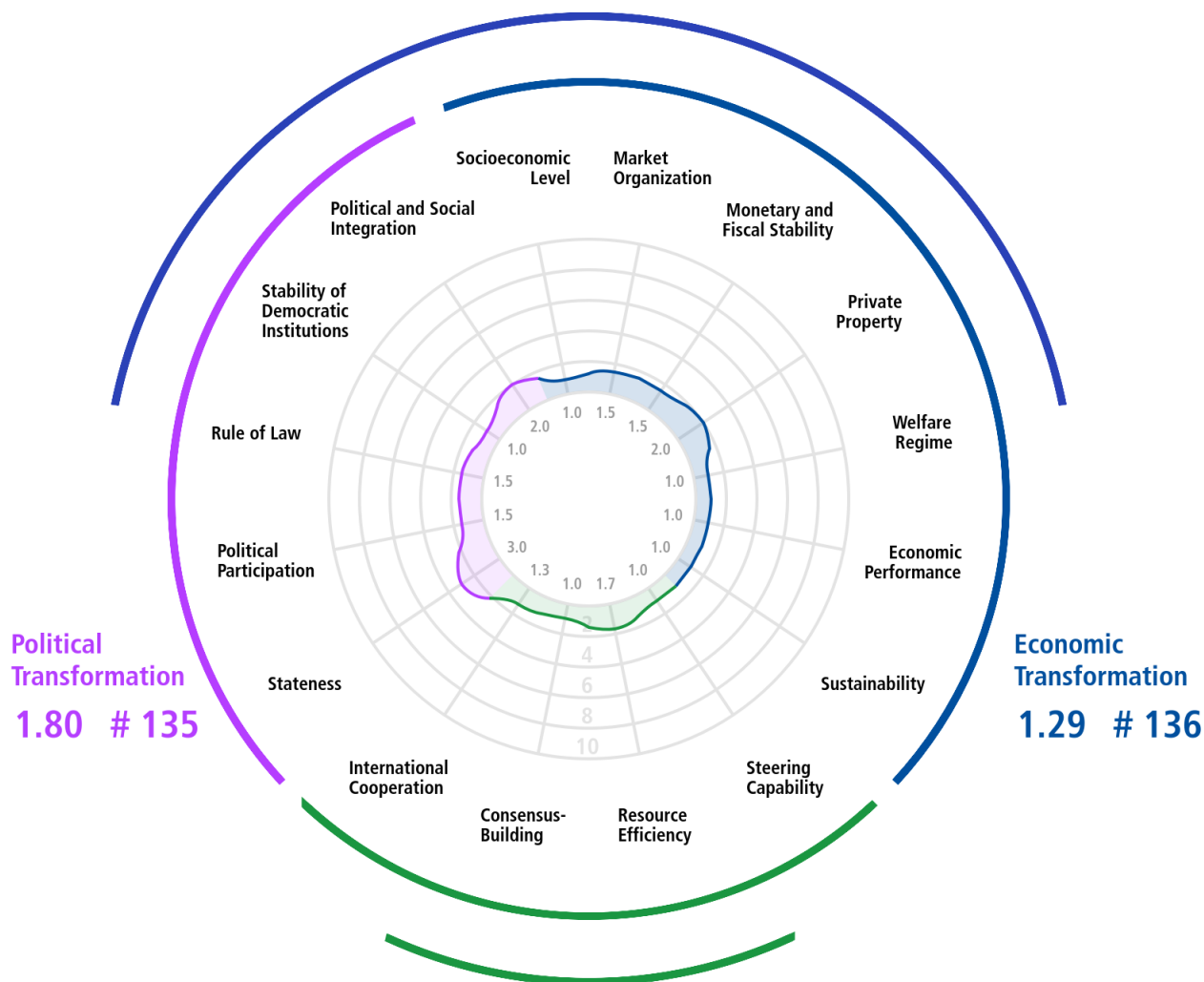


# Syria

## Status Index

**1.54 # 135**

on 1-10 scale out of 137



**Political Transformation**  
**1.80 # 135**

**Economic Transformation**  
**1.29 # 136**

## Governance Index

**1.21 # 136**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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**Key Indicators**

Population	M	<b>17.5</b>	HDI	<b>0.567</b>	GDP p.c., PPP \$	-
Pop. growth <sup>1</sup>	% p.a.	<b>2.5</b>	HDI rank of 189	<b>151</b>	Gini Index	<b>37.5</b>
Life expectancy	years	<b>72.7</b>	UN Education Index	<b>0.416</b>	Poverty <sup>3</sup>	% <b>10.2</b>
Urban population	%	<b>55.5</b>	Gender inequality <sup>2</sup>	<b>0.482</b>	Aid per capita \$	<b>600.5</b>

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

## Executive Summary

Ten years after the war broke out in Syria, authoritarian actors have imposed their agenda in all areas of this fragmented country. Major decisions are made by Russia and Turkey (and to a lesser extent, Iran) in the Astana Process. The regime's focus is its own survival, but the support it needs from its international backers Russia and Iran comes at a heavy price, with the two countries securing potentially profitable business licenses for the future. To generate revenues, the regime has increasingly redistributed the benefits of formerly privileged loyalists and expanded synthetic drug production and smuggling.

After the United States announced its withdrawal from the areas controlled by the Syrian Democratic Forces (SDF) east of the Euphrates in 2018, the regime started to increase its presence in the region, aiming to regain control particularly in Hassake and Qamishli, from which it had never completely pulled back. However, the Democratic Union Party (Partiya Yekîtiya Demokrat, PYD) has been trying to keep the regime at a distance, which is possible because of the presence of a small number of U.S. soldiers, which gives the party some leverage. The oil and gas resources in the territories controlled by dominantly Kurdish forces make it highly desirable for the regime to control these areas; in the current setting, it is forced to buy and smuggle oil from those territories and pay for what, before the conflict, was one of their main sources of funding.

The role of profiteers and the blurring of political, economic and security interests and actors indicate certain changes within regime territories. However, these are not guided toward democratization but rather serve the cause of war and conflict management at the expense of citizens' freedoms and well-being. While this situation might seem like the natural development of the events of recent years, the rapid economic deterioration is a new component. The crisis was looming, despite signs of recovery in 2018, but Lebanon's collapse dealt a heavy blow to the regime. Syria had largely depended on Lebanon's banks, in which it now finds its assets frozen, for international transactions. Even before Lebanon collapsed, sanctions under the 2019

Caesar Act had already become a catalyst for inflation and price rises. Service deliveries difficulties affect the entire population – the U.N. estimates more than 13 million are in need of aid.

Fighting COVID-19 under these circumstances is extremely difficult. The official numbers of people infected with the virus and the death toll related to COVID-19 are low – 15,000 infections with 1,000 deceased as of January 2021. However, actual numbers are supposed to be much higher, based on information leaked by medical staff from hospitals, as well as aerial views of special cemeteries for coronavirus-related deaths. In no region of Syria is there much testing. Measures such as wearing protective masks and social distancing are not fathomable for large parts of the population, particularly the 5.6 million internally displaced persons (IDPs).

## History and Characteristics of Transformation

With the coup of 1963, Syria entered a period of “revolution from above,” in which the nationalization of big business and land reform gave the Ba’th party full economic control. The party’s program had three main pillars: pan-Arabism and Arab nationalism, socialism and anti-imperialism. Hafez al-Assad, president from 1970 until his death in 2000, ushered in a “presidential monarchy” and consolidated the Ba’th party’s supremacy by controlling the army, the largely Alawi-staffed security apparatus and a new state-dependent private bourgeoisie appeased by limited economic liberalization. A combination of repression, institution building, patronage, and regional and international endorsement consolidated the state as a whole.

Apart from a few tolerated opposition movements, the regime arrested and oppressed political opponents and largely eradicated political activism among the population through random persecution. Islamist uprisings, particularly in the late 1970s – early 1980s were violently crushed. The massacre in 1982 in the city of Hama left a strong impression on Syrian society: 10,000 – 20,000 citizens were killed, many forcibly disappeared and the city center demolished. The resulting long-term weakness of the opposition is one of the main hindrances to developing an alternate governance structure today.

The exhaustion of Syria’s statist strategy of development forced the regime to embark on several waves of economic opening (“infitah”). Such liberalization did not achieve sustained momentum, however, as pressures for reform were periodically relieved by rent windfalls from oil revenues and foreign aid. Syria’s first infitah in the 1970s mainly helped recycle oil money. Under the second infitah, beginning in the mid-1980s, the private sector was accepted as a partner of the public sector. Intermarriage and business partnerships between the largely Sunni bourgeoisie and the state elite, dominated by the Alawi security forces, eventually generated a military-mercantile complex that served as the core of a new upper class.

The transition of power from Hafez al-Assad to his son Bashar in 2000 was the beginning of the third infitah. The reforms – supported by Western countries – though limited, were however mainly used to award privileges that garnered support for the young president. The resulting crony capitalist class grew in strength and acted in a rent-seeking manner, exploiting state-granted import monopolies and contracts that would have been threatened by competition in a more open and transparent market. Redistributing revenues among a small elite, while poverty increased, strangled a population that felt increasingly resentful of growing social and political injustice.

The Syrian revolution erupted in 2011 as a popular uprising on political grounds with dignity and freedom as its core demands. The regime responded with military means. The Free Syrian Army (FSA), founded by military defectors in 2012, initially made some gains in northern and eastern Syria. However, in comparison with the regime forces it was ill-equipped. The Syrian Arab Army's capacities rapidly decreased in the first two years, a process the regime sought to counter through Legislative Decree 55 in 2013, which allowed the contracting of private military companies to protect infrastructure. Iranian mercenaries are now as involved as Lebanese Hezbollah militias and Shi'a fighters from Afghanistan and Pakistan.

Civilian loyalists established civil defense units, loyal businessmen were running their own militias, and traditional allies of the regime such as the Popular Front for the Liberation of Palestine – General Command (PFLP-GC) deployed armed personnel to safeguard areas in their vicinity.

The Islamic State group (IS) began infiltrating northern Syria and established a caliphate, comprising parts of Eastern Syria and Western Iraq, in 2014. The FSA thus had to fight both against regime forces and the IS, an overstretch which allowed the regime to turn the tables, particularly after the Russian air force decided to intervene directly to support Bashar al-Assad in September 2015.

The IS was defeated in March 2018 by an international coalition from the air and Arab and Kurdish ground forces. The U.S.-supported Kurdish-dominated SDF took control of Eastern Syria. These areas, together with the Kurdish provinces of Hassake and Qamishli, are administered now by the Autonomous Administration of North and East Syria (AANES, also known as Democratic Federation of Northern Syria).

In the regions it controls, the regime built on its previous strategy of preventing independent activism. It has made political self-organization of citizens difficult and has become more authoritarian since the outbreak of the conflict. To a lesser degree, this applies to Idlib, to the Kurdish areas and the SDF-controlled territories as well. In all areas of Syria, the deterioration of the socioeconomic situation, coupled with opaque and corrupt structures, has produced a new group of war profiteers pursuing their own interests at the expense of citizens.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

The state's monopoly on the use of force is limited to roughly two-thirds of Syria's territory, including the capital Damascus and Syria's mainland south of the Euphrates River. The areas along the Turkish and Iraqi border, however, are not under the regime's control. In early 2021, this was northern Idlib Governorate, in which Hayat Tahrir al-Sham (HTS) is the dominant military power and where two to three million Syrians live. Kurdish areas and the territories east of the Euphrates River remain under the control of the Democratic Federation of Northern Syria (Rojava) and Raqqa and Deir al-Zor under the control of the Kurdish-led Syrian Democratic Forces (SDF). Regime presence in these regions is minimal and primarily symbolic, instead of entailing an actual exercise of power.

