II. The socio-economic impact of the Syrian civil war

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The unravelling of the Syrian uprising and its transformation into a conflict in multiple war zones is of catastrophic consequences for Syrian citizens. As of January 2015, the conflict had claimed more than 200,000 lives, another 840,000 had been wounded and more than 85,000 people had been reported missing, the majority assumed to have been captured by government forces at the beginning of the conflict.\(^1\) Thousands have also been subjected to extreme torture, mainly by the government and its militias, in what may amount to crimes against humanity.\(^2\)

Close to 4 million Syrians of a total population of 22 million have sought refuge in neighbouring countries, and another 7.6 million are displaced within Syria.\(^3\) With these population movements comes a growing humanitarian crisis that has disastrous implications for the country and the region.

The United Nations estimates that 12.2 million people are in need of humanitarian assistance inside Syria, including 460,000 Palestinian refugees.\(^4\) As a result, the required funds to address this humanitarian need have multiplied fivefold between 2012 and 2015, but only 17 per cent of the funds have been secured.\(^5\) The shortfall in funding is magnified by the inability to deliver available aid to Syrians in need across many parts of the country. Islamic State (IS) is also using this humanitarian emergency to facilitate a relationship of dependency with local populations.\(^6\)

Beyond this humanitarian toll, the conflict has had other catastrophic consequences for Syrians living in Syria or in refugee camps and other makeshift arrangements, mainly in Jordan, Lebanon and Turkey. It has also


exacerbated pre-existing challenges in each of those countries and generated new problems. In time, these may greatly exacerbate security challenges for the region.

**Economic devastation, physical desolation and collapse in service provision**

*Macro-economy and social spending*\(^7\)

Four years of armed conflict have devastated the Syrian economy. The total economic loss from the start of the conflict until the end of 2014 is an estimated \$202.6 billion, of which damage to capital stock accounts for 35.5 per cent.\(^8\) Syria’s gross domestic product (GDP) decreased by almost 50 per cent in real terms between 2010 and 2015, while inflation or hyperinflation rates were estimated to have reached 229 per cent by early 2015.\(^9\) The Syrian Government is facing a severe budget deficit that reached 40.5 per cent in 2014, with public debt relative to GDP rising to 147 per cent.\(^10\) Government revenue as a percentage of GDP dropped significantly, in part, due to a decrease in tax collection and dramatic increases in government expenditure.\(^11\)

The budget deficit coupled with the growth in military expenditures meant that the Syrian Government cut social spending and withdrew from the provision of essential social services in the areas not under its control. This has adversely impacted the health, education and food security of Syrian citizens, and left vulnerable groups, such as female-headed households, children, pre-conflict refugees, returnee migrant workers and small farmers and herders, to fend for themselves.

*Territorial disintegration and decline in services*

The provision of essential services has disintegrated following the loss of territorial control by the Syrian Government and the establishment of alternative systems of governance and ad hoc local administrative struc-

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\(^7\) In conflict situations obtaining accurate economic data is almost impossible. The figures in this section are projections of economic losses carried out by the United Nations Economic and Social Commission for Western Asia (ESCWA) and other entities. Projections by ESCWA are based on figures obtained from Syrian government institutions.


\(^10\) Syrian Center for Policy Research (note 1).

tures in different parts of the country. Access to education, medical services, clean water and electricity has become increasingly scarce and subject to the whims of governing entities. In IS-held territories, fighters have ‘preferential treatment’ and monopolize hospitals at the expense of civilians. The intense reforms of key sectors undertaken in IS-held areas, including changes to educational and health care systems, will have lasting consequences for many Syrians.

