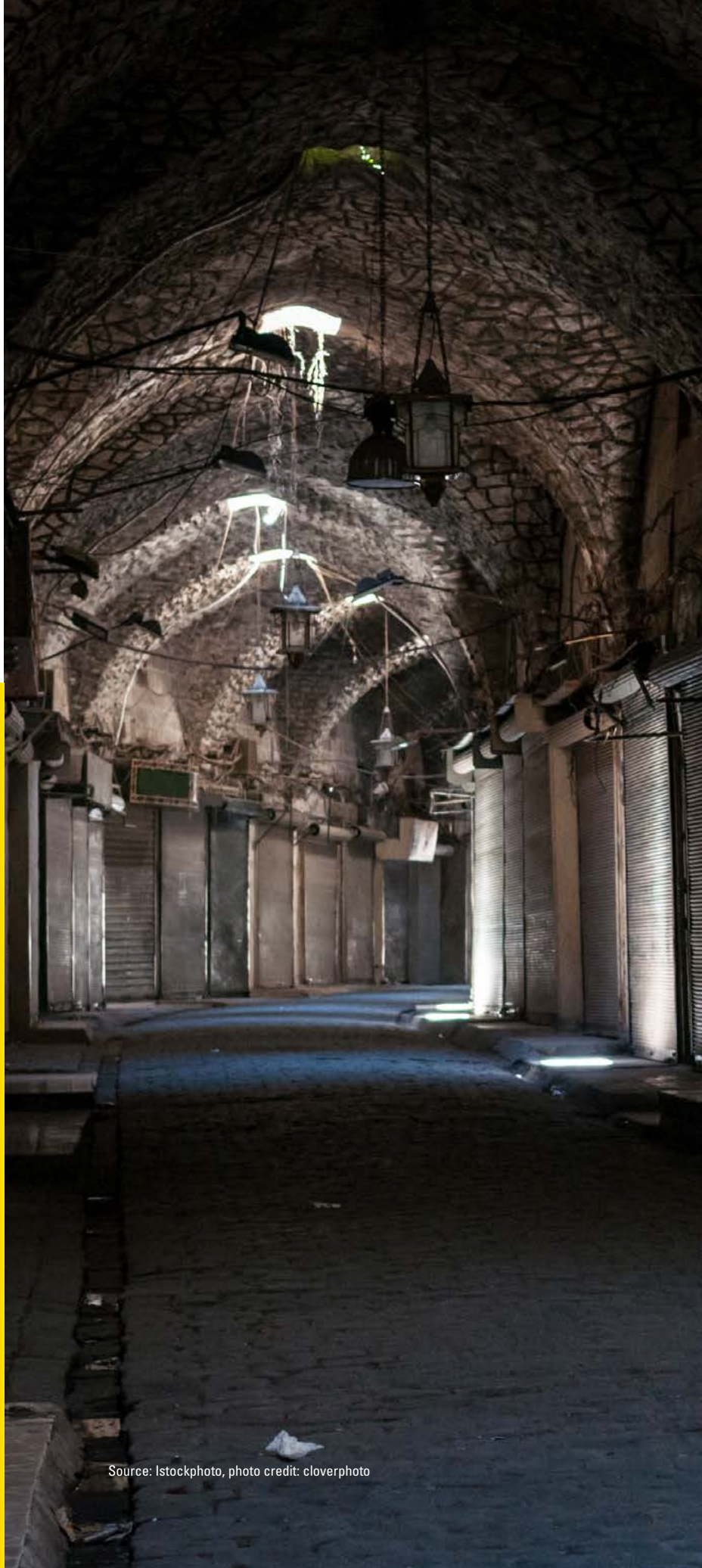
# 03

## The Macroeconomic Ramifications

### Total economic toll



During the period 2011-2018, total economic toll of the conflict is estimated at USD 442.2 billion: This is the sum of the estimated value of the physical capital destruction (USD 117.7 billion) added to the estimated losses in GDP (USD 324.5 billion).



## A. Introduction

The conflict in the Syrian Arab Republic has been one of the most destructive since the Second World War. It has encompassed huge physical and social damage, infrastructure destruction, a massive refugee crisis, and severe economic downturn.

In this chapter, we turn to the economic consequences, and the Syrian macroeconomic indicators in particular. The diverse economic and fiscal costs are identified and measured using data from the Central Bureau of Statistics in Syria,<sup>105</sup> Central Bank of Syria, ESCWA, National Agenda for the Future of Syria (NAFS) Programme estimations and calculations, the International Monetary Fund (IMF) DataMapper and the International Trade Centre, among others, to compare data from before and after the conflict

with analysis of the socioeconomic impacts on the broad economic agent classes; that is a person, company, organization that has an influence on the economy by producing, buying, or selling.

By any benchmark, losses have been considerable but the extent of the devastation is laid bare when comparing the period 2011-2018 with 2010 statistics, and using no-conflict counterfactuals to measure what the economy was expected to achieve. Estimates show a major economic crisis driven by conflict, lack of security, physical capital destruction and several geopolitical sanctions, with negative repercussions on various macroeconomic indicators.

## B. Loss in physical capital

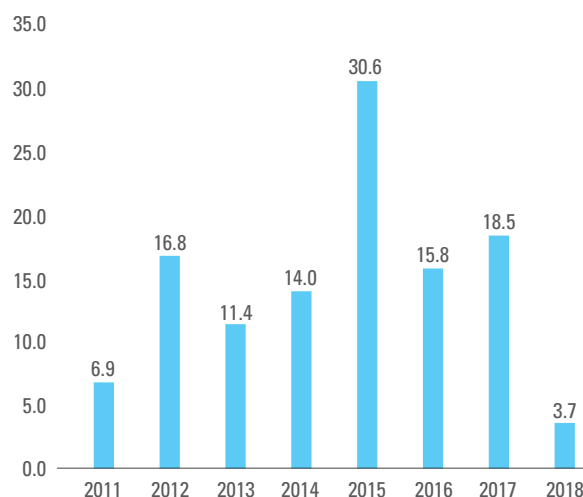
Eight years of conflict were more than enough to deal a major blow to accumulated physical capital and infrastructure. Losses included private and public construction and equipment, such as housing stock, schools, hospitals and factories, and power, water, sanitation, transport and communications infrastructure. Mass destruction meant there would be substantial consequences reflected in the macroeconomic indicators – statistics or data readings that show the economic circumstances of a country – notably economic growth rates, the fiscal budget and external account balances.

The loss of physical capital<sup>106</sup> is important in measuring the cost of the conflict. Estimating the conflict-induced damage to physical capital in the Syrian Arab Republic has been challenging for many local and international stakeholders due to the intensity of the violence, and the administrative, logistic and security problems in reaching and examining damaged sites. The NAFS team attempted to gauge physical capital damages via a specific assessment methodology. By the end of 2018, damage to physical capital was estimated at \$117.7 billion at 2010 prices, after discounting the annual damage value by the world inflation rate.<sup>107</sup>

The annual volume of damage depends on the severity and location of armed operations over time. Destruction varied across the conflict years, showing an upward trend from 2011 to 2018 (figure 23). It was estimated at \$6.9 billion in 2011, when violence remained confined in limited locations. In 2012, armed operations escalated and damage reached \$16.8 billion at 2010 prices. The years 2013 and 2014 incurred lower totals, \$11.4 billion and \$14 billion, respectively.

The damage to physical capital incurred in 2015 was the highest, peaking at \$30.6 billion, due to major incidents, such as the four-month battle between Kurdish forces and ISIL for the northern town of Kobane, Russian military intervention and the capture of the ancient city of Palmyra by ISIL. Over the following two years, it reached \$15.8 billion (2016) and \$18.5 billion (2017). Apart from the Government retaking eastern Ghouta, there was a de-escalation in violence in 2018 as government military campaigns launched later that year to regain control over other areas in Qalamon, Rural Homs, Daraa and Quneitra ended soon with local settlements. The damage was estimated at \$3.7 billion, the lowest annual level.

**Figure 23.** Annual levels of damage to physical capital, 2011-2018 (billion dollars, 2010 prices)



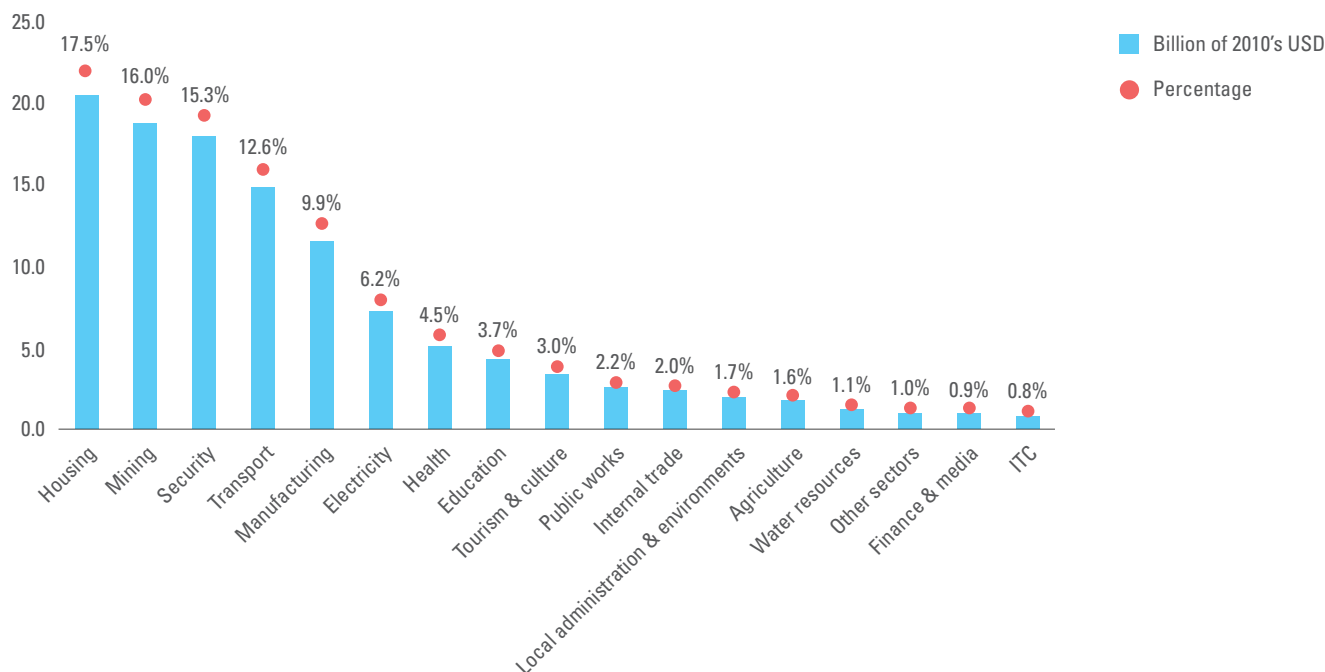
Source: ESCWA, NAFS Programme estimations and calculations.

## 1. Capital damage by sector

Conflict-induced damage accumulated in seven of the most capital-intensive sectors (figure 24), namely, housing, mining, security, transport, manufacturing, electricity and health. The hardest hit was housing, at 17.5 per cent of the total, followed by the mining sector, at 16 per cent. The security sector (military and police) was estimated to account for 15.3 per cent of total physical damage, which

is reasonable as it contains the main military assets. The transport sector reached 12.6 per cent of the total, while the manufacturing, electricity and health sectors accounted for 9.9 per cent, 6.2 per cent and 4.5 per cent respectively. The education and tourism sectors accounted for 3.7 per cent and 3 per cent respectively.

**Figure 24.** Sectoral distribution of physical capital loss, 2011-2018 (billion dollars, 2010 prices)



Source: ESCWA, NAFS estimations and calculations.

## 2. Geographic distribution of damage

To get a clearer picture of the distribution of damage to physical capital in Syrian governorates, damage in the mining and security sectors is omitted from the total value. Both sectors are fully investigated at national level rather than local. The governorates' share of the total damage remaining equals about \$81 billion.

The governorates can be divided into four distinct groups. The first group consists of Aleppo, Rural Damascus, Homs, Al-Raqqa, Idlib and Deir Ezzor, which together accounted for 81.8 per cent of the damage to physical capital. Aleppo and Rural Damascus sustained 51.8 per cent of the damage, 32.5 per cent and 19.3 per cent, respectively (figure 25), which can be explained by factors including urban size, population density and their large capital stock, mainly industrial and infrastructure. Both also experienced fighting for longer periods compared with other

governorates, entailing significant damage to their whole urban systems, productive capacity and infrastructure.

The other governorates in the group, Homs, Al-Raqqa, Idlib and Deir Ezzor, accounted for a lower percentage of the total, almost reaching parity, with 8 per cent, 8.3 per cent, 6.9 per cent and 6.8 per cent, respectively, approximately 30 per cent of damage to Syrian physical capital in 2011-2018. Even though violence broke out early in Homs, the damage, though hard, was localized. In addition, most of these localized conflicts in this governorate ended through local settlements. Al-Raqqa, however, was controlled by the United States-led coalition after using heavy bombing against ISIL in 2017 that destroyed the entire urban system. Deir Ezzor had fierce hit-and-run battles between the Syrian army and ISIL, a constant between 2014 and 2017.



The second group includes Dar'a and Hama, which accounted for 5.6 per cent and 4.4 per cent of damage respectively. The city of Hama had violent clashes in 2012 before the bulk of the armed conflict moved to the rural areas of the governorate. Largely dependent on agriculture, they are less capital intensive with lower housing density. The third group includes Damascus, Latakia and Al-Hasaka, which accounted for 3 per cent, 2.4 per cent and 1.6 per cent, respectively. They saw minimal and isolated episodes of conflict due to the tight control by government forces (in addition to the Kurdish forces in Al-Hasaka). The same applies to the fourth group, which includes the cities of Tartous, Al-Swaida, and Al-Quneitra, where damage was 0.5 per cent, 0.4 per cent, and 0.4 per cent respectively. They did not encounter armed operations until December 2018.

As highlighted, schools, hospitals, irrigation facilities and productive lands were severely affected by the conflict. Considering sectoral distribution of damage to physical capital at governorate level (figure 26) it is evident 27 per cent of housing stock was damaged, with Aleppo suffering disproportionately. Water and sanitation were greatly affected, with an average facility<sup>108</sup> destruction of 40 per cent.<sup>109</sup> Armed clashes destroyed road networks, disrupted movement and hindered connectivity within the country. By the end of 2018, the railway system had been non-operational, and Damascus airport remained the only one of three airports open to international flights.<sup>110</sup> The public power supply dropped by 62.5 per cent between 2010 and 2015, the resulting electricity shortages creating a major

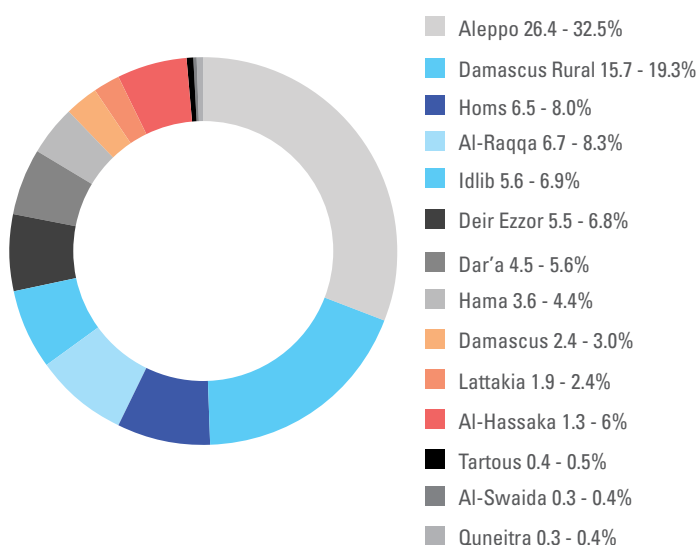
problem for firms.<sup>111</sup>

The distribution of sectoral damage over the governorates indicates Aleppo and rural Damascus had the largest shares within the main sectors, with 27.6 per cent and 13 per cent in the housing sector, 62.1 per cent and 22.4 per cent in manufacturing, 34.3 per cent and 25.5 per cent in transport, and 19.5 per cent and 9.8 per cent in the electricity sector, respectively (figure 26).



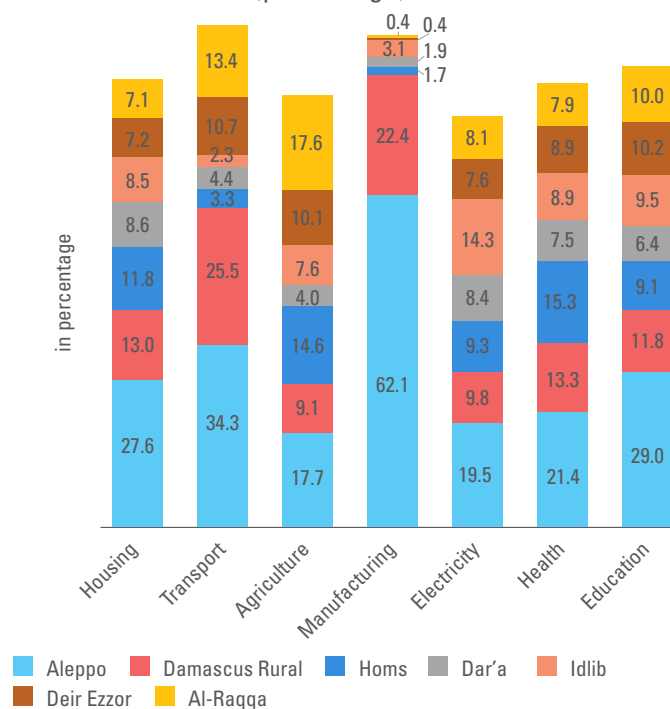
Source: Istockphoto, photo credit: Jorge Villalba

**Figure 25.** Distribution of damage to physical capital by governorate, 2011-2018 (billion dollars, constant 2010 price)



Source: ESCWA, NAFS estimations and calculations.