External actors have taken over extensive sovereign rights from the Syrian regime. Since 2017, Russia, Turkey and Iran have consulted repeatedly in the Astana Process, yet without fully overcoming their own different interests in Syria.

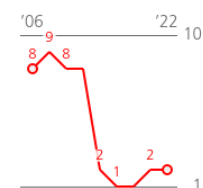
In Afrin and Kurdish areas along the border that came under Turkish control in the January 2018 offensive (Operation Olive Branch), former FSA fighters exert control on behalf of Turkey. Turkey has installed watchtowers as military infrastructure, established post and telecommunications infrastructure, and in 2020, imported tons of coins in order to change the currency of day-to-day business to the Turkish lira. The latter move, particularly during the economic crisis Syria is going through, raised concerns in Damascus.

This diversification of armed actors in the security sector has led to the establishment of very localized, often mafia-like, power centers, and empowered warlords. Russia, interested in a powerful centralized and hierarchical structure, undertook a number of failed efforts to restructure the Syrian Arab Army, focusing on the integration of local militias.

Question  
Score

Monopoly on the  
use of force

2



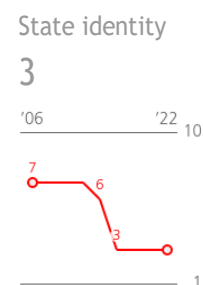
This centralization is not in the interest of Iran, which prefers to maintain a flexible structure through which it can exert power. Since 2018, this has led to skirmishes in different regions between the army's 4th Division, an elite unit officially led by the president's brother Maher al-Assad, which is under de facto Iranian command, and the 5th Division commanded by Suhail Hassan, led by Russia.

Particularly in the south Russia has attempted to mitigate Iran's role, which is under scrutiny by Israel. Israel has demanded withdrawal of Iranian forces from its borders to Damascus. It is in Russia's interest not to risk conflict with Israel. While Russia has not openly tried to change deployment and establish its forces and allies as the exclusive power brokers in the south, it has allowed the Israeli Air Force to target Iranian positions all over Syria.

Syrians both inside and outside Syria strongly identify with Syria as a state. This does not mean, however, that they consider the regime or other political entities legitimate; rather it reflects a sense of belonging. As a result of a 1962 census, around 160,000 Syrian Kurds were stripped of their citizenship. In 2012, the regime announced that this will be reversed in order to win the Kurds over, however, it has not been implemented.

Citizens are denied significant aspects of citizenship: confessional affiliation, ethnicity, hometown and family et cetera determine access to services and privileges – or their denial. This has become more pronounced in recent years, with fewer resources to distribute and greater distrust among citizens in regions the regime controls. The mere suspicion of anti-regime activities is enough to get a person arrested. Anti-terrorism laws, imposed in 2012, strip convicted Syrians of basic rights of citizenship and residency and allow the state to seize their assets. Moreover, arrests and enforced disappearance have become profitable businesses, creating room for increased arbitrary actions on the part of the regime and citizens denouncing each other.

Internal actors have challenged and eroded the core characteristic of a state, its monopoly on the use of force. External actors that occupy territory, such as Turkey in Kurdish areas, or interfere in internal affairs, such as Russia and Iran, cause citizens on the ground discontent. These citizens, even if they agree with the political agenda of those external forces, may feel that they are becoming second-class citizens in their own country, and this in turn strengthens their sense of being "Syrians."



Syria is a multi-confessional state with a Sunni majority. While all confessions were present and visible in parliament and the cabinet, Alawites (the sect to which the al-Assad family belongs) were overrepresented in the powerful intelligence apparatus and military. The increase in religious identification in recent years has less to do with faith than with access to resources. Religious stakeholders and dogmas do not influence policymaking. The regime has always attempted to control religious stakeholders and to refer to religious dogmas only when it was politically useful.

The official line in Syria is that it is a secular state, but sectarianism is tangible. Given the regime's deep distrust of its population, primarily only confessional organizations have been able to act as quasi-civil society organizations, often under strict state control. In a subtle way, this reinforced sectarianism.

The regime's sectarian approach to re-establishing control can be seen in what is euphemistically termed "demographic engineering:" people are barred from returning to a number of regions, and properties seized in them are distributed to loyalists and to Iranian and Hezbollah fighters. Columbia University published a map showing the demographic change in recent years, according to which the Sunni majority of around 59% in 2010 was reduced to a minority of around 49% by 2019.

The regime benefits from its image as the "protector of Christians." But many members of supposedly protected minorities cannot act independently. The regime protects them only as long as they remain loyal, while being perceived as being in the regime's fold exposes minorities to risks.

In order to conceal its sectarian approach, and possibly to comfort its Iranian supporters, the regime sometimes seems to change its tune by adopting religious rhetoric. In a speech in January 2021, Bashar al-Assad claimed "atheists" were to blame for the revolution.

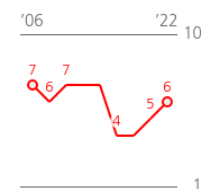
In Idlib, HTS is trying to impose authoritarian order with an Islamist agenda. Though the majority of people in Idlib are Sunni Muslims, HTS is not popular. The religious dogmas touted by HTS are only one aspect disliked by citizens. Others include a lack of basic services, arbitrary arrests, violence and abuse.

The dire situation of Syria's administration became particularly obvious during the prolonged and grave bread and fuel crisis in 2020. The regime found itself unable to provide these basic goods to such an extent that, in major cities such as Homs or Hama, people sometimes had to wait in line up to two days to get bread. While taxes have been raised – the latest ones increasing tariffs for minibuses used in public transportation by 30% – services have decreased. Many Syrian children have been forced out of school and the health infrastructure throughout the country, especially outside cities, has collapsed.

Nominal salary raises in the public sector have not been able to compensate for the significant depreciation of the Syrian pound, so that chicken, a staple of Syrian cuisine, has become unaffordable to large segments of the population.

No interference of religious dogmas

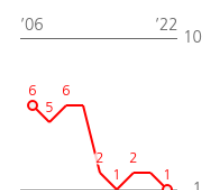
6



1

Basic administration

1



1



The COVID-19 pandemic has weighted heavily on the health system. In regime-controlled areas, the official numbers of infections did not exceed 10,000 cases, but reports from Syrian hospitals, physicians and nurses were alarming. In addition, the health sector has been hit hard by persecution of health workers, as detailed in the Physicians for Human Rights 2019 report, “My Only Crime Was That I Was a Doctor.” The regime’s ability to provide health services has also been hampered by subsidized medicines being resold on the black market.

The regime has not come up with a coherent strategy for how to fight the coronavirus. Medical staff raised complaints about a lack of protective gear and support. They were subsequently subject to censorship and surveillance.

The health sector in Syria has deteriorated significantly. The regime’s targeting of health facilities in opposition areas has decimated the number of operational facilities. Those that are still functioning are underequipped, and this adds to the difficulties of tackling COVID-19. The region the AANES governed was harmed by the January 2020 removal of the U.N. mandate to provide humanitarian aid through the al-Yaroubiya border crossing with Iraq. As a consequence, according to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), only 30% of health facilities that previously received medical supplies could be reached, limiting the capacity to respond to the pandemic in those regions as well.

According to the UNDP, 70% of Syrian citizens lack access to clean water. This is due to conflict-related destruction of infrastructure, including the deliberate targeting of water resources (in Wadi Barada in 2017, for example), which crippled the water infrastructure.

Water infrastructure in the Kurdish areas has not been affected by the war itself, but it is dependent on water flows from Turkey. Turkey cut off water more than 24 times in 2020, increasing shortages and risks of drought in the otherwise-fertile lands of Hassake and Qamishli.

## 2 | Political Participation

Parliamentary elections in Syria that were supposed to be held in March 2020 were postponed until May 2020 due to coronavirus-related concerns. For the first time since the beginning of the war, the elections included the province of Raqqa, regime-controlled parts of Idlib and Hassake. In the polls, 1,656 candidates competed for the 250 parliamentary seats, of which the Progressive National Front won 177.

Parliamentary seats entail privileges for members of parliament such as access to resources, a salary or a car. In the parliamentary elections, some long-standing loyalists such as Fares Shehabi lost their seats. A significant number of

Free and fair elections

2

'06 '22 10

3 2

1

businessmen who had already benefited from the war financially entered parliament. The businessmen are relevant to the regime because many of them have funded militias in its support; removing Shehabi can thus be interpreted as not needing his support as much as the support of those who recently entered parliament. To succeed in the elections, the design of the list – managed by Syria’s intelligence and the regime – is more relevant than popular support or votes.

HTS areas have not had any organized elections and the local councils have been either dominated by armed groups or sidelined by them.

In SDF areas, there is a complex system of different levels at which electoral participation is theoretically possible, but elections in Rojava were last held in 2017. The Kurdish areas refused to be included in 2020’s parliamentary elections. Four Kurds were elected to the Syrian parliament from other areas of Syria, three of them as members of the tolerated wing of the Syrian Communist Party.

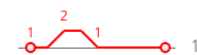
Given that half of Syria’s population is displaced and therefore unable to participate in the elections, it is difficult to qualify the elections as “general.” Voter turnout was 33.7%. The same qualifications apply to the upcoming presidential referendum, scheduled for 2021. While in theory there may be competitors to President al-Assad, there is no indication that change is planned either by the regime or by its main international backer, Russia.

Presidential elections will be held on the basis of the constitution of 2012, since the Constitutional Committee will be unable to issue a new constitution beforehand. Under these circumstances, the opposition will not participate; even if they wanted to, a relevant stipulation of the electoral law is that any candidate for the Syrian presidency has to have confirmation of support from 35 members of parliament, each of which can support only one candidate.

Decisions in Syria are made by the security services or by the president based on their own needs, and not by elected leaders. The flawed democratic procedures serve to maintain a façade of democracy to the outside world, to manage different relevant individuals inside Syria and to force loyalists to show their commitment to the regime.

Parliament does not have much power. Decrees are mostly introduced by the ministers, not to be modified, but simply approved by parliament. Seats in parliament or the cabinet do not serve to integrate individual power groups into decision-making but to coopt them through the advantages to which their positions give them access. Governors wield some power as they work closely with security services, but they are not autonomous from the president and his decision-making circles.

Effective power to govern



Members of the regime, always fearful of independent activism, continued to deny rights of association and assembly. Quasi-NGOs, most prominently First Lady Asma al-Assad's Syria Trust, have become more influential since international NGOs are now forced to distribute their aid through them. Syria Trust has grown and also established some for-profit sub-entities in order to benefit from international aid directed at providing services. There is a trend of establishing new quasi-NGOs or renaming old ones, so that figuring out who is behind which organization is difficult, making external donors' monitoring even more complicated than before.

