



Structured Chaos: how nonprofits in conflict settings became an economic sector

Long-term impact and economic
imprint of non-profit sector



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Report number 3 :

Long-term impact and economic imprint of non-profit sector

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List of acronyms:

- **AANES:** Autonomous Administration of North and East Syria
- **CSO:** Civil Society Organizations
- **CVA:** Cash Voucher Assistance
- **GoS:** Government of Syria
- **HLPHCT:** High Level Panel on Humanitarian Cash Transfers
- **HSSAR:** Health Sector Syria Annual Report
- **HTS:** Hayat Tahrir al-Sham
- **ILO:** International Labor Organization
- **KRI:** Kurdistan Region of Iraq
- **LA:** Local Authorities
- **LACU:** Local Administration Councils Unit
- **MSMES:** Micro Small and Medium Sized Enterprises
- **NPS:** Non-Profit Sector
- **ODA:** Official Development Assistance
- **OECD:** Organization for Economic Cooperation and Development
- **OFAC:** Office of Foreign Assets Control
- **PNA:** Palestinian National Authority
- **POT:** Palestinian Occupied Territories
- **PSA:** Public Security Agency
- **SAMS:** Syrian American Medical Society
- **SARHRP:** Syrian Arab Republic Humanitarian Response Plan 2023
- **SDG:** Sustainable Development Goals
- **SIG:** Syrian Interim Government
- **SRAD:** Syria Relief and Development
- **SSG:** Syrian Salvation Government
- **STD:** Syrian Trust for Development
- **SYP:** Syrian Pound
- **UN:** United Nations
- **UNDP:** United Nations Development Program
- **UNICEF:** United Nations Childrens' Fund
- **WFP:** World Food Program



Introduction

Fears of continuous reduction in international humanitarian assistance for the Syrian crisis have continued to increase. The murderous earthquake of February 2023 has not constituted a change in these dynamics. By June 2023, only 11% of the required funding had been delivered for Syrian Arab Republic Humanitarian Response Plan 2023,¹ and out of the 5.8 billion USD appeal for the millions of refugees and their host communities in Egypt, Iraq, Jordan, Lebanon and Turkey only 10% had been funded.² The year before, the United Nations (UN)-led humanitarian response plan for the Syrian crisis received only 37% of the funding requirements for the year 2022, with most funds allocated for emergency assistance.³ The diminishing funding to the Syrian humanitarian crisis is affecting the NGOs, INGOs, UN agencies and local actors on the ground. The WFP announced for instance in mid-June 2023 that it had to cut assistance to 2.5 million of the 5.5 million people who rely on the agency for their basic food needs because of an unprecedented funding crisis.⁴ At the 7th Brussels Conference on ‘Supporting the future of Syria and the Region’ in mid-June 2023, Western donors pledged 5.6 billion Euro for 2023 and beyond, compared to EUR 6.4 billion in 2022.⁵ This is far from the 11.1 billion USD, equivalent to approximately EUR 10.25 billion, demanded for the year 2023. Similarly, the value of UN contracts with Syrian private companies diminished to 167.20 million USD in 2022 from 199.70 million USD in 2021, representing a decrease of 16%.⁶

In this context, discussions and debates over the future of humanitarian assistance in Syria and its effects on socio-economic dynamics have increased. This report seeks to analyse some of these dynamics by examining the long-term economic impact of the nonprofit sector and humanitarian assistance in Syria. Comparisons with other countries that suffered war torn situations and humanitarian crises are also made in order to draw out shortcomings and lessons from the relation between aid and economic growth.

The report is divided into three main sections. Firstly, the dynamics of the aid industry in Syria are then examined and their potential role in an economic recovery. This section also engages with the literature on foreign aid and its effects on economic growth of recipient countries.⁷ The second section assesses the links between humanitarian aid and development of human capital. In these two sections, the neoliberal paradigm surrounding aid funding is also critically analysed. Finally, the sustainability of civil society in the future is studied in the midst of decreasing foreign funding and the ongoing normalisation process of the Syrian government.

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- 1 The funding reached less than 609.9 million USD in June 2023 for a total of 5.4 billion USD. Financial Tracking Service, Syrian Arab Republic 2023, 6 June 2023, <https://bit.ly/3lAbQxq>
 - 2 OCHA, “Assistant Secretary-General for Humanitarian Affairs and Deputy Emergency Relief Coordinator, Ms. Joyce Msuya -Statement for Brussels VII Conference “Supporting the future of Syria and the region,” Brussels, 15 June 2023, <https://bit.ly/3NyAKA1>
 - 3 Another potential threat to mention for international humanitarian aid for the future is the possible modification of funding channelling structures of some Gulf monarchies entering in a phase of progressive normalisation with the Syrian government. In the immediate aftermath of the earthquake, the UAE for example sent an estimated humanitarian support of 177 million USD, of which only 20 million USD via UN agencies and the remaining amount through NGOs and government entities. Al-Ain, “The UAE is at the Forefront.. 157 Humanitarian Aid Planes Arrive in Syria” (in Arabic), 18 February 2022, <https://bit.ly/47kFMld>
 - 4 WFP, “WFP Forced to Scale Down Operations in Syria, as Donors Gather in Brussels Ahead of a Major Conference”, 13 June 2023, <https://bit.ly/43zlqaT>
 - 5 4.6 billion Euro was pledged for 2023 and 1 billion Euro for 2024 and beyond for the Syrian humanitarian crisis, including Syria and the neighbouring countries hosting Syrian refugees 3.8 billion Euro of grants were pledged by the EU, with 2.1 billion Euro from the European Commission and 1.7 billion Euro pledged by the EU Member States. EU, “Syria and the region: International community mobilises 5.6 billion Euro during the 7th Brussels Conference”, 15 June 2023, <https://bit.ly/3XhQjPS>
 - 6 Prior to this, UN contracts with Syrian companies amounted to 244.50 million USD in 2020, and 230.70 million USD in 2019. The Syria Report, “Value of UN Contracts to Syrian Companies Decreases for Second Year in a Row”, 18 July 2023, <https://bit.ly/43ycEKq>
 - 7 Chala Amante Abate, “The Relationship Between Aid and Economic Growth of Developing Countries: Does Institutional Quality and Economic Freedom Matter? ”, Cogent Economics & Finance, Volume 10, 2022 - Issue 1; Camelia Minoiu and Sanjay G. Reddy, “Development Aid and Economic Growth: A Positive Long-Run Relation”, IMF Working Paper, May 2009, <https://bit.ly/3NYgzM6>



This third and final report in the series of three reports seeks to analyse the main challenges for humanitarian aid and its potential effects on the economic recovery and growth and the development of human capital. A massive literature on foreign aid has been focusing on the effect of aid on economic growth and human capital of the recipient countries. As far as literature on aid is concerned, studies conducted so far present mixed results about both issues.⁸ These dynamics also have consequences on the behaviour and organisation of civil society actors, with issues such as “professionalisation” and “(de)politicisation”,⁹ while often impacting negatively their sustainability and capacities to provoke change.

Methodology

Building on the more than 30 extensive interviews made in the framework of report 1 and surveys and interviews accomplished for the report 2, this final study also carried out additional interviews with journalists, human rights activists and humanitarian actors working on or involved in Syria.

The paper also has made use of a vast academic literature examining the links between aid and growth for comparative purposes, as well as data available from published sources.

I. Aid Industry and an Economic Recovery, A Natural Connection?

The Syrian crisis has been ongoing for more than 12 years and no socio-economic improvements of the population are expected in the short term. Humanitarian needs of the Syrian population have on the contrary constantly grown in the past few years, despite the diminution of direct military confrontations, and have been reinforced with the earthquake of February 2023 (see Annex 1). This situation impedes on the effects of humanitarian assistance, including the more developmental approach, through early recovery projects, which have progressed in these past few years, but remain small in comparison to emergency aid as mentioned in the Report number 1.¹⁰

The nature of the humanitarian response in Syria remains rooted in an emergency one as observed in Report Number 1, focused on the delivery of basic needs such as the provision of food and in-kind assistance, vouchers (expenditure limited to specific goods or services), cash, provision of shelters, etc... This situation has specific impacts on the country's economy and its different sectors. As reported in the first study, the direct and indirect humanitarian aid's contribution to the Syrian economy has been most-

- 8 David Carruthers, “From Opposition to Orthodoxy: the Remaking of Sustainable Development”, *Journal of Third World Studies*, Volume 18, No. 2, Fall 2001, pp. 93-112; Camelia Minoiu and Sanjay G. Reddy, “Development Aid and Economic Growth: A Positive Long-Run Relation” IMF Paper, 2009, <https://bit.ly/3NYgzM6>; Iffat Idris, “Economic Impacts of Humanitarian Aid”, GSDRC Helpdesk Research Report 1327, University of Birmingham, 2016, <https://bit.ly/44CQyY5>; Chala Amante Abate, “The Relationship Between Aid and Economic Growth of Developing Countries: Does institutional Quality and Economic Freedom Matter?”, *Cogent Economic and Finance*, 2021, <https://bit.ly/47krC9V>; Jamelia Harris, “Foreign Aid, Human Capital Accumulation and the Potential Implications for Growth”, *The Review of International Organizations*, Volume 16, Issue No.2, July 2021, pp.1-31;
- 9 Islah Jad, “NGOs: Between Buzzwords and Social Movements”, *Development in Practice*, Volume 17, No. 4, August 2007, pp. 622-629; Islah Jad, “The NGO-isation of Arab Women’s Movements”, *IDS Bulletin*, Volume 35, Issue 4, pp. 34-42, October 2004; Sonia E. Alvarez, “Beyond NGO-ization? Reflections from Latin America”, *Development* Volume 52, Issue 2, 2009, pp. 175-184; Tim Büthe, Solomon Major and André de Mello e Souza, “The Politics of Private Foreign Aid: Humanitarian Principles, Economic Development Objectives, and Organizational Interests in NGO Private Aid Allocation”, *International Organization*, Volume 66, No. 4, Fall 2012), pp. 571-607; Aziz Choudry and Dip Kapoor (Eds.), *NGOization: Complicity, Contradictions and Prospects*, London: Zed Books, 2013; Lama Arda and Subhabrata Bobby Banerjee, “Governance in Areas of Limited Statehood: The NGOization of Palestine”. *Business & Society*, Volume 60, Issue 7, 2021, pp. 1675-1707.
- 10 The development of further Early Recovery projects in the northwest are also affected negatively by the lack of political stability regarding the continued access of humanitarian actors through the border crossing at Bab al-Hawa (Interview with a member of the NGO Forum in the northwest, July 2023).



ly favourable to trade, the service sector, including transport, financial services, such as money transfer operators (both formal and informal),¹¹ food production, and in the particular case of the country's northwest, the construction sector through donations and funding made outside the framework of registered international aid channels.¹²

Meanwhile, the productive sectors of the economy have not benefited significantly from the international humanitarian aid, except indirectly for the food industry and to a lower extent agriculture through restricted support programs to small and medium farmers. Both the manufacturing and agricultural sectors have been suffering from deepening and continuous structural problems, including higher costs of production, lack of energy resources (electricity and fuel oil), effects of sanctions, the collapse of the Syrian Pound (SYP), supply chain disruptions and migration of qualified and needed labour force. The international humanitarian assistance appears as an insufficient "bandage" for the manufacturing and agricultural sectors suffering from widening challenges and a dramatic socio-economic situation.¹³

The country's consumption-oriented economy, which has characterized more and more the Syrian post conflict economy as a result of the massive destruction of productive capacities and governmental policies favouring trade and service sectors, has therefore not been challenged. On the contrary, the nature of humanitarian aid contributes to these economic dynamics through its various programs and does not challenge the structural problems of the Syrian economy, while not reducing the humanitarian needs of the population.