**Infrastructural damage**

The scale of infrastructural damage resulting from this conflict amplifies the impact of reduced and fragmented social services. Around 1.2 million houses have been severely damaged or destroyed. In addition, Syrian Government forces are reported to have razed around 145 hectares of land between 2012 and 2013. Damage to water networks means that close to 11.6 million people need urgent access to clean water and sanitation. An estimated 50 per cent of Syria’s hospitals are either destroyed or damaged, and around a quarter of schools are non-functional due to destruction or use for other purposes, including collective shelter for displaced families. Electricity networks have also sustained considerable damage, with reports indicating that 83 per cent of Syria is without light. Estimated losses due to this destruction of entire cities, health and education facilities, roads, and electricity and water systems are thought to have reached billions of US dollars, and the cost of reconstruction rises daily.

**Population displacement, and informal settlements and economies**

Against the background of a crippled infrastructure and wide-scale internal population movement away from conflict zones, informal economies and settlements have expanded exponentially. Conditions that have enabled the growth of informal economies include: (a) the depreciation of the Syrian pound against the dollar; (b) the significant decrease in trade; and (c) the increase in war-related economic activity, including illicit trade in arms and contraband.

Informal settlements have developed as a direct result of the breakdown in law and order as well as the large-scale population displacements. By August 2014, the REACH Initiative had documented the existence of

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12 Caris et al. (note 6); and Centre for Humanitarian Dialogue (CHD) and Ministry of Foreign Affairs of Denmark, *Local Administration Structures in Opposition-Held Areas in Syria*, Research Report, (CHD: Lausanne, Apr. 2014).

13 Caris et al (note 6).

14 OCHA (note 3); and Human Rights Watch, *Razed to the Ground—Syria’s Unlawful Neighborhood Demolitions in 2012–2013*, (Human Rights Watch: Jan. 2014). There have not been any other official figures published since 2013, but the numbers are likely to have increased.


16 ESCWA (note 11).
62 informal settlements (amounting to more than 70,000 people) according to data collected from only 3 out of the 14 governorates in Syria. The situation in informal settlements is noticeably more precarious than in formal refugee camps, as water sanitation, and health, housing and educational facilities are not monitored by UN agencies or other non-governmental organizations (NGOs). Around 48 per cent of informal settlements in Syria do not have access to functional latrines, while polluted drinking water means that residents are reliant on water brought in on trucks.

**Health care: a hostage to the conflict**

The conflict has had a major impact on health services, leading to a dramatic deterioration in the general health of Syrians. Different parties to the conflict, including the Syrian Government, have used access to health care (or the lack thereof) as a means to gain an advantage over their opponents. Both government and rebel forces have attacked hospitals and prevented care for the wounded. In addition, large numbers of health care professionals have fled the country.

Together, these factors have rendered medical care precarious and in some cases inaccessible to large sectors of the Syrian population. The July 2012 anti-terrorism law further complicated the situation. This law, which renders illegal the provision of medical services to anyone considered to be working against Syria’s interests, has made it difficult for members of the opposition to seek medical attention, even if they are non-combatants. This is also a direct contravention of the 1949 Geneva Convention.

**Challenges for humanitarian aid**

The provision of aid to Syrian civilians is a considerable challenge for the international community. In July 2014 the UN Security Council issued Resolution 2165 that authorizes UN agencies and partners to intervene across borders and conflict lines to ensure humanitarian assistance to

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18 REACH Initiative (note 17).


21 Cambanis, T., ‘Medical care is now a tool of war’, *Boston Globe*, 1 Mar. 2014.

internally displaced persons (IDPs) in Syria. The resolution has the goal of providing assistance to 10 million Syrians. The UN Security Council renewed the resolution in December 2014 for another 12 months. This was considered a diplomatic breakthrough, given that all other negotiations on the crisis within the UN Security Council remain deadlocked by disagreements over a uniform Syria policy.

UN agencies have reported that 54 shipments of food assistance (as at early January 2015) have been delivered to about 596,000 people; a fraction of what the resolutions had intended to achieve. Many areas, especially in the eastern parts of Syria, such as Darayya, Deir-ez-Zor, Ghouta and Yarmouk, remain inaccessible to the UN and its partners. Since many regions have been left to fend for themselves, and with no end to the conflict in sight, the humanitarian and socio-economic toll of the crisis is likely to increase. The spill over of its effects into neighbouring countries could also further destabilize the Middle East.