Physical meetings, assemblies and protests have been difficult to organize in any case because of the political situation, but under the cover of fighting the pandemic, coronavirus warn apps have become a means to enhance electronic surveillance.

Humanitarian and medical associations are to a certain extent tolerated in Idlib. The White Helmets continue their work as first responders, but also run civil defense trainings for citizens. Some diaspora, opposition-affiliated or sympathetic aid groups work in areas outside of regime control.

In Kurdish areas, associations are allowed but registration procedures are long. Often even after registration, activities require additional authorization.

Syria ranks 174th in Reporters Without Borders Press Freedom Index and remains one of the most dangerous places in the world for journalists. All armed factions intimidate and harass media workers; many journalists remain in detention or have been forcibly disappeared.

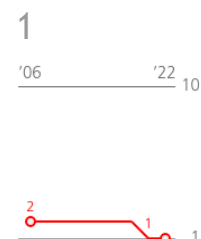
In 2018, the regime established "cyber-crime courts" in order to deal with what it considers online offenses, and a number of journalists from loyalist media were arrested. Minister of Information Imad Sarah announced in October 2020 that there would be no more arrests of journalists, but arrests continued all the same. A new media law was announced, but this has not yet been publicized and is unlikely to be more liberal than the existing one.

The regime tried to conceal the scale of COVID-19 infections, as well as the high death toll. Reporting was therefore subject to scrutiny. Health personnel giving information on the situations in hospitals were targeted.

Coronavirus coverage has not been subject to censorship in SDF areas or in northern Syria, but in both regions, journalists were also at risk. One of the most prominent cases of a journalist being arrested is Nour Shalo, detained by HTS in September 2020.

Only a few of the media outlets established after 2011 have survived, such as Enab Baladi. Al-Jumhuriya.net has expanded and enjoys broad recognition for its in-depth reporting. But the hostile environment for journalists created by all armed factions has forced many of these hubs to move outside the country.

Association /  
assembly rights



Freedom of  
expression



### 3 | Rule of Law

The Syrian constitution includes the separation of powers but is designed in such a way that the presidency has much more power than any other branch. Assad is therefore much stronger than the executive and the judiciary.

In practice, the power of the security services overrides any separation of powers. Given the regime's focus on securitization it is unlikely that it would accept any new constitution from the Constitutional Committee that might diminish its privileges, and it is also unlikely that it will rein in the intelligence branches.

In an act symbolically undermining the independence of the judiciary, a number of courts in Syria raised a large poster depicting Bashar al-Assad as the "First Judge" in 2019 and 2020.

The judiciary is one of Syria's institutions that serves to convey the image of a state with democratic procedures and separation of powers. It is meant to give an air of legitimacy to the regime's persecution of its opponents.

Many of those detained after 2011 have not even made it to court but died or disappeared in detention centers associated with the different security branches. This means families have not been informed about the whereabouts of those arrested and detainees have no access to legal assistance.

During recent years, new courts have played an important role, especially the Anti-Terrorism Court. It has tried more than 90,000 cases, with 10,000 still pending, according to the Syrian Network for Human Rights. In absence of a definition of "terrorism," and with "terrorism" used as a blanket accusation targeting form of dissent, this court can be described as political. Normal legal procedures are suspended for all cases in these courts.

Many trials, particularly those held in the Anti-Terrorism Court, have not followed proper legal procedures, with rulings rushed and no possibility of appeal.

The regime's ongoing campaign to confiscate land and houses or to seize them without adequate compensation has turned housing, land and property rights into a security-sensitive issue about which citizens know the judiciary will not be independent. In these cases, courts serve to justify asset forfeiture in the name of combating "terrorism."

Even in "normal" courts, justice is highly politicized. Appointments, particularly in the higher echelons, require connections and are restricted to societal groups considered loyal to the regime. Most citizens carefully judge which infringements on their rights they take to court, who their adversary is and would not dare demand their constitutional rights or challenge decisions the state authorities make.

Separation of powers

2

'06 '22 10



Independent judiciary

2

'06 '22 10



Holding officials accountable for corruption is not common, occurring only in a few cases and normally motivated by the regime's interest in managing the interests of different profiteers, rather than any attempt to curb corruption. In January 2021, the release of Sulaiman al-Assad – the president's cousin – from prison stirred upheaval: he had been arrested five years earlier for murder, which was seen as a glimmer of hope that family connections would not always overwrite legislation. Even regime supporters who disdain the preferential treatment of members of the Assad family criticized his release after only four of the 20 years of his sentence.

Condoning corruption allows the regime to keep individuals calm and within its fold without having to pay for this situation. A recent survey among families of detainees in Sednaya Prison reveals that relatives paid up to \$30,000 in order to obtain information about detainees. It also showed how common this kind of extortion is, with the scale of the demand varying case by case. With the further depreciation of the SYP and the regime's abilities to generate revenues shrinking, corruption is likely to increase further.

High-level officials and elites who are charged with corruption are often touted as examples of the regime's anti-corruption stance. In reality, these cases are often about resolving internal power differences within the regime. Office holders who break the law do not have to be afraid of consequences because of serious efforts for accountability, but instead because of the regime's arbitrary use of power. The occasional campaigns against cronies can also be understood as a means for the regime to reassert its power – it lives off people's fear and prosecution of abuse of office is often a way to generate feelings of insecurity.

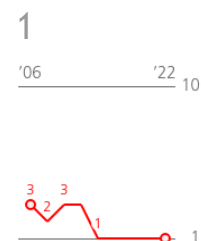
Civil rights in Syria are systematically violated. What was common before 2011 has been exacerbated by the war. This entails direct human rights violations by means of persecution, arrest and forced disappearance. Torture and sexual violence in particular are common in Syrian prisons and detention centers. Citizens are displaced not only as a consequence of war but also of political decisions, with many barred from returning to their places of origin.

The Syrian Network for Human Rights documented nearly 2,000 arrests of returnees to Syria between 2014 and 2019. One third of these were forcibly disappeared. Citizens in areas reoccupied by the Syrian regime, as well as returnees, are among the most vulnerable groups. Returnees and IDPs are most likely to suffer social exclusion and a lack of access to public services in the near future.

There are a number of indirect violations of citizens' rights, such as withholding aid and services, and neglecting infrastructure. Additionally, families whose male head of household has disappeared cannot register their children for school.

Citizens abroad risk having their property confiscated, if they are considered to be associated with the opposition and have hardly any means to appeal these decisions. Executive orders are issued in local newspapers only and thereby not accessible from abroad. Such cases require the personal presence of the plaintiffs.

#### Prosecution of office abuse



#### Civil rights



Abuses of civil rights are also common in HTS and SDF areas. Even more widespread were violations in areas Turkey occupied, from which thousands of Kurdish citizens have been displaced, with their properties confiscated and given to Arab IDPs from other regions of Syria.

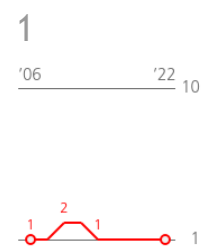
Restrictions related to anti-COVID-19 measures have been as arbitrary as other policies: Lockdowns have not been implemented in a consistent way. Freedom of movement was especially restricted in a discriminatory fashion. There were no precautions taken to protect the most vulnerable members of the population. The regime did not respond to international calls to release prisoners from overcrowded facilities, and it did not ease its restrictions on humanitarian aid access.

#### 4 | Stability of Democratic Institutions

Neither in regime-held areas nor in Idlib are there democratic institutions. The regime micromanages any electoral process from the inception of lists of candidates to the actual elections. HTS does not hold elections. Military and security actors seek to control the situation through repression. Any appearance of voluntary participation in institutions is just a façade. The PYD is less violent in its repression, yet exerts strict control by imposing formal obstacles to citizens' participation, open debate and access to decision-making bodies. The grassroots democratic model it created for Hassake and Qamishli appears on the surface to offer more opportunities for participation, but in reality, access is restricted. Nonetheless, it enjoys more recognition by citizens in these regions. This is partly because the Kurds are aware that, among all actors in Syria, the Kurdish-led Autonomous Administration in North and East Syria (AANES) does not have reliable support from allies, mainly the United States, and that it is directly under attack from Turkey and only tolerated by the regime as long as the latter is focused on other areas and not fully in control of the area.

In non-Kurdish areas under the control of the SDF, participation remains an even more critical issue. Relevant actors in those areas have said they are not interested in returning to regime control, but Arab residents complain of the lack of services and other forms of discrimination due to YPG's dominance within the SDF.

Performance of democratic institutions



There are no democratic institutions, which means that citizens' acceptance of the status quo is compelled rather than earned. Especially in regime-held territories, where a deep socioeconomic crisis with a very tangible impact on the population has alienated citizens and corruption has reached unprecedented levels, there is more discontent.

Notwithstanding the violence they have experienced, citizens especially in the south have voiced their discontent in protests.

The PYD offers perhaps the most participatory model, but citizens' support is based on the fear of other less favorable prospects, such as the full return of the regime, which has vowed to take Kurdish areas back, or increasing pressure from – and more areas controlled by – Turkey.

Commitment to democratic institutions

1

'06 '22 10



## 5 | Political and Social Integration

Nothing has changed in Syria's party system: the Arab-nationalist, pan-Arab Ba'th party remains the most important one, even though this status was no longer guaranteed by the constitution after 2012. It is the leading force in a coalition of Syrian parties called the National Progressive Front, for which the majority of seats in the parliament is reserved; candidates who are members of other parties can only run as independents. In the parliamentary elections, the regime tried to reduce the influence of the Syrian Socialist Nationalist Party (SSNP), which has close connections to the president's maternal cousin, Rami Makhlouf and his family. Bashar al-Assad's late mother Anise was member of the SSNP. The special relationship between the Makhloufs and the Assads allowed Rami to build his business empire and to obtain monopolies; in 2020, Rami started a social media campaign, however, making public that he and the regime had a falling out.

Party system

2

'06 '22 10



Representation of political parties has been less interesting than the representation of other types of groups: more than 30 new members of parliament are businessmen; there are many militia leaders and retired army personnel; and, seeking to infiltrate institutions, a number of newly elected members of parliament were considered to directly or indirectly represent Iranian interests. This trend (cherry-picking representatives of groups relevant to the regime) is likely to continue.

In Kurdish areas, a number of political parties exist but are unlikely to be allowed to challenge the PYD's dominance.

In Idlib, political and administrative positions are dominated by armed factions, mostly HTS, not political parties.

Interest groups in Syria hardly exist. Those that do are not independent groups but affiliated with the regime, such as the unions and syndicates.

Over the years of conflict, businessmen-cum-warlords have emerged who run or fund militias that are able to impose measures on regions and networks.

A large number of social interests remain unrepresented, and their representation has become closely tied to the availability of financial means.

With Russia having already established Russian-Syrian business organizations and thus multiplied the representation of its interests, Iran has followed suit and established a huge business presence, which was very apparent at the Damascus International Fair in 2020.

No independent surveys can be carried out in Syria. In early 2020, the RIA-FAN, a Russian news agency close to Putin, published a series of articles criticizing the regime's performance. The articles quoted a "state survey," according to which only 32% of Syrians would vote for Bashar al-Assad in the upcoming elections, while 54% wanted to see him gone.