The continuous and expanding use in the past few years of Cash and Voucher Assistance (CVA) by humanitarian actors within Syria reflects this focus on consumption dynamics. As noted in Report 1, CVA programs have mostly contributed to boosting consumption on local markets, but with restricted job creation. Small grocery shops have benefitted from these programs, and moreover, just like in other humanitarian crisis, larger traders through their connections with local ruling authorities and ability to satisfy local demands with the provision of specific goods.¹⁴ The potential positive multiplier effect on the country's economy of the CVA, as argued in other cases by some researchers and humanitarian actors,¹⁵ remains however difficult to evaluate in Syria's economy and has been most probably limited as the economic crisis has continued to worsen in the past few years, particularly since 2019.

To be effective, cash assistance needs to conduct continuous in-depth market analysis and refined assessments of needs, while a "functioning market" able to meet demand is required.¹⁶ This is quite challenging in an environment such as Syria characterized by ongoing and high inflation rates, lack of stability of the national currency, frequent shortages of specific goods, and sanctions.¹⁷ An interviewee active in humanitarian operations in the country's northeast under the control of AANES explained that many CVA

- 11 In the case of the Northwest, the Turkish Posta ve Telgraf Teşkilatı (PTT) postal service, which branches can be found in some of the area's larger cities, such as Azaz, Marea, and al-Bab, has also benefited to some extent from the inflow of international funds to humanitarian actors and NGOs active in these areas as they had to transfer their money through this institution.
- 12 The February 2023 earthquake demonstrated however the lack of solidity, transparency and accountability in the construction and housing process in these areas. According to a report written by researcher Sinan Hatahet: "The most affected sub-districts, Atmeh, Harem, Rahma, Salqin and Sarmada, are home to 56 clusters of makeshift IDP camps. These cities have witnessed the construction of residential and commercial buildings fuelled by income generated from trade with Turkey. Tragically, nearly 56% of north-west Syria's victims perished in this area". See Sinan Hatahet, "Local Governance Structures and Humanitarian Responses to the Earthquake in North-West Syria", Research Project Report, (Florence: European University Institute, Middle East Directions, Syria Trajectories, June 2023 <https://bit.ly/3P1DUxq>)
- 13 See Joseph Daher, "Syria's Manufacturing Sector: The Model of Economic Recovery in Question," Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, May 2019), <http://bit.ly/35aCIEk>; Joseph Daher, "Water Scarcity, Mismanagement and Pollution in Syria", Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, June 2022, <https://bit.ly/3ppdtDD>); Mada Slim, "Syria's Pharmaceutical Industry: Challenges and Impacts", Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, September 2023, <https://bit.ly/3sJMWFS>)
- 14 In the case of the Uganda cash transfer programme for instance, it was medium-sized and larger traders who benefitted mostly from the situation because they were able to use the additional income to invest in productive assets and livelihood diversification, while smaller local traders lacked funds to invest in stock. See Pantaleo Creti, "The Impact of Cash Transfers on Local Markets: A Case Study of Unstructured Markets in Northern Uganda", Cash Learning Partnership, 2010, <https://bit.ly/3XNvonN>.
- 15 In 2013 and 2014, the multiplier effect of the International Rescue Committee winter cash assistance programme to Syrian refugees in Lebanon was estimated at 2.13, in other words each dollar provided by the programme was equivalent to 2.13 USD being put in the Lebanese economy. (Christian Lehman and Daniel Masterson, "Emergency Economies: The Impact of Cash Assistance in Lebanon", International Rescue Committee, 2014, <https://bit.ly/3O7T1nT>). Similarly, cash assistance in rural areas of Zimbabwe resulted in a multiplier effect of 2.59 (Sarah Bailey and Sophie Pongracz, "HLPHCT Background Note - Humanitarian Cash Transfers: Costs, Value for Money and Economic Impacts", ODI, May 2015, <https://bit.ly/3O8KgtK>).
- 16 Iffat Idris, "Economic Impacts of Humanitarian Aid", GSDRC Helpdesk Research Report 1327, University of Birmingham, 2016, <https://bit.ly/44CQyY5>
- 17 In the northwest, the regions using the Turkish currency also suffer from similar limitations and challenges. The Turkish Lira for instance plunged by over 7% on June 7, 2023 setting new record lows against the US dollar and the euro, ten days after the re-election of President Recep Tayyip Erdogan.



programs are not based on the identification of needs rooted in thorough researches in order to implement the best response to serve the recipients' interests, but rather in the distribution of cash assistance to the people and communities in need without detailed studies. This is also the result of the increasing needs of local populations in a context of worsening socio-economic situation. Alongside this shortcoming, the interviewee added that cash assistance was mostly provided to urban areas, which access is easier, to the detriment of rural ones.¹⁸ In addition, donors have increased demands for more monitoring on the conditions and modalities in the identification of beneficiaries of the CVA system, fearing that it falls in "bad hands".¹⁹

A humanitarian actor involved in the northwest argued on his side that CVA programs are beneficial for emergency context like the February 2023 earthquake to assist directly and temporarily local communities in need and displaced,²⁰ but in the mid- and longer term CVA systems are not helpful as they create a situation of dependency and only allow recipients to survive without changing their general living conditions or tackling poverty.²¹ A member of NGO Forum in the northwest actually explained that they were cases of people displaced following the earthquake's tragedy in February, and living in camps, who were unwilling to return to their homes, despite being safe, because they were afraid to lose the cash assistance and food aid they received. He added that the selection criteria for recipients of such aid have to be adjusted to these kinds of situations and alternative forms of aid should be provided to the recipients after going back to their homes. Moreover, he emphasized more generally the absence of "exiting" strategies from CVA and food basket assistance to recipients, as a major shortcoming in the current humanitarian aid system and affecting any perspective to develop more sustainable projects.²²

Finally, while potential forms of corruption regarding list of beneficiaries and patriarchal dynamics within the family can affect CVA systems negatively,²³ there is a more general criticism to be made regarding the argument that the CVA system provides more "dignity" to recipients, in comparison to other forms of assistance such as food baskets or in-kind assistance. According to humanitarian actors, the system of cash distribution provides people in need with individual freedoms and considers them as individual consumers, able of doing "their own choices", and dignified through money. As argued by academics Birte Vogel, Isabelle Schläpfer, and Kristina Tschunkert:

"The rationale behind such narratives follows the logic of consumerism and the assumption of homo economicus, the consistently rational economic man. Here, dignity is reflected in an ability to consume according to individual preferences. Consequently, by turning people in crises into consumers of tomorrow with the means to purchase the goods and services that they want most, people should acquire 'more control over their lives'".²⁴

At the same time, this system also participates in promoting "pro-market dynamics" according to the High Level Panel on Humanitarian Cash Transfers (HLPHCT), which concluded in its 2015's report that Cash assistance programs "support livelihoods by enabling investment and building markets through increased demand for goods and services".²⁵ The focus on the issue of

18 Interview with an individual active in humanitarian operations in the northeast of Syria, June 2023

19 Interview with several individuals active in humanitarian operation in northern Syria, June 2023

20 While this discussion has not started in Syria yet, INGOs, NGOs, and also International Monetary Institutions (such as IMF) have mentioned CVA system in other post conflict countries as a potential basis for a future social protection system to tackle underlying poverty. However, cash assistance has often rather acted as a needed supplementary income to enable recipients to purchase needed goods and commodities for their livelihood, rather than becoming a tool to push people out of poverty. In addition, there have been strong limitations in the selections of recipients by cash transfer programs by attempting to estimate their income and welfare and resulted in the undermining of the population's social security rights. Therefore, research and programs in the framework CVA assistance aspiring to build exit strategies from poverty and encourage recipients to earn their own livelihood are ineffective. Human Rights Watch, "Automated Neglect, How The World Bank's Push to Allocate Cash Assistance Using Algorithms Threatens Rights", 13 June 2023, <https://bit.ly/3PdmyO1>

21 Interview with an individual involved in the humanitarian and NGO sector in Idlib, June 2023

22 Interview with a member of the NGO Forum in the northwest, July 2023.

23 In addition to this, a document produced by a number of Syrian NGOs and INGOs identifies potential "risks that can have an impact on Cash and Voucher Assistance programming in Northwest Syria and to identify mitigation measures that can help aid agencies address these risks". The Northwest Syria CVA Risk and Mitigation Taskforce is led by GOAL Syria and Takaful Al Sham, "Northwest Syria Cash and Voucher Assistance Risk and Mitigation Matrix", CALP Network, March 2022, <https://bit.ly/45knh4G>

24 Birte Vogel, Kristina Tschunkert, Isabelle Schläpfer, "The Social Meaning of Money: Multidimensional Implications of Humanitarian Cash and Voucher Assistance", Disasters, Volume 46, Issue 2, April 2022, Pages 348-370

25 High Level Panel on Humanitarian Cash Transfers, "Doing cash differently: how cash transfers can transform humanitarian aid", ODI, 14 September 2015, <https://bit.ly/44f4HuK>



“enabling investment and building markets” demonstrates an objective different than supporting local communities in need, while ignoring the challenges and shortcomings facing specific countries like Syria.

The CVA system is an absolute necessity in the current period for its beneficiaries, however the idea of providing more “dignity” and control over one’s life must be nuanced significantly, especially as its dynamics are entrenched in a specific economic vision supporting market development. It is interesting to note as well that the Syrian government and organisations affiliated to it are also seeking to promote cash distribution, instead of support through subsidies or social assistance programs.²⁶²⁷

Large majority of humanitarian actors and CSOs active in Syria interviewed for this report have argued that the current humanitarian assistance system and majority of its programs do constitute an important tool to alleviate the suffering of local populations resulting from the war and its effects, although far insufficient to cover the growing humanitarian needs. But moreover, humanitarian aid is not creating the conditions to encourage a form of early recovery, nor improving living conditions of local communities, which is part of its objectives. In response to this situation, they argue for a general shift towards a more recovery or developmental approach, including through the reconstruction of local infrastructures or in increasing significantly the aid to the agriculture and manufacturing sectors, in order to create sustainable projects, which are restricted today. In other words tackling some of the structural problems affecting the Syrian economy.

Different examples exist of long-term and significant humanitarian aid failing to create the conditions for an economic recovery and to improve the living conditions of the population in absolute terms. Moreover, social and economic conditions can even worsen, as well as the state’s dependency on international aid.²⁸ Afghanistan is an example of such a situation,²⁹ with over 85,5 billion USD of net official development assistance and official aid received between 2002 and 2021.³⁰ The country’s economy in the end of 2020, before the US withdrawal in August 2021, and subsequent suspension of all international development aid to the country following Taliban’s return to power, was dependent at 75% on international aid, while international aid also contributed to 40% of the country’s GDP and funded up to 80% of government services.^{31,32} The poverty rate was estimated to have reached approximately 70% in 2022, compared to 47% by the end of 2019. The number of people needing humanitarian assistance was estimated at 28.8 million by the end of May 2023, out of a population of 40 million.³³ Similarly, the Palestinian Occupied Territories (POT) have witnessed a continuous deterioration of its economy and living conditions of the population, despite significant international humanitarian assistance delivered since the 1990s. According to the Organization for Economic Cooperation and Development (OECD), international humanitarian assistance to the POT exceeded 50 billion USD between 1993 and June 2023.³⁴ This international aid included many different aspects, ranging from humanitarian crisis relief and developmental projects to direct budgetary support to the Palestinian National Authority (PNA), donations for grassroots organisations, loans, and technical

26 A member of INGO active in governmental areas explained that in his meetings with Syrian officials, they favoured the use of the CVA system by humanitarian actors. Interview with an employee of INGO active in Syria, June 2023

27 In Mid July 2023, a debate was organised at the university of Damascus, with the participation of the university president, his deputies and a number of stakeholders, including the Syria Trust for Development, around the following issue: “cancelling government support and converting it into cash support”. Fady Bek Sharif, “The Syria Trust for Development and the Student Union Sign a Cooperation Agreement to Implement Debate Activities in Universities and To Enhance Students’ Ability to Analyze Issues” (in Arabic), al-Watan, 19 July 2023, <https://bit.ly/46Ujcps>