**Reversal in development gains**

The cumulative impact of the severe economic downturn, inflation, extensive damage to capital infrastructure and the substantial reduction in the provision of essential social services is a sharp reversal in many of the development gains previously enjoyed by Syrians. Today, Syrian citizens along with Palestinian and Iraqi refugees residing in Syria are facing an increasing number of challenges, including growing poverty, declining employment, heightened food insecurity and dwindling access to both health care and education.

**Growing poverty, a starving populace and a lower average life expectancy**

Perhaps one of the most shocking images of the devastation wrought on Syrians by this conflict is that of inhabitants from the Palestinian Yarmouk camp standing en masse amid the ruins of their homes waiting for bread rations. Among them were many who showed clear signs of starvation. Reports indicated that a number of women in the camp had died in childbirth due to lack of medicine and that many children were gravely ill or had died as a result of malnutrition. Similar scenes of devastation have emerged from multiple cities across Syria, including Hama and Homs.

Based on data from early 2015 more than four out of every five Syrians now live in poverty, with 30 per cent of the population unable to provide

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25 Gordts, E., ‘Caught between ISIS and Assad, a Palestinian refugee camp is starving to death’, *Huffington Post*, 9 Apr. 2015.
the basic means for survival. Such levels of abject poverty are even more marked in rural areas, such as Deir-ez-Zor and Idlib, where poverty rates reached around 85 per cent and 79 per cent of the local population, respectively.

Another key effect of the conflict is a dramatic rise in food insecurity. Estimates suggest that around 6.3 million Syrians are highly vulnerable to food insecurity, while 1 in 10 Syrian children suffer from malnutrition. The issue of food insecurity is central to whether Syrian civilians choose to remain in place (even when under the despotic rule of IS) or decide to flee (even when in zones that are relatively free of conflict).

In this context, it is no surprise that the life expectancy of the average Syrian has reduced by 20 years, dropping from 77.9 to 55.4 years. Deaths from diseases previously thought to have been eradicated are also being reported, while care provision for chronic diseases continues to deteriorate. Women and children have been worst affected by the severe cuts to essential services, with a notable increase in unsafe child deliveries and a dramatic decline in the rate of vaccinations: from 90 per cent in 2009 to 45 per cent in 2013.

Education, unemployment and the youth

By mid-2014 estimates indicated that around 54 per cent of Syrians were unemployed, while youth unemployment had reached 62 per cent. As the conflict persists unemployment levels are likely to rise.

In early 2014 the UN Children’s Fund (UNICEF) reported that around 2.3 million children in Syria are out of school, while primary education rates were estimated to be 50 per cent, a new low for the region. Changes implemented to educational curricula by the different militia factions have further undermined the quality of education for Syrian children.

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27 Abject poverty refers to individuals who are unable to access the basic food needs of their households. In situations of conflict, the abject poor are especially vulnerable to hunger, malnutrition and even starvation. In mid-2014, the poverty gap—the means of estimating the intensity of poverty in a given location, by measuring the average shortfall of the total population from the poverty line—was estimated to be 11.9% at the national level, 13.6% in rural areas and 10.5% in urban areas. ESCWA (note 11).
29 Caris et al. (note 6).
30 Syrian Center for Policy Research (note 1).
31 OCHA (note 3).
32 ESCWA (note 11).
These figures highlight the bleak future ahead for Syrian youth. This generation is growing up in the shadow of conflict and with relatively diminished skills for gainful employment or fending for themselves. Facing extreme socio-economic conditions and the impossibility of securing an income, Syrian youth are being driven to making difficult and life-altering choices, including joining militant groups.

Regional repercussions: Syrian refugees in host countries

Close to 4 million Syrians, or one in eight of its population, have sought refuge outside the country, namely in neighbouring Jordan, Lebanon and Turkey. Syria has overtaken Afghanistan as the single biggest source of refugees in the world. This outflow of people is having considerable region-wide repercussions.

