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The National Agenda for the Future of Syria



**The Strategic Policy Alternatives  
Framework (SPAF)**

**Syria Post-Conflict**

**English Synopsis**

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# Foreword

**In 2012, less than a year into the conflict in Syria, it became evident that the need to look into the roots of the conflict and measure and anticipate its effects, is indeed imperative for us to be able to contribute to mitigating its impact.** Five years later, the impact the conflict is of an immense scale, and the return of millions of displaced, reconciliation and reconstruction are among the complex, long-term challenges the country is facing.

Lessons learned from other conflicts, demonstrated the need to develop a vision to guide the future of the country and set priorities for the post-conflict response. This vision will guide the rebuilding of Syria, support the decision-making process, and attend to the special and countless needs of the post-conflict phase. As the idea of contributing to the future of Syria matured and was articulated into a concrete initiative, we developed a set of principles to guide this future vision and constitute a stepping stone for developing a set of policy alternatives to be adopted by the Syrian people once the conflict ends. This is how the National Agenda for the Future of Syria-NAFS Programme was born.

**One of the challenges we faced stemmed from the Programme's uniqueness as we had no comparative experiences from others countries in conflict, and we found no similar case of attempts to create a national agenda before a conflict had ended.** Without any lessons learned from others to lean on, we decided to be creative in our approach while responding to the particularities of the Syrian case.

The first building block of the NAFS approach was establishing the guiding principles of the programme. The first principle was "Syrian ownership" as we agreed that all participants in the Agenda should be Syrians, and that all results and outputs of the Programme should first be at the disposal of Syrians. The second principle was "inclusion as the basis of participation", which meant that we sought participants who are representatives of the Syrian fabric in its entirety. To this end, the Programme invited the broadest spectrum of experts and stakeholders possible to participate, which so far has totaled more than 1400 stakeholders, 165 experts contracted across 57 development sectors and around 200 civil society organizations. The third principle was "the free, normative, and objective dialogue as the basis of the work", and, to this end, a platform was established to serve as a flexible institutional framework for dialogue among Syrians. This dialogue focused on three overlapping areas, the social, the economic, and the governance scenes in Syria.

The second building block or component of the NAFS approach was what we refer to as "validation", meaning that each and every product of the programme, whether background papers, policy alternatives or scenarios for the future of Syria, were revised, updated and ultimately validated through a participatory vetting process with Syrian stakeholders.

Finally, the third building block consisted of continuously revising, adjusting and ultimately improving the NAFS approach to incorporate lessons learned and adapt to the changing nature of the conflict itself.

**The establishment of NAFS reflects the commitment of the United Nations Economic and Social Commission for Western Asia (ESCWA), which implemented this Programme as part of its mandate to promote human development and democratic transition in the region,** especially after the events that the region witnessed as of 2010. ESCWA's commitment to NAFS was the result of its firm

belief that there is a vital need for the organization to capitalize on its technical expertise to analyse the roots and impacts of conflicts in the region.

**The Strategic Policy Alternatives Framework – Syria Post-Conflict (SPAF) reflects the necessity to analyze the past to pave the way for sustainable development and recovery of Syria in the future.**

The document further sums up five years of technical discussions and more than 30,000 pages of research. The document includes an analysis of the internal structural factors that contributed to igniting the conflict and a projection of the various scenarios of how it may end. Also included are the principles that the Syrians involved in Programme agreed upon as the foundation for a future vision for Syria post-conflict, as well as the main policy options and alternatives to achieve it. With the launch of the SPAF Document, it is the aspiration and hope of the NAFS Programme that the document will inform and stimulate a debate among all Syrians regarding the future of their country.

**Over the course of the past four years, the work of NAFS has borne many fruits.** The Programme has produced a series of reports and studies, which addressed key aspects of the conflict, some of them prepared with internationally renowned academic institutions. We have launched reports in collaboration with regional and international intellectual centres, and built effective networks with multiple Syrian and non-Syrian players and stakeholders around the world. The programme's reach spans from grass root organizations to the heart of the international intellectual and political dialogue on Syria.