28 The sub-Saharan Africa region has for instance been the largest recipient of foreign aid since the mid-1970s, yet it has experienced rising poverty and inequality levels along with sluggish economic growth. Anasuya Haldar and Narayan Sethi, “Effect of Sectoral Foreign Aid Allocation on Growth and Structural Transformation in Sub-Saharan Africa—Analysing the Roles of Institutional Quality and Human Capital”, *Economic Analysis and Policy*, Volume 76, December 2022, pp. 1010-1026

29 See Abdul Matin Karimi, “Moving Away from Foreign Aid: A Case Study of Afghanistan”, Munich Personal RePEc Archive, 22 December 2022, <https://bit.ly/3Q2IVHJ>

30 World Bank, “Afghanistan - net official development assistance and official aid received” consulted 28 August 2023, <https://bit.ly/3PigHa0>

31 Human Rights Watch, “Afghanistan: Economic Roots of the Humanitarian Crisis”, 1 March 2022, <https://bit.ly/42ng4Pp>

32 In addition to this, according to UNDP, “significant amounts of donor funds have not been used for their intended purposes or have been leaked to safe havens abroad. Bribes have been estimated to constitute almost 9 percent of GDP”. UNDP, “Afghanistan: Socio-Economic Outlook 2021-2022 Averting a Basic Need Crisis”, 30 November 2021, P. 11, <https://bit.ly/3NykFdu>

33 OCHA, “Afghanistan: Humanitarian Update, May 2023”, 15 June 2023, <https://bit.ly/3EiLCwt>

34 Alaa Tartir, “Palestine: How Western Aid Enables Israel’s Colonialism”, Middle East Eye, 21 July 2023, <https://bit.ly/3OK3nLj>



support.³⁵ Until the mid 2010s,³⁶ the PNA treasury was the main recipient for assistance; around 40% of all aid spent in POT since 1993 was directed to the PA budget.³⁷ It constituted indeed a keystone of economic activity and provided the PNA with needed revenues in the background of lack of other funding sources. International aid has however failed to put the Palestinian economy on the course of economic growth. In January 2023, it was estimated that some 2.1 million Palestinians, out of 5.3 million, are in need of humanitarian assistance, including 58% of Gaza (1.3 million) and 25% of the West Bank (0.8 million). Moreover, 31% of Palestinians in the West Bank and 81% of those in Gaza have reported challenges in meeting their basic needs, with food, health, and utilities being the top three challenges.³⁸

Similar to Syria, in both cases, the objectives of international humanitarian assistance to reduce human suffering in absolute terms have failed, but more so in regards to avoiding the development of a worsening economic situation. This is linked to the political and economic environments, both internal and international, existing in these societies, which also influence the nature and delivery of humanitarian aid, as well as its effects. In the case of the POT for instance, the primary reason in the failure of international humanitarian aid in alleviating the suffering of the local communities and establishing the bases for an economic recovery are connected to the state of Israel continuous occupation, violation of human rights, impositions on restrictions on the freedom of movement of both people and goods, preventing the development of a productive local economy, which has historical roots,³⁹ and the establishment of a siege since 2007 and repeated military attacks on the Gaza Strip.⁴⁰ Moreover in the POT and elsewhere such as in Afghanistan, a situation of economic dependence on foreign aid has developed. This creates the conditions for a sustained political and socioeconomic crisis, which results in a state becoming “an aid-dependent rentier state”. In this context, the main revenues of the state are issued from foreign governments, and/or connected institutions.⁴¹ While Syria is not dependent financially on international humanitarian assistance as a whole, Damascus has developed forms of dependencies to it, notably in the supply of essential goods and services to the population lacking within the country, and moreover for particular goods provided by its foreign allies.⁴²

Alongside the political environment affecting the efficacy of humanitarian aid to create the conditions of economic development, there is also an overall problem in the concept of “sustainable development”, and more generally in the framework and dynamics around international humanitarian aid, and promoted by UN and international humanitarian actors in Syria and elsewhere. The concept of “sustainable development” has become more and more void of any clear meaning and orientation in terms of humanitarian programs and projects. It is now generally used by all types of actors from the Syrian government and the Syria Trust for Development,⁴³ to foreign states and international humanitarian actors, including INGOs and NGOs. As argued by researcher David Carruthers, the current use of the concept “sustainable development” and in its implementation bears a faint resemblance to its point of origin. The language of sustainability was once a discourse of resistance, fusing radical environmental consciousness with a critical rethinking of a failed development enterprise. It provoked challenging questions about scarcity and limits, affluence and poverty, global inequality, and the environmental viability of westernization. In current times, “sustainable development” has been transformed, stripped of its critical content, and reconfigured for compatibility with the larger priorities of the post-Cold War era”.⁴⁴

35 Salim Nuqul, “How Palestinians Should Strategise in the Face of Suppressive Foreign Aid”, Middle East Eye, 30 August 2023, <https://bit.ly/3OYE6vz>

36 Since then, donors have more and more funded actors outside the PNA.

37 Palestine Economy Portal, “Foreign Aid Management in Palestine”, consulted 21 June 2023, <https://bit.ly/42PRI6x>

38 UN-OCHA, “Occupied Palestinian Territory (oPt) Humanitarian Needs Overview 2023 (January 2023)”, 27 January 2023, <https://bit.ly/3qxmePH>

39 See Sarah Roy, *The Gaza Strip: The Political Economy of De-development*, (Expanded Third Edition), Institute for Palestine Studies, 2016

40 Israel’s imposition of continuous economic and political restrictions on the POT have been estimated at amounting to approximately USD 50 billion in losses over the period of 2000 to 2020 for the POT economy. (Salim Nuqul, “How Palestinians Should Strategise in the Face of Suppressive Foreign Aid”, Middle East Eye, 30 August 2023, <https://bit.ly/3OYE6vz>)

41 Abdul Matin Karimi, “Moving Away from Foreign Aid: A Case Study of Afghanistan”, HTW Berlin, 22 December 2020, <https://bit.ly/3Q2IVHJ>

42 Russia has for example become the leading supplier of wheat to Syria after the massive decrease in the country’s local production as a result of conflict and its effects (see Joseph Daher, “The Hellish Cycle Continues for Syria: The Economic Impacts of Russia’s Invasion of Ukraine”, MEDirection Blog, 28 March 2023, <https://bit.ly/3NTAHfV>), while Iran has continued to export fuel oil to Syria in relatively important quantities. According to United Against Nuclear Iran (UANI), on average, Iranian oil supplies to Syria stood at 144,107 barrels per day in April 2023, 139,588 barrels per day in May 2023 (cited in The Syria Report, “Iranian Oil Exports to Syria Post Significant Growth”, 11 July 2023, <https://bit.ly/3Etetyd>)

43 See Syria Arab Republic, Planning and International Cooperation Authority in Syria, “Second Voluntary National Review on the Sustainable Development Goals 2023” (in Arabic), June 2023, <https://bit.ly/3P2KRfV>

44 See the David Carruthers, “From Opposition to Orthodoxy: the Remaking of Sustainable Development”, *Journal of Third World Studies*, Vol. 18, No. 2, (FALL, 2001), pp. 93-112



A similar evolution has concerned humanitarian aid and its activities throughout the world. Humanitarian aid programs have increasingly been rooted since the 1990s in a neoliberal approach separating human development, from any connections with the wider issue of the country's economic development, and moreover seeking to further the liberalisation of the economy.⁴⁵ In this perspective, the private sector has often been described as the main producer for stimulating peace. The UNDP's Strategic Plans 2018-2021 and 2022-2025 state for example that they "prioritise partnerships with business... the private sector is an important strategic partner for UNDP",⁴⁶ and it argues in another document that "the private sector is a natural partner for UNDP not only during protracted humanitarian crises or natural disasters but also more generally to be able to respond better to the challenges of our times and achieve the Sustainable Development Goals (SDGs)".⁴⁷ In the case of Syria, the conference "Supporting Syria and the Region", held in London in 2016 and which gathered major international donors to vow support for Syrian refugees demonstrated these dynamics. The meeting clearly pinpointed its primary objective as "turning the Syrian refugee crisis into a development opportunity", through financial assistance for programmes that "expand investment, promote exports and public private partnership".⁴⁸ Similarly, the head of the Middle East and North Africa head of International Finance Corporation (considered as the private sector arm of the World Bank), Mouayed Makhoul, has connected his institution's promotion of Public Private Partnerships (PPPs) since 2010 directly to the inflow of Syrian refugees, stating that "places like Jordan, Lebanon and to a certain extent Iraq, in some places populations have increased manifold... The need is greater than ever for the private sector to step up to fill the gaps the public sector has not been able to fill".⁴⁹

This orientation, including in Syria, influences the patterns of early recovery and development in a country. This approach by humanitarian actors of putting a central role for the private sector in one's country's economic recovery is also supported by the Syrian government. A major component of the Syrian government's strategy has actually been the promotion of a model of economic development that relies on Public Private Partnerships (PPPs) and the privatisation of public goods as the basis for the country's reconstruction and economic regeneration.⁵⁰

This neoliberal orientation favouring the private sector is however problematic because it is not focused on the common interests of the majority of the population, but rather driven by capital accumulation and profits. The neoliberal policies implemented in the Middle East and North African region, including Syria, in the past decades have for instance further deepened social inequalities.⁵¹ These policies have generally only reinforced socio-economic inequalities in society (whether based on class, gender, race, geographic location such as rural vs urban areas, centre vs periphery, etc...).⁵² As mentioned in Report 1, poverty levels increased in Syria with acceleration of neoliberal policies in the decade prior 2011, and were concentrated particularly in rural areas, with 62% of the country's impoverished living in rural areas compared to 38% in urban areas as of 2004. At the same time, just over half of all Syria's unemployed were located in rural areas.⁵³ In addition to this, the gradual liberalisation of the economy also had an impact on women's participation in the labour market. The labour force participation rate of women aged 15 and above diminished from around 20.5% in 2001 to 13% in 2010, notwithstanding that real figures for both periods are most likely higher, given the importance of informal labour and unpaid care and domestic work in the Syrian economy. This does not change the fact

45 See Adam Hanieh, *Money, Markets and Monarchies, The Gulf Cooperation Council and Political Economy of the Contemporary Middle East*, New York, Cambridge University Press, 2018 ; Toufic Haddad, *Palestine Ltd., Neoliberalism and Nationalism in the Occupied Territory*, London: I.B. Tauris and Center for Palestine Studies, London Middle East Institute, 2016; Walden Bello, "The Rise of the Relief and Reconstruction Complex", *Journal of International Affairs*, Spring/ Summer 2006, Vol. 59, No. 2, pp. 281-296

46 UNDP, "UNDP and the Private Sector", consulted 13 June 2023, <https://bit.ly/463jBFC>

47 UNDP, "Private Sector Engagement In The Syria Crisis Response: Opportunities and Challenges Report", 10 December 2019, <https://bit.ly/43tuZsR>

48 Cited in Adam Hanieh, *Money, Markets and Monarchies, The Gulf Cooperation Council and Political Economy of the Contemporary Middle East*, p. 265

49 Cited in Adam Hanieh, *Money, Markets and Monarchies, The Gulf Cooperation Council and Political Economy of the Contemporary Middle East*, p. 266

50 See Joseph Daher, "The Political Economy of Syria: Deepening Pre-War Orientations", Arab Reform Initiative, 30 October 2020, <https://bit.ly/3JREnFg>

51 In 2020, in the MENA region, the richest 1% and richest 10% of the population took in, respectively, 30% and 64% of income, while the bottom 50% of the population only received 9.4%. See Joseph Daher, "Understanding Capitalism in the MENA and the Process of Neoliberal Reform", American University of Beirut Critical Development, 2022, <https://bit.ly/3rWgW7I>

52 See for example David Harvey, *A Brief History of Neoliberalism*, (Oxford: Oxford University Press, 2005); Darrick Hamilton, "Neoliberalism and Race", *Democracy, A Journal of Ideas*, Summer 2019, No. 53, <https://bit.ly/43vLh3J>

53 Khalid Abu-Ismaïl, Ali Abdel-Gadir and Heba El-Laithy, (2011), "Poverty and inequality in Syria (1997- 2007)", UNDP, <https://bit.ly/3SOIQFU>



that a diminution occurred, even in the revitalised private sector where the number of women decreased. The functioning of the uncontrolled private sector reflected the dominant patriarchal system in Syrian society, as present elsewhere in the world, and its development came at the expense of the economic situation of Syrian women.⁵⁴⁵⁵

This general context impacts the development of human capital, particularly in sectors considered as unprofitable or in insufficient ways, such as health and education, while often promoting programs for women with gender bias dynamics. Syria is not an exception as the next section shows.

