

**Syrian Future Movement (SFM)**  
**Economic Office.**



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**"Economic deterioration in areas outside the control of the Syrian regime  
(causes and solutions)."**

**Introduction:**

Syria is an Arab country located in Western Asia, bordered by Turkey to the north, Iraq to the east, Jordan to the south, and Lebanon, Palestine, and the Mediterranean Sea to the west. Syria is one of the oldest civilizations in history, rich in natural, cultural, and religious resources.

Before the outbreak of the revolution in 2011, Syria held significant economic and political stature in the region and enjoyed a socialist system that ensured citizens - at a minimum - their basic rights in education, health, food, and energy.

However, for over a decade, Syria has been witnessing an armed conflict between the ruling regime led by Bashar al-Assad on one side and the armed opposition forces supporting the popular revolution on the other. This also involves the intervention of extremist groups like the Islamic State organization, in addition to external interventions by neighboring, regional, and international countries.

This war has resulted in immense human and material losses, where over half a million people have been killed, and more than 12 million people have been displaced both internally and externally. Furthermore, over 50% of the infrastructure and strategic assets have been destroyed.

**Impacts of the War on Syria's Economic Reality:**

The war directly impacted the Syrian economy, leading to its significant and noticeable decline over the past years. The Gross Domestic Product (GDP) plummeted to levels even lower than its value before the crisis. The exchange rate of the Syrian pound collapsed against foreign currencies, and levels of inflation, poverty, and unemployment soared. Agricultural, industrial, and oil production were affected due to the destruction of stations, wells, and fields. Trade with regional and global countries

was disrupted. Moreover, Syria faces external factors that exacerbate the economic situation, such as the repercussions post the coronavirus pandemic, financial crises in neighboring Lebanon and Turkey, in addition to stringent Western and American sanctions on the Syrian regime.

Through this paper, we will present the reasons for the economic deterioration in areas outside the control of the Syrian regime:

### **Economic Deterioration in Turkish Influence Area:**

The economic decline in areas under Turkish influence in Syria is attributed to several reasons, including:

- The influence of Turkey's own economic crisis, which is grappling with inflation, declining investments, accumulating debts, and the depreciation of its local currency, the Turkish Lira, against foreign currencies.
- Turkey's interference in the internal affairs of neighboring countries and its support for armed factions loyal to it, intensifying divisions, conflicts, and tensions in these areas.
- The lack of security and stability in areas under Turkish control or influence, which experience frequent attacks by opposition groups, such as the "Hay'at Tahrir al-Sham attack on the Third Corps," adversely affecting trade, production, and services .
- Human rights violations, the spread of corruption, and impunity in areas under Turkish control or influence, including land and property expropriation and forcing residents to pay illegal fees and taxes (as in Afrin and elsewhere.)
- The absence of a comprehensive and sustainable economic and administrative vision for areas under Turkish influence, heavily relying on humanitarian aid or donations from other countries, without promoting local sectors or improving living conditions for residents.

Other reasons contributing to the economic weakness in areas outside the control of the Syrian regime include:

- The ongoing war in Syria for over a decade, leading to the destruction of infrastructure, institutions, natural, and human resources in these areas.
- Economic sanctions imposed on the Syrian regime by the international community, negatively affecting trade, investment, and cooperation with liberated areas.
- Divisions and conflicts among various armed factions in these areas, hindering the formation of a unified and effective transitional government to manage economic, service, and security matters.

- The lack of financial, technical, and administrative resources for local councils and NGOs operating in these areas, heavily dependent on external funding and humanitarian aid.
- The significant depreciation of the Syrian pound against foreign currencies, leading to inflation, poverty, and a decline in living standards for residents.

### **Economic Deterioration in the SDF-Controlled Areas:**

In areas controlled by the SDF (Syrian Democratic Forces), the economic decline can be attributed to several interconnected factors, some of which have been previously mentioned, in addition to:

- Turkish intervention in Syrian affairs and its support for armed factions opposing the SDF. These factions continuously attack its positions and supply lines, further exacerbating division, conflict, and tension in these areas. Furthermore, Turkey is attempting to prevent the SDF from exploiting its oil and agricultural wealth by destroying pumping stations, tanks, and fields.
- The absence of a comprehensive and sustainable economic and administrative vision for the regions under SDF control. These areas lack the necessary institutions, competencies, and expertise to manage financial, service, and security matters. They also suffer from widespread corruption, lack of transparency, and accountability, relying heavily on foreign donations and aid that come with political conditions. Additionally, there are reported human rights violations in the areas under their control.

### **The Syrian Future Movement proposed solutions for economic recovery in areas outside the control of the Assad regime:**

The Future Syrian Stream believes that the proposed solutions to the economic crisis require collaboration and coordination among all relevant parties, whether on the local, regional, or international levels. These solutions include:

- Continuation of the de-escalation in military hostilities within the de-escalation zones, laying the groundwork for a comprehensive and permanent end to the conflict based on Geneva Resolution 2245. This aims to achieve a political solution that preserves Syria's unity and sovereignty and realizes the aspirations of the Syrian people to be rid of the Assad regime.
- Exempting liberated areas from the repercussions of international economic sanctions on Syria, ensuring the reopening of trade, investment, and cooperation channels with regional and global partners.

- Initiating a comprehensive and transparent reconstruction process for all war-affected areas, with the participation of both local and international communities, focusing on repairing infrastructure and service institutions.
- Supporting local production sectors, especially agriculture and industry, by providing funding, technology, and training, and opening channels for safe and sustainable marketing.
- Improving the business and investment environment by introducing reforms to legislation, policies, and procedures. This involves facilitating the movement of capital, goods, and people (especially businessmen and investors), along with enacting laws that ensure property rights and competition protection.
- Enhancing the labor market by increasing employment opportunities, especially for youth and women, with improved working conditions and wages, and offering vocational training and qualification programs.
- Improving the standard of living by increasing individual income and purchasing power, combating inflation and rising costs, and providing social protection networks and health insurance.
- Supporting and developing branches of the Chambers of Commerce and Industry in liberated areas, initially opening channels with Chambers of Commerce and Industry in neighboring countries and then in the region.
- Revamping the education system by increasing the rate of academic achievement and reducing school dropout rates. This includes updating curricula, materials, and teaching methods, providing opportunities for higher and continuous education, and also remote learning with accredited and competent universities.
- Attracting genuine developmental investments to combat rampant unemployment in northern Syria.
- Injecting funds through the establishment of developmental banks in northern Syria.
- Providing financial facilities or medium and long-term loans for companies and institutions wishing to invest there.
- Stimulating the digital economy, which relies on training the youth in remote working tools for developing and implementing electronic product sales and services.
- Establishing special funds for zakat (almsgiving) and donations specifically for Syrians, managed directly by businessmen, traders, and industrialists residing both inside and outside the country, to support the creation or development of projects within liberated Syria.

These are some of the proposed solutions for the economic crisis in Syria (outside regime-controlled areas). However, they necessitate collective efforts and political and economic will to achieve them.

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