**Figure 26.** Distribution of main sectoral damage to physical capital in selected governorates, 2011-2018 (percentage)



Source: ESCWA, NAFS Programme estimations and calculations.

## C. Impact on the real economy

### 1. Economic growth

The economic impact of the conflict is easily inferred from Syrian macroeconomic indicators. According to official data, by the end of 2018, real GDP had lost 54 per cent of its 2010 level. In 2011, GDP grew by 2.9 per cent, down from 5.2 per cent in 2010. As violence flared in 2012 and 2013, real GDP was slashed by more than 26 per cent each year. The persistence of the conflict in 2014, 2015 and 2016 led to further contraction in real GDP but at the decelerated rates of -10.3 per cent, -3.2 per cent and -5.6 per cent, respectively, due to the already shrunken real GDP base (figure 27). Despite signs that 2017 would bring

positive real GDP growth, after a relative improvement in the security situation allowed the utilization of idle production capacities and materialization of bottlenecked transactions, it again contracted, though at a lesser rate of -0.7 per cent. In 2018, the GDP recorded positive change for the first time since the outbreak of conflict, and was up by 1.6 per cent. This was driven mainly by manufacturing and internal trade, despite the negative impact of bad weather on the agricultural sector and the tightening of economic restrictive measures by the United States on the Syrian Arab Republic and its main supporter, Iran.

### 2. The macroeconomic cost of the conflict

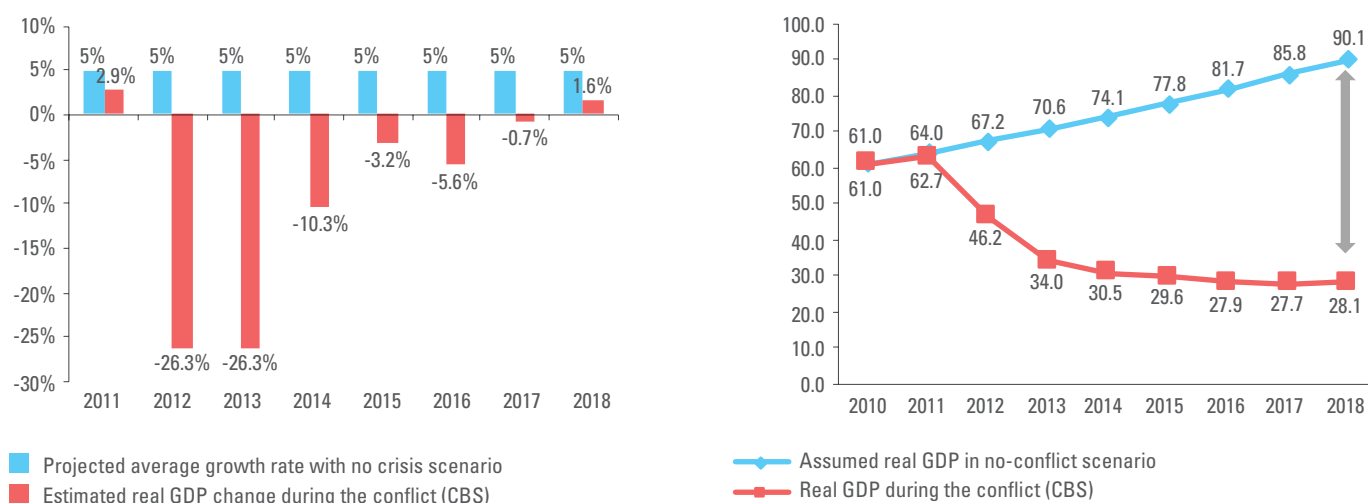
Measuring the cost of conflict is problematic due to varying methodologies, data sources and other challenges that lead to divergent and controversial outcomes. In the case of the Syrian Arab Republic, where the data available have limitations, the magnitude of the macroeconomic cost is measured by estimating the value of the economic growth lost because of the conflict; that is, the sum of the gaps between annual actual GDP levels over the conflict years and the GDP levels that would have been achieved in the counterfactual scenario (if the conflict did not take place).

GDP is measured in the counterfactual scenario by assuming that Syrian GDP would have continued to grow after 2010 by an average annual rate of 5 per cent, the average rate over the five years preceding the start of the

conflict (figure 27).<sup>112</sup> As such, if the conflict had not taken place, Syrian counterfactual GDP would have reached \$90.1 billion by the end of 2018, starting from \$61 billion in 2010 (figure 27). The accumulated annual GDP loss is, therefore, estimated to have reached \$324.5 billion by the end of 2018.

However, since GDP, by definition, does not capture the damage that happens to physical capital outside the production process assets – like that incurred by the conflict – the value of the damage to physical capital (\$117.7 billion) detailed has to be added to the GDP loss figure (\$324.5 billion) to reach a realistic estimate for the macroeconomic cost of the conflict, which would come close to \$442.2 billion.

**Figure 27.** Actual and counterfactual GDP change, 2011-2018 (percentage), and real GDP loss, 2011-2018 (billion dollars)



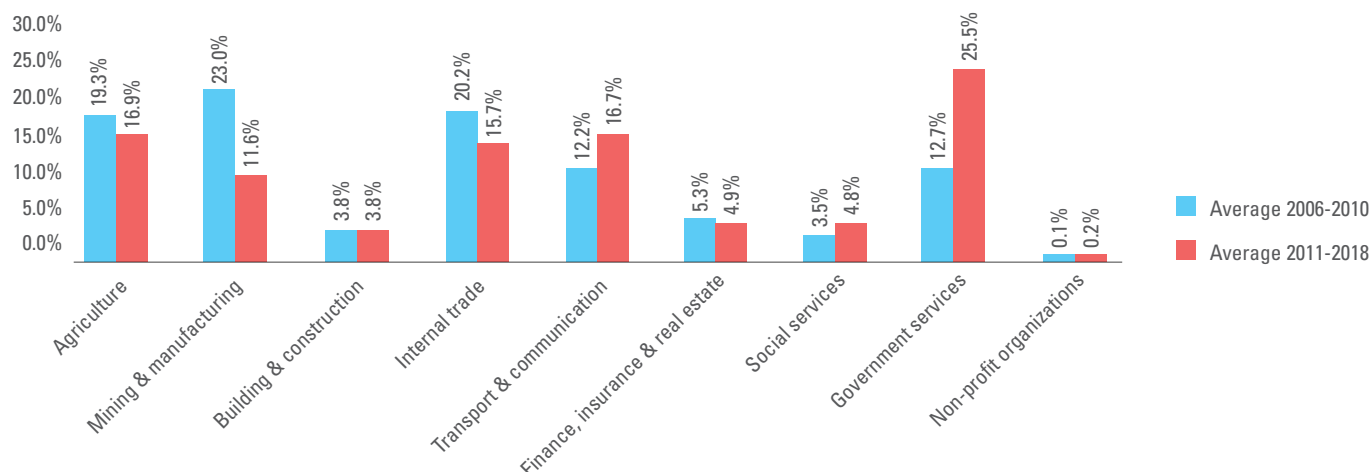
Source: Actual GDP for 2011-2018 based on the Syrian Arab Republic, Central Bureau of Statistics, Statistical Yearbook 2019; and Counterfactual GDP projected by the NAFS Programme.

### 3. Supply-side GDP composition and sources of growth/contraction

The conflict has altered the composition of the supply side of real GDP, relative to the pre-conflict period. The mining (including oil) and manufacturing sector's contribution to real GDP fell from 23 per cent on average in 2006-2010 to 12 per cent in 2011-2018, and the contribution of the internal trade sector from 20 per cent to 16 per cent. Restrictive unilateral economic sanctions imposed by the United States and the European Union on oil, finance and trade, as well as damage to physical capital in the oil and industrial infrastructure, and deterioration in the security

situation and the rule of law, were the major factors leading to the collapse in these sectors. The fall in their contribution to GDP meant the government services and the transport and communications sectors had a greater share in GDP in relative terms, increasing from an average of 13 per cent and 12 per cent, respectively, in 2006-2010, to 25 per cent and 17 per cent in 2011-2018 (figure 28). Agriculture's share remained significant, though it decreased from 19 per cent to 17 per cent between the two periods.

**Figure 28.** Average sectoral composition of real GDP, 2006-2010 and 2011-2018



Source: The Syrian Arab Republic, Central Bureau of Statistics, Statistical Yearbook 2019.

Examining the contributions per sector to real GDP growth, the drivers of growth pre-conflict also drove the contraction during it (figure 29). On average between 2005 and 2010, government services contributed approximately 0.3 to every 1 percentage point of GDP growth. Mining and manufacturing, transport and communication, and internal trade each contributed 0.2 of a percentage point, while finance, insurance and real estate, and social services contributed 0.1 points.

Between 2010 and 2018, for every 1 percentage point of real GDP contraction that took place, agriculture, mining and manufacturing, and internal trade each contributed approximately -0.2 of a percentage point, and transport and communication, and finance and real estate about -0.1 point. Government services, the engine of growth pre-conflict, contributed -0.1 point to every 1 percentage point of real GDP contraction during the conflict, which is explained by its higher relative average share in GDP over 2011-2018.

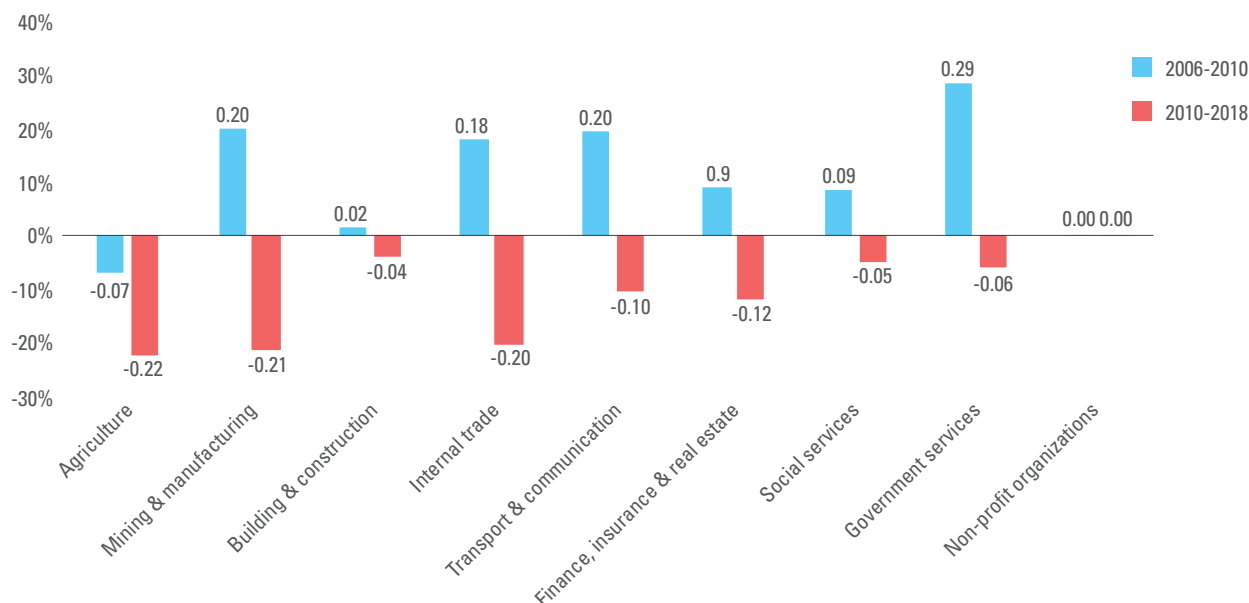
Agriculture plays a volatile role in economic growth. The sector's contribution to GDP growth pre-conflict was negative, reducing every 1 percentage point of growth by an average of -0.07 percentage point in 2005-2010. This was due to periodic droughts that hit the region,

and an agricultural policy that favoured inefficient use of water and distorted the incentives system. From 2010 to 2018, agriculture contributed -0.22 of a point to every 1 percentage point of GDP contraction. In addition to the existing problems, this was the result of the lack of security, damage to physical capital, siege of rural areas and displacement of a large portion of the rural population.



Photo credit: Mohamad Hassan Katana

**Figure 29.** Average sectoral contributions to each 1 percentage point of real GDP growth, 2006-2010 and 2011-2018



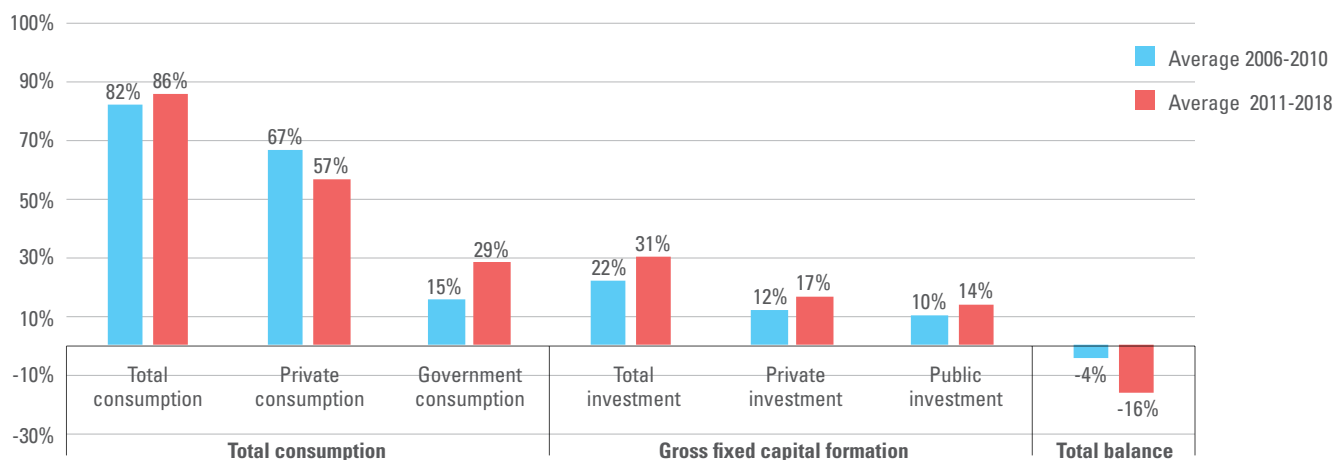
Source: The Syrian Arab Republic, Central Bureau of Statistics, Statistical Yearbook 2019.

#### 4. Demand-side GDP composition and sources of growth/contraction

Looking at the expenditure pattern of the economy (figure 30), while all expenditure components of GDP contracted in absolute terms, the conflict altered the relative composition of aggregate spending. Private consumption fell from 67 per cent of expenditure on real GDP as a five-year average pre-conflict to 57 per cent in the period 2011-2018, due to the drop in domestic production. This was offset by the surge in public consumption, from 15 per cent to 29 per cent of expenditure on real GDP as an average. This led aggregate consumption as a percentage of real GDP to increase from 82 per cent to 86 per cent in the same period.

Aggregate investment share of expenditure on real GDP also increased, in relative terms, from 22.2 per cent to 30.6 per cent, driven by private investment, which increased from 12 per cent to 16.9 per cent of real GDP. Public investment share increased by a lesser extent, from 10.3 per cent to 13.6 per cent, between the same periods. The main source for meeting consumption needs was deficit financing, in addition to increased reliance on imports financed by external assistance and borrowing, pushing the trade deficit share in real GDP from -4 per cent as a five-year average before the conflict to -16 per cent as an average during the conflict years.

**Figure 30.** Average composition of real GDP levels by expenditure items, 2006-2010 and 2011-2018



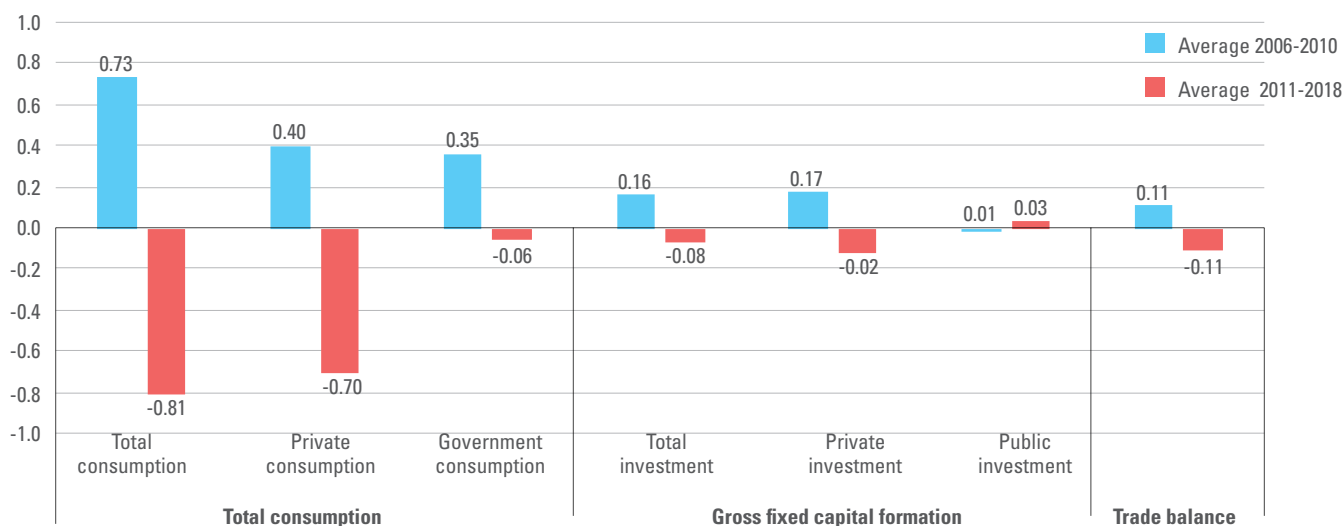
Source: ESCWA, NAFS Programme estimations and calculations based on the Syrian Arab Republic, Central Bureau of Statistics, Statistical Yearbook 2019.