II. The Aid Industry and its Role in the Development of Human Capital

No direct relationship at the macroeconomic level exists between the development of human capital⁵⁶ and economic growth.⁵⁷ Nonetheless, human capital can constitute a key component, among others, of socioeconomic productivity and development, as well as increase the effectiveness of international humanitarian aid. In this context, the advancement and expansion of human capital in Syria is an important factor to increase the possibilities of a potential economic recovery.

Syria has suffered a great loss in terms of human capital⁵⁸ since the eruption of the war in 2011, with high levels of migration, generally as a result of forced displacement, injuries of the labour force, the destruction and loss of education and safe access to healthcare. Similarly, with continuous deprivation of education and destruction of health institutions and systems, this situation threatens the ability of the country to recover. According to a report published in 2021, it was estimated that “the conflict reduced Syrian life expectancy by 13 years» and added that “translating these impacts into economic growth, we find that the conflict’s adverse shocks via education and health on human capital would reduce annual economic growth by around 1.5%. In 2021, this would represent a reduction of around 75 USD per capita”.⁵⁹ One in three schools in Syria are non-functional because they were either destroyed, damaged or are being used for military purposes. A report released by UNICEF in May 2022 estimated that with the current rate of funding, it will take another 30 years to rehabilitate all of these schools.⁶⁰ In addition to this, children are generally learning in overcrowded classrooms, and in buildings with insufficient water and sanitation facilities, electricity, heating or ventilation. There are over 2 million children in Syria out of education as a result of the war, displacement and worsening socio-economic problems, including nearly 40% of whom are girls, while there are 6.4 million children in need of education assistance in Syria.⁶¹ Moreover, approximately 150,000 teachers have left their jobs in the state’s public education; that’s more than a third of education employees that existed before 2011. On their side, teachers in the northwest do not officially receive a

54 Line Khatib, *Islamic Revivalism in Syria: The Rise and Fall of Ba’thist Secularism*, Routledge Studies in Political Islam, 2011, p.99.

55 In the aftermath of the conflict, women have composed a rising share of the labour force, particularly in the public sector. More and more women had to secure the livelihood of their families under dire conditions and take over economic duties instead of male breadwinners, who often were either absent (military conscription, emigration, imprisonment, etc.) or suffered from significant injuries as a result of the conflict. In 2021, the proportion of women workers in the public sector (excluding armed forces, both the army and security services) represented 47% of the workforce, while in the private sector women made up only 20% of the workforce in 2021. The Syria Report, “Chart: Number of Public Sector Employees (2002-2021)”, 16 May 2023, <https://bit.ly/3oFs15h>

56 According to the World Bank, Human capital “consists in knowledge, skills, and health that people invest in and accumulate throughout their lives, enabling them to realise their potential as productive members of society. Investing in people through nutrition, health care, quality education, jobs and skills helps develop human capital, and this is key to ending extreme poverty and creating more inclusive societies. World Bank, “The Human Capital Project: Frequently Asked Questions”, 19 March 2019, <https://bit.ly/3Czmy3z>

57 See OECD, “Productivity, Human Capital and Educational Policies”, consulted 28 August 2023, <https://bit.ly/45IGEoi>

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59 Frontier Economics and World Vision, “Too High A Price To Pay, The Cost of Conflict for Syria’s Children”, 2021, <https://bit.ly/3Nshc06>

60 UNICEF, “Every Day Counts: An Outlook on Education for the Most Vulnerable Children in Syria”, 10 May 2022, <https://bit.ly/46hfB4H>

61 UNICEF, “January to March 2023 Whole of Syria Education Response”, 2023, <https://bit.ly/3ptnXph>



salary, but “incentives” that are paid only when they work, representing around 7 months and for a range between 120 and 150 USD, and often irregularly.⁶² This absence of stability and resources generate a difficult situation for teachers to concentrate on their profession, and it often affects the quality of education. Consequently, sections of teachers have been pressed to quit their jobs and seek others elsewhere in search of better wages, which results in a shortage of teachers throughout the country,⁶³ particularly for secondary schools and vocational schools. In addition to this, international humanitarian funding in education has been directed towards primary schools, at the detriment of secondary level and vocational schools, which generally lack funding, staff and resources.⁶⁴ Children’s education in secondary schools is also penalised as a result of the continuous deterioration of living conditions in Syria. This situation has pushed more and more families to sacrifice their childrens’ education and obliged them to seek work. Levels of child labor have indeed continuously increased in all regions,⁶⁵ as well as child marriages.⁶⁶

Similarly, the health system deteriorated considerably throughout the war, as a result of the destruction of medical facilities and the targeting of medical staff, mostly by governmental armed forces, the flight of many healthcare workers, a diminishing budget and the impacts of international sanctions. By the end of 2022, according to the the Health Sector Syria Annual Report 2022 “of the 113 assessed public hospitals, 50% (56) were reported fully functioning, 26% (30) hospitals were reported partially functioning (i.e., shortage of staff, equipment, medicines or damage of the building in some cases), while 24% (27) were reported non-functioning. Out of 1789 assessed public health centres, 47% (842) were reported fully functioning, 21% (373) partially functioning, 32% (575) non-functioning (completely out of service)”.⁶⁷ In addition to this, there is chronic shortage of healthcare, and up to 50% of the health workforce is estimated to have left the country. Similarly, the conflict led to a shortage of trained medical personnel and equipment in both public and to a lesser extent, private hospitals. Lack of medical staff, particularly qualified ones, has also resulted in rising medical errors carried out by inexperienced doctors, sometimes leading to the death of patients. This is an increasing problem in public hospitals and to a lesser extent in private ones. Public health services are generally overcrowded and inadequate, increasing the preference for private healthcare, which was already growing before 2011, particularly among higher socio-economic groups. However, costs are exorbitant for the large majority of the population.⁶⁸ The dreadful conditions of the healthcare system have resulted in lack of motivation among the remaining medical staff, who receive low salaries and have extremely difficult working conditions.⁶⁹ Growing corruption, clientelism and bribes have also become prevalent.

The budget allocations for these two crucial sectors have also witnessed constant diminutions in the past decade, representing 6.8% and 3.3% of the total 2023 budget respectively for education (Higher Education and Education) and health.⁷⁰⁷¹ The Syrian government has not taken any serious measures to address the situation of both sectors, whether by raising salaries or providing

62 Interview with an education expert active in northwest of Syria between 2013 and 2023, July 2023

63 Oula Abu Amsha, “Education Crisis in Syria - Teacher Perspectives”, Interagency Network for Education in Emergencies (INEE), February, 14, 2023, <https://bit.ly/43PNWgn>

64 An education expert active in the northwest estimated that out of the total for education funding, only 10% was for the secondary schools; Kinana Qaddour and Salma Husain, “Syria’s Education Crisis: A Sustainable Approach After 11 Years of Conflict”, Middle East Institute, March 2022, <https://bit.ly/3NYJm19>

65 According to UNICEF, “more than one quarter of children aged 5–11 and over one third of children aged 12–14 who are working are out of school”. UNICEF, “Syria Every Day Counts Cost of Not investing in Education Brief”, June 2023, <https://bit.ly/3OlGAc0>

66 There has been significant growing trends in child marriage: 72% of assessed communities reported child marriage in 2022 and 26 per cent reported that child marriage is common or very common for girls. OCHA, “Syrian Arab Republic: Annual Report - 2022 Humanitarian Response (January - December 2022)”, 13 April 2023, <https://bit.ly/3opoN5U>

67 Health Cluster, WHO, “Health Sector Syria Annual Report 2022”, 25 January 2023, <https://bit.ly/3sDQn16>

68 See Joseph Daher, “State Institutions and Regime Networks as Service Providers in Syria”,

69 In addition to increasing numbers of resignation among health workers, both doctors and nurses, There were rumours circulated by activists on social media that al-Salamiya Hospital had to close its doors for few days in August 2022, as a result of the doctors’ refusal to work due to low wages, lack of medicine, and difficulty in securing hospital supplies. This reflects the poor status of the health sector. Adib Khaled, “Wages Cause Government Paralysis,” Qassioun Newspaper, 22 August 2022, , <http://bit.ly/3Jxzv0N>.

70 The Health and Education sectors’ allocations were respectively 549,544,935 SYP and 1,130,816,000 SYP (equivalent respectively to 183.1 million USD and 377 million USD at the official exchange rate of 3,000 SYP for a USD)

71 Already prior 2011, healthcare and education spending did not increase in accordance with population growth. Public expenditure on education and healthcare as a percentage of GDP was approximately 4 and 0.4 respectively before 2010 – low in comparison to OECD countries, which on average spent 13.3 and 9 percent respectively in 2010. Joseph Daher, “The Political Economic Context of Syria’s Reconstruction: A Prospective in Light of a Legacy of Unequal Development”, Research Project Report, (Florence: European University Institute, Middle East Directions, Wartime and Post-Conflict in Syria, December 2018), <https://bit.ly/2wQ43Jn>



them with incentives to stay.⁷² This situation affects the development of human capital in the country.

In this context, the aid industry has been supporting the development of human capital through employment and training of individuals. The aid industry employs directly a small section of the workforce in Syria acting directly as an employee, or has been contributing indirectly to the employment of local communities as a contractor in the economic sectors benefiting from the international humanitarian assistance. The number of individuals employed in NGOs, INGOs and UN agencies within Syria has been estimated to approximately 100,000 persons, as indicated in Report 1. The wages provided by the vast majority of UN, INGO and NGOs makes employment in these organisations very attractive, because of their much higher wages, which can create sometimes frustrations and tensions among local populations in the recruitment processes of particular individuals, while public and private institutions can't compete with such salaries and are therefore often unable to keep or recruit skilled labour.⁷³ These employments generally allow this workforce to remain in the country and for sections of them to accumulate experience and knowledge, including through specific training provided by their organisations and other entities.

The expansion of projects and programs by humanitarian actors to train individuals for specific jobs and develop their capacities, with large numbers of these operations targeting youth and women, have also constituted a tool to expand human capital in the country. These programs have included sectors such as health, cultural heritage, agriculture and livelihood, energy (electricity sector), infrastructure (WASH for example), local planning, social cohesion, etc...⁷⁴

However, the role of humanitarian aid in developing human capital further and in an efficient way in the future is filled with obstacles. First, the dependence on foreign funding for humanitarian actors can result in shortcomings in terms of longer term involvement because of the lack of continuity and availability of funds granted for restricted periods and for specific projects. The current diminution of international humanitarian funding to Syria constitutes in this framework a growing threat for the Syrians working in UN agencies, INGOs and NGOs, and could encourage sections of them to seek to migrate in order to find better living conditions out of fear of lack of alternatives within Syria.