**While this document represents one of the key products of the NAFS Programme, my colleagues and I consider the programme to be, more than anything, a testament to what the Syrian people are truly made of, and a proof of how they are fully capable of overcoming the hardship they are currently going through.** When a conflict of this scale hits a country, it kicks up a lot of dust, making it difficult for the eyes to clearly see the road ahead. The longer the conflict lingers, the more the windows of hope and opportunities become grimmer, and helplessness and despair find their way to our being, which is the case of most Syrians. But when a group of our country's men and women overcame their differences and gathered to find common points of interest, and when a normative and objective lens was used to scrutinize the realities, a rich, intellectual, and creative debate blossomed and they were able to produce a shared vision of their future together. The experience has proved that social cohesion is possible in Syria, and the courageous response of the Syrian people, inside and outside the country, to the horrific conflict further strengthens this belief. These responses represent today the common collective Syrian values, which enabled all Syrians to be flexible and to adapt to the circumstances that the conflict created, day in and day out, using unprecedented creativity and initiative one could write volumes about. Throughout our journey, this gave me and my colleagues the trust in our Syrian society's ability and will to overcome this conflict, to stand up again and take the right and responsibility of restoring what has been destroyed and rebuilding the beautiful Syria we know.

I finally wish to thank each and every person who contributed to preparing this document and for making NAFS into a success story.

Abdallah Al Dardari  
Deputy Executive Secretary  
United Nations Economic and Social Commission for Western Asia

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# Introduction

The National Agenda for the Future of Syria Programme (NAFS) emerged from the firm belief that each and every Syrian citizen has the right and the responsibility to participate in envisioning the future of Syria. The nature and the speed by which the conflict evolved left no room for doubt that the NAFS programme could not be launched soon enough. Studies that addressed the impact of the conflict showed that the physical destruction of houses, infrastructure and human and physical capital alone may be estimated at 95 billion US\$. Cultivated lands were reduced by 40 per cent and more than 11 million people were displaced inside and outside Syria. Research also shows that over 80 per cent of the population is now under the upper poverty line and 29 per cent are below the extreme food poverty line. Millions of Syrians today are unable to meet their basic needs of shelter, food, water, access to health services and education.

## Preliminary assumption, guiding principles, objectives and commitments

The preliminary assumptions of the Programme are (a) Despite the scale of destruction caused by the conflict, Syrians are still capable of rebuilding their country, (b) Notwithstanding the type of governance, administration and economic system Syrians agree upon within the framework of an inclusive peace, the preservation of the territorial integrity of Syria is fundamental, and (c) Creating a vision for Syria 2030 is a voluntary, participatory process, which is launched, managed, agreed upon and owned by Syrians. The Programme follows a set of guiding principles of human rights, citizenship, democracy, social equity and justice, the rights to balanced sustainable economic development and prosperity, and the right to peace and stability. The Programme has adopted an inclusive and participatory approach and, as a result, this document was developed by Syrians and for Syrians.

The Programme has three objectives: First, create a platform for Syrian experts to produce a comprehensive National Agenda on policy alternatives addressing the most pressing social, economic and governance challenges during Syria's post-conflict phase of recovery; Second, develop networks and partnerships between Syrian and regional stakeholders as well as international partners to facilitate and advocate for post-conflict transition in Syria; and, Third, strengthen the capacities of Syrian stakeholders from all walks of life to actively and effectively participate in post-conflict recovery and transition in Syria.

The Programme has three commitments: a normative commitment to draw a future vision and political options for Syria in the post-conflict phase, an inclusive commitment to involve Syrian experts based on technical merit as opposed to political affiliation, and finally, a commitment to reach out to stakeholders inside and outside Syria to verify the validity of the process and the results of the Programme.