Aggregate consumption was the main driver of real GDP change in the Syrian Arab Republic before and during the conflict (figure 31). As a five-year average before the conflict, 0.7 of every 1 percentage point of GDP growth rate achieved was generated by aggregate consumption, equally shared by public and private consumption. The remainder was generated by aggregate investment (0.2) and trade balance (0.1).

After conflict broke out, and as an average during the conflict years 2011-2018, -0.8 of every 1 percentage point of real GDP contraction rate was driven by the contraction in aggregate consumption, mainly private consumption (0.7), and the contraction in aggregate investment (-0.1). The trade balance contribution to GDP contraction during the conflict was almost zero.

**Figure 31.** Average contribution of expenditure items to each 1 percentage point of growth/contraction rate of real GDP change, 2006-2010 and 2011-2018



Source: ESCWA, NAFS Programme estimations and calculations based on the Syrian Arab Republic, Central Bureau of Statistics, Statistical Yearbook 2019.

## D. Foreign trade

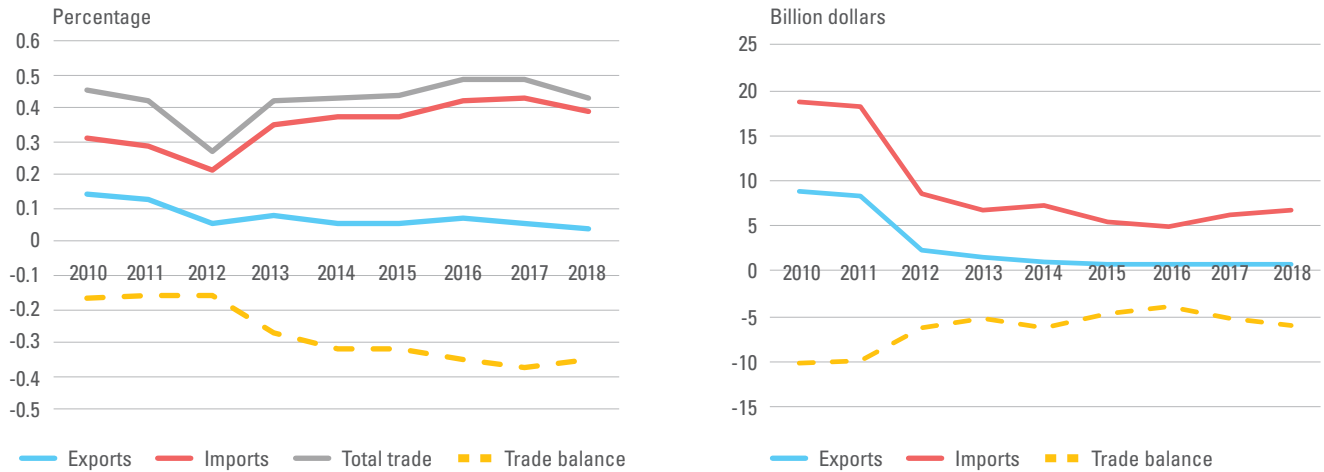
Foreign trade followed a similar downward trend to other macroeconomic indicators. As most borders remained outside government control for several years, many cross-border transactions with neighbours were not captured in official data. Foreign trade is analysed using mirror data recorded by the Syrian Arab Republic's trade partners and published by the International Trade Centre (ITC). Iraq, traditionally a major trading partner, has not reported its mirror data to the ITC, though in effect, this would have made little difference as ISIL controlled the Iraq/Syrian border areas at the time.

Measuring trade indicators to GDP ratios gives an idea of the relative importance of foreign trade in the economy. In 2010, the volume of merchandise trade, exports and imports, constituted approximately 45 per cent of GDP. The trade volume to GDP ratio fell to 27 per cent in 2012 before increasing steadily to about 43 per cent of GDP on average over the period 2013-2018 (figure 32). This came about because the fall in imports (in absolute terms) was less

than the fall in exports due to the conflict. This resulted in the imports to GDP ratio increasing from 31 per cent in 2010 to approximately 39 per cent in 2018. Exports to GDP ratio, 14.3 per cent of GDP in 2010, tumbled to 4.1 per cent in 2018. Consequently, the trade deficit widened from -16.6 per cent to -34.6 per cent of GDP – despite the fact it fell from \$10.1 billion to \$6.1 billion in 2010-2018 – with drastic implications on foreign reserves and the exchange rate of the Syrian pound.

In absolute terms, Syrian exports collapsed from \$8.7 billion in 2010 to \$2.3 billion in 2012 and continued to shrink steadily, dropping to \$0.72 billion in 2018 (figure 32). The deterioration came mainly as a result of disrupted production and trade chains due to damage to infrastructure, the United States and European Union unilateral restrictive economic measures imposed in 2011 that also complicated the Syrian Arab Republic's transactions with the world, and the physical, financial and human capital flight out of the country.

**Figure 32.** Foreign trade as percentage of GDP, and foreign trade, 2010-2018 (billion dollars)

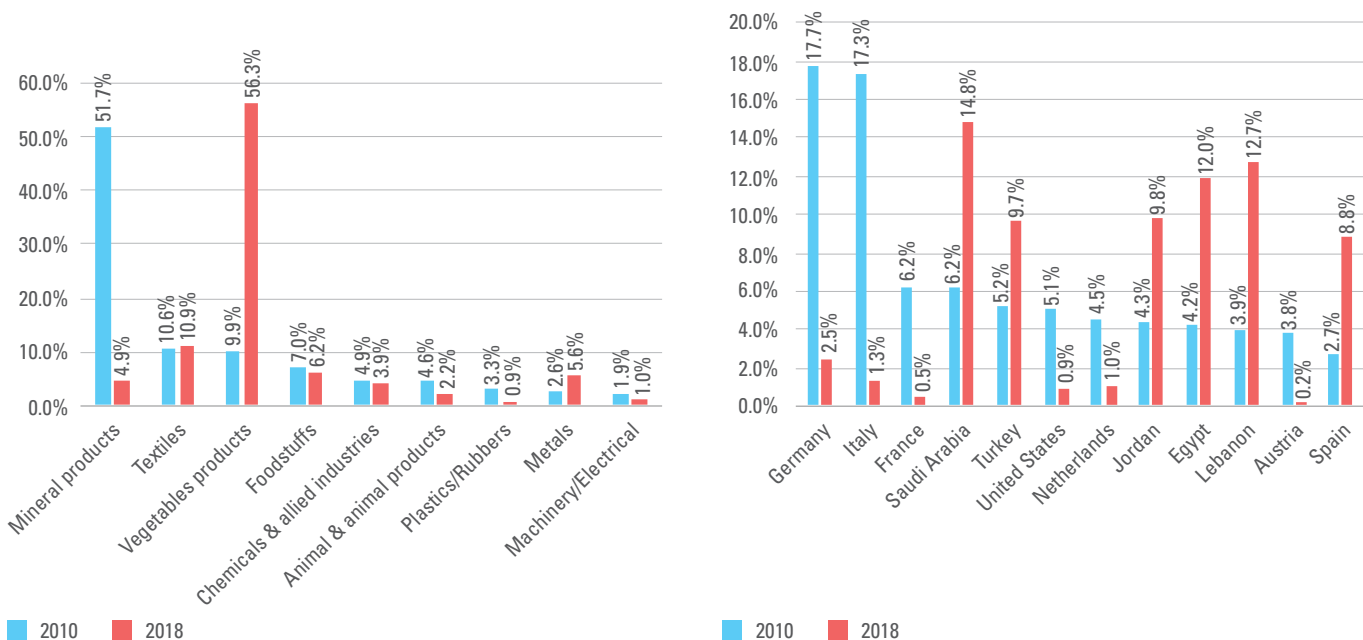


Source: Based on International Trade Centre mirror data and author's calculations.

Conflict also altered the composition of Syrian exports. In 2010, mineral products (mainly oil and phosphate) accounted for 52 per cent of the value of total exports (figure 33). The rest were vegetable products (9.9 per cent), foodstuffs (7.0 per cent), chemicals (4.9 per cent) and animal and animal products (4.6 per cent). As the oil industry was subject to sanctions from early in the conflict, and later faced massive destruction when under ISIL control, by 2018 mineral products had almost disappeared from the Syrian export basket. Consequently, the share of vegetable products went up, from 10 per cent to 56 per cent of total exports, while in absolute terms it fell from \$1.1 billion in 2010 to \$0.41 billion in 2018. Textiles accounted for 10.9 per cent,

metals for 5.6 per cent, food for 6.2 per cent and chemical industries for 3.9 per cent. The conflict and sanctions also meant exports were redirected from traditional destinations (figure 33). European countries that had received 45.6 per cent (\$4.8 billion) of total Syrian exports in 2010, received just 20.6 per cent (\$0.15 billion) in 2018. Instead, the share of Arab countries, excluding Iraq,<sup>113</sup> increased, from 25.1 per cent (\$2.2 billion) of total exports in 2010, to 62.1 per cent (\$0.44 billion) in 2018. Likewise, exports to Turkey and Iran in 2018 represented 9.7 per cent (\$0.07 billion) and 0.9 per cent (\$0.007 billion), respectively, compared with 5.2 per cent (\$0.44 billion) and 0.3 per cent (\$0.03 billion) in 2010. Exports to Russia were minimal in both periods.

**Figure 33.** Composition of exports, and orientation, 2010 and 2018 (percentage of total exports)



Source: Based on International Trade Centre mirror data and author's calculations.

Factors that led to a drop in aggregate consumption and investment resulted in a similar but higher magnitude impact on imports. The value of goods imported to the Syrian Arab Republic fell from \$17.6 billion to \$6.7 billion between 2010 and 2018 (figure 34). The shares also shifted. In 2010, mineral products made up the highest share of imports, at 21.4 per cent. However, by 2018, their contribution fell to just 2 per cent of overall imports. Similarly, metals and transportation also witnessed a decline in their contribution to imports from 13 per cent and 7.2 per cent in 2010 to 7.6 per cent and 4 per cent in 2018, respectively. As some imports' share fell drastically between 2010 and 2018, other imports witnessed an opposite shift. In 2010, machinery made up only 13.2 per cent of imports whereas in 2018, its contribution increased to 20.2 per cent.

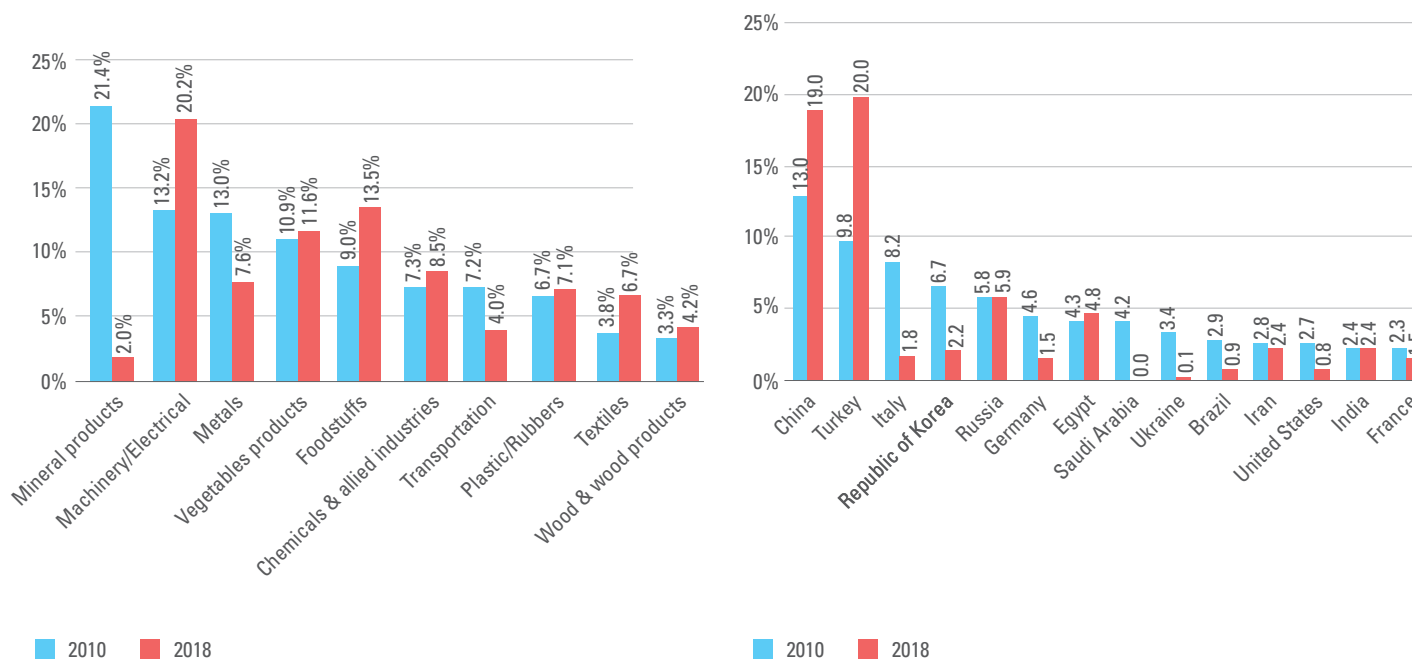
Similarly, in 2010, vegetable products had a share of 10.9 per cent of imports, foodstuffs (9 per cent), chemicals (7.3 per cent), plastics and rubbers (6.7 per cent), and textiles (3.8 per cent). By 2018, these imports would witness an increase in their shares with vegetable products at 11.6 per cent of imports, foodstuffs (13.5 per cent), chemicals (8.5 per cent), plastics and rubbers (7.1 per cent), and textiles (6.7 per cent).

Geographically, 25.8 per cent (\$4.9 billion) of Syrian imports came from the European Union in 2010, and 13.5 per cent (\$2.6 billion) from Arab countries (figure 34). The remainder came from China (13 per cent), Turkey (9.8 per

cent), Russia (5.8 per cent) and Iran (2.8 per cent). In 2018, just 10.7 per cent of total imports came from the European Union (\$0.7 billion), while Arab countries accounted for 27.5 per cent (\$1.85 billion), equal to 74 per cent of their level in United States dollars in 2010. China, Turkey and Russian Federation accounted for 19 per cent, 20 per cent and 5.9 per cent respectively of Syrian imports in 2018 while Iran's share remained almost the same, decreasing by only 0.4 per cent (figure 34).

“Syrian exports collapsed from **USD 8.7 billion** in 2010 to USD 2.3 billion in 2012 and continued to shrink in the following years to reach **USD 0.72 billion** in 2018 mainly as a result of damage in the productive infrastructure, as well as the US and EU unilateral restrictive economic measures (UERM).”

**Figure 34.** Composition of imports, and countries of origin of imports, 2010 and 2018 (percentage)



Source: Based on International Trade Centre mirror data and author's calculations.

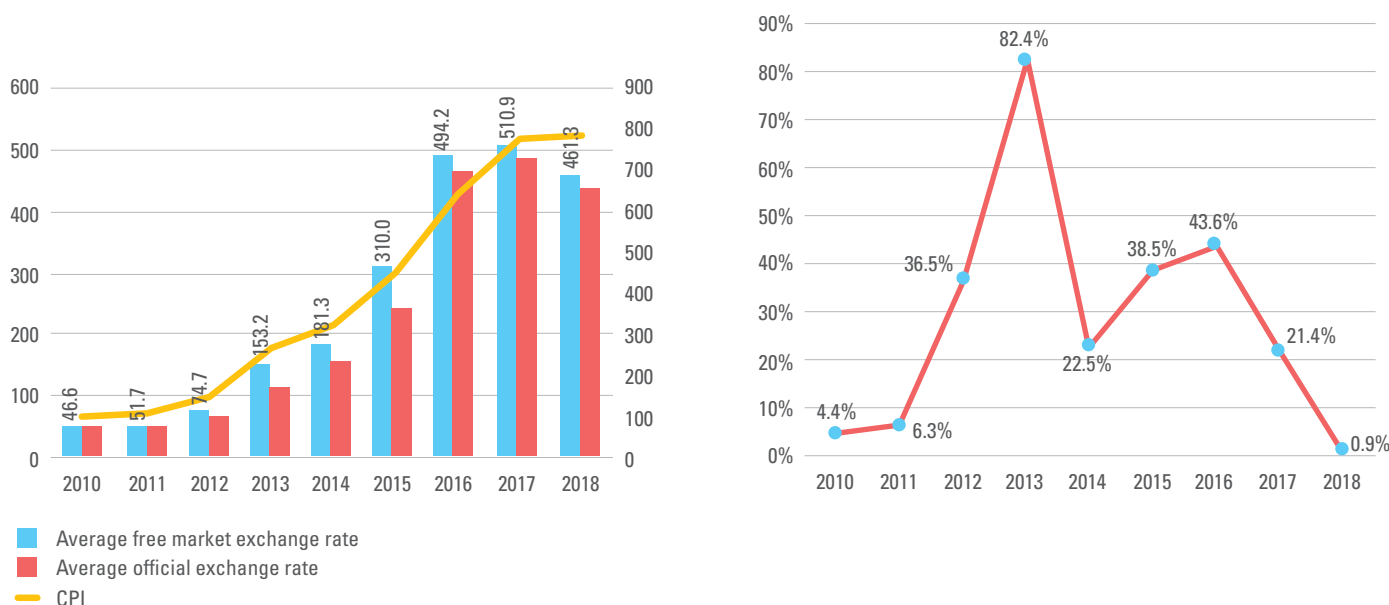
## E. Monetary policy and financial sector

An important share of the cost of the Syrian conflict is reflected in economy-wide price changes. Taking 2010 as the base year, the Syrian Consumer Price Index (CPI) had reached 811 by the end of 2018, according to official data. In the early years of the conflict, price movements were mainly driven by supply-side shocks as production costs and supply chains were disrupted by the deteriorating security situation and accumulated damage of physical capital in productive capacities. This disruption was worsened by the increasing fragmentation of the country between the warring factions from 2013 onwards. Supply shocks were reflected in a shortage of basic goods (and the slump in exports), leading to a general price increase that was exacerbated by inflation expectations.