Secondly, several interviewees active in NGOs and INGOs criticised the selection process of beneficiaries in the training provided by humanitarian organisations because of forms of clientelism and the lack of collaboration between the different entities in sharing data in order to avoid individuals benefiting twice from the same programs.⁷⁵ But furthermore, they have also pointed out more structural shortcomings. These trainings have indeed been often deemed as not truly sustainable, generally limited to temporary contracts and poor following, not serving productive purposes, not meeting the country's needs or not securing wages suitable for the cost of living, etc...⁷⁶ Most of the programs relating to livelihood projects and building capacities programs are generally short term vocational training lasting several weeks to a maximum of six months, which do not take into account the needs of the society, and generally lack follow ups with the recipients of these training.^{77 78} Alongside, most of the potential work opportunities following

72 According to the al-Baath newspaper, the number of nurses who have resigned from their jobs, whether in the public or private sector in Syria, has reached 3,500 in the past five years, an average of 700 resignations annually, and 58 resignations per month. Cited in Manahel al-Sahwi, "The Medical Sector in Syria: Mallow on Patients' Beds and Specialties That May Soon Disappear" (in Arabic), al-Daraj, 13 July 2023, <https://bit.ly/43obocQ>

73 Similarly, after the Typhoon Haiyan in the Philippines in November 2013, a number of companies and employers deplored that their employees often left their jobs and were no longer able to source labour because of the impact of the cash for work programmes, which was one of the largest humanitarian cash based interventions at this period (an estimated 338 million USD). In addition to this, skilled workers such as carpenters carrying out boat reparation also lamented that humanitarian organisations were inflating costs for labour and goods, and unskilled cash for work employees were being remunerated the same or in certain cases more than skilled labour.

74 See UNDP, From The People of Japan, WHO, UNFPA, UN-Habitat, FAO, UNIDO, "Training for All, Building Human Capacity for the Future Generations in Syria", 3 April 2019, <https://bit.ly/3p4Ps8z>

75 A member of INGO in Raqqa interviewed in the framework of Report number 2 for instance stated there was a lack of participatory data between organisations, which sometimes led the same beneficiary to benefit from similar vocational training in different organisations.

76 Several interviewees mentioned for instance the large number of handcrafts, hairdressing and sewage trainings provided, particularly to women. Based on interviews of four employees of NGOs active in Syria and an employee of INGO active in Syria, June 2023

77 A humanitarian actor active in the government held areas explained for example that these kinds of programs should be a whole process including: 1) vocational training lasting for a period of 3 to 6 months; 2) provide temporarily a professional toolkit the beneficiaries in order to exercise their work in a company or as self-employed, 3) small business grant; 4) business management training, 5) Provide Cash or a Professional Toolkit to establish their business. Interview with an employee of INGO active in Syria, June 2023.

78 This analysis is based on the interviews of four employees of NGOs active in Syria and an employee of INGO active in Syria, June 2023.



these training, often as a self-employed, will remain in the informal sector with low wages and generally precarious conditions without health insurance or other types of social security. In contrast, training in order to develop human capital in the health sectors are very limited because they last longer, in general between 12 and 18 months, and are more costly. A humanitarian actor active in the northwest explained for example that a midwifery and nursing assistant training program and nursing training programs cost around 170,000 USD for a group of approximately 40 students for a time span of one year,⁷⁹ while training for basic skills types of programs (handicrafts, sewing, etc...) have a total cost of roughly 5,000/ 6,000 USD for a group of 25 persons and a duration of between two and three months.⁸⁰ According to multiple interviewees involved in humanitarian operations in Syria, donors continue to focus on short term and less costly vocational training, especially with diminishing available funds.

In addition to the lower number of women employed in Syrian civil society organisations, and with the majority of them occupy subordinate positions, as mentioned in Report number 1,^{81,82,83} there are also gender biases to the programs provided by humanitarian actors. Most of the training directed to women are in handicrafts, cleaning, hairdressing, sewing, cosmetology, which are very gendered oriented.⁸⁴ These training also generally lead women to be self-employed, and by working generally at home add to the child cares' work. In addition, there is also a dynamic of furthering informal employment among women, as the vast majority of self-employed women are informal, contributing in the reproduction of informality within the labour market. Finally, their additional income is often perceived as a supplement to the one of the husbands, rather than participating in their "emancipation" or "autonomy", which is rooted in market dynamics, and patriarchal norms. Syrian feminist, Thuraya Hijazi, for instance criticised capacity building and livelihood projects, including vocational training and cash for work, by CSOs targeting women through the provision of grants to create individual projects. She argued that "these projects were not designed to empower Syrian women economically as a collective, but rather empower a specific category of women, e.g. Syrian female breadwinners".⁸⁵ She added as well that "these programs entrenched traditional gender roles, coming from a narrow patriarchal perspective that still views women as extensions of families and not as independent citizens with rights and entitlements that must be achieved and preserved within and outside these family systems".⁸⁶ In other words, these programs do not tackle the structural problems facing women in society, but focus on the empowerment of specific individuals, in this case particular women.

Finally, the lasting socio-economic impact in terms of developing human capital are and will remain restricted for Syria with the continuous and worsening economic crisis. These programs seeking to develop human capital are often indeed separated from a global understanding of the country's economic development. Different issues such as poverty, population displacement and migration, social exclusion, etc... are framed in disconnection from each other and isolated from economic development. Large sectors of the labour force, especially university graduates and skilled workers, have for instance been leaving the country in search of better living conditions. The number of Syrians trying to travel legally and illegally to Europe has indeed continued to

79 The costs are divided the following way : USD 100,000 USD for the training (including employee salaries; internet, connectivity and post and courier services costs; purchase of fuel, petroleum, and other oils; facilities maintenance, utilities and cleaning services; participation of programme counterparts: other costs; purchase of office and IT supplies; facilities rental cost) and 70,000 for equipment

80 Interview with a humanitarian actor active in the northwest, June 2023

81 Armenak Tokmajyan, "Hubs and Bubbles: Syrian civil society after a decade of conflict", Impact, January 2022, <https://bit.ly/3SVJHE6>

82 Before 2011, Syrian CSOs already suffered from the same gender inequality in leadership. In 2010, although equal numbers of men and women were employed in Syrian CSOs, only 13% of leadership positions were occupied by women. Dima al-Munajed, "An Intersectional Analysis of Syrian Women's Participation in Civil Society in the Post-2011 Context", Middle East - Topics & Arguments, Bd. 14, Juli 2020, S. 103-16, <https://bit.ly/3qHBNEB>

83 In another study published in 2019, the research also stated that "In CSOs that do not explicitly focus on gender and women's issues, women are not represented enough neither quantitatively nor qualitatively". In addition to this, the majority of interviewees from Syrian CSOs selected in their report did not understand what the term "gender" actually meant. As a term, research revealed, it is often mainly associated with women's rights issues, women's empowerment and women's participation. However, associations and misconceptions are due to CSOs wanting to appease donors and funders, without understanding the concept, what it means and its usefulness. (Dr. Nour Abu-Assab, Dr. Nof Nasser-Eddin, "Gender Dynamics within Syrian Civil Society", Impact, 8 March 2019, <https://bit.ly/3DEH6ry>)

84 Interview - Syrian researcher specific in gender and livelihood programs, June 2023

85 See this study criticising development programs that focus on women's entrepreneurship based on research in Turkey: Ozlem Altan-Olcay, "The Entrepreneurial Woman in Development Programs: Thinking Through Class Differences", Social Politics: International Studies in Gender, State & Society, Volume 23, Issue 3, Fall 2016, pp. 389-414

86 Thuraya Hijazi, "Women in Syria's Economy: A Feminist Review of Women's Economic Empowerment Projects", WILPF, 31 March 2023, <https://bit.ly/3NKRXF>



increase.⁸⁷ This context diminishes the effects of international aid to try to develop human capital in the country and contribute to key components allowing for the improvement of the economy.

In this context, the potential positive effects of the aid industry in the development of human capital remain limited in Syria for the near future, mainly restricted in the short term in the employment within humanitarian actors. Structural changes are needed both in the configuration of donor funding and in the programs and projects seeking to create employment in order to develop human capital in the long term and serve productive sectors of the economy.

III. The Multiple Challenges of Syrian Civil Society Organizations (CSOs)

The sustainability and future of an active and autonomous Syrian CSO scene within and outside of Syria is today marred with multiple and growing challenges. This ranged from reduction of international humanitarian funding passing through a limitation of their role as service providers and in particular geographical areas to threats on their capacities to guarantee forms of agency in their work and decisions.

First and similar to other regions of the world, the vast majority of CSOs are dependent on international funding, whether from foreign states, UN agencies or INGOs. As mentioned above in the text and in Report 1, the continuous diminution of international humanitarian assistance to Syria is a growing threat against CSOs and their activities. Rather than using the term “donor fatigue”, it is a redirection of foreign aids towards other political priorities of donors, especially western ones, which explain the reduction in funding. The Official Development Assistance (ODA)⁸⁸ from international donors actually increased from 186 billion USD in 2021 to its highest level historically 204 billion USD in 2022, according to the OECD. The rise has been motivated by two major elements. Firstly, there has been a high increase in allocation on processing and hosting refugees within donor countries to 29.3 billion USD, up from 12.8 billion USD in 2021. Secondly, the expansion of ODA to Ukraine after Russia’s invasion and ongoing war of aggression. Foreign aid to Ukraine reached the sum of 16.1 billion USD compared to 918 million USD in 2021.⁸⁹

Connected to the changes in priorities of Western donors, the continuous regional normalisation process of the Syrian government, particularly with Saudi Arabia, and return to the League of Arab states in May 2023, constitutes another threat to the future of CSOs. A potential and hypothetical political transition, in which a comprehensive justice and accountability can be implemented, has even more faded away.⁹⁰ This situation threatens in the near future the territories outside the domination of the Syrian government and therefore CSOs active in these areas, while reinforcing the control of the Syrian authorities on organisations operating in the territories under its control. At the same time, the deepening of the normalisation process with neighbouring states furthermore threatens the existence and operations of Syrian CSOs active in these countries, particularly in Turkey and Lebanon, which have already witnessed widening authoritarian practices and policies against Syrian individuals and organisations in the past few years.