It is not clear whether a survey was actually carried out. Most likely, the articles were published in an attempt to pressure the regime toward taking a more accommodating course to Russia. At any rate, it did not cover questions of democratic norms.

Trust among Syrian citizens has been undermined by the strong role security services have played in controlling the population since Hafez al-Assad came to power in 1970. An extensive network of informers created the impression that "the walls had ears." The network of informers remains strong in regime areas. The presence of several different militias, which compete with each other and carry out attacks and kidnappings, has significantly complicated circumstances in those regions, further increasing distrust among citizens.

Due to a reduction in subsidies and employment opportunities, citizens in regime areas have noticed that they cannot rely on the state as much as they could previously. There are many examples of citizens trying to provide each other aid, but their ability is limited. The regime does not trust self-organization and has tried to coordinate some citizen-to-citizen aid efforts in order to control them.

The 2011 uprising created a situation in which people had to rely on each other. Many experienced relationships of trust for the first time. These networks have been uprooted, however, by war and displacement, though they are still important, especially in Idlib.

Interest groups

2

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Approval of democracy

n/a

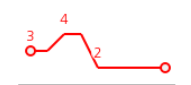
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Social capital

2

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## II. Economic Transformation

### 6 | Level of Socioeconomic Development

UNDP's 2020 Human Development Report assigned Syria a score of 0.567. This compares to an overall world score of 0.737, ranking it at 152nd out of 189 assessed countries. This is fairly consistent with the country's scores in recent years, which were 0.556 in 2014, 0.528 in 2016 and 0.563 in 2018. It should be noted that Syria had previously shown steady improvement from an HDI of 0.550 in 1990 to 0.672 in 2010, indicating that the first few years of the conflict wiped out two decades of human development. It is likely that the situation has deteriorated further as a result of the 2020 financial crisis following Syrian assets in Lebanese banks being blocked and the fallout of the COVID-19 pandemic.

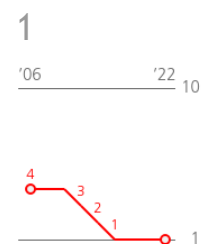
In terms of economic exclusion, the United Nations Economic and Social Commission for Western Asia (ESCWA) estimates that 77.2% of Syrians were living under the \$3.50/day poverty line in 2019, up from 13.0% in 2010, and 40.0% were living under the \$1.90 line of abject poverty, versus 0.7% in 2010 (based on 2011 PPP \$). The 2017 Arab Multidimensional Poverty report excluded Syria due to a lack of data, but 2020 ESCWA estimates indicated a multidimensional poverty rate of 50% and an acute poverty rate of 15% in 2017 (versus 37% and less than 4%, respectively, in 2006). The current situation is likely to be even worse, for the reasons noted above.

Inequality in Syria is difficult to evaluate due to a lack of data, and the UNDP does not currently calculate the country's Gini index or inequality-adjusted HDI. But the gap between a small class of war profiteers and wealthy, regime-connected businessmen, on the one hand, and the increasingly impoverished majority, on the other, has likely widened. In a 2019 study on wealth and income distribution, Damascus University economist Raslan Khadour indicated severe problems leading to the decline of the middle class.

There are also important geographical, ethnic, sectarian and gender inequalities: IDPs are largely excluded from the formal economy, for example. Furthermore, gender continues to be a significant factor in economic exclusion, despite the general shortage of male breadwinners as a consequence of the conflict. According to the UNDP's 2020 Human Development Report, female GNI per capita for 2019 was only \$989, as compared to \$6,225 for men (based on 2017 PPP \$). This equates to just 15.9%, whereas the world ratio is 94.3%. The UNDP assigned a Gender Development Index of 0.829 (versus world 0.943) and a Gender Inequality Index of

Question  
Score

Socioeconomic  
barriers



0.482 (122nd out of 162 countries).

Economic indicators		2017	2018	2019	2020
GDP	\$ M	-	-	-	-
GDP growth	%	-	-	-	-
Inflation (CPI)	%	-	-	-	-
Unemployment	%	8.3	8.2	8.2	<b>9.0</b>
Foreign direct investment	% of GDP	-	-	-	-
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	-	-	-	-
External debt	\$ M	4603.9	4583.6	4590.2	<b>4763.2</b>
Total debt service	\$ M	0.5	20.2	4.5	<b>1.3</b>
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	-	-	-	-
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	-	-	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	-	-	-	-

Sources (as of December 2021): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

Until 2011, the state dominated and dictated all aspects of economic life. This already flawed market was further distorted during of the conflict by rent-seeking armed actors. According to political scientist Steven Heydemann, many of these actors have been integrated into the formal economy by deals with the regime as part of the latter's reassertion of territorial control.

There are also substantial barriers to entry into the formal economy. Syria ranked at 176th out of 190 countries in the World Bank's 2020 Ease of Doing Business index, with a score of 42.0, and ranked 143rd in the Starting a Business category. It took 15.5 days and 7.5 procedures (seven for men versus eight for women) to start a business, as well as a minimum capital of SYP 400,000 (88.3% of income per capita, as compared to just 8.9% across the MENA region). Other major barriers included dealing with construction permits (ranked 186th), trading across borders (ranked 178th) and getting credit (ranked 176th), among others.

These concerns have been exacerbated by inflation, which rendered public sector salaries inadequate to cover living costs, and U.S. sanctions, which made formal international transactions much more difficult.

Widespread corruption further increased the cost of doing business, while conflict damage severely harmed several sectors. At the same time, the conflict opened up informal and illicit opportunities, such as smuggling, sanction-busting and rent-seeking. As a result of all these factors, according to SCPR, 62.4% of all labor and 86% of private sector labor were categorized as informal.

In principle, free and fair competition is protected by the Syria Competition Commission under 2008 antitrust legislation (Law No. 7), which addresses monopolies, price fixing and market power abuse. In practice, the commission is controlled by the government. In addition, the state's increasingly interventionist economic role and the preference for public-private partnerships has created ample opportunities for privileging favored business elites.

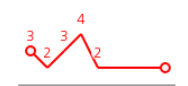
Clientelism in Syria has deepened. Meanwhile, many businesspeople without regime connections have fled the country, their assets in Syria seized or destroyed. In 2014, more than 26% of new businesses in Turkey were established by Syrians, and the total reached 10,000 by 2019, according to the Turkish Statistical Institute.

During the conflict, prominent businesspeople have been expected to support the regime's war efforts. Rami Makhoul, for example, the president's cousin and a billionaire owning large parts of the Syrian economy, was one of the leading financiers of pro-government militias. In a major upset, the regime has since 2019 targeted Makhoul's wealth and business empire, giving the appearance of fighting

Market  
organization

2

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1

Competition policy

1

'06 '22 10



1

corruption – that was previously enabled by the regime – and availing itself of further resources to distribute among others. That the president’s cousin was targeted in such a public way serves to demonstrate that nobody is safe, deterring businessmen who might reconsider their loyalty from doing so.

Desperate for cash, the government is adopting increasingly predatory tactics, and this further harms prospects for fair market competition.

Current data on tariff and non-tariff barriers in Syria are not available, with 2013 being the most recent year covered in WTO World Tariff Profiles. Since then, the government has regulated trade through a chaotic series of ad hoc measures designed to limit foreign currency outflows and to capture revenue. Exporters are required to sell their profits to the central bank at an artificially lowered official exchange rate. And according to the Middle East Institute, tariffs on trucks passing the newly re-opened Jordanian border were suddenly raised from \$10 to \$62 in 2018. This sort of interference hurts productive sectors by making it harder to access raw materials.

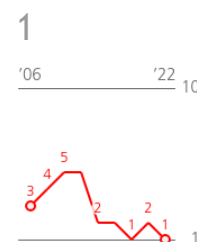
Businesses outside Syria tend to avoid any involvement with the country, however legitimate, for fear of being locked out of the international economy.

With the devastation of productive sectors of the economy during the course of the war, the loss of oil fields in the east, and the flight of people and capital, Syria’s ability to export decreased as its need for imports grew. According to 2020 ESCWA calculations based on International Trade Centre (ITC) mirror data, though the trade deficit shrank in absolute terms from \$10.1 billion in 2010 to \$6.1 billion in 2018, it grew dramatically relative to GDP from 16.6% to 34.6%. Exports fell from 14.3% to 4.1% of GDP in the same period, while imports rose from 31% to 39% of GDP.

The result is a severe shortage of foreign currency, which further harms the country’s ability to engage in international trade and provide for its needs. In January 2021, the Economist Intelligence Unit (EIU) estimated that imports had continued to fall by 7.6% in 2020, while exports shrank by 8.5%. It forecast a further fall of 2.1% and 1.2% respectively in 2021, before a return to moderate growth.

Apart from the Idlib pocket in the country’s northwest, which eludes government control and has strong ties with Turkey, Syria’s major trading partners are Russia and Iran. China also has an important role, supplying 8.9% of 2019 imported goods, according to EIU. This is projected to increase in the future. This is partly due to the two country’s shared outsider status in relation to the U.S.-dominated international economy but is also a result of the regime’s political agenda of privileging “countries that did not join the attack on Syria” (Ministry of Foreign Affairs announcement, August 2018). These countries seem less interested in building productive, two-way trading relationships than in making deals with the government to take control of profitable parts of the Syrian economy. A Russian

#### Liberalization of foreign trade



company has just signed a 49-year lease on the commercial port of Tartous, while Iran is vying for a similar role in Latakia. Russia is also becoming increasingly dominant in Syria's oil and gas sector.

Private banks, emerging first in 2004, are tightly controlled. Economists Allam Yousuf and János Felföldi found in 2018 that the pre-conflict capital adequacy ratios of six private banks averaged 15.09%, exceeding Basel standards, and that this high ratio was negatively associated with profitability. After two years of conflict in 2013, a 2015 Carnegie Middle East Center report found that the equity-to-total-assets ratio for private banks had fallen to 4.9%, indicating likely undercapitalization, though a full analysis of risk-weighted assets was not possible.

According to the latter report, the conflict caused a dramatic spike in non-performing loans at private banks between 2010 and 2013 from 3% to 41%, respectively, bringing the net loans-to-deposits ratio down from 51% to 33%. A similar analysis for state banks was not possible, as these do not have the same reporting requirements.

According to rare data from Syria's central bank that covers both state and private banks contained in the Syria Report in 2020, private banks had loans of SYP 793 billion and deposits of SYP 1,134 billion at the end of 2019 (a ratio of 69.9%), while state banks had SYP 2,056 billion in loans and SYP 3,207 billion in deposits (a ratio of 64.1%).

Beyond the challenges of excommunication from the world's banking system, the sector has also been challenged by state efforts to mitigate the monetary crisis. A complete prohibition on bank credit was lifted in September 2020, but remains capped at SYP 500 million, while open-ended facilities remain banned. Credit is therefore difficult to access, with serious consequences for the recovery of the private sector.

## 8 | Monetary and fiscal stability

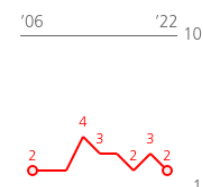
CBS attempted to respond to the severe shortage of foreign currency and resulting pressure on the exchange rate by selling all but \$70 million of its \$20 billion foreign currency reserves by 2015, according to a World Bank report, but the currency remained weak. The multiple stresses throughout 2020 worsened the situation further.