The drop in exports was not accompanied by a comparable drop in imports, which widened the trade deficit and generated increasing pressure on the value of the Syrian pound (SYP). The Central Bank of Syria tried to restrain the pound's decline by managing demand. It

adopted a special exchange rate for official transactions, made a series of stabilization initiatives in the foreign exchange market and imposed restrictions on circulating foreign currencies, in addition to controlling imports. These measures failed to stop the currency deterioration. A parallel foreign exchange market was created, which stirred inflation expectations, leading to the price level and the foreign exchange developments moving in an upward trend (figure 35). Consequently, the average exchange rate by the end of 2018 was 460.2 SYP per \$1, compared with 46.6 SYP in 2010, a loss in value of almost 90 per cent. The value deteriorated further in 2019, falling to 650 SYP per \$1 in September but, with the financial crisis flaring in Lebanon the following month, it touched 1,000 SYP per \$1 by the end of the year. As a result, the inflation rate in Syrian markets rocketed by more than 50 per cent, causing disruptions in economic activity with further losses in the purchasing power of ordinary Syrians. These dramatic developments have aggravated poverty and food insecurity indicators already at drastic levels.

**Figure 35.** CPI and official free market exchange rate of dollar in SYP, and inflation rate, 2010-2018



Source: ESCWA, NAFS Programme calculations based on the Central Bank of Syria's official exchange rates for banks, available at <http://cb.gov.sy/ar/stats/category?id=7e96402809> (accessed on 18 December 2019); the Syrian Arab Republic, Central Bureau of Statistics CPI data, available at <http://cbssyr.sy/cpi-2019.htm> (accessed on 18 December 2019).

Inflation was inevitable for the Syrian Arab Republic during the conflict years. The Government had to meet its current expenditure to pay salaries, subsidize basic goods and finance the increasing military spending. As government savings were drying up, the last resort was deficit financing (printing money), which in 2013 pushed

inflation rates to 82.4 per cent (figure 35). Moreover, using a policy of price control over basic goods did not help in controlling inflation. Rather it led to shifting the exchange of goods with prices set administratively from the official market to the parallel market but at higher prices, as had been the case with oil, cooking gas and bread.<sup>114</sup>

## F. Capital markets

The conflict has led to a decline in the availability of standard data on the banking sector’s performance. State-owned banks (10 out of 21 operating banks) do not publicly disclose their financial results. Available data indicate the conflict has aggravated an already poor performance.

Usually, businesses finance their activities through banks. Therefore, low access to financial services, lack of funds and high financing costs stifle economic growth, and eventually the reconstruction process, particularly where the private sector is a major actor in economic reconstruction.<sup>115</sup> During the conflict, the Syrian Arab Republic witnessed a drop in savings and investments as a result of a deteriorating investment climate, and a large-scale exodus of financial assets and capital, or capital flight.<sup>116</sup> As such, private investment dropped in real absolute terms by an average of 31 per cent in the period 2010-2017, while its share of aggregate investment increased from 54 per cent in 2006-2010, to 64 per cent in 2011-2017.<sup>117</sup>

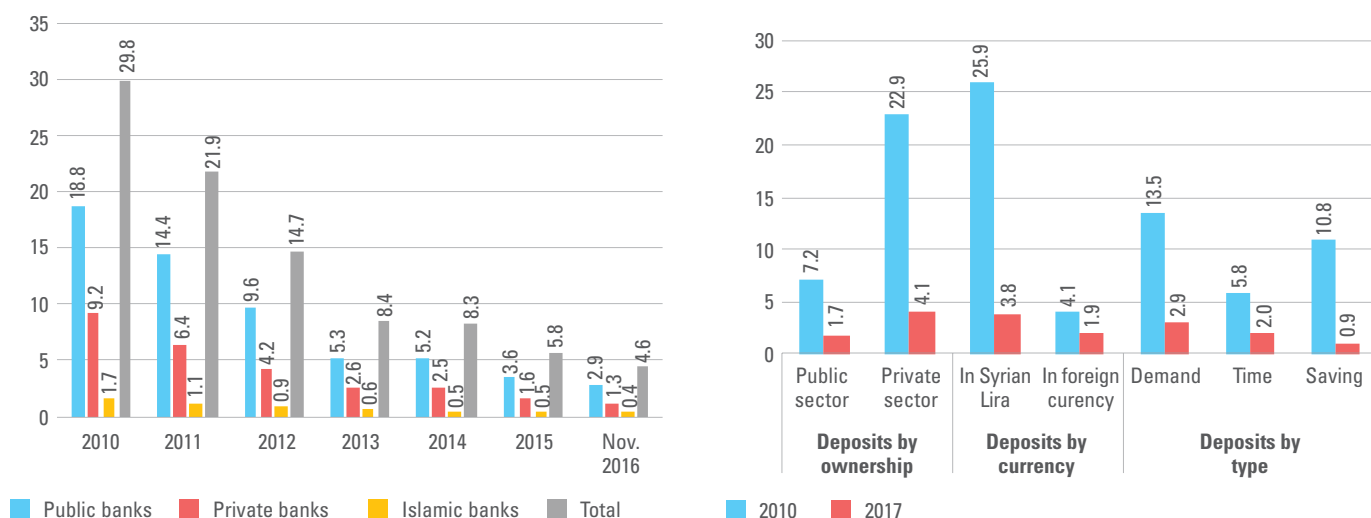
During the conflict, the loss of major industries, particularly those largely operating in the informal sector, made it difficult for banks to properly assess risk and returns, and to provide lending opportunities within suitable risk parameters. In 2017, 75 per cent of firms confirmed they did not use bank credit, up from 53 per cent pre-conflict, meaning reactivating the private sector post-conflict will be hard. In addition, 34.1 per cent of firms identified accessing finance as a major constraint, as their share of bank credit dropped from 23 per cent to 8 per cent. The conflict also increased the probability of default (the default risk). Non-performing loans deteriorated

substantially, from 4 per cent in 2010 to 35 per cent in 2013.<sup>119</sup> The income levels of private banks reflected this, with net interest margins<sup>120</sup> falling from 2.42 per cent in 2010 to 1.46 per cent in 2015.<sup>121</sup> Pre-conflict, the Syrian Arab Republic’s net interest margin averaged 2.6 per cent,<sup>122</sup> below Lebanon (3.6 per cent) and Jordan (4.7 per cent), signalling an adequate rate.<sup>123</sup> Given the elevated levels of risk and accompanying hike in performance monitoring costs under stressed security conditions, the lending spread is expected to have widened, and the cost of capital to have increased. Due to data limitations, analysis of the cost of capital is inconclusive.

Total deposits in the banking sector fell by more than 82 per cent in the period 2010-2017, a result of economic deterioration and uncertainty, and the high opportunity cost of holding balances in Syrian pounds, which were losing value. The dollar value of deposits fell from \$29.8 billion in 2010 to \$4.6 billion in 2016, a decline of 85 per cent. Deposits were estimated to have grown in 2017 by approximately 14 per cent to \$5.3 billion (no real figures have been published at the time of issuing this report).<sup>124</sup>

In 2010, public banks acquired 63 per cent of total deposits and maintained this share in 2016. Total deposits for private banks fell slightly, from 30.8 to 28.3 per cent. The share of Islamic banks increased from 5.7 per cent to 8.7 per cent (figure 36). The level of deposits changed dramatically during the period 2010-2017. Private sector deposits fell from \$22.9 billion to \$4.1 billion, and deposits in Syrian pounds from \$25.9 billion to \$3.8 billion, reflecting the prevailing level of uncertainty and risk for doing business in the period.

**Figure 36.** Share of total deposits by type of bank, 2010-2016, and composition of deposits, 2010 and 2017 (billion dollars)



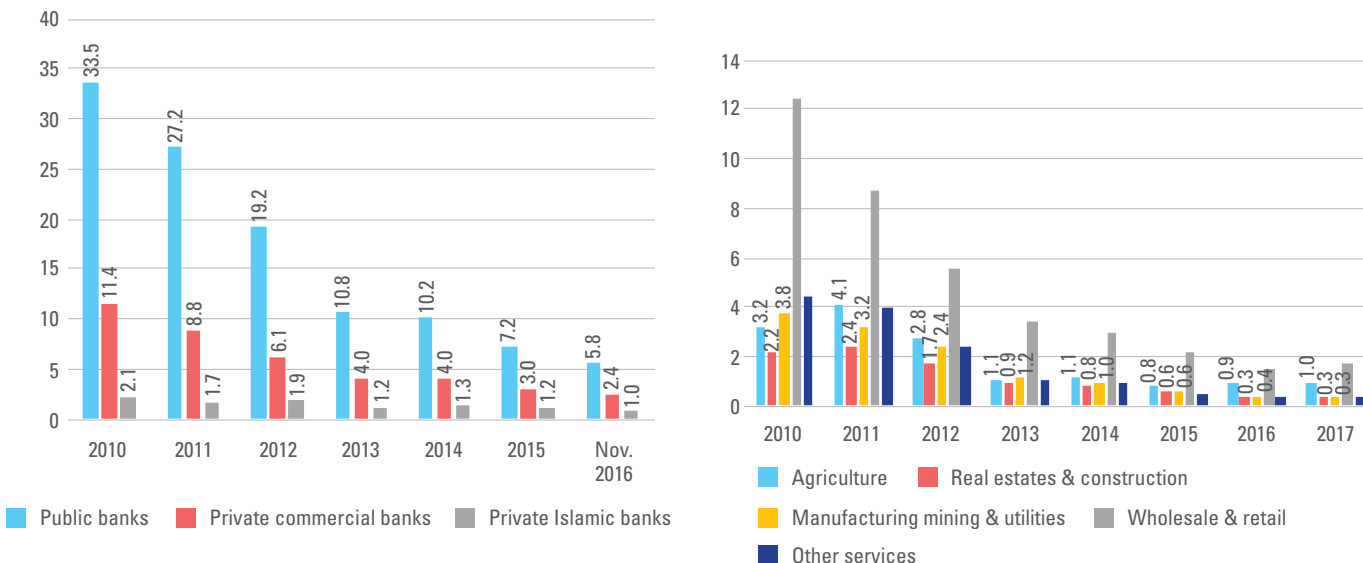
Source: ESCWA, NAFS Programme projections and calculations, and the Central Bank of Syria.

In addition, public banks acquired more than 71 per cent (\$33.5 billion) of total bank assets (\$47 billion) in 2010. In 2016, this share fell to approximately 63 per cent (\$5.8 billion) of total assets (\$9.2 billion). As a result, private banks and Islamic banks' share of total assets increased from 24.3 per cent and 4.5 per cent, to 26.1 per cent and 10.8 per cent, respectively (figure 37). Total credit fell from \$26 billion to \$3.7 billion in the period 2010-2017.

Bank credit to the economic sectors also dropped proportionally, a result of a collapse in economic activity

due to the risks associated with the conflict. In relative terms, the internal trade sector kept receiving the bulk of the credit, averaging 43.3 per cent between 2010 and 2017. The agriculture sector received the second highest share of credit, which amounted to 12.2 per cent in 2010, and increased to 26 per cent in 2017. The real estates and construction sector received 14.6 per cent of the share in 2010, falling to 8.5 per cent in 2017. Finally, manufacturing and mining maintained some 10 per cent of the credit during the same period (figure 37).

**Figure 37.** Share of total assets by type of bank, 2010-2016, and distribution of credit facilities by banks in economic sectors, 2010-2017 (billion dollars)



Source: ESCWA, NAFS Programme projections and calculations; and the Central Bank of Syria.

## G. Public finance

Publication of public finance data has been restricted by the Government since 2011. Figures have therefore been estimated from the rate of implementation of the announced budget plan, based on scattered official statements and published national accounts. Since data based on the Syrian pound for the conflict years are hardly comparable due to high inflation rates, the estimated data for each year were converted to United States dollars using the relevant annual average exchange rate.

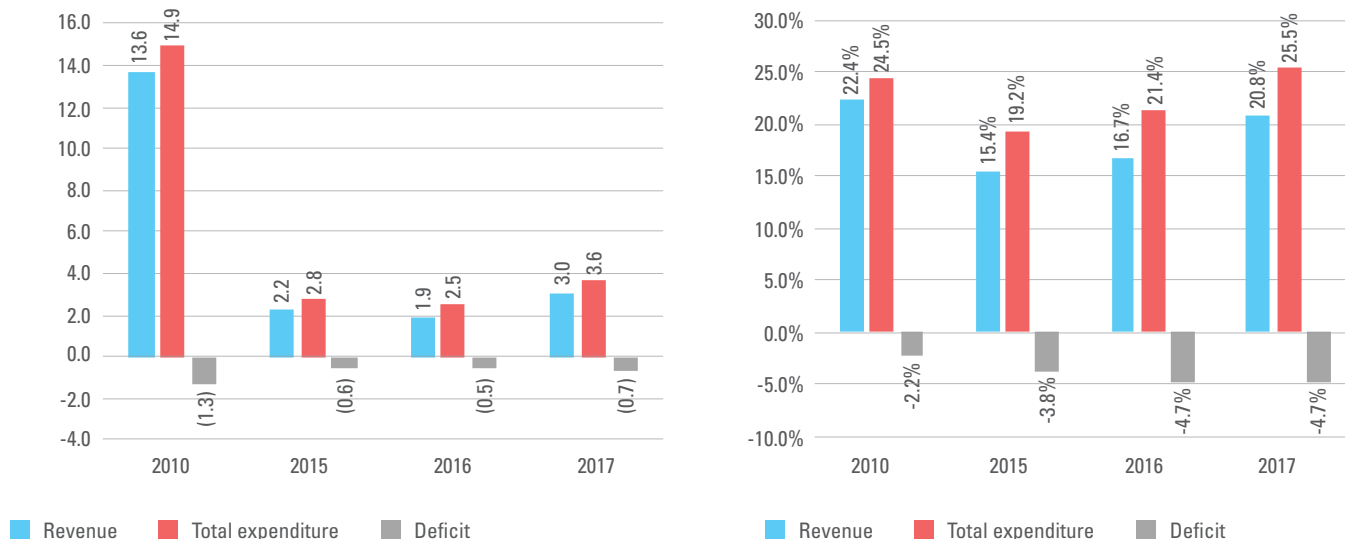
Taking account of this, public finance numbers dropped proportionally along with the Syrian GDP. Public revenues plunged by -78 per cent, from \$13.6 billion (22.4 per cent of GDP) in 2010 to approximately \$3 billion (20.8 per cent of GDP) in 2017 (figures 38 and 39). In addition, public expenditures fell by 76 per cent, from \$14.9 billion (24.5 per cent of GDP) to \$3.6 billion (25.5 per cent of GDP) in the same period. However, the budget deficit fell from \$1.3 billion to \$0.7 billion, while its percentage to GDP more than doubled, from -2.2 per cent to -4.7 per cent over the same period.



Source: Istockphoto, photo credit: lechatnoir



**Figure 38.** Estimated budget summary (billion dollars), and as percentage of GDP, 2015-2017 compared with 2010



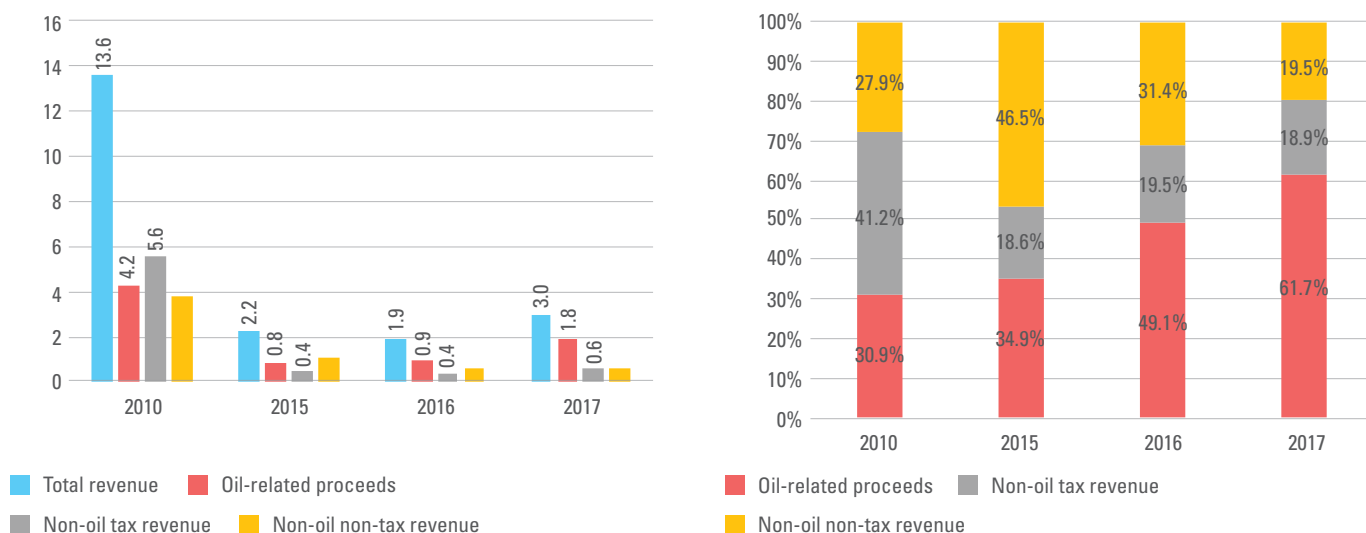
Source: ESCWA, NAFS estimations and calculations.