Turkey currently hosts the largest number of Syrian refugees. However, Lebanon bears the biggest burden relative to its size, with the highest number (257) of refugees per 1000 inhabitants or established population. Education, employment, food, health, shelter and water are all key concerns for Syrian refugees in Jordan, Lebanon and Turkey. However, the particular characteristics of each of these countries have also generated specific challenges for refugees and their host countries.

Between a rock and a hard place: Syrian refugees in Lebanon

The estimated 1.2 million Syrian refugees, housed in 1700 different locations in Lebanon, face a number of unique challenges caused by three interlinked circumstances. These are: (a) the wide dispersal of refugees due to the Lebanese Government’s decision not to designate specific areas of residence or establish refugee camps; (b) the considerable shortfall in funding; and (c) expanding needs and security concerns due to an increasing inflow of refugees that now make up around one-fifth of Lebanon’s total population. These circumstances also present three challenges for the Lebanese Government.

First, the widespread dispersion of the refugee population on Lebanese territory hinders aid agencies and the government from providing adequate assistance and other support. Housing the refugees, many of whom are living in poorly constructed tents, is a key element of these efforts.

34 Although not specified, this figure likely includes Palestinian refugees who fled their homes in 2 waves: in 1948, following the establishment of the state of Israel; and in 1956, during the subsequent Arab–Israeli war. According to the United Nations Relief and Works Agency (UNRWA), around 450 000 Palestinian refugees live in camps across the country. A large number of Palestinian refugees living in Syria have also fled their homes to Lebanon. UNHCR, "Mid-Year Trends 2014", (UNHCR: Geneva, 7 Jan. 2015).
35 UNHCR (note 34).
36 UNHCR (note 3).
Second, the shortfall in funding exacerbated by increasing pressure on an already weak and strained infrastructure, including schools and health facilities, has placed a considerable burden on the country’s finances. Addressing this shortfall has become a central challenge for the government at a time of political uncertainty.

The third issue relates to rising security risks posed by the growing demands of Syrian refugees. Externally, the evolving conflict in Syria and its spill over into Lebanon, as well as the active involvement of Hezbollah on the side of Syrian government forces, has aggravated tensions among the Lebanese and Syrian populace, resulting in documented attacks against refugees. Internally, the focus placed on supporting refugees has, over time, become a source of resentment for host communities, many of which are located in Lebanon’s most impoverished areas. UN organizations and Lebanese government institutions have sought to address this issue by reforming some of the existing aid programmes to include host communities.

Over half of Syrian refugees in Lebanon are living in insecure conditions, while 75 per cent are in poverty. A law implemented by the Lebanese Government at the end of 2014 requiring refugees to pay an estimated $200 per person every six months for residency permits is likely to complicate their lives further. It places already impoverished refugees under even greater duress and may drive some further into the ‘informal economy’ at a time when informal employment in the country is at a relatively high level due to a slowdown in economic growth. Estimates suggest that Syrian labourers in Lebanon are earning significantly less than the minimum wage and 92 per cent of them are working informally without legal or social protection. Child labour is also publicly apparent.

Syrian refugees in Lebanon also face challenges in the areas of education and health. Close to 30,000 Syrian children are estimated to be out of school and 88,000 enrolled in non-formal education that is not recognized by the government or other entities. Like Syrians displaced within Syria, this places an entire future generation at risk.

A number of factors have an impact on the health of Syrian refugees in Lebanon. One such factor is the shortfall in funding to UN-related operations, which means that the UN Refugee Agency (UNHCR) has had to

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prioritize primary health and emergency care, and implement very restrictive eligibility criteria for more complex procedures, including hospitalization. In cases where they do meet the criteria, refugees are still required to pay approximately 25 per cent of the total cost of the procedures, and for impoverished refugees this is often far beyond what they can afford. Refugees requiring long-term and expensive health care for chronic illnesses, and who cannot travel to Syria frequently for treatment, may end up with crippling debts. In some cases refugees have to choose between medical care and food or rent.  