## The Structure of the Programme

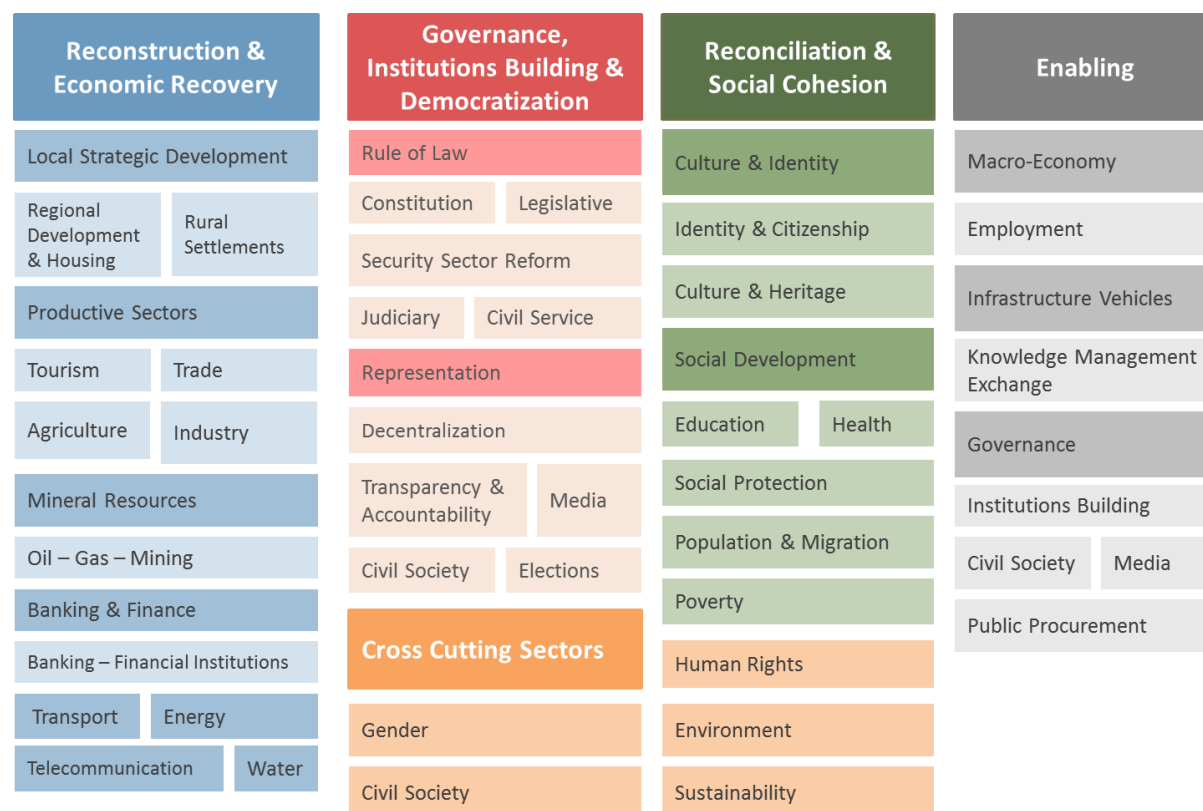
The design of the SPAF document reflects the overall design of the NAFS Programme.

The temporal scope of the document includes both the peace-building phase and the state-building phase. The peace-building phase is estimated to last for the first three years following an agreement,

and is characterized by prioritizing effectiveness over efficiency. The ensuing state-building phase, estimated to last seven years, emphasize effectiveness over efficiency.

### Sectors, working groups and the system-based approach

The substantive scope of the SPAF document, and more broadly the NAFS Programme, encompasses 52 development sectors, divided into 3 interlinked pillars, with an additional 5 cross-cutting sectors. For each sector, NAFS established a working group of between 5 and 15 Syrian experts to produce background papers, situation analyses and policy alternatives.



To link together policies across sectors in a coherent way, the NAFS Programme adopted a framework designed to show the division of the sectors' workgroups, while at the same time reflecting a systems-based approach. This systems-based approach stressed the interactive and interdependent nature of sectors and looks at them as a matrix of inter-reliant domains, the sum of which forms the overall policy alternatives framework.