Looking at the sources of government revenue, oil-related proceeds made up 31 per cent of total revenue in 2010, with non-oil tax revenue and non-oil non-tax revenue accounting for 41 per cent and 28 per cent respectively of total revenue (figure 39). Despite the decrease in revenue between 2010 and 2017, the share of oil proceeds went up steadily, reaching almost 60 per cent in 2017, due to the loss in non-oil tax revenues and despite the loss in oil production (from 380,000 barrels per day to less than 10,000). This could be explained by two factors: first, a dwindling of the revenue base, and second, it is possible that the proceeds from the oil imported through credit facilities is recorded in the budget as revenue. However,

the corresponding entry for this revenue (the increase in public debt by the amount used from this credit facility to import oil) to validate this is not available.

Non-oil tax revenue's share of oil-related proceeds fell from 41 per cent in 2010 to almost 19 per cent in 2017. This was due to the loss of economic activity and expansion of the informal economy, and less efficient tax collection, which is put down to deteriorating human and institutional capacity. Non-oil non-tax revenue (such as fees on government services, interest receipts) dropped from 28 per cent in 2010 to 19.5 per cent in 2017 (figure 39), to more closely match the tax revenue level.

**Figure 39.** Estimated public revenue composition (billion dollars), and estimated public revenue composition (percentage), 2015-2017 compared with 2010

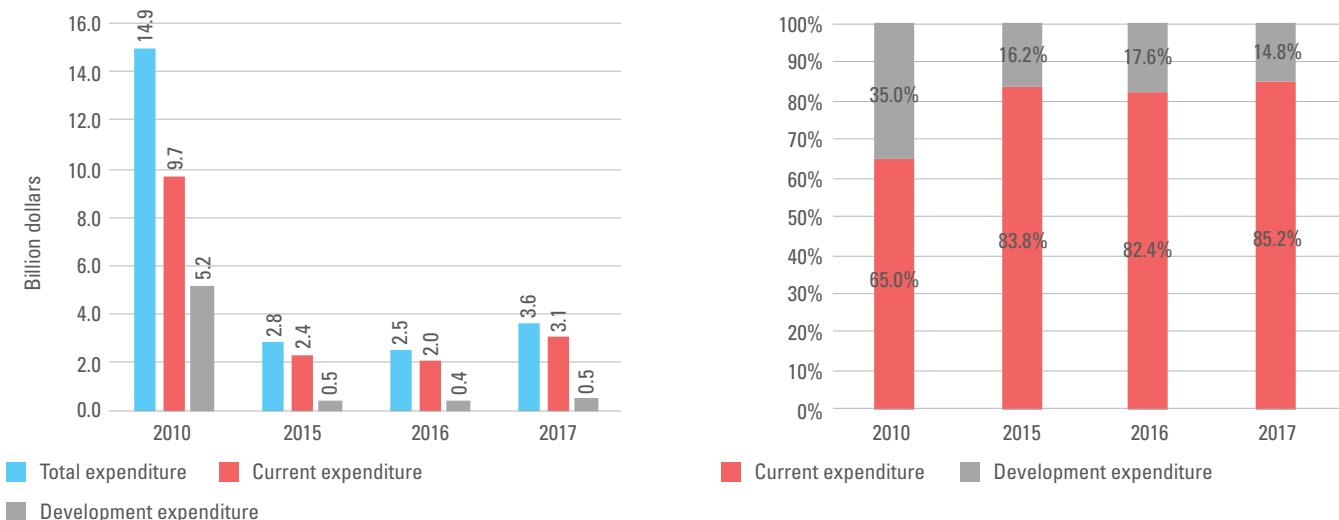


Source: ESCWA, NAFS estimations and calculations.

On the expenditure side, current and development expenditure allocations changed, from 65 per cent and 35 per cent in 2010 to 85 per cent and 15 per cent, respectively, in 2017. This was due to the increase in

military and social expenditure – for which no breakdown is available – which reflects a drop in development spending in absolute terms, from \$5.2 billion to \$0.54 billion (figure 40).

**Figure 40.** Estimated public expenditure composition, 2010 (billion dollars), and estimated current expenditure items (percentage), 2015-2017 compared with 2010



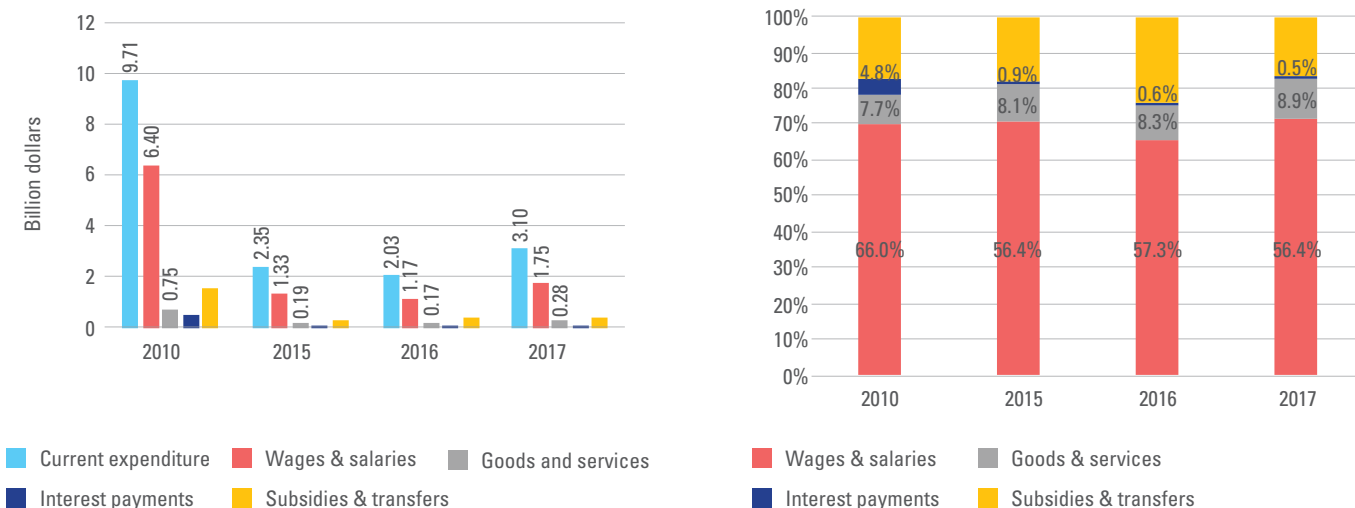
Source: ESCWA, NAFS estimations and calculations.

Although wages and salaries fell from \$6.4 billion (66 per cent of total expenditure) in 2010 to \$1.7 billion (56 per cent of total expenditure) in 2017, they remained an important portion of current expenditure (figure 41). Thus, assuming the number of public employees was the same as it had been pre-conflict,<sup>125</sup> the dollar value of public expenditure on wages reflects the deterioration in their real wages. Continuity in running the public sector came

at the expense of the standard of living of public sector employees.

The goods and services purchased by the Government remained almost stable at about 8 per cent. Subsidies, the second notable portion of public expenditure, fluctuated from 16 per cent in 2010 to 21 per cent in 2016, then back to 13 per cent in 2017.

**Figure 41.** Estimated public expenditure composition (billion dollars), and estimated current expenditure composition (percentage), 2015-2017 compared with 2010



Source: ESCWA, NAFS estimations and calculations.



## H. Doing business

The conflict affected the composition of the enterprise sector, with the proportion of informal small and medium-sized enterprises (SMEs) increasing, and that of large enterprises decreasing, from 24 per cent in 2009 to 16 per cent in 2017.

According to the 2017 Enterprise Survey, in areas controlled by the Government, firms identified the interruption to services (electricity, water) as the main obstacles to doing business. This was the fifth priority pre-conflict, when regulatory uncertainty, tax rates and access to finance were cited as more pressing concerns. 68 per cent of remaining firms said intermittent electricity was their greatest challenge, with 56 per cent mainly

concerned about the inconsistent fuel supply.<sup>126</sup> Poor infrastructure has had a severe impact on the social return of the private sector. For instance, during 2009, firms recorded a loss of sales of 9.9 per cent due to electricity outages, 7.6 per cent to water and sanitation issues, and 1.3 per cent to transport failures. These deficiencies all induce market failure, the lack of provision of these types of external infrastructure limiting the scaling up of productive activities in all sectors post-conflict. The survey in Table 2 indicates growth inhibitors, in order of priority after services interruptions, include the loss of employees, physical damage and insecurity, loss of customers and suppliers, the Government (owing to business service problems) and finance problems.<sup>127</sup>

**Table 2.** Issues affecting Syrian firms, 2018

Most problematic factors for firms	Percentage of responses
Service interruptions	36.7
Loss of employees	15.8
Physical damage and security	15.2
Loss of customers/suppliers	13.9
Transport problems	8.9
Government to business service problems	5.7
Finance problems	1.9
Other	1.9

Source: Salmon, Assaf and Francis, *Surviving Firms of the Syrian Arab Republic*, 2018.

## I. Economic governance

The governance and institutional framework was a major limitation on economic activity pre-conflict, especially in the private sector, and it deteriorated further during the conflict.<sup>128</sup> A complex bureaucratic structure has been a constraint to starting a business in the formal economy, thus a large share operate in the informal sector.<sup>129,130</sup> According to the World Bank's Ease of Doing Business rankings for 2020, it takes a firm on average 7.5 procedures and 15.5 days to start a business (table 3). It also costs 8.1 per cent of income per capita and a minimum capital of 88.3 per cent of income per capita. This meant the Syrian Arab Republic ranked 143rd in starting a business among a total of 190 economies; revealingly, this is based only on statistics from areas controlled by the Government.



Source: Istockphoto, photo credit: Joel Carillet

**Table 3.** Ease of doing business rankings, 2020: starting a business

	The Syrian Arab Republic	Iraq	Jordan	Lebanon	Turkey	Yemen
Starting a business (rank)	143	154	120	151	77	156
Procedures (number)	7.5	8.5	7.5	8	7	6.5
Time (days)	15.5	26.5	12.5	15	7	40.5
Cost (percentage of income per capita)	8.1	34.2	23.3	42.3	6	40.2
Minimum capital (percentage of income per capita)	88.3	14.6	0.1	41.5	0.0	0.0

Source: World Bank, Doing Business 2020.

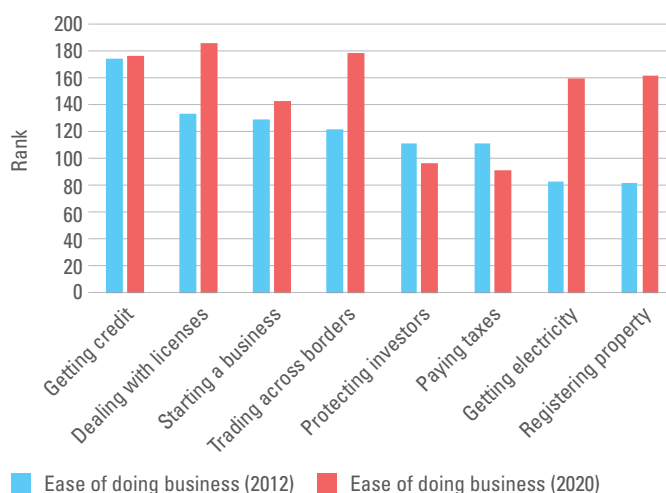
Syrian firms are relatively disadvantaged at acquiring construction permits and electricity – in terms of procedures, time, cost and quality – and in enforcing contracts and property rights. Additionally, firms now face an increased tax burden, the average tax rate rising from 39.7 per cent in 2012 to 42.7 per cent in 2020.<sup>131</sup>

The World Governance Indicators (WGI) ranked the Syrian Arab Republic at the 20th and 26th percentiles on regulatory quality and rule of law, respectively, in 2011. These had declined severely to the lowest 4th and 1st percentile by 2016.<sup>132</sup> Corruption and perceptions of corruption – long-standing grievances within the Syrian Arab Republic – increased during the conflict, and the country fell from the lowest 14th rank to the 2nd lowest over the same timescale.<sup>133,134</sup>

The Enterprise Survey 2009 suggested SMEs viewed uncertainty as a leading obstacle, especially given 80 per cent of them observed they needed to gift public officials to get their work done, compared with 37 per cent of SMEs in the region.<sup>135</sup> As a result of the weak institutional framework, economic agents have become more reluctant to grow their businesses and request credit from banks, as highlighted previously. This affects the supply of credit and reinforces the unwillingness of banks to provide loanable funds to the private sector.

The absence of adequate risk assessment tools and the weak law enforcement has resulted in historic credit misallocation behaviour. More loanable funds are allocated to the public sector than the private sector despite it being less efficient.<sup>136</sup> This business environment, along with political instability, induces low investment confidence. Investors feel unable to appropriate the

**Figure 42.** The Syrian Arab Republic's general Ease of doing business ranking, 2012 versus 2020



Source: World Bank, Doing Business 2020.

returns on their activities, a binding constraint to sustainable growth.<sup>137</sup>

The Syrian Arab Republic's economy has been contracting since the onset of conflict as incentives for investment have gone down. Today, the economy faces a wide set of constraints that inhibit sustainable and inclusive growth. These centre around social, macroeconomic and structural issues.<sup>138</sup> Of these, addressing the weak labour force and infrastructure, the governance and institutional framework, macroeconomic environment, access to finance and market failures would be of most benefit to the Syrian economy.

**Table 4.** World Governance Indicators by rank

Year	Control for corruption	Rule of law	Regulatory quality	Government effectiveness <sup>a</sup>	Political stability and no violence <sup>b</sup>	Voice and accountability <sup>c</sup>
2010	12.86	33.65	19.62	32.06	22.27	4.74
2011	13.74	25.82	19.91	38.39	2.84	3.76
2012	9.95	13.62	4.27	12.32	0.47	3.29
2013	8.53	4.69	4.27	6.64	0.47	3.29
2014	2.40	5.77	3.85	7.21	0.00	3.45
2015	1.92	4.81	4.33	5.29	0.00	2.96
2016	2.40	0.96	3.85	1.92	0.00	1.48

Source: World Bank, "World Governance Indicators, 2017", Data Catalog.

Notes:

- a Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
- b Political Stability and Absence of Violence/Terrorism measures perceptions of the likelihood of political instability and/or politically-motivated violence, including terrorism.
- c Reflects perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.

## J. Conclusion

There remains formidable economic challenges for the Syrian Arab Republic. By the close of 2018, damage to physical capital was estimated to have reached \$117.7 billion at constant 2010 prices.<sup>139</sup> The most affected are the capital-intensive sectors, and cities with high population and business density hardest hit by the conflict. Adding to the capital damage is the weak economic performance. As a consequence of the human and physical losses, GDP by the end of 2018 had fallen by approximately 54 per cent, down to \$28.1 billion from its 2010 level of \$61 billion. Capital flight has aggravated the problem. It is difficult to fully estimate but, to give an example, between 2011 and 2017, Syrian expatriates and refugees registered more than 6,000 new businesses in Turkey, mostly small and medium-sized trade and manufacturing companies, in Gaziantep, Istanbul, Kilis and Hatay.<sup>140</sup> Egypt, too, is host to predominantly small and medium-sized Syrian enterprises, many of them manufacturers relocating from Aleppo's conflict-torn industrial zone. The widening trade deficit, capital flight, external displacement and economic sanctions have placed huge pressure on the Syrian pound, which had lost more than 90 per cent of its value in 2019 compared with 2010. This was accompanied by a surge in inflation that reached 790.1 per cent by the end of 2017 compared with 2010. This implies an inflation rate of 800

per cent over eight years of the conflict, according to the Central Bureau of Statistics.

This is, however, just the start. In addition, there has been massive unemployment, weakened institutions and State capacity, and deep environmental degradation. The conflict has destroyed a significant number of jobs, causing the jobless rate to jump to 55 per cent in 2017 compared with 8 per cent in 2010. Unemployment has been the highest among youth, reaching 75 per cent as of 2015,<sup>141</sup> with women affected more than men. The weakened administrative capacity of State institutions has given corruption, a war economy and criminal activities room in which to flourish.

The conflict has caused serious environmental damage, directly and indirectly. It has led to widespread destruction due to the high mobility of violence. Predatory mining by non-State armed groups with rudimentary techniques has also caused deep land degradation and air pollution. Further, unregulated drilling for water due to the weak law enforcement has caused depletion in strategic water resources in various areas. The most tragic environmental impact, however, has been extensive deforestation due to violence and the need for heating resources during winters.

These challenges are truly daunting, but the Syrian Arab Republic has strengths, and opportunity. Despite the huge damage to business infrastructure, the economy has coped, and has kept functioning in all sectors, to varying degrees. The economy had diversity pre-conflict and this, with the important agricultural base, has afforded it significant resilience. Though weakened, State institutions have largely survived with some administrative and fiscal capacity, managing day-to-day life by providing basic needs and legal documents, and governance, public finance and economic management. It will be crucial to harness their strengths while transforming their governance structures and performance to make them representative, accountable and responsive.

With regard to natural resources, the most important oil wells and water resource (the Euphrates river) are still in conflict zones. However, the country enjoys considerable natural resources, such as water, oil and gas, phosphate and other minerals. These resources will facilitate the

provision of basic needs (energy, for example) and the financing of other urgent stabilization initiatives.

Finally, the Syrian diaspora has always been an asset. Remittances have played an increasingly important role in household incomes throughout the conflict and are expected to do so in the following years. In 2016, the World Bank estimated that remittances reached \$1.62 billion, which reflect an average daily rate of approximately \$4 million. Remittances are an important source of household support, ensuring basic needs such as shelter, education and health, and helping people counteract transient poverty in general. The experience of other countries in post-conflict situations shows remittances can contribute at the macroeconomic level to correcting balance of payments deficits, while at the microeconomic level they represent a stable source of income security because their flow is not diminished during economic slumps; indeed, the flow actually increases during times of conflict, prompted by phone calls to relatives.