Secondly, and as a result of these dynamics, Western donors could decide to fund in priority 1) CSO involved in service aid delivery to local communities, rather than those based on seeking social and political changes, and 2) CSOs active in government

87 The number of illegal border crossings by Syrians into the European Union more than doubled, passing from 46,395 in 2021 to 92,472, according to Frontex, the European Border and Coast Guard Agency, while the number of Syrian first-time asylum applicants also to 116,980 in 2022, with Germany being the top destination, representing an increase of 17% in comparison to 2021. This is also reflected in the growing numbers of Syrians trying to leave the country illegally through departing from Lebanon (The Syria Report, “Donor Countries Pledge EUR 5.6 billion at Brussels Conference”, 20 June 2023, <https://bit.ly/3qXZUPw>). From January to December 2022, the UNHCR claimed to have received reports of 51 boats involved in illegal crossings, with 4,334 passengers on board. In 2022, 62.2% of would-be emigrants were Syrians, 28% Lebanese and 11% Palestinians, according to UNHCR figures. Several fatal accidents have occurred in recent years during similar attempts to leave for the sea, including a shipwreck off Tartous, Syria, involving a makeshift boat from Northern Lebanon, which killed more than 150 people. (L’Orient Today, “Army arrests five for allegedly organizing illegal immigration”, 8 July 2023, <https://bit.ly/3JVpziA>)

88 OECD Website, “Official development assistance (ODA) is defined as government aid that promotes and specifically targets the economic development and welfare of developing countries. The DAC adopted ODA as the “gold standard” of foreign aid in 1969 and it remains the main source of financing for development aid. ODA data is collected, verified and made publicly available by the OECD.” OECD, “Official Development Assistance (ODA)”, Consulted in July 2023, <https://bit.ly/3O39ZEc>

89 OECD, “Official development assistance (ODA)”, Consulted in July 2023, <https://bit.ly/3O39ZEc>

90 See Joseph Daher, “Like Nothing Ever Happened”, IPS, 1 June 2023, <https://bit.ly/44as3Sc>



held areas, where the majority of the population's country resides. In this potential scenario, and alongside continuous instrumentalization and diversion of the humanitarian aid, the Syrian government will most probably continue to withdraw or decrease its responsibilities to provide basic services to the population, while in the northwest and northeast areas outside the control of the Syrian government, networks of CSOs funded by foreign donors will continue to function as parallel structures to the local ruling actors. There is indeed a threat that the continuous focus on the funding of private actors, being private sector or CSOs, could lead to unwilling results. Rather than strengthening social services, civilian infrastructures and human capital, this funding orientation constitutes in some ways a continuation of the neoliberal agenda implemented in the 2000s in Syria, and prior to this elsewhere in the world since the 1990s, promoting austerity programmes, limited role of the state and its public services, an expanding and stronger private sector, accompanied by a growing involvement and participation of NGOs, local associations and charities in providing essential services. These kinds of policies have generally been based on the assumptions that the private sector and NGOs are better actors in comparison to the state to foster economic development, because they are « cost-effective service providers, more efficient, transparent, and innovative than governments ».^{91 92} The privatisation process of key services in Syria has continued throughout the last decade, including in the education and health sectors, reinforcing social inequalities within society.⁹³ Across the country's northwest for instance, as a result of dwindling international humanitarian funding for education and encouragement by local authorities,⁹⁴ private schools have expanded increasingly these past few years. The average tuition fees for private schools for a year of schooling is generally between 250 USD and 300 USD, in addition to 100 USD for transportation (for schools providing such services), which make them out of reach for the large majority of local populations.⁹⁵

Lastly, in this context of attributing principally to CSOs a role of service providers, the professionalisation trend of its structures, initiated among numerous Syrian organisations since early 2012 and 2013, will only be reinforced. The professionalisation of NGOs will also strengthen socioeconomic discrepancies that generate "elitist leaderships in Syrian civil society", according to researcher Dima al-Munajed. She adds that

*"CSOs compete for funds from INGOs and Western governments to survive, making staff with foreign-language skills and NGO-related experience essential. Generally speaking, within Syrian CSOs, findings confirm that the higher the educational degree the higher the position within the organization for both males and females. Educational attainment among Syrians, however, is influenced by urban/rural differences and gender."*⁹⁶

But moreover CSOs' capacity to make their own decisions and projects based on their priorities and the needs of local communities rather than the ones of the donors will be undermined. CSOs' focus will be indeed even more shifting in their practices and activities from community engagement to creating organisational legitimacy with donors. Scholar Rana Khalaf for example explained the process by which many local social movements following the outbreak of the uprising in 2011 were "forced to be registered as NGOs" in order to comply with the drift towards "projectization" of civil society and to "attract foreign financial and technical support". She added that

91 See for example J. Vivian, "NGOs and Sustainable Development in Zimbabwe: No Magic Bullets," *Development and Change*, Vol. 25 (1994), pp. 181-209.

92 Researchers Edwards and Hulme have instead concluded in their study that there is no solid evidence that NGOs are more cost effective than other sectors including public institutions to promote development (Michael Edwards and David Hulme, "Too Close For Comfort? The Impact of Official Aid on Nongovernmental Organizations", *World Development*, Volume 24, 1996, pp. 961-973).

93 Since 2021, the Ministry of Education of the Syrian Government has for instance increasingly started a process to try to rent school infrastructures and buildings to private businessmen, on the condition that they are maintained as educational facilities. These contracts range between 7 and 15 years, and investors are required to rehabilitate the infrastructure of rented schools. Mansour Hussein, "The Syrian Regime Begins the Privatization of Education: Public Schools are Offered for Investment" (in Arabic), *al-Modon*, 5 July 2023, <https://bit.ly/44J8hgF>

94 It generally represents a source of income through registration and licensing fees.

95 According to a report entitled "The Rise of Private Education in Northwest Syria", "private schools are often established by traders or owners of capital who obtain licenses from the Education Directorates or the Ministry of (Higher) Education. Besides private schools and universities, there are also between 500 and 600 private kindergartens, which fees amount to USD 100-150 a year". *Peace Rep*, "The Rise of Private Education in Northwest Syria", November 2022, <https://bit.ly/447roAo>

96 Dima al-Munajed, "An Intersectional Analysis of Syrian Women's Participation in Civil Society in the Post-2011 Context"



*“this renders them more bureaucratic speaking the language of their donors and at times taking up donor priorities, local social movements are becoming a “civil society project”, driven by financial motives. This is serving to distance them from their agency as an autonomous process based on strong societal values and relationships, seeking to hold power perpetrators to account”.*⁹⁷

Similarly, in a report entitled “Perceptions of Governance - The Experience of Local Administrative Councils in Opposition-held Syria” conducted by Swiss Peace and the Local Administration Councils Unit (LACU), the authors argued in 2017:

*“The availability and agenda of external funding have been a major influence on the direction of the Local Administrative Councils (LACs). Donor priorities, rather than community needs, have often driven the direction of the LACs’ work. This has had two main consequences. First, there is some evidence that LACs have also limited transparency because they avoid publicising challenges that might impact donor support. Second, dependency on often short-term foreign funds has led the LACs to work project-to-project rather than according to longer-term or integrated community-wide plans”*⁹⁸

This dynamic is only reinforced as international humanitarian aid is diminishing and within a competitive market to attract funds to continue to operate. A member of the NGO Forum in the northwest explained for instance that “NGOs have to constantly adapt their programs and operations to the donors’ requirements, rather than building them on the needs of the local communities. Moreover, most of these funding are short-term, with no long-term perspective, preventing us from going beyond an emergency response and developing more sustainable and early recovery projects”.⁹⁹ An expert in education active in northwest Syria, similarly argued that Syrian NGOs have adapted their programs and operations to donors’ demands and priorities in a “marketing fashion” in order to not lose their fundings in a market more and more competitive as international aid decreases. He adds that this situation creates an increasing disconnect with the strategic interests of the local communities.¹⁰⁰

The role of CSOs in trying to engage, empower and give a voice to local communities remains therefore less and less relevant in their activities and operations, as the priority is to serve the logic of donors, generally away from the needs of local populations and a potential early recovery of the economy. As argued by researcher Estella Carpi, Assistant Professor of Humanitarian Studies at University College London, “too many organisations forget that their very goal should be ending their programs when they don’t turn out to be effective or meaningful in any way”.¹⁰¹

In this framework, the risk of further depoliticization of the Syrian issue and political and economic dynamics related to it only increase, while restricting them to a humanitarian crisis augment. As described by researcher Laura Ruiz de Elvira:

*“Thus, for instance, in order to satisfy the donors’ neutrality demands, some Syrian social networks working in relief activities have ended up by replacing their original names, slogans, or logos, by more neutral ones that do not make a clear reference to the uprising. In the same vein, some of them have simply removed from their offices the Syrian revolutionary flag. As one humanitarian organization Syrian leader puts it in 2017, the ‘NGOisation trend makes us deviate from our principles,’ ‘we forget our cause,’ ‘we now speak a politically correct language,’ ‘we neutralize our discourse’.”*¹⁰²

Similarly, in another study led by researcher Roua al-Taweel, one interviewee stated that “funds from donors can be influenced by

97 Rana Khalaf, “Governance without Government in Syria: Civil Society and State Building during Conflict”, *Syrian Studies* 7(3), 2015, pp. 37-72.

98 Mazen Gharibah, Bahjat Hajjar, Leila Hilal, Martina Santschi, Mazhar Sharbaji & Corinne von Burg, “Perceptions of Governance - The Experience of Local Administrative Councils in Opposition-held Syria”

99 Interview of a member of the NGO Forum in the northwest, July 2023.

100 Interview with an education expert active in northwest of Syria between 2013 and 2022, July 2023

101 Richard Salameh, “‘The Emergency Machine’: Humanitarianism in Lebanon”, *Orient Today*, 25 July 2023, <https://bit.ly/44MR9ae>

102 Laura Ruiz de Elvira, “From Local Revolutionary Action to Exiled Humanitarian Work: Activism in Local Social Networks and Communities’ Formation in the Syrian post-2011 Context”, *Social Movement Studies*, Vol. 18, Issue 1, 2019, pp.



the depoliticisation (reducing of agency) of organisations and be a precondition to providing funds”, while adding that “International actors want staff and not people with cause and agency”.¹⁰³

Similar processes have occurred in other countries, including in the case of the POT following the Oslo agreement in 1993.¹⁰⁴ While many groups of activists involved initially in the uprising often established NGOs funded by western donors following their exile or in regions liberated from the Syrian government as a method of survival and to pursue their activism,¹⁰⁵ this is increasingly appearing on the opposite side as a strong limitation.¹⁰⁶

In this context, the political role of CSOs decreases and makes it even harder to maintain forms of agency and legitimacy among Syrian communities, both within and outside the country. The Syrian-led initiative platform Madaniya, which was launched in Paris in 2023 and is gathering over 180 Syrian civil society, could represent an effort to enhance “the political agency of the Syrian civic space”. Although the Madaniya platform will be funded by annual membership fees based on the size and capacity of each organization, ranging from 100 and 10,000 USD, this does not guarantee it will remain “financially self-sustained” as the far majority of the CSOs are dependent on international funding.¹⁰⁷

Reflections on strategies to raise funds through different sources should be thought of in order to try to achieve forms of sustainability in the long term, as well as to try to refocus on the connections with Syrian communities. This is also why a widening understanding of CSO is needed in order to include social organisations active on the ground, or in neighbouring countries, generally not funded by foreign donors and attempting to organise Syrian individuals and communities, such as association gathering local communities or autonomous trade unions, professional associations, and peasant unions. An expert in education explained for instance that the teachers or the parent unions were for instance never invited in the Cluster system for education in the northwest gathering NGOs active in the sector. He argued that a more inclusive approach including social actors operating on the ground could benefit the interests of local communities in the implementation of programs.¹⁰⁸ More generally, labour movements have played an important role historically and throughout the world in processes of democratisation¹⁰⁹ and more recently during the “Arab Uprisings” since 2011,¹¹⁰ while having the capacities to promote cross-identity mobilisation in order to protect workers’ interests and living conditions.

103 Roua al-Taweel, “Feminist and Women’s Organisations in Syria: Challenges and Opportunities”, Women Now for Development, Global Fund for Women, Impact, August 2020, <https://bit.ly/45cXHie>

104 Researcher Tariq Dana has for instance highlighted the structural transformation of Palestinian civil society which has suffered a systemic reinstitutionalization and professional NGOization informed by neoliberal principles. See Tariq Da’na, “Disconnecting Civil Society from Its Historical Extension: NGOs and Neoliberalism in Palestine”, in Takahashi, Saul (ed.), *Human Rights, Human Security, National Security: The Intersection*, Praeger Security International, Praeger 2014

105 Researcher Hiba Alhamed has for instance argued that in the case of Syrian women activists based in Germany “through different types of activities such as advocacy, research, and service provision, NGOisation allows activists to remain part of the mobilisation for the rights of the Syrian people while providing them with a space for solidarity and support through their subjective and emotional engagements with other Syrian women.” See Hiba Alhamed, “NGOisation in Exile: Necessity, Professionalisation, and Subjective Space in the Case of Syrian Women Activists in Berlin”, *Rowaq Arabi* 27 (1), 2022, pp. 81-99.