Remittances, important for plugging the foreign currency gap, are estimated to exceed the total size of wages and salaries in the country. However, as a result of COVID-19, remittances had fallen by as much as 50% by August 2020.

All in all, the EIU estimated the current account deficit at 10.7% of GDP (\$2.6 billion) in 2020, and forecast a widening to 11.9% (\$2.5 billion) in 2021; the current account was expected to remain in deficit for the foreseeable future, meaning the shortage of foreign currency is likely to continue.

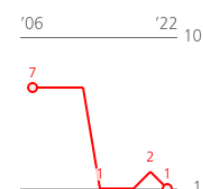
### Banking system

2



### Monetary stability

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Consumer price inflation reached its highest level in 2020 at an estimated 87.7%, according to the EIU, and was projected to remain extremely high in 2021 at 66.1%. The rate's volatility is an additional challenge for businesses: it fluctuated from 6.3% up to 82.4%, down to 22.5%, up to 43.6% then back down to 0.9% in 2011, 2013, 2014, 2016 and 2018, respectively, before rising to its current level.

By the end of 2020, the currency had reached a market rate of SYP 2,870 to \$1, as compared to SYP 912 the previous year (an increase of 314.7%) and SYP 46.6 in 2010 (an increase of 6,158.8%). The government has tried to hold the rate down artificially, criminalizing the market rate in January 2020 and imposing multiple exchange rates for various purposes ranging from SYP 1,256 to SYP 2,550, but this has not helped the situation.

In an attempt to boost the country's weak exports, the regime has aggressively expanded its synthetic drugs business, particularly of Captagon. This requires few resources, is relatively easy to ship and the regime does not have to worry about competitors. The intensification of these efforts has become increasingly obvious, with an ever-greater number of deliveries being captured in the Gulf, Europe and Egypt.

Turkey seeks to replace the Syrian pound in areas controlled by itself or its proxies. It thus fosters economic integration of these areas with the Turkish market, further distancing them from regime areas – and it further destabilizes the Syrian pound. To this end, Turkey has shipped tons of coins into northern Syria, allowing daily business to be carried out in Turkish currency easily. The regime sees this as a real challenge – perhaps more of a threat than Turkey's military presence.

The government's attempts to mitigate the rise in prices of certain essential goods, through subsidies and by selling dollars to importers at an artificially low exchange rate, has put serious pressure on public finances. Now, the lack of fiscal headroom has forced an overall cut in government expenditure from 18.1% of GDP in 2019 to 11.3% in the 2020 budget.

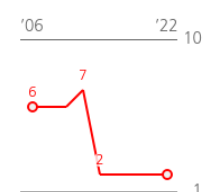
Government revenues were already very low as a result of the devastation of the industrial and agricultural sectors during the conflict, as well as the loss of oil and gas revenues and the economy's increasing informality. With the effects of the coronavirus pandemic, the Lebanese and Iranian economic crises, and the deepening of sanctions, the EIU estimates that revenues fell further from 6.0% of GDP in 2019 to 0.0% in 2020.

This implies that the fiscal deficit has narrowed slightly from 12.1% of GDP (2019) to 11.3% (2020). The EIU forecasts a further narrowing to 8.3% in 2021 and 7.0% in 2022. This forecast is based on government austerity, rather than any significant improvement in revenues, the latter being forecast to reach a maximum of 0.3% of GDP by 2022.

The austerity is born of necessity. Because of sanctions, Syria does not have access to international credit markets. Iran extended extensive credit to Syria during the

#### Fiscal stability

2



war, and al-Assad recently reactivated through amendments a \$1-billion line of credit that was extended in 2015 but delayed for unknown reasons, according to the EIU. But Iran is suffering from its own economic crisis and becoming increasingly reluctant to help further. The credit line was closed in 2019, according to Syrian state-owned newspaper, Al-Watan. Iranian lawmaker Heshmatollah Falahatpisheh declared in 2020 that the \$20 billion to \$30 billion the country had spent on Syria must be repaid. Russia has consistently restricted its expenditure to the bare minimum needed for regime survival, and likely cannot be looked to for further support.

The government has borrowed some funds from state-owned commercial banks (an amount that rose from a total of SYP 134 billion to SYP 253 billion between December 2019 and May 2020, due to faltering revenues, according to official figures). Much, however, is raised through seigniorage, a practice that further drives inflation and is not sustainable at current levels.

## 9 | Private Property

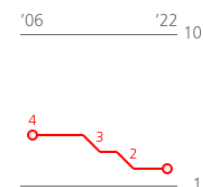
The Syrian regime has taken measures to facilitate the seizure of private land and properties, especially from refugees and IDPs. Most important is Decree 66 of 2012, which allows for the expropriation of “unauthorized” housing and informal settlements, and their redevelopment through private sector investments. Urban planners Sawsan Abou Zainedin and Hani Fakhani have shown how this decree is increasingly applied to depopulated opposition areas to “engineer demographic change based on both economic and political interests,” citing cases such as the Basateen al-Razi suburb of Damascus.

Most recently, Law 10 of 2018 allows local authorities to reregister property rights and redevelop entire areas and pay no (or minimal) compensation. To avoid redevelopment of their properties, homeowners have one year to prove ownership. However, the obstacles to this process are huge: 50% of land in Syria was not registered before the war, and many local land registries were destroyed during the war; over 11 million Syrians have been displaced internally or externally, with many unable to return to make their claims within the given timeframe. Required to make claims to ownership of property, 70% of refugees lack identification documents. This legislation thus strips huge sections of the Syrian population of their property rights, giving the government carte blanche to design urban geographies and national demographics.

Property rights have also been violated in other parts of the country. In September 2015, the Kurdish Democratic Union Party (PYD) issued a law confiscating the properties of homeowners who left the region, ostensibly to benefit the local community. In areas controlled by Turkish forces and their proxies, the houses of fleeing Kurdish citizens have been confiscated and given to Arab IDPs.

### Property rights

2



In formerly socialist Syria, the state remains at the heart of the economy. Barely able to support itself, it has not taken measures to protect the private sector from the impact of either the civil war or the coronavirus pandemic.

To the contrary, the state takes every opportunity to extract funds from the private sector. A 2019 Synaps report describes a manufacturer forced to buy \$30,000 worth of “Made in Syria” stickers or face closure. This predatory behavior also takes a more indirect form: with the average monthly public sector salary falling below the value of a monthly food basket for a family of five, according to the World Food Programme’s Vulnerability Analysis and Mapping in November 2020 (SYP 80,240 vs. SYP 99,243), private companies are increasingly targeted by rent-seeking officials who need to supplement their salaries. Enterprises must frequently pay bribes to avoid being shut down for spurious violations.

Businesspeople continue to be targeted arbitrarily by the regime. Most prominently, Rami Makhoulf, a longtime insider whose relationship with the presidency helped him to become Syria’s richest businessman, has seen his assets being seized by the government since 2019, with falsified documents used to sell off his businesses and real estate. Some businessmen, especially loyalists, are targeted by the regime and forced to invest financial resources into the economy.

The Heritage Foundation ranked Syria 157th out of 186 countries for business freedom in 2020, and 166th for government integrity, but was unable to assign an overall score for economic freedom.

## 10 | Welfare Regime

The U.N.’s 2020 Syria Humanitarian Needs Overview identified 11.06 million people (66.6% of the population) as in need of humanitarian assistance, and 4.7 million (28.3%) as in acute need. The most pressing need categories are water, sanitation and hygiene (WASH). There were also more than six million IDPs.

During the conflict, the regime has made some efforts to subsidize essential items such as bread and fuel. But with the fiscal squeeze and foreign currency shortage, it is withdrawing even from this role, leaving charities and U.N. agencies to step in and fill the gap.

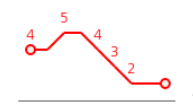
Syria’s health care infrastructure was devastated by the conflict. Hospitals continue to be targeted in northwest Syria. The flight of trained doctors and nurses from the country was another damaging blow.

As for COVID-19, insufficient testing translates to an underreporting of COVID-19 cases. Save the Children reports shortages of beds, oxygen and water in parts of the country. The EIU assesses that the prospects of a successful vaccine rollout, given the state of the infrastructure, are poor. Life expectancy at birth was 72.7 years in 2019, according to UNDP’s 2020 Human Development Report.

### Private enterprise

2

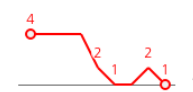
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### Social safety nets

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With the World Food Programme-assessed monthly food basket for a family of five rocketing to SYP 99,243 in November 2020 (25 times its 2010 average), before increasing a further 13% in the following month alone, 9.3 million Syrians were categorized as food insecure by the end of the year, with another 2.2 million at risk. Five million were reached by the World Food Programme (WFP) in December 2020. WFP's November 2020 report added that 46% of Syrians reported poor or borderline nutrition, almost double the figure from 12 months earlier.

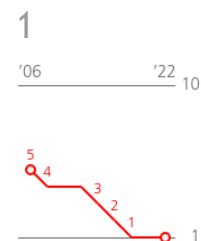
Syria's northwest, outside government control, is an area of particular concern. In late 2020, 2.7 million IDPs were living there. Aid was severely limited by the availability of only one aid route, Turkey's Bab al-Hawa border crossing. Even this requires yearly, unanimous consent from the U.N. Security Council to remain open. For the people of this region the future is therefore very precarious. There are also regular flare-ups along the conflict line that separates the area from regime territory, and there is the danger of a devastating government offensive.

There are important geographical inequalities, with the historically government-controlled areas of Damascus, Tartous and Latakia making out well, while Aleppo, suburban Damascus and rural areas suffer. The government's plans for reconstruction tend to focus on regions where the population remained loyal during the war, with devastated former opposition areas left to decay.

In terms of ethnicity, an estimated 160,000 to 300,000 Syrian Kurds are stateless as a result of a controversial 1962 census, and therefore lack citizen rights. Most Kurds currently live outside regime territory in northeast Syria and are to some extent cut off from the general economy. Ties have been increasing, however, with the Syrian regime purchasing grain from the Kurdish-administered "breadbasket region," mainly the Hassake province, at fixed prices since 2019. Sectarianism was aggravated by the conflict, with Alawites and Druze generally mobilized in support of the regime. But according to a 2019 Synaps report, while some Alawite elites have begun to displace Christian and Sunni businesspeople in some areas, the general Alawite and Druze populations have not benefited from increased wealth and continue to suffer.

Just 13.2% of parliamentary seats were held by women. Women's labor force participation rate was just 14.4% (versus a male rate of 74.1%). Syrian girls' mean years of schooling were just 4.6, even less than the 5.6 among boys. As observed in the ESCWA's 2020 Syria at War report, "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."

Equal opportunity



## 11 | Economic Performance

In 2018, violence was on the wane. Economic relations with the Kurdish-controlled northeastern region were starting to be rebuilt. Winning back the territories meant that they could no longer be squeezed for further revenues. Smuggling networks in and around besieged areas had been profitable. After territories had been reconquered, looting included ripping electric cables from the ground and dismantling whatever had been left behind.