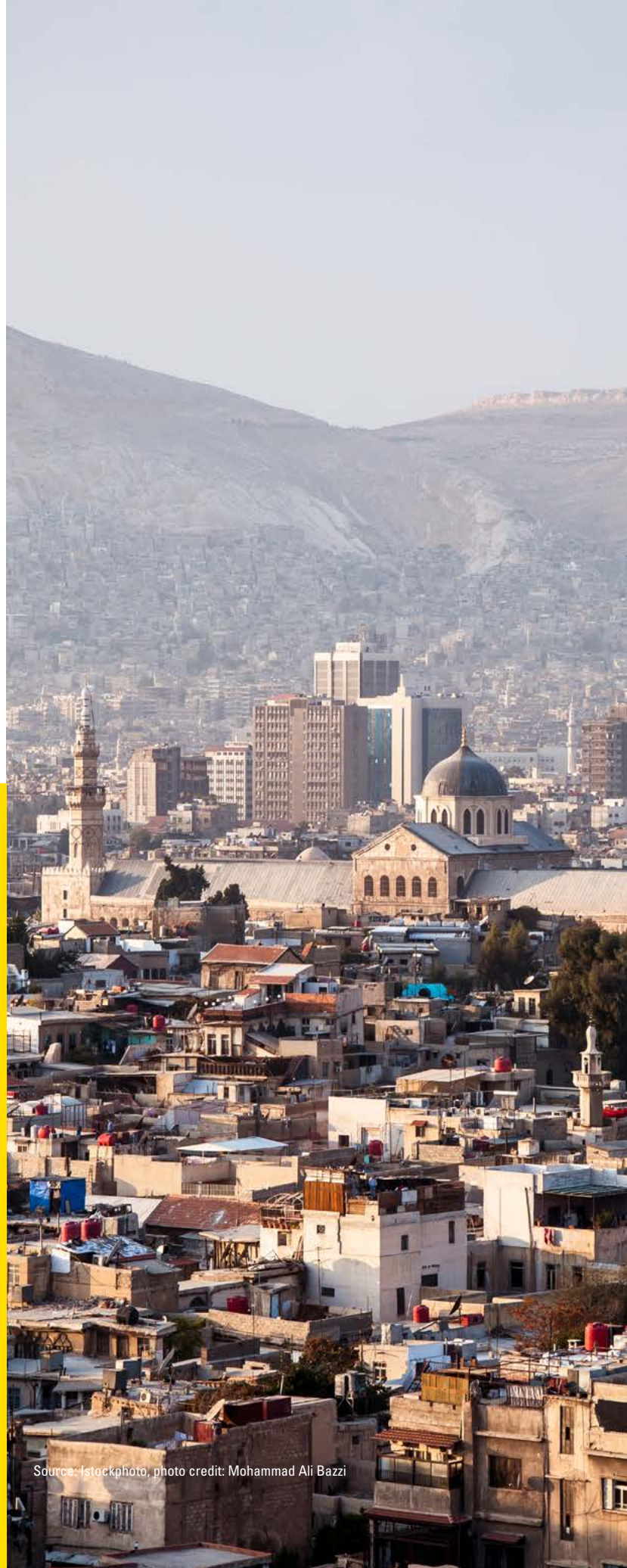




# 04

## Towards Inclusive and Sustainable Peacebuilding and Economic Recovery

“Syrian identity is pluralistic and expressive of Syrian cultural diversity and cannot be reduced to any one of its components only.”





## A. Introduction

The scale of the conflict coupled with its geopolitical complexity implies recovery and reconstruction is of global importance, not just for Syrians in desperate need. Before the conflict, the Syrian Arab Republic was classified as a middle-income country but gains in development have been reversed. While the country was at 112 in global HDI rankings in 2012, it dropped to 154 in 2019.<sup>142</sup> All socioeconomic indicators have significantly deteriorated. Each Syrian has been affected differently, but the conflict has negatively impacted the lives of nearly all people and households.

The formation of the 150-member Constitutional Committee in September 2019, under terms agreed by the Government and the Syrian Negotiation Committee, facilitated by the United Nations in Geneva, marked an important step towards a political solution. The Committee is significant in that it entails both the Government and the opposition recognizing the other as interlocutors in the political process.

But the Committee is just a beginning in what should be a comprehensive process of peacebuilding and recovery. This chapter discusses a basic framework through which to understand peacebuilding and recovery in the Syrian Arab Republic. The suggestions are not a blueprint nor roadmap for reconstruction, a comprehensive survey or prioritization of issues. They are neither a substitute for political discussions, nor an attempt to impose solutions or to support or undermine the legitimacy of any stakeholder. There is no substitute for recovery that is an outcome of an inclusive Syrian-led national dialogue on the Syrian Arab Republic's needs and priorities.

Rather, they originate from ESCWA's research and consultations, including under the auspices of the National Agenda for the Future of Syria programme. Hosted by ESCWA, it has served as a platform for discussion for a broad spectrum of Syrian stakeholders, based on collaboration between networks of actors in civil society, the private sector, and national and international institutions. This inclusive and technical approach has set it apart from other platforms. The NAFS Programme was launched – and continued – at a time when polarization within society was significant. It succeeded in bringing together Syrians who, despite their disagreements, shared common values and principles.

Those taking part discussed a future vision for the Syrian Arab Republic based on four fundamentals that can be

summed up as: (1) Syria is a unified country; (2) Syrian society can rebuild the Syrian Arab Republic and achieve comprehensive economic development; (3) Syrian society is diverse and creative; and (4) the Syrian Arab Republic has a unique geopolitical position that gives rise to challenges that need to be taken into consideration.<sup>143</sup> These, and the principles that follow from them, are basic common ground that in the view of Syrian experts are worthy of guiding all representatives of Syrian society.<sup>144</sup> They are not meant to be sufficient for a holistic, inclusive and sustainable process of reconstruction but starting points for dialogue; a basis around which Syrians may begin to craft a joint vision and new social contract to shape the future of the country.

**The Syrian Arab Republic has witnessed severe destruction and is in dire need of reconstruction that goes beyond just restoration.** Implicit in the idea of reconstruction is a return to the previous status quo. The objective of reconstruction, within a discussion on the Syrian Arab Republic, would be to restore the structures and frameworks that existed in 2011, problematic given that many were part of the root causes of conflict. To reconstruct in this way, therefore, would be to restore not only the structures that existed, but also the internal flaws manifested in them. Another argument is that the objective would be to restore the idealized economic indicators that existed prior to March 2011.<sup>145</sup> Again, these indicators did not exist in a vacuum. Rather, they were part of a larger package that included significant rural and urban inequalities that, as studies have indicated, were linked to the protests of 2011.<sup>146</sup> It would not be sensible to aspire to replicate the conditions that helped create the climate for conflict.

The second and more aspirational notion of reconstruction is a change towards a different and better future than the previous or current status quo. Reconstruction in the Syrian Arab Republic must be holistic in that it views recovery as more than just building what was destroyed, a comprehensive, interlinked process that includes transformation at economic, social and governance level. It is inclusive in that it promotes a the Syrian Arab Republic for all Syrians, with particular attention to the role of women. Recovery must move away from the victor and vanquished logic of the conflict and acknowledge all sectors of society, be they inside the country or refugees. Finally, the process must be sustainable. Sustainability refers not only to the ecological sense but, crucially, given the likelihood that external assistance may fall well short of what is necessary, also to indigenous processes for recovery, reconstruction development and growth.

## B. Principles of peacebuilding

For the Syrian Arab Republic to engage in meaningful peacebuilding, the political culture must move away from the zero-sum logic and extreme polarization of the military conflict. This includes accepting the “other” in practice, and in speech and political repertoires. Political struggle is normal in all societies and the task during the peacebuilding process is to move it from violent to non-violent means.

The priority is to forge a new social contract and enhance State legitimacy through consensual decision-making to reform governance structure and rehabilitate political institutions in a representative manner, undo the impact of the war economy, rehabilitate public administration and implement appropriate measures for administrative and fiscal decentralization. By combining relevant United Nations resolutions and the ESCWA-convened deliberations of Syrians from various walks of life, the following propositions are put forward:

(a) A political transformation based on United Nations Security Council resolution 2254 that guarantees transition towards a the Syrian Arab Republic where a culture of democracy is built and practiced, mutual trust re-established between political players, and the rule of law, equality and citizenship established. Based on United Nations Security Council resolution 1325, attention should be paid to the role of women, as victims of the

conflict and leaders in the peacemaking process;  
(b) The right of the displaced and refugees to a safe, dignified and voluntary return to their homes, or any other location inside the country where they voluntarily choose to return;

(c) A national reconciliation to which all Syrians are invited and encouraged to contribute;

(d) A balanced and equitable citizen-centred development that: (i) directly contributes to stability, peacebuilding and reconciliation at local and national levels; (ii) is tangible and felt in the availability of rehabilitated social and physical infrastructure; and (iii) empowers people, especially the most vulnerable and poor, to attain their basic needs;

(e) A move towards a governance framework and national administrative structure that is comprehensive, participatory, transparent, can be held accountable and increases gender equality.<sup>147</sup>

In the current reality this may appear idealistic, but a recovery phase that does not address such ideas will prolong suffering and risk creating or entrenching existing inequalities and injustices, as well as potentially contributing to conflict relapse even if along a different dimension. Even a partial move towards the desired end would have a positive impact on reconstruction.

## C. Challenges for recovery

The challenges for the Syrian Arab Republic are widespread and overwhelming. Recovery will be long and complex. It is important to set it on the best possible path by simultaneously addressing issues in the short to medium run.

All actors, including the Government and international community, must consider the interconnected nature of recovery and attempt to address it in a holistic manner. Key areas of concern that require attention in the peacebuilding phase include: (a) emergency response, services and basic needs; (b) political and administrative governance and institutional reform; (c) social cohesion, reconciliation and revival of civil society; and (d) economic recovery and undoing the war economy. Several cross-cutting themes require emphasis. These primarily include attention to gender equity and women’s representation, as well as the human rights of all Syrians. Second, due to the international dimension, the rights of refugees and displaced populations must be respected and considered. The principle of voluntary repatriation and *non-refoulement*<sup>148</sup> must be observed, while creating the conditions for a dignified return for all refugees. They must also be protected from retribution and persecution on their return.



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## 1. Emergency response, services and basic needs

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Initially the focus must be on ensuring life-threatening humanitarian needs are met. The emergency response process has different stages, including the emergency (or initial) response, and the continuing (or ongoing) response. Violence has diminished in many areas, but the humanitarian and basic needs of Syrians inside the country and in neighbouring countries as refugees remain substantial. The Syrian Arab Republic is witnessing a slow pattern of return, primarily IDPs and a small number of refugees. While stressing the principle of voluntary repatriation and non-refoulement, it is important to prepare for the return of refugees, and to guarantee their personal safety and well-being and alleviate their fear of persecution and arrest. Delivery of basic needs and services should be equitable and non-discriminatory, either in appearance or practice. Anything else signals a continuation of the conflict.

In 2019, more than 11.7 million people, including 5 million children, were still in need of at least one form of humanitarian assistance, 5 million of these in acute need. These needs related to food security, basic health and education, and access to livelihoods. According to multidimensional poverty indices, acute poverty and poverty have sharply increased, with poverty estimated to have exceeded 50 per cent in 2017.

Improved access to basic needs and services has a crucial role to play in the peacebuilding process. Unfortunately, in the Syrian conflict there has too often been a direct targeting of the basic infrastructure essential for food security, health and education. At the very least, all parties should cease the targeting of civilian infrastructure.

Research on conflict relapse has emphasized the importance of quality of life indicators, including health and education indicators such as mortality rates, life expectancy, adult literacy and poverty.<sup>149</sup> Attention to basic needs should incorporate and respond to local priorities in an inclusive manner and allow local people a central role in articulating them. It is particularly important that governance structures be receptive to the possible return of displaced populations. As a result, local

response approaches should include civil society and other representative governance bodies to incorporate a spectrum of voices, particularly women, and to address the needs and concerns of marginalized populations and those with special needs.

Sectors requiring attention include food security, water, sanitation, hygiene, health care, education, shelter, direct poverty alleviation and livelihood provision, energy and electricity, and telecommunications. The dire need situation implies that policies are emergency or humanitarian in nature. But policies should also show a progressive shift, and seek to link these immediate concerns with a longer focus on sound and sustainable approaches that revive economic growth. For example, assuring food security is a basic focus that includes food availability and access. This can help the agricultural sector by stimulating employment and growth, particularly important given its historical significance. Policies at national level should complement rather than inhibit agricultural potential.

For this “focus” to rehabilitate society rather than fragment it further, there should be a national strategy for basic needs and livelihoods that respects human rights and gender equity, and promotes horizontal equality throughout governorates and regions. Such a strategy should be based on a comprehensive needs assessment, particularly of the most vulnerable populations, and on available economic and natural resources and service delivery infrastructure. It must examine the toxic impact of conflict, including environmental degradation, landmines and unexploded ordnance, and come up with ways to mitigate their impact. Such a national strategy can play a dual role, reviving local councils and societal initiatives to promote partnership and service provider accountability, which will provide employment for local populations or returnees.

It is imperative the property and residence rights of displaced populations, be they IDPs or refugees, be safeguarded against arbitrary seizures from de facto powers or through unjust reconstruction laws and processes.

## 2. Political and administrative governance and institutional reform

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Issues related to governance, rule of law and political life were some of the root causes of conflict. There is now an opportunity to consider “big” governance issues, such as the constitution, separation of powers and rule of law, and also basic rights and freedoms, to promote sustainable development and rebuild the social fabric. Building an inclusive legal framework implies a move away from the zero-sum game of winners and losers towards a consensus-based exercise that recognizes the rights of Syrians from across the political spectrum inside

the country or in locations of refuge, respects their human rights and empowers women.

The governance reform process should be a period in which all sides come together to form the new rules. Consensus building rather than competitive proceedings over contentious issues should be the focus of peacebuilding. There must be space for all voices to be heard in a meaningful manner on key governance issues, such as constitutional reform. These processes should

be fast enough to avoid setbacks but remain inclusive. Similarly, a rush to elections or referendums must be avoided, particularly at national level, when conditions are not conducive. Elections are by their nature contentious, and this must be a time of consensus building. They are not likely to be viewed as legitimate in a conflict-torn country where the electorate is shifting and unstable.

The Syrian Arab Republic will be at a critical juncture: a moment with immense challenges but also the potential to positively transform societal relations and the relationship between citizens and the State. During the peacebuilding phase, a social contract must be negotiated in a participatory and transparent manner. It is the time to establish effective and just governance frameworks, reform key institutions in ways that elicit societal buy-in and develop a culture of accountability that lends legitimacy to processes. The prevalent institutional norms and values will cast a positive or negative shadow over the country for many years to come.

It is essential for the governance process to have national ownership, and be conflict sensitive. Policies require a highly nuanced sense of context, which includes listening to all stakeholders, particularly those likely to be marginalized. The process is a crucial element of national sovereignty and must be led by Syrians – the Government, State organs, civil society organizations and ordinary citizens. National and local ownership of political reform is essential. Ownership means local actors have the responsibility for decisions with respect to objectives, policies, strategies, programme design and implementation modalities.

In the period 2011-2015, the Government passed or initiated a series of laws and reforms on all aspects of political governance and life, though these were criticized as being inadequate in process and substance, given the conditions in the country.<sup>150</sup> There are issues here concerning their legitimacy. These were passed and implemented in the midst of a conflict, with massive death and displacement and without the possibility of a consensus process, particularly as many of the laws have a direct and at times irreversible impact on the basic human, political and economic rights of large sections of the population. That context gives them the same zero-sum connotations as the conflict. Without an inclusive political settlement, their legitimacy and intention will continue to be a source of national division.<sup>151</sup>

Policies implemented during the peacebuilding phase should aim to restore trust in the State, with attention given to reforming governance structures that impact people's daily lives. Reforming judicial and security sector institutions in ways that adhere to the principles of the rule of law and human rights should be prioritized.<sup>152</sup> Judicial reform policies fall into three categories: those that reform the judicial system, those that enable judicial oversight over the executive branch, and those that enable judicial oversight over the legislative branch. The judiciary can only fulfil its monitoring and oversight role over the executive and legislative branches if it is guaranteed full

independence. Autonomy of the judicial sector must be explicitly stated in any constitutional declaration/interim constitution.

The goal of security reform should be to achieve a democratic and human rights-compliant sector. It should seek reform while aiming for the long-term resumption of State monopoly of the legitimate use of force within its territory. Security sector organizations should be reformed in ways that make them accountable to civilian authorities, independent oversight agencies and civil society. Security sector reform and disarmament, demobilization and reintegration are closely linked and should be coordinated.

Similarly, there are issues related to administrative governance and decentralization stemming from long-standing challenges with capacity, public administration, public institutions and the civil service, as well as the centre-periphery relationship, and inequality between governorates. These have been impacted by the conflict, with the rise of local councils, NGOs and foreign donors fundamentally changing aspects of administrative governance and service provision. Centralization and decentralization, and their relationship to administrative governance, lie at the heart of governance issues. The Syrian Arab Republic's administrative structure was characterized by extreme centralization, and the de facto decentralization of power as a result of the conflict is likely to have lasting effects. Presidential decree/law no. 107 of 2011 should be assessed as a potential starting point, and amended as necessary to ensure appropriate fiscal and administrative decentralization policies, more autonomy from the central State and judicial accountability.