106 This does not mean however that all NGOs follow the same trend and are de-facto depoliticizing agent of struggles and social movements. There has been examples of NGOs in authoritarian settings able to participate or contribute in some forms of collective resistance such as labour NGOs in China. As explained by scholar Tim Pringle, *Labour NGOs in China* “have concentrated on aspects of labour organizing that do not require membership such as legal rights work, campaigning on health and safety issues, sexual harassment, discrimination, reproductive health, as well as identifying partners and building support networks”. Tim Pringle, “A Solidarity Machine? Hong Kong Labour NGOs in Guangdong”, *Critical Sociology*, 44(4-5), 2018, pp. 661-675.

107 Other shortcomings could be mentioned regarding the platform Madaniya. The general orientation of the new platform is restricted to demands to the democratisation of the political system and rule of law, similar to the great majority of Syrian political actors, while socio economic issues are completely absent. No mentions are made on any economic development perspective. Moreover, the only political actor invited in the launching conference was the Syrian Negotiations Committee (SNC) because it “is the only political entity invited given that it is an umbrella to other political groups and is the recognised political body for any political negotiations process », although the main actor within the entity, Syrian National Coalition, is far from representing an inclusive and democratic actor. See Joseph Daher, “Pluralism Lost in Syria’s Uprising,” *The Century Foundation*, May 7, 2019, <https://bit.ly/3AxYlJy>.

108 Interview with an education expert active in northwest of Syria between 2013 and 2022, July 2023

109 Sociologist Göran Therborn have argued, in the case of the democratisation process in Europe at the end of the 19th and the beginning of the 20th centuries, “that the working class, represented by socialist parties and trade unions, was the single most important force in the majority of countries in the final push for universal male suffrage and responsible government.” Cited in Paul Le Blanc, “What Do Socialists Say About Democracy?” *International Socialist Review*, Issue No. 74, 2010, <https://bit.ly/3N8SXEx>.

110 The Tunisian General Labour Union (known by its acronym UGTT) and professional associations in the uprisings in Tunisia and Sudan showed the significance of mass trade union organisation in strengthening effective popular struggles and in toppling the heads of state in Tunisia and Egypt in 2011 and likewise in Sudan in 2019.



Conclusion

The nature of humanitarian aid to Syria, as well as for neighbouring countries hosting Syrian refugees, has been focused on emergency aid guaranteeing the provision of essential needs through the delivery of food, and cash and in-kind assistance, provision of shelter, etc... This aid has allowed the saving of lives and the partial alleviation of the most severe effects of the Syrian humanitarian crisis.

The general orientation and dynamics of international humanitarian aid in Syria are towards supporting consumption dynamics with a willingness to strongly collaborate with the private sector as the main asset and partner of economic development and early recovery. Humanitarian aid and its operations have been gradually influenced and more and more rooted in a neoliberal vision of the economy since the 1990s. This model of humanitarian aid however does not favor a development of the economy and human capital serving the common interests of the majority of the society. This has generally created a situation of increased dependence on foreign aid, including humanitarian assistance, for recipient countries, rather than establishing the foundations for an economic recovery. Similarly, a majority of vocational programs in Syria and elsewhere generally create a dynamic of reproducing informality in labour and often therefore precarity. For women, the programs must be accompanied by policies that challenge discriminatory structures, such as patriarchal norms at the societal, economic, and household levels.

More global and structural approaches are needed to allow the basis for a potential economic recovery and improvement of the population's living conditions by taking into consideration the development of human capital with the general development of the country's political economy. In other words, a vision of development that marks a profound rupture with market mechanisms.

At the same time, while humanitarian aid can give a serious push forward for an economic recovery if implemented correctly, it is generally not enough without a set of conditions to be reunited, including a welcoming economic environment rid of various obstacles such as sanctions or insecurity for local and foreign investors. More importantly, one of the main conditions is connected to the state's policies favouring a developmental approach and socio-economic policies which serves the majority of the population and seeks to boost the productive sectors of the economy. In this context, the Syrian government is the principal actor to blame for the constant increase in the level of humanitarian needs in the country. It has indeed generated this human catastrophe in Syria because of the destructions and damages it caused since 2011 against large sections of the population, its economic policies benefiting a small minority of individuals at the detriment of the society's "common good", corruption and mismanagement, and by instrumentalising humanitarian assistance and obstructing its transfer to northern areas outside of its domination.

In conclusion, Syrian CSOs and their impacts on the society and economy are most probably at a cross-road. In the absence of any political transition and decreasing international funding, Syrian CSOs are facing multiple threats for the future with restrictive space to operate within the country, especially in government held areas. In addition to this, their agency is also threatened by the donors' demands and political priorities, as well as limiting their role as service providers. A rethinking of the political economy of aid is therefore needed in order to address the suffering of the Syrian population on a long term, attempts to establish the foundation of an economic recovery and guarantee the possibility of CSOs to impact positively on the country's society and economy. This is becoming more and more urgent in a context of continual normalisation, and even re-legitimation of the Syrian government and the shift of political priorities of Western donors away from Syria. Innovative and practical solutions have to be thought and developed in order to shape and manage a possible economic recovery, and even potential future reconstruction stage, focused on fulfilling the interests of local populations, particularly for the areas most in need, and not on reinforcing the Syrian government and serving its goals and ambitions.

In this perspective, we suggest a series of recommendations together to donors, humanitarian actors and Syrian CSOs. These recommendations are separated into two main groups: 1) short and mid-term and long term (more structural). A separate section of recommendations regarding sanctions is also developed, as they undermine the work and activities of CSOs. It is also important to add that the mechanisms of implementation of these recommendations should be adopted in a participatory and inclusive approach with Syrian CSOs and experts.



Recommendations:

Short and mid-term

- Operating on a permanent basis all cross borders previously closed to permit UN aid deliveries to opposition-held areas in the whole of north Syria. No legal approval of the Syrian regime is needed as international law prohibits depriving the population of supplies necessary for their lives, including the right to receive humanitarian aid.
- Donors should increase the volume of humanitarian assistance to Syria in the short term and develop a more developmental approach focusing on early recovery aid, and development of human capital. In parallel to this short term augmentation of humanitarian aid, humanitarian actors should plan for an exit strategy in each sector assisted in the mid and long term.
- Develop mid and long term funding to CSOs based on their own priorities and needs of the local population.
- Improving modalities of the distribution of CVA and in-kind assistance to guarantee equal distribution to all (without discrimination based on clientelism, gender, regions, race, sects, etc...)
- Improving and collectivising the sharing of data and information on programs to avoid individuals being able to follow similar training multiple times
- Vocational training should be aimed principally at strengthening the development of Human Capital (particularly in education and health) and productive sectors of the economy, while seeking to challenge patriarchal norms and dynamics in training women.
- Recipients of vocational training should benefit systematically from follow up services and the whole process in order to guarantee forms of financial autonomy, including through the provision of temporary professional toolkit, small business grant; business management training, and provision of cash and professional toolkit to create their businesses.
- To increase participation in school, particularly after primary school, through the provision of conditional cash transfers and food vouchers in order to diminish dynamics of child labor.
- Expansion of aid (investments, expertise and resources) for the secondary school system, vocational schools and universities.
- For various donors and humanitarian actors, favour the purchase of local production of goods through state or private owned companies, instead of tenders importing similar products from outside Syria. In both cases, no individuals and ministries under sanctions and guilty of war crimes should be selected.
- Inclusion of autonomous local associations and workers unions in the humanitarian cluster system and decision making process to have a more inclusive approach and in order to best serve local communities interests.
- Develop strategies to raise funds through different sources in order to increase forms of sustainability in the long term and decrease dependence on international donors, as well as to try to refocus on the connections with Syrian communities.



Long Term (more structural)

- Develop a prospective structure of requirement and conditions for international funding for reconstruction of large infrastructures, manufacturing industries, or particular neighbourhoods. Funding from Western countries for Syria's reconstruction is lacking at the present day, but the continuous political normalisation of the Syrian government in the Middle East regional scene and the ongoing migration of Syrians to Europe could potentially create new dynamics among these states, including a push for more cooperation with Damascus officials. In this context, a framework of requirements and conditions for any potential international funding could be designed, including participation of local communities, refugees and IDPs, and their incorporation in reconstruction projects (with guaranteed rights to new housing for former owners and tenants), transparent budgets, meaningful support and respect for workers' rights involved in reconstruction projects, etc... Additional conditions could be formulated to hamper or restrict the use of such funds by businessmen sanctioned or connected to individuals and entities sanctioned or involved in war crimes.
- Creation of a bank or a financial institution whose only task is to manage transactions for humanitarian actors, including NGOs and INGOs, operating or covering conflict zones, without fearing the consequences of financial dynamics and regime of sanctions. This bank could be funded by international actors and donors
- Develop exit strategies to the CVA system of local communities in order to limit their dependence and improve their financial autonomy.
- Support independent local initiatives and / or NGOs in Syria and/ or operating from neighbouring countries to aid and take part in the economic recovery.
- Increase the support and assistance to the productive sectors of the economy (particularly agriculture and manufacturing), especially MSMEs through various tools (funding through the provision of loans, provision of specific and needed materials, machineries, equipment and goods; trainings of workers; investments in local infrastructures and new technologies to modernize techniques of production, Etc...). The recovery of the manufacturing and agricultural sectors can be effective instruments in the objective of stabilising the economy, developing human capital and limiting migration of the labour force. It would support local production and could reduce prices in general, therefore partially diminishing the pressure on the national currency, SYP, to finance imported goods.

Recommendations on the issue of sanctions

- Expanding the OFAC general licence to all INGOs and vetted NGOs operating in Syria to facilitate their daily activities.
- Expand General License No. 22 "Authorizing Activities in Certain Economic Sectors in Non-Regime Held Areas of North-east and Northwest Syria," OFAC on May 12, 2022 to Idlib areas and regime held areas affected by the earthquakes. This authorizes activities in the following sectors: agriculture; information and telecommunications; power grid infrastructure; construction; finance; clean energy; transportation and warehousing; water and waste management; health services; education; manufacturing; and trade.
- The wide general sanctions regime against Syria could potentially be re-thought and re-modelled to facilitate specific investments and imports of particular commodities, machines and goods pertaining to the reconstruction process and productive sectors of the economy.



Annex :

Human and Socioeconomic Impacts of the February Earthquake, and its Political Dynamics 2023

The earthquakes of 6 February 2023 killed at least 6,200 people in Syria and injured more than 14,700, and this includes over 4,500 reported deaths and approximately 12,400 reported injuries in the country's northwest.¹¹¹ The earthquakes mostly affected the Idlib, Aleppo, Latakia (and to a lesser extent Hama and Tartous) governorates, resulting in massive destruction and damage to infrastructures, including health facilities, schools, and residential buildings. At least 8.8 million people have been affected by the earthquakes, while thousands of people were left homeless and over 10,600 buildings were partially or completely destroyed.¹¹²

The UN's Office for the Coordination of Humanitarian Affairs stated in May 2023 that the preliminary Syria Earthquake Recovery Needs Assessment estimated damages and losses resulting from the earthquakes to amount to almost 9 billion USD, with recovery needs reaching 14.8 billion USD over the next three-year period.¹¹³¹¹⁴ In terms of material damage, the housing sector suffered the most. A World Bank report published at the end of February 2023 estimated that over 87,000 homes, representing around 4.80% of the total housing stock, were partially damaged or destroyed, at a total cost of around 881 million USD. Reconstruction and economic recovery needs have been estimated at around 7.9 billion USD.¹¹⁵ In addition, some 170,000 workers lost their jobs as a result of the earthquakes, and over 35,000 micro, small and medium-sized enterprises (MSMEs) were affected, according to the International Labour Organization (ILO). This temporary "unemployment" resulted in a total loss of employment income equivalent to at least USD 5.7 million per month.¹¹⁶

International humanitarian assistance to the northwest of Syria has been very limited and slow, in comparison with the areas controlled by the Syrian government, which received aid from over 30 states for a total estimated volume of several thousand tonnes. The UAE led Operation Gallant Knight 2, which was launched after the earthquake by the Joint Operations Command of the Ministry of Defence and involved search and rescue teams and the dispatch of humanitarian aid by air and sea, to Syria was ongoing in July 2023.¹¹⁷