Over the course of 2020, four additional factors combined to send Syria back into a downward spiral. Starting in the autumn of 2019, Lebanon's economic crisis cut off the most important lifeline for trade and banking. Lebanese banks froze Syrian dollar accounts amounting to between \$20 billion and \$42 billion, a problem President al-Assad described as the main reason for Syria's crisis. The worsening economic situation in Iran, whose regime has been the Syrian government's main financial backer, further contributed to the downward spiral. So did the United States' bipartisan Caesar Act (enacted in 2019) with sectoral sanctions, especially relevant since they were secondary sanctions. On top of that came the impact of the coronavirus pandemic. The Economist Intelligence Unit estimated 2020 consumer price inflation at 87.7%, a record high, and forecast a still-extreme rate of 66.1% in 2021, before moderating beginning in 2024. In addition, the U.N. estimated in October 2020 that 200,000 – 300,000 jobs had been permanently lost, 15% of small and medium businesses permanently closed, and remittances reduced by up to 50%. Unemployment was estimated at a dangerous 59% in 2020, and forecast to remain high.

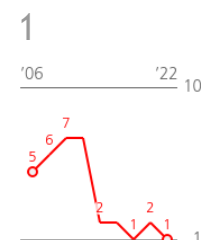
By the end of 2018, the ESCWA estimated that the conflict was responsible for economic losses of \$442.2 billion. By the end of 2019, the SCPR estimated the figure had reached \$530 billion. The multiple shocks of 2020 have done further damage.

The EIU estimated that GDP per capita grew 4.8% to \$4,028 (PPP) in 2019, before falling 8.3% to \$3,747 in 2020. It forecast a further fall of 2.2% in 2021, before a return to growth in 2022. The latter was based on a forecast stabilization of the internal political and military situation and an uptick in reconstruction-related investment.

The current account deficit was estimated to be worryingly high at 10.7% in 2020, and forecast to widen to 11.9% in 2021, before gradually moderating.

After two years of solid growth in 2018 (7.0%) and 2019 (9.7%), estimated gross fixed investment fell by 13.0% in 2020. Growth is not predicted to resume until 2022.

Output strength



The EIU estimated net public debt at 70.2% of GDP in 2019 and at 61.2% of GDP in 2020, though the Heritage Foundation's 2020 index placed public debt higher at 130.6% of GDP. The EIU public revenue estimates fell from 6.0% in 2019 to 0.0% in 2020. This was not forecast to grow in 2021 – 2022.

## 12 | Sustainability

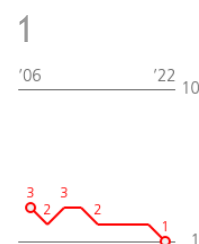
Pre-conflict Syria was already experiencing rapid rural-to-urban migration. In 2011, 75% of farmers faced total crop failure, causing 800,000 Syrians to lose their livelihood, leaving 1,000,000 food insecure. The process rapidly accelerated during the conflict, with many of the six million IDPs moving from rural areas into urban or semi-urban informal settlements.

The tenth Five-Year Plan (FYP) 2006 – 2010 and subsequent 11th FYP identified the Ministry of Agriculture and Agrarian Reform (MAAR) as a key stakeholder in combating desertification and suggested sustainable development management for both rural and urban areas in Syria. In addition, Syria has signed multiple international conventions on sustainable development, including the U.N. Conference on Sustainable Development (Rio +20) and the World Summit for Sustainable Development (WSSD). The current constitution declares sustainable development as an explicit goal. Syria is also a signatory to the United Nations Framework Convention on Climate Change (UNFCCC).

The regime's "scorched earth" policy is likely to have a lasting negative impact on the environment and the population, particularly due to the use of various types of armaments including cluster ammunition and other explosives, which leave behind toxic dust. Chemical weapons are likely to have long-term effects on the environment. Damage to water supply infrastructure, as well as the impact of unregulated drilling, will lead to further water insecurity. In its 2020 report, the ESCWA mentions that "Predatory mining by non-State armed groups with rudimentary techniques has also caused deep land degradation and air pollution."

The conflict has also triggered deforestation. The wildfires raging every summer affected regime regions particularly hard in 2020, with the Ministry of Agriculture registering 57 incendiaries and the loss of 1.7 hectares of forest up to September 2020. Deforestation contributed to severe flooding in northwest Syria in January 2020 and had an outsized impact, due to the poor quality of shelter, destroying or damaging 11,480 tents and affecting at least 67,600 people. In July 2017, HTS even issued a decree banning illegal deforestation in Idlib to protect the landscape.

Environmental  
policy



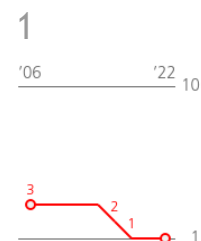
In January 2021, UNICEF issued a statement describing the Syrian education system as “overstretched, underfunded, fragmented and unable to provide safe, equitable and sustained services to millions of children.” It identified 2.4 million children as being out of school, adding that the number had probably grown since the assessment, due to coronavirus-related disruption, and confirmed the U.N. had counted 52 attacks on Syrian education facilities and personnel in 2020, making the total 700. The 2019 U.N. Education Index assigned Syria a score of 0.416.

Widespread poverty, particularly among IDP populations, has had damaging effects. Children, especially boys, are frequently taken out of school as soon as they are old enough to work, and girls may be pushed into early marriage. The ESCWA identified education problems as the leading contributor to its 2020 multidimensional poverty assessment for Syria.

Mean years of schooling in 2019, according to the 2020 Human Development Index, were just 5.1 (against a world value of 8.5), while only 37.1% of women and 43.4% of men had at least some level of secondary education. Just 10% reached the last age of lower secondary education, compared to a world figure of 90%. The literacy rate was 80.8% in 2014.

An anomalous data point in the Human Development Index is the finding that 40% of tertiary school-age Syrians were enrolled in post-secondary education, higher than the world value of 39%. The reason for this is that university students are exempt from compulsory military service, a prospect dreaded by many young people. This leads to large numbers starting and deliberately delaying completion of post-secondary degrees. The universities themselves are underfunded, over-scrutinized by authorities and, due to high levels of emigration, lacking in high-quality staff.

Education policy /  
R&D



## Governance

### I. Level of Difficulty

Governance in Syria traditionally suffers from structural constraints, the most obvious being the unequal distribution and increasing scarcity of water. Large parts of Syria are desert, but droughts posed additional problems years before the war. In 2018, the International Crisis Group stated that groundwater levels might be beyond recuperation.

The massive deforestation due to wildfires and conflict-related tree-felling, as well as damaged infrastructure, exacerbates this challenge all over the country. In the northeast, Turkey's restrictions on water flows have imposed additional constraints. Controlling the water supply for northwest Syria by means of the Allouk Dam, Turkey cut the water supply at least 24 times during 2020 alone.

Before the war, oil and gas resources were a main source of state income. Now, 80% of oil and gas fields are within the territories of the Kurdish-led SDF forces, and are generating income for the Autonomous Administration through the selling and smuggling of oil both to Idlib and regime territories. Production and exploitation are much lower than before, however, due to damage to the infrastructure, lack of maintenance and the absence of the multinational companies that were previously exploitation partners.

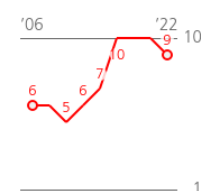
The U.N. in December 2020 stated that 80% of Syria's population lived below the poverty line. The formal labor market – apart from the government sector – has collapsed, and the salaries of government employees have not been raised to meet increasing prices.

More than half of Syria's population have fled their homes. Young men in particular are absent, whether because of the conflict or to avoid conscription into the army. According to UNICEF, 2.4 million Syrian children are not enrolled in school, many of them for years. This will be a severe constraint in the future. The World Food Programme counts 9.3 million Syrians as food insecure in late 2020, with 2.2 million more at risk.

The COVID-19 pandemic additionally impacted the already-ailing economy and the challenged health sector.

Structural constraints

9



Civil society in Syria has always been subject to control and cooptation. Activities of all kinds are closely monitored. For those topics of which a critical discussion was perceived as a potential threat or which were promising for international funding, the regime established organizations of its own. With the economic situation becoming more desperate, the role of charitable associations has become more important to fill in gaps where the state no longer has capacity; however, this is tightly controlled and mainly in the hands of trusted individuals, who have to pay for the privilege or do favors to the regime in the form of political concessions regarding who receives aid.

The regime has recently registered a number of new civil society organizations. These are not independent, however, but established by trusted loyalists. Where it has not closed down organizations, it has limited the range of activities in which they may engage. Legal advice, particularly for housing, land and property, has been monopolized by the state, which has also issued a decree to limit power of attorney by only allowing one standard form. Generating revenues through fake civil society organizations has increased. Minor initiatives such as reviving traditional handicrafts have gained visibility as civil society organizations.

While traditions are weak, the performance of civil society initiatives in all fields is highly impressive, offering support, advice and organizing life under ever more difficult circumstances. This is especially so in the health and education sectors.

HTS, strongly opposed to activism it does not control, tolerates humanitarian and health initiatives to a certain extent, mainly because it is trying to improve its standing with the population with the objective of garnering legitimacy.

In the Kurdish areas, the education sector especially is subject to intense control. Civil society organizations enjoy more freedom there, yet they need to follow complex procedures for events. Instead of certain activities being forbidden outright, they are made more difficult by procedural means.

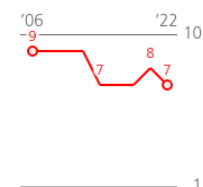
The only region in an active state of war is Idlib, though there are occasional clashes in the country's east, and Israel has been targeting Iranian bases, especially, in the region of Hama and the east. Despite a cease-fire agreement negotiated between Russia and Turkey, the regime continues shelling and attacks in the northwest.

Politically motivated violent incidents, such as attacks against Turkish or Kurdish forces, are ongoing, as well as fighting among various militias, acts of kidnapping and targeted killings of commanders, which occur on a daily basis.

All parties to the conflict carry out arbitrary arrests and have prisoners of conscience. The regime is responsible for the majority of these. A number of returnees to Syria were arrested despite obtaining before traveling the security services' assurance that they had a clean record.

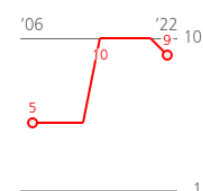
#### Civil society traditions

7



#### Conflict intensity

9



The fear of military conscription has pushed many men to leave the country. Joining armed factions has become one of the only sources of steady income. In conclusion, structural and political violence continues, often based on religious affiliation, place of origin or family relations.

## II. Governance Performance

### 14 | Steering Capability

The regime's strategic capability has been more visible in the military field than in governance. Bringing the so-called "de-escalation zones" (areas which it for years had subject to siege and starvation) under its control in four swift, focused military campaigns was an achievement in 2017/2018. It was not followed up by reconciliation, rebuilding or re-establishing the performance of institutions.

A strategy of collective punishment continues for citizens in regions previously under opposition control. Even in regions where the population is considered loyal, the regime banks on short-term deals rather than long-term planning. With resources dwindling, privileges have been withdrawn from some long-term loyalists such as Rami Makhoul in order to redistribute the profits from his networks and create opportunities for other members of the business elite. At the same time, this is an attempt to improve the regime's image among a loyalist population that is suffering economic hardship and becoming increasingly critical of the impact of corruption on their lives.