The approach differentiates between two types of policies:

- **“Delivery policies”** are policies of sectors, which deliver a service or value, e.g. agriculture, industry, education, health, elections, security sector.
- **“Enabling policies”** are "vehicle" policies, which lead to the implementation of the "delivery policies", e.g. infrastructure, macro-economy, and governance .

The framework has an additional layer of “quality control” as NAFS guiding principles (page 6 of the synopsis) and the cross cutting themes (human rights, gender, civil society, environment and



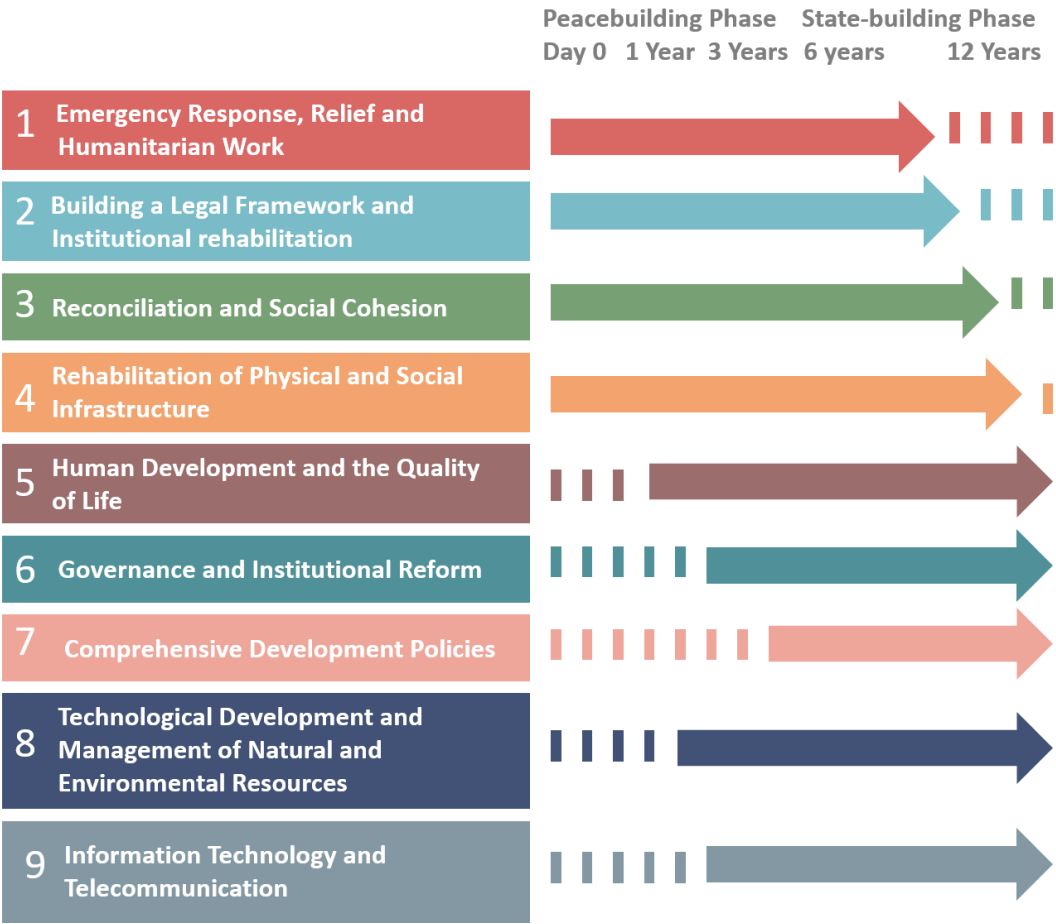
sustainability) were standardized and mainstreamed across the policy alternatives (both delivery and enabling policies). In this way, the experts ensured that the policy alternatives of all sectors adhere to universal standards of human rights and take into consideration gender empowerment, to take two examples. Finally, to implement this approach in practice, the experts developed an "Inter-relationship Matrix" for every sector, the purpose of which was to give weights (strong, medium and weak) to the relations between the sector they are working on and the other sectors.