The main political dynamics resulting from the consequences of the earthquakes were in governmental areas and had national and foreign repercussions. First, the Syrian government has been successful in exploiting the destructive impacts of the natural disaster to reaffirm its centrality through its attempts to control, or at least influence, the organisation and the delivery of humanitarian assistance in the country, including in opposition held areas.¹¹⁸ The Syrian government for instance agreed only a week after the earthquakes, on 13 February, to allow UN aid deliveries to rebel-held northwest Syria through two border crossings (Bab al-Salameh and al-Rai) from Turkey for three months. The two border crossings are situated in areas controlled by the Turkish-backed

111 OCHA, "Türkiye/Syria: Earthquakes - Feb 2023", consulted 28 August 2023, <https://bit.ly/44ok1o1>

112 OCHA, "Flash Appeal: Syrian Arab Republic Earthquake (February - May 2023) [EN/AR]", 14 February 2023, <https://bit.ly/43CesIS>

113 UN News, "Almost \$15 billion Needed for Earthquake Recovery in Syria", 8 May 2023, <https://bit.ly/3NrfFRL>

114 The World Bank (WB) had initially estimated at the end of February material damages at around 5.1 billion USD. World Bank, "Earthquake Direct Damage in Syria Estimated at \$5.1 billion in Areas Already Severely Ravaged by Long Conflict and Displacement", 28 February 2023, <https://bit.ly/45JFzgS>

115 World Bank, "Syria Earthquake 2023 Rapid Damage and Needs Assessment (RDNA)", <https://bit.ly/3Caj3Qy>

116 ILO, "Urgent Support Needed for Hundreds of Thousands of Workers After Türkiye and Syria Earthquakes", 28 March 2023, <https://bit.ly/3qtO93i>

117 In June 2023, the fourth UAE aid ship arrived at the Port of Latakia transporting more than 2,800 tonnes of aid including 1,662 tonnes of food supplies, 321 tonnes of food baskets, 41 tonnes of dates, and 777 tonnes of relief materials, in addition to 15 tonnes of building materials. Emirates News Agency, "UAE Sends Fourth Aid Ship to Syria", 20 June 2023, <https://bit.ly/46sotVj>

118 See this report regarding violations of human rights in the management of humanitarian aid in the aftermath of the earthquake by various actors to the Syrian conflict, including the Syrian government, the Syrian National Army, Turkey, and HTS. Syrians for Truth and Justice, Lélûn Association for the Victims of Violations in Afrin, PÊL – Civil Waves, Synergy Association for Victims "Joint Report – Syria/ Türkiye Earthquake: Widespread and Recurrent Violations During and After the Humanitarian Response", Syrians for Truth and Justice 12 June 2023, <https://bit.ly/3N9d57L>



Syrian Interim Government (SIG). Similarly, the Syrian government prevented for several days the delivery of an aid convoy constituted of 100 trucks transporting fuel and a medical team from the Autonomous Administration of North and East Syria (AANES) to Syrian Democratic Force-held neighbourhoods in Aleppo city (Sheikh Maqsoud and Ashrafieh). Syrian officials only approved its dispatch after seizing half of the aid.¹¹⁹

At the level of society, the Syrian government also sought to closely supervise the operations of organisations of humanitarian assistance in the areas under its control through its institutions and networks of power as a tool to strengthen its domination over society, similar to the beginning of the Global Covid-19 Pandemic.¹²⁰ On the field, the Syria Trust for Development (STD), led by Asma al-Assad, and the Syrian Arab Red Crescent (SARC) were the driving organisations in local humanitarian efforts in governmental-controlled territories in collaboration with the UN Agencies, INGOs, NGOs and local associations.¹²¹ In contrast, local or individual initiatives to assist communities impacted or deliver help directly were generally closely monitored by the Syrian authorities, while multiple harassment incidents happened against individuals attempting to organise and transport humanitarian aids to affected areas by security services and affiliated government's networks.¹²²

Second, Syrian officials have been attempting to breach its political isolation regionally and internationally. They, and their allies of Russia and Iran, initiated a campaign invoking the need to put an end to the Western sanctions, because they had obstructed emergency response and humanitarian relief operations in sustaining affected populations. But more importantly, the Syrian government used this tragedy in a new attempt to advance the normalisation process with regional and international actors, which has been successful as Syria was reinstated to the League of Arab States in May 2023. Even some European states, including Italy, Greece, Romania, Cyprus and Austria, have been attempting to bolster potential avenues of closer communication with Damascus through this humanitarian crisis. Few months later, in mid July 2023, this evolution was reflected with the visit of the Italian special envoy for Syria to Damascus for the first time since 2012. This could further deepen divisions among European states regarding the policy to undertake toward Syria and the EU consensus based on no normalisation, no lifting of sanctions and no reconstruction before a political transition.

In northwestern opposition held areas, there were major differences in the scale of responses of local authorities to the earthquakes, demonstrating their relative strength or weakness. In the territories controlled by the HTS, the Syrian Salvation Government (SSG) established a special emergency response committee to manage the effects of the earthquakes.¹²³ While the SSG sought to appear to the public, and to the outside world,¹²⁴ as managing the humanitarian response for the earthquake, it adopted a laissez-faire policy regarding humanitarian actors to operate without any forms of constraints or stipulations. NGOs were able to access affected territories inside and outside Idlib, while SSG and HTS ordered all construction companies to provide their equipment to the White Helmets. In addition to this, local councils under the SSG's authority, with the assistance of the HTS's Public Security Agency, dispatched 2,600 security agents to prevent civilians seeking to attain the rescue operations and to protect the

119 See Joseph Daher, "The Aftermath of Earthquakes in Syria: The Regime's Political Instrumentalisation of a Crisis", Research Project Report, (Florence: European University Institute, Middle East Directions, Syria Trajectories, February 2023, <https://bit.ly/3AukNDq>)

120 Joseph Daher, "State Institutions and Regime Networks as Service Providers in Syria," Research Project Report, Syria Transition Challenges Project, EUI Med Directions and The Geneva Centre for Security Policy (GCSP), June 2020, <https://bit.ly/3lgC72a>

121 This is also reflected in a study monitoring the main social medias trends related to humanitarian aid distribution in Syria from 1 April to 30 May 2023, the report states that "1) Earthquake-affected populations generally suspect that the local distribution of international aid is marred by rampant corruption, fraud, and favouritism towards well-connected and well-off people. 2) Humanitarian organisations such as the Syrian Arab Red Crescent, supposedly entrusted with the distribution of aid, are seen as part of the issue of aid diversion". Insecurity Insight, "Earthquake-affected Populations in Syria Weary of Corruption and Favouritism in Aid Distribution - Social Media Monitoring, June 2023", 29 June 2023, <https://bit.ly/3JD2rVZ>

122 Interview with a Syrian activist, based in Germany, 16 February 2023; Informal discussions with various Syrian activists in exile, 17 February 2023; see also Abdullah Al-Jabassini and Mazen Ezzi, "Troubled Solidarity: How Communities in Southern Syria Responded to the 2023 Earthquake Disaster", Research Project Report, (Florence: European University Institute, Middle East Directions, Syria Trajectories, 14 June 2023 <https://bit.ly/43CHMJC>)

123 The Syria Report, "Local Authorities Across Syria Seek to Respond to Earthquake Crisis," 15 February 2023, <https://bit.ly/3IPHoGI>

124 HTS leader Jolani has also tried through this crisis to appear as a moderate actor seeking forms of international recognition and collaboration. Jolani granted an interview to the British newspaper The Guardian in which he was presented as a Syrian rebel leader and was appealing for urgent international assistance to help the northwest province of Idlib. (Ruth Michaelson and Lorenzo Tondo, "Syrian Rebel Leader Pleads for Outside Help a Week on From Earthquakes," The Guardian, 13 February 2023, <http://bit.ly/3Kia70L>)



affected sites. SSG's decisions were mostly connected to its own limitations and lack of resources and expertise in handling a natural disaster of this magnitude. In the following weeks after the earthquake, the HTS tried however to impose stricter supervision over the humanitarian operations and actors, although with limited success.¹²⁵

On its side, the Turkish backed Syrian Interim Government (SIG)'s actions have been even more restricted, demonstrating once again its weakness. Humanitarian relief operations have been spearheaded by the Syrian Civil Defence (known as the White Helmets), and other NGOs such as Syrian American Medical Society (SAMS), Syria Relief & Development (SRD), and Ihsan. In addition to this, armed groups of the Syrian National Army (SNA) backed by Turkey have been accused of engaging in practices of extorsions of the aid delivered.¹²⁶ At the same time, the SIG, most probably on the orders of the Turkish government, has refused to allow the delivery of humanitarian assistance sent by the AANES authorities,¹²⁷ mostly fuel and in-kind aids, while accepting the aid sent by Syrian Arab tribal leaders from Deir Ez-Zor and Raqqa and the Barzani charity foundation, connected to the ruling family of the Kurdish Region of Iraq and long-time allied of the Turkish government, to Kurdish inhabited areas in Afrin region such as Jinderes, which has been heavily affected by the earthquakes with massive destruction.

The northeast of Syria controlled mostly by the AANES was largely spared by the natural disaster, with limited damages.¹²⁸ The AANES authorities nevertheless organised relief aid to areas under its control outside of the northeast of Syria, including in the Shahba region in northern rural Aleppo and in Sheikh Maqsoud and Ashrafieh neighbourhoods in Aleppo. The Kurdish Red Crescent also participated in humanitarian relief operations and activities in these areas.¹²⁹

While main ruling authorities have sought to instrumentalize at various levels the earthquake to consolidate their powers, although with strong limitations in the northwest in relation to its resources, the February's earthquake did not constitute a change in the approach to humanitarian assistance to Syria by the donors and actors operating in the country. Humanitarian aid has continued to be mostly characterized by its primary objective to save lives and alleviate suffering. There has rather been a renewal in the focus on emergency aid in the impacted areas because of the high levels of needs and destruction.¹³⁰ This is particularly the case in the northwest, which as mentioned above has been the most affected area,¹³¹ where the UN estimated at the end of 2022 that 3.3 million people, or 70% of the region's population, were food insecure.¹³²

125 For more details see Sinan Hatahet, "Local Governance Structures and Humanitarian Responses to the Earthquake in North-West Syria",

126 The Barzani charity foundation had presumably for instance to give portions of its humanitarian aid to militias of the SNA to be able to operate freely in the Afrin region. Interview with Syrian Journalist originating from Afrin, Shyar Khalil, 19 February 2023.

127 The head of the Syrian Civil Defence, Raed al-Saleh, had actually accepted the offer of humanitarian aid from the AANES authorities. Interview with Bassam al-Ahmad, Founder of Syrians for Truth and Justice, 18 February 2023.

128 The only relatively major damage is the collapse of several dams, leaving 50,000 people without water.

129 Interview with Journalist Hamza Hemiki, 18 February 2023;

130 Interviews with several individuals employed in humanitarian operations in Syria June and July 2023

131 A study by Impact Initiatives in mid-June 2023 entitled "Four months after the earthquakes needs are still high in northwest Syria" for instance indicated "that consumer's access to the market was more constrained by financial issues (76% of consumers KI) than physical or social barriers (24%)...The increase in demands following the earthquake, the difficulty of transporting goods across the border, limited stocks, and especially price increases and currency depreciation, has made it even more difficult to cover basic needs This does not only concern food items, but also tents, shelter, and winter items, particularly needed given the increase in internal displacements following the earthquakes". Impact Initiatives, "Four Months After the Earthquakes Needs are Still High in Northwest Syria", 15 June 2023, <https://bit.ly/3X7y6V7>

132 UN-OCHA, "North-West Syria, Situation Report", 28 April 2023, <https://bit.ly/3CzQMn0>