Rehabilitating public administration, as well as implementing appropriate measures for administrative and fiscal decentralization, are key to forging a new social contract during the peacebuilding phase. The core of public administration is an effective civil service and public sector that function in accordance with good governance

“Moving towards a governance framework and national administrative structure that is comprehensive, participatory, transparent, accountable, and increases gender equality.”



standards. The civil service operates at the contact point between citizens and government, and citizens are likely to trust the government when civil servants deliver services in a timely fashion, are accountable and act in an ethical manner, are responsive to people's needs, and can identify with those they serve. Civil servants are more likely to fulfil these expectations if they are close to the local context and realities on the ground.<sup>153</sup>

Stabilization initiatives in public administration should be implemented with the aim of enabling it to respond

to urgent needs, including managing and implementing government laws, regulations and decisions, and providing public services. Policies that favour social inclusion, such as health care and education, are crucial in post-conflict scenarios, but less so in conventional macroeconomic policies. At the same time, the peacebuilding process should be the point when unhealthy links between political and administrative governance are severed, allowing a professional, meritocratic, accountable and transparent civil service to thrive.

### 3. Societal reconciliation, social cohesion, media and revival of civil society

Social and national reconciliation, the third area of concern, can begin only if hostilities end and all parties meaningfully commit to finding a political solution. Negotiations to end the military conflict and national reconciliation, the two parts of diplomatic activity, must accompany and be informed by one another. The aspiration is to benefit Syrian society rather than achieve a minimal level of agreement or bargain between the opposing parties. It is important to recognize that a comprehensive reconciliation process is intimately connected to rebuilding national identity and social capital degraded as a result of the conflict and polarization.

The process is necessary to start what will be a long-term commitment to healing and rebuilding society. This cannot be done through one programme or approach, rather an accumulation of efforts at all levels of society and throughout the country. Those affected have the right to justice, equality and citizenship within a new social contract, and all parties should be held accountable for their involvement in the conflict.

The complexity of the conflict, due to both internal societal problems and external intervention, necessitates a sustained effort to undo the damage. All Syrian sides need to recognize each other and accept that all Syrians, regardless of political perspective, have the right to live and be part of society. Further, the efforts of war entrepreneurs to invest in sectarian politics, hate speech and polarizing repertoire need to be countered.

There is no universal model for reconciliation. The conflict has generated multiple sub conflicts and localized disputes. Reconciliation efforts should draw on Syrian culture and its long history of dispute resolution at societal level. But there are important concepts of identity that have evolved over the years, and these should be upheld. Firstly, Syrian identity is pluralistic and expressive of Syrian cultural diversity, and it cannot be reduced to any one of its components. Secondly, each Syrian carries multiple identities (religious, sectarian, ethnic, cultural, class, localized) but equality of citizenship builds towards a common identity. That being said, laws and legislation must emphasize equality, citizenship rights and the right to democratic participation without discrimination based on

religion, sect, ethnicity, race or gender. Furthermore, denial of citizenship based on discriminatory policies deprives Syrians of their right of belonging, which undermines the basics of a social contract.

The peacebuilding phase is crucial for instituting a culture of public accountability and debate to allow the revival of Syrian society and expression. Policies must be geared towards establishing a free press and guaranteeing freedom of expression, spoken and written. Developing an appropriate legal framework and code of conduct for print and broadcast media is necessary and should include clear guidelines defining rights and limits on provocative and hate speech, as well as the publication of material posing a serious threat to the life, safety or security of any person.

Policies that guarantee the independence of civil society must also be put in place. In addition to NGOs, this should include independent labour and professional unions and syndicates, peasant organizations and social movements. These organizations, many of which are already active throughout the Syrian Arab Republic, have a key role in monitoring and overseeing government institutions, as well as contributing to benchmarks and goals in governance reforms. Accountability and transparency cannot be left to the media and civil society. Instituting internal mechanisms of accountability, educating citizens about their own function, and maintaining accessible data systems must be integrated into the work of government institutions themselves.



Photo credit: Samir Barazi

## 4. Inclusive economic revival and undoing the war economy

Reviving economic activity and undoing the legacy of the war economy is the fourth area of concern. It is necessary to look beyond emergency measures and humanitarian aid towards economic growth. To that end, the emergency response process should be linked to long-term rehabilitation and economic development.

At the very least this includes sustained investment in human capital, rehabilitating physical infrastructure and selecting strategic sectors, such as agriculture and manufacturing, for targeted support. At the same time, the Syrian Arab Republic must confront the legacy of the war economy which has entrenched warlords and promoted distorted development, illegal forms of wealth accumulation and illicit transnational transfers. The unilateral restrictive measures (sanctions) imposed by major western countries have complicated the scene, aggravating the consequences of the conflict. While sanctions are not the drivers of destruction, they are barriers to recovery.

Economic policies during this time period should be prioritized according to standards on which there should be a minimum of national consensus. Criteria suggested by Syrian experts from the NAFS Programme have included: (a) contribution to peacebuilding; (b) role in securing basic needs; (c) contribution to employment, GDP and accelerating economic recovery; (d) diverting resources away from violence; (e) addressing destruction; (f) institutional capacity; (g) importance to value chains in the economy; and (h) availability of resources.

Economic recovery should be a path to the reintegration of all Syrian territory, through the revival of internal trade and mobility, and societal reconciliation through equitable employment and balanced growth across the country. Historically, regions such as those in the east have had the lowest investment, despite being the source of the Syrian Arab Republic's wealth. Horizontal equality during the economic recovery process is vital for a successful peacebuilding phase.

The war economy is defined as both the way violent conflict shapes basic economic function and how it provides an opportunity to further finance conflict as well as benefit from it. Aside from the war economy, the scale of destruction has given rise to a multitude of practices and, increasingly, laws that attempt to regulate the reconstruction process. These laws, which affect almost all Syrians directly or indirectly, are passed with minimal social input, raising legitimate fears of unjust land grabs and depriving Syrians of their basic rights. Additionally, many undermine each other, creating a confusing legal apparatus that increases fears of abuse.

The destruction of physical infrastructure, the massive displacement of people within and outside the country, the rise of a war economy and the ad hoc construction processes have created the conditions for significant land and property disputes. The Government, as well as other

de facto governing powers, have passed laws that regulate reconstruction, and housing, land and property issues. These laws have exacerbated rather than lowered the potential for conflict and abuse, having a whiff of victor's justice about them that deepens polarization rather than reducing it. Addressing housing, land and property issues in a fair manner that respects the rights of all Syrians should be central to any political agreement and transition. Given the importance of these material issues for ordinary Syrians, how they are dealt with will enhance or detract from public trust.<sup>154</sup>

The Syrian Government has not entirely neglected housing, land and property issues, in particular focusing on a series of laws addressing the impact of the conflict, and the significant destruction. It has attempted to regulate the reconstruction process and safeguard property rights through strictly monitoring buying and selling of property. For example, the Ministry of Justice has mandated for: stricter verification of ownership claims to prevent forgeries in purchase and sale agreements (mandate no. 20, 17 March 2014); a personal identity card only as proof of identity for notaries public (mandate no. 16, 25 July 2012); verification of power of attorney privileges (mandate no. 15, 24 June 2014); and banning purchase and sale of all types of property in military zones (decree no. 11, 2016).

But the government has also passed laws regulating the reconstruction process. These include laws on foreign ownership (law no. 11, 2011), laws and decrees regulating processes of real estate development (law no. 25, 2011, decree no. 66, 2012, law no. 23, 2015, law no. 10, 2018), a law regulating removal and destruction of informal housing and building violations (decree no. 40, 2012), a law regulating local administrative development (decree no. 19, 2015) and a law regulating public private partnerships (law no. 5, 2016).

These have created tremendous fear,<sup>155</sup> the sequence of decree no. 66, 2012, law no. 23, 2015 and law no. 10, 2018, in particular, causing widespread alarm regarding possible abuse, including land seizures and the deprivation of displaced people's property rights.



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## D. Ways out of the deadlock

Guiding principles for an inclusive peacebuilding process have been outlined, in parallel with concerns that must be addressed for such a process to be comprehensive and sustainable while minimizing the chance of conflict relapse. But the bitter legacy of the conflict has left an understandable gap in trust. The result has been a stalemate on the political front. The military and security dimensions of the conflict have been prioritized, followed by urgent humanitarian care. The question of how this can be broken remains, and of the practical steps that can be taken to restore confidence, de-escalate tension and ultimately launch the process of building peace.

Important breakthroughs are happening, however small. The main actors have openly and repeatedly declared their commitment to a political solution. There is widespread recognition that military and security actions have diminishing returns, and that serious social and economic problems need to be addressed urgently. In the second half of 2019, diplomatic efforts were stepped up, by the United Nations and regional countries, including Iran, Russia and Turkey, resulting in the formation of the Constitutional Committee.

While these are hopeful signs, more is needed. A series of suggestions on practical steps out of the political deadlock are presented, reflecting long-held beliefs of Syrians from all walks of life. Many of their components, such as those on humanitarian aid and political detainees, have been reiterated in United Nations statements and resolutions, including 2165 (2014), 2191 (2014), 2258 (2015), 2393 (2017) and 2449 (2018), as well as in statements from regional countries; for example, the letter of August 2019 from the representatives of Iran, Russia and Turkey to the President of the Security Council.<sup>156</sup>

Movement needs to be simultaneous at internal and external levels; de-escalation requires multiple actors pushing in the same direction. A key issue confronting the recovery process is that the internationalization of the conflict discussed in chapter 1 implies the Syrian Arab Republic's challenges are internal and external. For example, there are important policy discussions around four conflict related themes: economic sanctions, economic resources for recovery, political governance and institutions, and refugees and displaced populations. For countries imposing them, economic sanctions are tied directly to the political process and transition within the country, and reforms in governance and political institutions. Blanket sanctions, which have been shown to hurt the most vulnerable, inhibit the economic recovery process as they block external funding. Likewise, voluntary and sustainable return of refugees is contingent not just on successful reform of governance structures and institutions, whereby they feel safe from persecution, but also on the availability of basic services and the prospects for economic livelihoods and jobs, which are tied to the availability of economic resources for development and growth.

It is important for parties to undertake confidence-building measures and actions, and for them to be formally acknowledged when they do. The minimizing of all positive actions on the grounds that they are insufficient are insufficient is a disincentive for any actor to continue engaging. While the end goals must always be kept in sight, progress towards them must be incremental and agreed by all, providing the basis for further movement. The repertoire of public political bargaining must be at a minimum. Equally, there has to be open acknowledgement of unnecessary retractions or deviation from declared commitments.

The following recommendations are put forward for the consideration of all relevant parties:

### **1. Formal and informal policies that directly improve the quality of life of all Syrians throughout the Syrian Arab Republic and in neighbouring countries without discrimination based on political affiliation.**

Humanitarian relief and livelihood revival are a minimum and should not be a bargaining position. This includes a commitment to protect all civilian populations and to cease bombardment of civilian areas, and the lifting of all restrictions on humanitarian access. As previous United Nations reports have demonstrated, the easing of restrictions on cross-border operations has significantly improved humanitarian access in various locations. For example, in June and July 2019, 1,160 trucks (30 consignments) delivered life-saving assistance to more than 1 million people through cross-border deliveries, including food assistance for some 827,000 people.<sup>157</sup> In January 2020, however, as delivery from Jordan and Iraq was eliminated and authorization only renewed for a six-month period, cross-border aid delivery points were reduced. In principle, these and related issues should be addressed as part of a broader package, one that includes discussion of sanctions. In reality, the practical necessity of cross-border aid means its politicization will lead to acute shortages for many dependent Syrians.

Overall reforms should also include a reappraisal of the blanket sanctions that harm Syrians and impose a huge barrier on all economic transactions – even those intended for daily needs – due to the possibility of violating sanctions. While much of the discussion on this topic has revolved around reconstruction funds, a more logical step would be to revisit blanket sanctions.

### **2. The release of detainees and clarification over the fate of tens of thousands of missing people.**

This has been repeatedly emphasized by Syrian civil society and the United Nations, and recently by the tripartite letter to the United Nations from Iran, Russia and Turkey. Reforms should include an end to arbitrary arrests or detentions, or those based on political affiliation

or suspected political affiliation, and revisit the sentences passed by the “Counter-Terrorism Court” established in 2012 following a series of decrees and laws which started in April 2011 by lifting the State of Emergency that had been in place since 1963.<sup>158</sup>

### **3. A broader spectrum of Syrian voices and revival of Syrian societal initiatives.**

One of the tragedies of the conflict is that Syrian society has been side-lined as an agent of change in its own future. Syrians inside and outside the country must be given the space to make informed decisions about their future, both in formal negotiations and the public arena. This includes paying special attention to women's organizations, youth representation and refugees in neighbouring countries. The greatest successes in dialogue and conflict resolution have happened through bottom-up societal initiatives. While these have not been translated into high-level political solutions, now is the time to provide more platforms or forums to amplify their reach.

### **4. Joint economic, cultural and social cooperation at local level.**

One of the strengths of Syrian society was its social capital and sense of connectedness, an attribute that has been deeply eroded by the conflict. Instead, a sustained investment by war entrepreneurs in degrading social capital has stoked hatred, and fear of the other. Rebuilding social capital is not easy, and is part of a wider healing and reconciliation process. However important work is being done by Syrian civil society, researchers and think tanks, which are using evidence-based research to address these issues head-on.<sup>159</sup>

A wide range of Syrian experts have stressed the importance of local measures in bringing together Syrians from different political affiliations and uniting them through joint local economic and social initiatives. These revive economic interdependency, provide livelihood opportunities and serve to build positive social capital.

## Annex

### Methodological note on estimating damage to physical capital

Estimating the damage to physical capital in the Syrian Arab Republic is an exhausting task for stakeholders analysing the implications of the conflict. This is due to the absence of systematic official records for the damage. Given the available resources, the authors estimated the value of the damage during the period 2011-2017 using the following sources:

- Desk review, and data collection and aggregation from scattered official statements and reports by NGOs and international organizations.
- Various data collection techniques, and consulting field and sectoral experts, to estimate the figures and their development and to bridge identified data gaps at sectoral and geographical levels.
- Simple field assessments using the geographic information system (GIS) for Raqqa and Deir Ezzor, inaccessible at the time of study, to analyse direct damage incurred by the conflict.

While dealing with the first data source, the authors realized various ministries and public administrations had tried to keep records but without consistent accounting and evaluation procedures. Thus, some records were based on the historical values of the damaged assets,<sup>160</sup> others on the replacement value. More distortions were the result of evaluating incurred damages in Syrian pounds.<sup>161</sup> It was continuously depreciating against the United States dollar, and in 2017 was down to 10 per cent of its 2010 value. This underestimates the damage recorded at book values, or in the early years of the conflict in Syrian pounds.

To adjust the figures, the authors tried first to estimate an index for relative conflict intensity in each of the conflict years 2011-2017, then had total damage value in Syrian pounds distributed over the years accordingly (table A.1). The annual conflict intensity index was compiled by chronologically mapping the average of the following

proxy indicators:

- History of reporting on the damage volumes and values by tracking official statements and reports and studies published by local and international organizations.
- Historical evolution of estimated number of casualties resulting from military operations as an indicator of the intensity of military operations and, thus, the scale of the damage to physical capital, based on the fact most battles took place in heavily inhabited/capital intensive areas.
- Geographical size and spread of the military operations, and volume of assets deployed and intensity of weapons used.

The next step was to convert the annual damage into United States dollars by dividing them by the annual average free market exchange rate of the dollar against the Syrian pound. To reach the value of the damage in dollars at constant 2010 prices in the international market, the sum of the 2010 present values of the annual damage figures was calculated using the IMF's world annual inflation rate as the discount rate.

Two further points must be noted to understand the sectoral damage figures:

- The damage of physical capital was incidence-based rather than stock-based. For example, the number of damaged houses in 2010-2017 does not necessarily equal the difference between the housing stock in 2017 minus the stock in 2010, because many houses were repaired during those years or newly constructed. The same applies to schools, hospitals and vehicles, among others.
- The value of the damage was estimated based on the average cost of repair or replacement.

**Table A.1.** Relative conflict intensity index, 2011-2017

Year	2011	2012	2013	2014	2015	2016	2017
Percentage	2	6	7	10	30	20	25

Source: ESCWA, NAFS estimates and calculations.

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# Endnotes

## Chapter 1

- 1 UNHCR, "Syria Regional Refugee Response", Operational Portal, Refugee Situations. Available at <https://data2.unhcr.org/en/situations/syria> (accessed on June 2020).
- 2 A/HRC/30/48.
- 3 A/HRC/22/59.
- 4 See ESCWA NAFS, "Civil Service", Background Paper, 2018. Civil records are maintained by the General Directorate of Civil Affairs in the Ministry of Interior (decree no. 26, 2007). The directorate has 14 branches in all governorates and a 15th in Damascus serving migrants from other governorates residing there. The branches have several trusts where records are compiled.
- 5 Some pockets in the east and south-east remain under the control of ISIL (east), and the United States and anti-government forces (south-east). In 2015, pockets in southern the Syrian Arab Republic on the Jordanian border were still controlled by the Free Syrian Army. These have since been retaken by the Syrian government.
- 6 Weber defined the modern state as a community that successfully claims a monopoly over violence within a geographical area, which required it to have legitimate and legal authority. See <https://study.com/academy/lesson/max-webers-theory-of-the-modern-state-origin-analysis.html>.
- 7 Final communiqué of the Action Group for Syria, convened in Geneva on 30 June 2012 by the Joint Special Envoy of the United Nations and the League of Arab States to Syria (A/66/865-S/2012/522).
- 8 Khalaf, 2015; and Abboud, 2016, pp. 180-182.
- 9 A/HRC/22/59.
- 10 Glass, 2017; and Lund, 2017.
- 11 A/HRC/37/72.
- 12 A/HRC/31/CRP.1.
- 13 A/HRC/38/29.
- 14 A/HRC/37/CRP.3.
- 15 A/70/919.
- 16 Yazigi, 2014.
- 17 Ibid.
- 18 Herbert, 2014.
- 19 Abboud, 2014.
- 20 Martinez and Eng, 2015.
- 21 Ibid.
- 22 Ibid.
- 23 United Nations, "Starvation 'as a weapon' is a war crime, UN chief warns parties to conflict in Syria", United Nations News, 14 January 2016. Available at <https://news.un.org/en/story/2016/01/519982-starvation-weapon-war-crime-un-chief-warns-parties-conflict-syria>.
- 24 Kattan, 2015.
- 25 Abboud, 2017.
- 26 Lund, 2018.
- 27 Alami, 2015.
- 28 Samaha, 2016.
- 29 Lund, 2018.
- 30 Unintended adverse results of a political action or situation.
- 31 These are United Nations Security Council resolutions 2042, 2043, 2059, 2118, 2139, 2165, 2170, 2178, 2191, 2199, 2209, 2235, 2249, 2254, 2258, 2268, 2314, 2319, 2328, 2332, 2336, 2393 and 2401. A list of all resolutions, presidential statements, reports and committee documents are available at <https://www.securitycouncilreport.org/un-documents/syria/>.
- 32 S/RES/2254 (2015).
- 33 For sanctions maintained by the European Union, see <http://www.consilium.europa.eu/en/policies/syria/>; for sanctions maintained by the United States, see <https://www.treasury.gov/resource-center/sanctions/Programs/pages/syria.aspx>.
- 34 ESCWA NAFS, "Banking Sector Policy Gaps in Post Conflict Syria", Background Paper, 2018.