Over the past decade, the regime has passed a number of decrees for the "redevelopment" of certain areas, such as Marota City or Basilia. In order to accomplish these goals, but also with the intention of siphoning from external resources for infrastructure rehabilitation, the regime has re-introduced a public-private partnership approach.

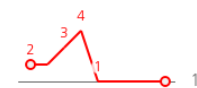
The practice of seizing lands and properties for this purpose without adequate compensation continues. However, the planned projects have not begun to materialize. Given that the projects focus on building shopping malls and high-end properties, the housing, land and property (HLP) component of policymaking proves to be driven by short-term objectives and not oriented toward the needs of the population.

Given the urgency of responding to the spread of coronavirus, the regime's inability to handle the crisis is a dramatic example of its lack of steering capability. For a long time, the regime insisted there were no cases on its territories. The official numbers (approx. 13,000 registered cases and 850 deceased by early 2021) are likely far below the true figures.

Question  
Score

Prioritization

1  
'06 '22 10



The articulation and implementation of short- and long-term policies is compromised by the financial crisis, continued violence and de facto administrative divisions throughout the country. After the reconquest of large areas of territory, the regime has had difficulty establishing control and achieving stability. A number of places from which people had been displaced remained destroyed and largely uninhabited, with return to East Aleppo and parts of Homs and Ghouta severely restricted and in some cases completely forbidden. The few who have dared to return are often confronted with administrative obstacles, such as a mountain of bills to be paid for the intervening years – in spite of the largescale destruction. Others, for example in Qaboun and Ghouta, were permitted to return for a few hours on Islamic holidays, at which time they learned that locations still intact after the reconquest had been destroyed or confiscated by the military.

The Global State of Democracy Indices list measures the government introduced to contain the COVID-19 pandemic in March 2020, including restrictions on freedom of movement and a nationwide nightly curfew, which was lifted in May 2020. However, the approach to fighting the pandemic has been piecemeal and inconsistent and the implementation of measures inconsequential since the regime did not want to disclose the scale on which the country was affected and did not want to further upset the population. Restrictions on movement are politicized. Communities perceived as disloyal are restricted more strictly, with a more permissive attitude displayed in “loyal” areas. Until January 2021, the regime was also unable to secure vaccines through the WHO’s COVAX mechanism for low-income countries, and it might take until April or June of 2021 before inoculation can start.

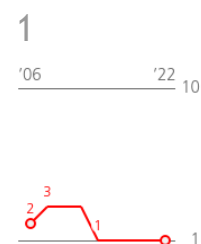
In East Aleppo and other areas, Russian military police helped establish stability. Iranian efforts to do so have been less successful, and militias and strongmen continue to play a large role. In this setting, the implementation of overarching policies is difficult.

In Idlib, Turkish authorities have tried to implement a number of political measures giving their presence a long-term appearance. The watchtowers and post and telecommunications infrastructure they created have deepened their influence. In 2020, they introduced several tons of coins into the region, with the objective of replacing the Syrian pound with the Turkish lira as the main currency.

Policy implementation has run most smoothly under the Autonomous Administration, with widespread acceptance of Kurdish control allowing the authorities to make progress in Hassake and Qamishli.

The Autonomous Administration has taken precautions, also aware of the deterioration in its ability to provide health care after the U.N. could no longer support it through the Yaroubiye border crossing with Iraq, after a Russian veto on the Security Council.

## Implementation





The regime has learned two main lessons from the conflict: to crush dissent by any means available and to play off different stakeholders against each other as a means of asserting power. But these tactics do not produce true stability or security, with the result that the regime has to work constantly to uphold a minimum level of control in a deteriorating socioeconomic setting in which its sovereignty is challenged by internal and external actors.

The rule of HTS in Idlib follows a similar pattern to the regime's on a smaller scale.

The most clearly defined policies have been visible in the Kurdish effort to build up shadow political structures and a security apparatus. The most important factor in the consolidation of the administration's future status may be the reform of the education sector, with the establishment a Kurdish-language curriculum and Ba'th Arab nationalist ideology removed from schoolbooks. However, these degrees are not recognized anywhere outside Rojava, which raises questions about future participation in higher education and about integration into Syria and the region. While the Kurdish constitution is democratic, the PYD's rule bears strong authoritarian characteristics; political competition is not open but carefully curated.

In all areas of Syria, there are arbitrary arrests, reports of abuse in detention facilities and other human rights violations. There is also widespread corruption. It is clear there are no serious efforts to improve governance, or to make it more participatory or democratic.

## 15 | Resource Efficiency

The conflict has exacerbated the regime's clientelist, patronage-oriented structures. Aside from confessional affiliation and family background, loyalty has always been the key feature for leading positions in the security sector and among the political elite. With fewer resources to distribute, as well as the significant brain drain resulting from the war, the regime now suffers from a shortage of qualified personnel, even in the most critical sectors such as medicine. The regime is therefore poorly positioned to fight coronavirus in terms of both physical and human resources.

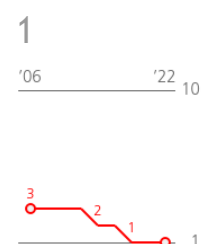
The state budget remains opaque. The necessity of keeping pro-regime stakeholders satisfied leads to the creation of new monopolies. These make life more difficult for civilians and are expensive to the state. For example, the single company tasked with distributing ration cards to the entire population under regime governance was rewarded with 0.25% of the value of every liter of fuel purchased with these cards.

The more desperate the economic situation becomes, the more obvious it is that service provisions are being subordinated to the regime's political objectives, leading to extremely inefficient results for a country that can ill afford such waste.

### Policy learning



### Efficient use of assets



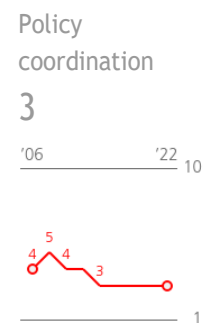
The same logic applies to the distribution of resources. The network of bakeries requires security approval for its deliveries. Continuously loyal regions consistently receive a larger share than reconquered ones. Likewise, humanitarian aid provided by the U.N. is an important financial resource for the regime, distributed not on the basis of needs assessments but according to the regime's political requirements.

For the same reason, the U.N. and humanitarian organizations are not allowed to interact with their final beneficiaries. Visible aid distribution is an important means for improving the regime's image. In light of the economic crisis, the regime has also restricted NGOs from distributing aid based on needs assessments. It has ruled that NGO aid may not exceed what the regime itself can offer, and international NGOs have to distribute through the Syrian Arab Red Crescent, which is close to the regime, or the first lady's Syria Trust.

The regime has focused all its efforts on remaining in power and achieving military victory. In the words of Syria expert Steven Heydemann, it is a "fierce state" in which "ruling elites elevate survival above all else." It has mobilized the resources of its core supporters, Russia, Iran and Hezbollah, has been exclusively to this end, and has not included cooperation on civil and humanitarian projects such as health, education, relief or reconstruction. Even as the economic crisis was looming, the regime did not make efforts to counter socioeconomic degradation. It is clear that the high cost of reconstruction requires international aid, and that Assad's backers are fully relying on this.

Russia is aware that the assurance of this much-needed international aid requires at least the semblance of a more conciliatory approach by the regime, but the latter rejects this. It has not made any concessions to the Geneva Process, and it has rejected Russia's pushes for refugee returns. It has blocked progress even of the Russian-supported Constitutional Committee. It has not (even as part of its own amnesty initiatives) released prisoners or disclosed the fate of many of the 130,000 forcibly disappeared people, and it has not reduced the frequency of its human rights violations. All of these would be first steps toward the reduction of EU and U.S. sanctions, which are tied to the regime's enormous human rights violations.

With its narrow focus on survival, the regime has ignored socioeconomic needs and interests; even in its deepest crisis, it has not attempted to resolve them.



Corruption is endemic and the government lacks the political will to fight it and increase transparency and accountability. There are no integrity mechanisms in place. Syria is one of only 11 countries in the world that have not ratified the United Nations Convention Against Corruption (UNCAC).

Anti-corruption efforts in regime regions have focused on a very few cases, where the regime saw an opportunity for improving its image and to at the same time acquire useful assets for redistribution, most prominently in the case of Bashar al-Assad's cousin Rami Makhlouf. Makhlouf posted a number of videos on social media detailing how he fell out with the regime and saw his assets confiscated. Given that, after the president came to power in 2000, Makhlouf was the most privileged businessman and held monopolies in a number of areas, this meant significant revenues for the regime. Most of the deals previously carried out by Makhlouf's organizations were assumed by the first lady's al-Bustan organization, so the move amounted to reframing rather than fighting corruption. Former members of parliament Fares Shehabi and Mohammad Hamsho, loyal businessmen, were also accused of corruption just before the parliamentary elections in 2020.

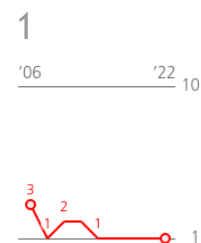
Cases of corruption, particularly in the profitable oil sector, have led to upheaval and public criticism in Kurdish areas. The Autonomous Administration established a committee to investigate the matter. However, so far the committee has made no public statement. Smuggling oil via Turkey to Idlib and to regime areas continues.

## 16 | Consensus-Building

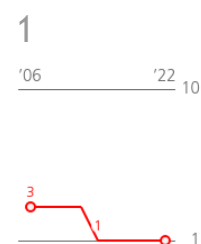
None of the major actors with power in Syria wants to establish a democracy. The regime, HTS and other armed groups in Idlib, and the PYD in their regions have maintained or established authoritarian systems. Of these, the regime relies most and the PYD least on violent repression to maintain power. But even in the best case, the opportunity for citizens to make their interests heard is severely limited. The anti-democratic attitude of these actors means that all of them pose a risk to pro-democracy activists. The desire for a different future is still present among activists in the diaspora and in the country. However, most of those who remain in Syria are internally displaced and the struggle to cover daily needs leaves little room for activism. Those in neighboring countries, meanwhile, are in vulnerable situations, which makes it difficult for them to become politically active.

One of the factors contributing to the Syrian revolution was economic liberalization, decreasing subsidies and a move toward stronger market economy. Because it came without safeguards to ensure a level playing field and prevent corruption and cronyism, this enriched the elite at the expense of the majority, enhancing social divisions and inequality. During the current economic crisis, the regime has implemented greater market regulation by subsidizing fuel and coordinating the distribution of goods. But it has also condoned corruption in Syria for Trade (STF), the state agency in charge of subsidized and price-controlled goods.

Anti-corruption policy



Consensus on goals



Anti-democratic actors imposing their agenda by violent means have drowned out and displaced democratic actors. The militarization of the conflict, exacerbated by the regime's strong anti-democratic backers and the Islamist opposition, has been devastating for proponents of democracy.

Anti-democratic actors



None of the superficial changes implemented by the regime has led to any genuine alterations in society, and it is clear that even minor reforms are out of question.

Since 2020, Hayat Tahrir al-Sham (HTS) in Idlib has been trying to portray itself in a different way. It has cracked down hard on the remnants of the "Islamic State" (IS) and attempted to reign in groups close to al-Qaeda, such as Hurras al-Deen. This is a show for the benefit of the international community, however, and not matched with internal reforms or a more democratic worldview.