Entrepreneurial spirit and survival mechanisms: Syrian refugees in Turkey

By early 2015 the number of Syrian refugees living in Turkey was close to 1.7 million, more than one-third of whom come from Aleppo and the surrounding area. The majority live in cities close to the south and south-eastern Syria–Turkey border, while around 225 000 are spread among a total of 23 refugee camps.

Overall, the needs of Syrian refugees have been better served in Turkey than in other neighbouring countries. In 2013 the Turkish Government established a new agency mandated with the care of refugees and asylum seekers. In addition, the government has provided refugees with access to basic services such as preventive health care and education. Moreover, in view of mounting domestic needs for different kinds of labour, the government has facilitated the provision of work permits for Syrian refugees. The UN’s World Food Programme (WFP) has also implemented an electronic food card programme that allows refugees to buy their food in shops in Turkey.

Many refugees have established new lives as part of a thriving business community. In 2014, Syrian refugees established 1112 companies, amounting to 26 per cent of all foreign firms founded in the country that year.

However, despite these successes, a large percentage of Syrian refugees continue to face substantial challenges. The UN scaled back its food assistance to refugees in need in early 2015 due to a shortfall in funding. Many refugees live in crowded conditions both inside and outside the camps. In addition, ethnic and sectarian tensions between residents and refugees vary.

42 UNHCR (note 37).
depending on area and the composition of the local population. Such tensions could pave the way for violence in the future.

**Syrian refugees in Jordan**

The UNHCR reported in early 2015 that there are more than 620,000 Syrian refugees in Jordan. Approximately 84 per cent of this number live outside refugee camps in urban and rural areas across the country, while around 100,000 live in camps—the largest of which, the Zaatari camp, is fast evolving into a thriving ‘city’.

Two-thirds of Syrian refugees in Jordan are living below the Jordanian poverty line of 68 Jordanian dinars ($97) per person per month, and one in six refugee households lives on less than $40 per person per month. Many need to spend considerably more than what they earn to meet their basic needs and are having to rely on a number of alternative coping strategies, such as the use of savings or reliance on social networks of families and friends. In addition, 1 in 10 refugees resides in informal housing considered precarious and close to half (47 per cent) of refugees live in housing assessed as bad. Particularly adverse coping mechanisms include the withdrawal of children from school in order to find work that will generate income for the family.

As in Turkey, Syrian refugees in Jordan have free access to public services including health and education. Access increased during 2014: 77 per cent of Syrian refugees had access to health care and 53 per cent of school-aged children were enrolled in formal education. However, the Jordanian Government’s decision at the end of 2014 to require Syrian refugees to pay the same rate as uninsured Jordanians for health care will place additional burdens on already overstretched household incomes. Furthermore, due to the prohibitive costs associated with obtaining work permits, the vast majority of refugees survive on irregular, informal employment as well as aid and humanitarian assistance provided by the UN and other international agencies. This is particularly the case for those living outside the camps. Like in Lebanon, the adverse conditions for Syrian refugees have aggravated pre-existing problems with unemployment, poverty, quality of basic services and infrastructure.

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47 Precarious settings include tents, caravans, basements and rooftops. UNHCR (note 466).

48 UNHCR (note 466).

Conclusions

The Syrian conflict has had catastrophic consequences for Syrians and there is no end in sight. Beyond the devastating humanitarian situation, they are becoming increasingly vulnerable to a wide range of extreme socio-economic problems. For the millions who have lost family members, homes and livelihoods, the future looks increasingly troubled.

The future for Syrian youth also appears bleak. Robbed of their childhood and denied the opportunities for dignified lives, they are becoming highly vulnerable to exploitation and radicalization. Indeed, anecdotal evidence is showing that they are being radicalized and recruited for combat.

Finding ways to address the socio-economic fallout of this conflict is paramount for humanitarian and political reasons. With each day that passes, the potential for further regional destabilization with global repercussions grows exponentially.