## Chapter 2

- 35 Computed based on World Bank data.
- 36 OCHA, 2017.
- 37 Ibid.
- 38 Ibid.
- 39 Based on OCHA, 2019. The figure on refugee return depicts only those verified by UNHCR.
- 40 UNHCR, 2017.

- 41 Internal Displacement Monitoring Centre, 2019.
- 42 UNHCR data (accessed on June 2020).
- 43 UNHCR, UNICEF and World Food Programme, 2019.
- 44 UNCHR data. Available at <https://data2.unhcr.org/en/situations/syria/location/36> (accessed on June 2020).
- 45 World Food Program, Tukey country office, 2019. Poverty rate reported is based on World Bank's Income class poverty line of \$5.5 per day in 2011 purchasing power parity.
- 46 UNHCR, ILO and Action against hunger, 2019; and UNHCR, UNICEF and World Food Programme, 2019. The reported poverty rate in Jordan is based on the Jordanian national poverty line. The reported poverty rate in Lebanon is based on country-specific poverty line computed based on an estimated minimum expenditure basket.
- 47 UNHCR, 2019. The reported poverty rate reflects 2017 and is based on country-specific poverty line computed based on an estimated minimum expenditure basket.
- 48 UNHCR, 2019.
- 49 Save the Children, 2018.
- 50 Ibid.
- 51 UNICEF, 2017.
- 52 UNHCR, UNICEF and World Food Programme, 2019.
- 53 Ibid.
- 54 Care, 2018.
- 55 UNICEF, 2018a.
- 56 OCHA, 2019.
- 57 Ibid.
- 58 Ibid.
- 59 OCHA, 2017.
- 60 OCHA, 2019.
- 61 Ibid.
- 62 Ibid.
- 63 No Lost Generation, 2019.
- 64 Net enrolment ratio for a given educational level captures the number of students of official school age-group for this given educational level. Gross enrolment ratio captures the total enrolment regardless of age.
- 65 OCHA, 2019.
- 66 See UNESCO Institute for Statistics, "The Syrian Arab Republic: Education and Literacy". Available at <http://uis.unesco.org/country/SY>.
- 67 OCHA, 2019.
- 68 Ibid.
- 69 Ibid.
- 70 FAO and WFP, 2019.
- 71 OCHA, 2019.
- 72 FAO and WFP, 2019.
- 73 Ibid.
- 74 OCHA, 2019.
- 75 Ibid.
- 76 Ibid.
- 77 Ibid.
- 78 Ibid.
- 79 WHO, 2018b.
- 80 WHO, 2018c.
- 81 OCHA, 2019.
- 82 Ibid.
- 83 WHO, 2017; OCHA, 2017.
- 84 OCHA, 2019.
- 85 WHO, 2017.
- 86 International Medical Corps, 2017.
- 87 International Rescue Committee, 2013.
- 88 OCHA, 2019.
- 89 OCHA, 2019; OCHA, 2017; and Syrian Center for Policy Research, 2016.
- 90 OCHA, 2017; and Syrian Center for Policy Research, 2016.
- 91 SCPR, 2017.
- 92 Ibid.
- 93 SCPR, 2017.
- 94 The GDI is the ratio of female HDI to male HDI.
- 95 UNDP, 2018.
- 96 For details on the methodology used to project the 2019 values, refer to ESCWA, 2020.
- 97 The national poverty lines (in 2011 purchasing power parity dollars) used for the countries examined are: Algeria \$3.4 per day, Egypt \$3.45 per day, Iraq \$3.3 per day, Jordan \$5.0 dollars a day, Morocco \$2.7 per day, the Syrian Arab Republic \$3.5 a day, Tunisia \$5.0 per day and Yemen \$2.7 dollars a day. For details, refer to ESCWA, 2020.

- 98 1998 Nobel prize winner in economics Amartya K. Sen's capability approach is defined by its choice of focus on the moral significance of individuals' capability of achieving the kind of lives they have reason to value. See <https://www.iep.utm.edu/sen-cap>.
- 99 ESCWA and others, 2017.
- 100 For Syria, there is data for 2009 from the Pan-Arab Project for Family Health (PAPFAM) survey but it is missing a number of indicators to calculate the MPI. Those that are available in MICS 2006 and in PAPFAM 2009 show no significant difference; therefore, the MICS 2006 is considered to offer a reliable picture of the situation pre-conflict.
- 101 The Syrian Arab Republic, Central Bureau of Statistics, UNICEF and Pan-Arab Project for Family Health, 2006.
- 102 National Agenda for the Future of Syria Programme, 2017.
- 103 ESCWA and others, 2017.
- 104 Projecting poverty for Syria is complex as recent household data could not be accessed to analyse joint distribution of deprivations. Given the reference population has changed since 2006 due to refugee influx and internal displacement, it becomes more difficult. Estimates were made by projecting censored headcounts from MICS 2006 for poverty indicators using available information for 2017, and calculating the rate of change for indicators. A range was calculated by varying the rate of change across data sources and making different assumptions on the change in poverty intensity. To validate the magnitude, a generalized linear model was developed to estimate the relationship between global MPI for 106 countries and a set of macro variables, including GNI per capita (PPP 2011), poverty rate using the \$3.50 poverty line, and World Bank scores for governance effectiveness and political stability. Models were fitted and the projected values were between acute poverty and poverty estimates for the MPI in 2006 and the projected 2017. This middle position confirms Arab acute MPI reflects a more severe deprivation than the global MPI but less than the moderate poverty thresholds.
- 105 Data issued by the Central Bureau of Statistics (CBS) has been used wherever possible as it maintains better field access through a network of local offices, and has access to public sector data. CBS uses internationally recognized standards for collection and dissemination by which data quality is judged, verified and updated. Data from other agencies has been helpful where official data was missing, or produced through almost discrete and remote attempts to estimate the economic impact of the conflict, or used different methodologies that produced variant outcomes. As such, it lacked continuity and standardization for verification and update.
- 106 Physical capital is the tangible fixed assets produced and consists of dwellings, other buildings and structures, machinery and equipment, and cultivated assets. See OECD Glossary of Statistical terms. Available at <https://stats.oecd.org/glossary/index.htm>.
- 107 World inflation rate was used as a discount rate rather than United States inflation rate as it better reflects the factors/dynamics that affect the price level in the international market. This is in addition to the fact that Syria's trade with the United States is negligible, especially during the conflict period and after the imposition of restrictive economic measures.
- 108 Facilities examined were wells, water towers, water treatment plants, sewage treatment plants, dams, drainage structures, pumping stations, storage reservoirs and water and sanitation offices.
- 109 Raqqa suffered more than other cities in water and sanitation infrastructure losses.
- 110 World Bank, 2017b, p. 83.
- 111 Lack of government-supplied electric power resulted in a flourishing black market for fuel and electricity generating supplies.
- 112 More sophisticated methodologies employed by the World Bank produced similar estimates for the level of divergence between the in-conflict estimated GDP for the Syrian Arab Republic and the counterfactual GDP. See World Bank, 2017b, p. 83.
- 113 Reported as well in the mirror data series.
- 114 The Central Bureau of Statistics takes into account the parallel market prices when measuring the CPI.
- 115 World Bank, 2009a.
- 116 The IMF's financial modelling approach, conducted by ESCWA, estimated the economy's savings rate dropped from 20 to 4 per cent from 2010 to 2011 and remained negative throughout the conflict. The savings gap widened from -0.7 to -23 per cent, and also remained negative.
- 117 The Syrian Arab Republic, Central Bureau of Statistics, 2011, 2017.
- 118 Salmon, Assaf and Francis, 2018.
- 119 BTI 2018 Country Report: Syria, 2018.
- 120 Net interest margin is a profitability indicator that measures how much the interest volume the bank receives from loans exceeds the interest volume paid on its deposits.
- 121 World Bank, 2017a.
- 122 Data on this measure are not available for the post-conflict phase.
- 123 For Syria's interest rate spread, please see Central Bank of Syria <http://cb.gov.sy/ar/stats/category?id=ad4f12f431>; for Arab countries, please see World Bank, Interest Rate Spread <https://data.worldbank.org/indicator/FR.INR.LNDP>.

### Chapter 3

- 105 Data issued by the Central Bureau of Statistics (CBS) has been used wherever possible as it maintains better field access through a network of local offices, and has access to public sector data. CBS uses internationally recognized standards for collection and dissemination by which data quality is judged, verified and updated. Data from other agencies has been helpful where official data was missing, or produced through almost discrete and remote attempts to estimate the economic impact of the conflict, or used different methodologies that produced variant outcomes. As such, it lacked continuity and standardization for verification and update.

- 124 The dollar values of banking figures are reached by converting the figures of each year to dollar using the average exchange rate of the relevant year.
- 125 Based on another assumption that the social hiring under certain criteria (such as Syrian Arab Army's martyrs' first-degree relatives) in the public sector offsets the impact of the drain in the human resources that happened in the public sector due to the internal and external displacement of the people.
- 126 In 2009, 58 per cent of firms stated that intermittent electricity was a serious concern, demonstrating the war's toll on infrastructure.
- 127 Salmon, Assaf and Francis, 2018.
- 128 Hausmann, Rodrik and Velasco, 2005.
- 129 World Bank, 2011.
- 130 The government estimated the informal sector to be 30-60 per cent of GDP, and hiring 32 per cent of workers in 2008.
- 131 World Bank, 2020.
- 132 Regulatory quality captures perceptions of the government's ability to implement and formulate sound policies that promote the development of the private sector. As per the World Bank Group's definition, rule of law reflects the perception of contract enforcement and property rights, as well as the police, courts and the likelihood of crime and violence. It implies: (1) government bound by law; (2) equality before the law; (3) law and order; (4) predictable and efficient rulings; and (5) human rights.
- 133 Corruption reflects perceptions of the degree to which public power is used for public gains, as well as the elite's "capture" of the State.
- 134 World Bank, 2017c.
- 135 World Bank, 2009b.
- 136 On average, from 2000-2011 yearly domestic credit to government and state-owned enterprises was 11 per cent higher than that to the private sector.
- 137 World Bank, 2011.
- 138 Macroeconomic environment falls under macroeconomic policies; access to finance, cost of finance, infrastructure, appropriability and market failures under structural policies; and human capital under social policies.
- 139 ESCWA, 2018.
- 140 Nazemi and Decina, 2019.
- 141 OCHA, 2017 and OCHA, 2019.

## Chapter 4

- 142 UNDP, 2012, 2019.
- 143 See National Agenda for the Future of Syria Programme, 2017.
- 144 The principles for the vision are: (1) All components of Syria seek to achieve a voluntary, safe and dignified return of the displaced Syrian people. Return is treated as a long process of reintegration that involves the rehabilitation of millions of lives, which leads to the rehabilitation of Syrian social capital and towards achieving the long-term development of the country; (2) Syria is a country where peace is the only way to achieve political will and human security is a major priority. Both find in national reconciliation the foundation for nationally owned peacebuilding and State-building processes. The priority should be given to rebuilding the culture of peace and eliminating structural violence; (3) Syria is a country where management of cultural diversity relies on the concept of citizenship, and on the common values of the Syrian society; (4) The value of solidarity is reinforced to achieve social cohesion and rebuild human capital; (5) All components of Syrian society are present and active partners in administering a dynamic public space; (6) Syria is a country where all the social fabric is represented in an inclusive and balanced manner across all domains; (7) The national Syrian economy is founded on a balanced macro-economic model that serves the achievement of comprehensive development and ensures the social protection of all its citizens, who actively participate in the inputs and outputs of the development process; (8) Syria is a country where public institutions are run by the principles of good governance, are capable and administratively decentralized, and the national administrative structure is transparent, accountable and inclusive; (9) Syria is a country that seeks to achieve recovery and reconstruction of the infrastructure, to generate knowledge, creativity and innovation and deploy them in the administration and protection of resources to account for the needs of coming generations. It uses information technology and communication to support peace and growth.
- 145 Gobat and Kostial, 2016.
- 146 Hinnebusch, Imady and Zintl, 2016.
- 147 From the NAFS Programme Strategic Policy Alternatives Framework (SPAF), 2017 document, and reflect the type of the Syrian Arab Republic it is hoped will emerge from this tragedy.
- 148 According to UNHCR, non-refoulement constitutes the cornerstone of international refugee protection. Enshrined in the 1951 Refugee Convention (or Geneva Convention) it provides that no contracting State shall expel or return (refouler) a refugee in any manner to the frontiers of territories where his/her life or freedom would be threatened on account of race, religion, nationality, membership of a particular social group or political opinion.
- 149 See Walter, 2004; Fearon and Laitin, 2003; and Collier and Hoeffler, 2004.

- 150 On 15 October 2011, President Bashar al-Assad issued decree no. 33 appointing a national assembly for crafting a new constitution. The draft was put to a referendum on 26 February 2012 and approved by a declared 89.4 per cent, amid widespread condemnation and boycott of the process by several leading opposition groups. Since 2011, more than 665 laws, presidential decrees and decisions have been passed; 435 were presidential decrees, implying a persistent centralization of power and the executive dominating all three branches of government. These include laws on the functioning of the judicial and court system, such as establishing a Supreme Constitutional Court to arbitrate on the legality of laws and decrees (decree no. 35/2012, law no. 7/2014) cancelling the State Security Court that operated without due process and targeted political dissidents (decree no. 53/2011), and establishing anti-terrorism laws and a terrorism court (law no. 19/2012, law no. 22/2012) and a communications and information technology-related crimes court (law no. 9/2018). They also include those related to basic political rights and freedoms, including lifting martial law (decree no. 161/2011), organizing the right of peaceful protest (decree no. 54/2011, decree no. 110/2011, decree no. 9/2012 amending law no. 148/1949 to increase fines on illegal protests), regulating the role of judicial police (decree no. 55/2011), punishing state employees for moral or material support for terrorism (decree no. 20/2012) and regulating internet and informational crimes (decree no. 17/2012) and general amnesties (decree no. 15/2016; 7 March 2011). Laws organizing political parties (decree no. 100/2011) and elections (decree no. 101/2011, law no. 5/2014) and those related to the media were established (decree no. 108/2011, decree no. 23/2016).
- 151 There are flaws in the substance and content of the laws and policies. As the ratio of presidential decrees to laws indicates, they reflect extreme centralization of power. The Supreme Constitutional Court's (law no. 7/2012) independence is compromised by being appointed by the president, and the scope and purview of its judicial review is restricted. The laws governing political life were flawed and restricted, and in practice not observed. While martial law was lifted (decree no. 161/2011), the upper limit of detention fixed at 60 days (decree no. 55/2011) and the right to protest recognized (decree no. 54/2011), the reforms were ignored, and the security sector continued to act with impunity.
- 152 According to the United Nations Rule of Law "requires measures to ensure adherence to the principles of supremacy of the law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness, and procedural and legal transparency". For more please see: "United Nations and Rule of Law" <https://www.un.org/ruleoflaw>.
- 153 National Agenda for the Future of Syria Programme, 2016.
- 154 Property and land tenure systems were complex, consisting of several types of tenure, including: (1) mulk (private ownership); (2) amiri (state land); (3) matrukah murfaqah (State land with collective usage rights); (4) matrukah mahmiah (public land such as public gardens, roads, streets, at all levels of governance and part of public domain); and (5) khaliyah mubaha (State land that has not been delegated), among other rights of usage, renting, sharecropping, mortgage and lease. In reality, they are part of a spectrum, with the public-private distinction blurred due to rent, usufruct and other usage rights. Significant informal housing existed where property ownership was unclear. War has resulted in massive displacement, forced displacement after property seizure, and destruction of property. Seizing property of alleged dissidents has been a practice, along with attempts at forging land deeds.
- 155 National Agenda for the Future of Syria Programme background papers on housing, land and property for analysis of real estate laws.
- 156 S/2019/639.
- 157 S/2019/674.
- 158 The Counter-Terrorism Court had been established through Law No. 22 of 2012. See Human Rights Watch, 2013; الجمهورية العربية السورية، مجلس الشعب، 2012.
- 159 See Syrian Center for Policy Research, 2017; Koizumi, 2019.

## Annex

160. 2017, حميجو
- 161 Syrian Arab News Agency, "The war on Syria: its implications and prospects", Conference report, 25 May 2017.