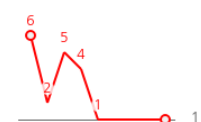
While the Kurdish Autonomous Administration has a constitution that is guided by grassroots democracy, it acts in an authoritarian fashion.

Many of the pre-2011 cleavages have been exacerbated by the war. While sectarianism already existed, fear of the other has become the regime's only safeguard in light of the deteriorating situation and growing discontent among the population with the government's performance.

Cleavage / conflict management



Sunni Muslims bearing the brunt of violence and discrimination have also contributed to deepening this cleavage. Parts of the former Free Syrian Army acting as proxies for Turkey against Kurdish forces have increased the divide between Arabs and Kurds, though, at the moment, it seems that the Kurdish leadership is considering becoming more independent from the PKK than it has been and exploring an improvement of relations with the Syrian opposition.



Social divisions were cleavages before the war. These have not only become stronger, but also changed as new profiteers have emerged. In this case, it is not only good relations with the regime that play a role, but militias and members of parliament have also sought good relations with the regime's backers. The regime presents a view of society as divided into the loyal and disloyal.

The regime actively represses civil society. No independent civil society activism is allowed on its territories. It has made sure to deport or arrest members of civil organizations when retaking territory.

Civil society participation



One reason for this is political paranoia; the other that it is desperate for funds and keen to appropriate any funding associated with civil society organizations to its own network of quasi-NGOs.

In other areas, civil society participation is possible as long as it is not political and does not interfere with the dominant actors' agendas. All dominant actors are suspicious of civil society, however, and none considers their input an asset.



Syrian civil society organizations often complain that the U.N. and EU have not given them a large role in international conferences and negotiations. However, many members of CSOs feel that their participation could be abused to provide a fig leaf of legitimacy to a sham process or to the regime.

The Geneva Process is stuck. The regime has not undertaken any potentially confidence-building measures such as the release of prisoners, which could have been a first step toward reconciliation.

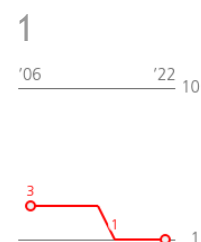
The track record of reconciliation deals at the local level is bad, as the regime has never lived up to its commitments. It has arrested individuals after granting free passage and breached agreements over periods of exemption from conscription and regarding where new conscripts would serve.

In January 2021, on a pretext, the regime had Maher al-Assad's 4th Division intervene in the area of Tafas, which had been given a degree of autonomy after reconciliation in 2018 and asked for further deportations from that area to Idlib.

There is a State Ministry for Reconciliation Affairs, but the regime treats the process as a form of re-education. Citizens living in reconquered areas are forced to repeat that rebels are to blame for their situation. Building on military victories, the regime is attempting to change and dominate the narrative.

This repressive approach to reconciliation is an indicator that there will not even be baby steps toward a more democratic, pluralist setting. The regime is more determined than ever to allow only for its official version of events and does not allow even the slightest form of dissent.

#### Reconciliation

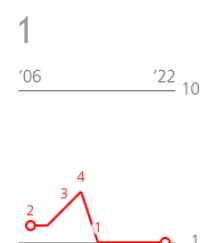


## 17 | International Cooperation

Improving the economic situation would help the regime to reassert political control over territories it has reconquered and improve its legitimacy among those segments of the population that never turned against it, but increasingly suffer from its failure to deliver services. But the regime is not willing to take the steps necessary to do so, due to concerns that any necessary concessions could endanger its survival. Its sole long-term strategy is therefore to hold out and hope that others will change course. Members of the regime seem to hope that the West, seeing its intransigence and the increasingly desperate situation in Syria (which is also an obstacle to the return of refugees), will contribute to reconstruction. Until that happens, it acts on an ad hoc basis and relies on the fact that its main allies cannot afford to withdraw their support, given how much they have already invested.

While the regime is dependent on them, it does not always act in accordance with them. It has granted Russia licenses not only for a naval base and an airbase, but also shares in potentially lucrative businesses. But as Kremlin experts Anton

#### Effective use of support



Mardasov and Kirill Semyonov described it in May 2020, Assad is considered an “unyielding ally.” This may contribute to Russia’s unwillingness to support humanitarian needs in Syria. For example, Syrian Foreign Minister Faisal Mekdad underlined the fact that he would prefer Russian vaccines and wished Russia would deliver these for free. By January 2021, Russia had only vaccinated its own personnel in Hmaymeen. By February 2021, the first shipments of the Russian vaccine were expected to be delivered to the government.

Meanwhile, the regime continues to benefit from international assistance via the U.N. and increased its leverage as a result of the U.N. Security Council’s decision in July 2020 (due to a Russian veto) to approve authorization for only one of the original four border crossings for aid deliveries to opposition-controlled areas. This has increased the share of aid that goes through Damascus, while the overall quantity of aid entering Idlib and the Kurdish areas has been reduced.

The Syrian regime’s credibility has been tainted by its performance throughout the conflict. Though it ostensibly accepted Kofi Annan’s Six-Point Peace Plan in 2012, the only minor concession the regime made to its content is participation in the Constitutional Committee established in 2018. On the local level, it has failed to adhere to the stipulations of the “reconciliation agreements” signed after capitulations.

Having avoided intervention in 2013 by acceding to the Chemical Weapons Convention, the regime was obligated to destroy its non-conventional arsenal entirely. An Organization for the Prohibition of Chemical Weapons (OPCW) investigation revealed that the regime did not do so and used sarin again in 2017 in Ltamenah.

Syria’s seasoned diplomat and Foreign Minister Walid al-Mouallem died on November 16, 2020. He was replaced with his deputy, Faisal Mekdad, and Bashar al-Jaafari, who previously served as Syria’s permanent U.N. ambassador, became the new deputy. The U.N. position was filled by Bassam al-Sabbagh. This constellation is problematic in terms of credibility: Mekdad is well-known for interfering with U.N. assistance in Syria, and both al-Jaafari and al-Sabbagh gained notoriety for denying the regime’s war crimes. In particular, al-Sabbagh denied the regime’s use of chemical weapons in his role as envoy to the OPCW. These appointments therefore further mar the regime’s credibility.

Credibility



Syria's relations with its neighboring states remain strained. While, over the course of the conflict, Turkey became more focused on curbing the political ambitions of Syria's Kurds and less vocal in its opposition to Bashar al-Assad, early 2020 was marked by a severe confrontation in northwest Syria. After the regime bombarded Turkish observation points during its military offensive in Idlib, Turkey launched an offensive that in one week destroyed air defense systems, planes, helicopters and dozens of military vehicles belonging to the Syrian army. Russia and Turkey negotiated a cease-fire, but the offensive revealed the weakness of the Syrian forces in the absence of Russian cover.

Neither Turkey nor Jordan attended a refugee return conference that Russia and the Syrian regime held in Damascus, even though the high number of Syrian refugees continues to be a challenge to both states. Lebanon attended and started deporting Syrian refugees soon afterwards, but it was apparent from the small number of deportations that Syria was resisting their return. This is ever more important for Lebanon with the deepening of its own economic and political crises.

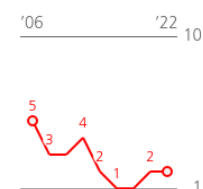
At the same time, according to the Syrian Law Journal, President al-Assad blamed Lebanon for the economic crisis in Syria, saying that Syrian deposits being frozen in Lebanese banks had a graver impact on Syria than the U.S. sanctions.

Cooperation with neighboring states remains restricted to trade, and not political issues or a joint effort toward greater integration.

Some of the Gulf states improved relations with the regime, such as Bahrain and the United Arab Emirates, which re-opened their embassies in Damascus in 2018/2019. Most likely this is driven by the concern that Turkey could become too powerful in the region, which is also shared by Egypt, Saudi Arabia and Jordan.

## Regional cooperation

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## Strategic Outlook

The regime's military victory does not mean an end of the conflict but rather its transformation. All the factors that underlay and caused the uprising are still present, many of them even more dire than before. The regime's disrespect for citizens' dignity was a major grievance among those who mustered the courage to stand up to the regime. The latter responded with more violations and infringements on citizens' dignity. In this regard, a particularly cynical and powerful tool with long-term impact has been sexualized violence, as has the attempt to dominate the narrative and gaslight those who were subject to violent repressions.

Neither the new constitution of 2012 nor other legal amendments and decrees have improved citizens' rights. Many of them, in fact, such as Law 10 of 2018, have made it more difficult for citizens to claim their rights. To many, the discussions within the Constitutional Committee – the only element of the Geneva Process where there has been any progress at all – seem like another regime effort to play for time and avoid concessions on issues that are felt to be pressing demands by significant segments of Syria's population.

Given the deterioration of the socioeconomic situation, it is likely that the regime, concerned primarily with its own survival, will continue to struggle with service deliveries, while perceiving a need to oppress all demands it cannot fulfill. It is unlikely that the regime will feel it can allow any democratic opening in the near future. It can be expected to shy away from pluralism more than ever. Crackdowns, even on loyal journalists in state media, are one indicator of this.

Corruption has reached unprecedented levels. Politics and administration reveal a security-centered approach. The core intelligence services define the regime's politics, but new actors (part of or linked to the political sphere) have entered the scene at the executive level. Militarization at all levels, in regime territories and all other regions, makes political reforms unlikely.

The regime continues to cover up the full scale of coronavirus infections and deaths on its territories. It has tried to avoid measures that would further harm the ailing economy. This translates to an elevated risk that the virus may spread uncontrolled. By January 2021, it had not yet been able to secure vaccinations or develop a plan for their delivery. In light of its politicized approach to humanitarian and medical aid in general, it is probable that coronavirus vaccinations will follow a politicized pattern. It is therefore important that international efforts to tackle the virus should reach Idlib, as well as the territories of the Kurdish Autonomous Administration.

Most interesting in terms of democratization is the potential in the areas east of the Euphrates: if the PYD seriously pursues and achieves increased independence from the PKK, this would open the door for different relations on a regional and international level. For this to have a chance, the continued presence of U.S. troops in these areas is crucial; the past year has shown that even a minimal presence can help the PYD and SDF to stand up to regime efforts to subsume the territory.



Prospects are dire for the northwest. For the time being, the Turkish presence, its offensive of 2018/19 and its efforts to expand its civil infrastructure have helped to obviate another regime offensive. Yet the regime has pledged to bring the region back under its control, and the deteriorating humanitarian situation could help it in this effort. Russia has indicated it will not permit continued authorization of humanitarian aid deliveries through Bab al-Hawa, which aid is below the level of necessity but profoundly needed. If Russia's veto is used in this way, it will represent the "starve and surrender" strategy of the former sieges playing out on a diplomatic level. If HTS continues on its path of distancing itself and its agenda from extremist groups, this could possibly also open up options for democratic procedures. This, however, is also a long shot.

The regime's agenda is incompatible with the needs and demands for either international or regional cooperation. For Turkey, Lebanon and Jordan, the return of refugees is a core concern; the regime, however, prefers not to have refugees return to the country, considering them to be a political risk and (perhaps even more importantly) an economic burden.

By a diplomacy of attrition, the regime has managed to convince a number of experts and politicians that it is time to change course, consider normalization, despite the ongoing crimes against humanity, or at least increase aid contributions. But increased aid is not likely to change or even modify the course of a regime that considers violent repression its only chance for survival.