### From sectors to nexus

To better capture the inter-linkages and inter-dependencies and go beyond a silo-approach (sector by sector), the sectoral policy alternatives where restructured, revised and reshuffled according to a nexus-based approach which relied heavily on the inter-relationship matrixes.

While informed and inspired by the SDGs, the nine nexus developed by the Programme (see illustration) were tailored to meet the requirements of a country in conflict and sequenced according to what the key priorities will be during the peace-building and the state-building phases.

The nexus reflect the direct link between peace and security on one hand, and economic and social development on the other, taking into consideration the likely volatile and interactive context . As such, “implementability” is a main characteristic of the proposed policy alternatives.



Since start-up in 2012, the Programme has gone through three stages of work: the analysis of the economic, social and governance-related roots of the conflict, the policy needs assessment report, and the development of policy alternatives and future scenarios. The achievements of these three phases are briefly presented in the following:

#### **Stage one: Analysis of the economic, social and governance-related roots of the conflict**

This phase resulted in the Inception Report of the Programme and an in-depth analysis of the possible causes of the conflict. During this phase, the Programme undertook the following activities:

- Stakeholders meeting from all areas of expertise and all political affiliations.
- Expert group meetings with participants selected for their technical merits to discuss the roots of the conflict.
- More than 40 expert discussion papers to cover the priorities defined by the stakeholders and experts during the meetings.

#### **Stage two: Policy gaps needs assessment**

During this phase, we selected a number of sectors on the basis of a pre-defined set of criteria in order to define the policy gaps before and during the conflict. The policy needs assessment and the policy gaps it identified served as the basis for developing policy alternatives.

#### **Stage three: Development of policy alternatives and future scenarios**

During this phase, policies were divided into two categories depending on whether they related to what the Programme defined as two separate but overlapping phases of the post-conflict era, the peace-building and the state-building phase. The focus of the peace-building phase was described as ending violence, building legitimacy, regaining the rule of law, social stabilization and building the foundation for the structural and institutional change to achieve democracy and development. The overall aim of this phase would be to execute agreed upon political, economic and social reform and mitigate risks which may threaten the newly achieved and vulnerable peace. The outputs of the peace building phase would then form the inputs for the state-building phase, which will respond to the root causes of the crisis, and sustain the fragile peace with a new social contract, which will result in gradually rebuilding the Syrian State as per the vision developed within SPAF.

### **The significance of the Programme**

The NAFS Programme gained its significance for multiple reasons. First, the Programme itself represents a way forward from the conflict, away from fighting and polarization and towards thinking of the future, reconstruction and cohesion. It became evident that Syrians sharing a “round table” and discussing their future is in itself a step to build trust and hope, which are pre-requisites to end the conflict.

## Limitations of the NAFS Programme and the SPAF Document

The NAFS Programme does not claim to have the authorization to speak for any party, establish plans for any party or impose solutions to the Syrian conflict. The Programme is merely defined as an open platform for all Syrians, as long as they abide by the Programme's statement of ethics (see textbox) and participate in setting priorities, raising concerns, and proposing solutions related to the future of their country.

### NAFS Statement of Ethics

The programme is meant to present the various national and regional stakeholders with viable solutions and **workable scenarios** to serve as an alternative discourse to the discourse of belligerence dominating the discussions at the moment. The findings of the policy papers are **not meant to substitute political discussions** and are not in any shape or form meant to impose solutions, nor to support or undermine the legitimacy of any stakeholder. Therefore, the Programme will have **an open and inclusive approach** to engaging all stakeholders in the process. However the Programme is bias towards those in breach with **the universal principles of human rights**. The programme is developed by ESCWA in collaboration with various partners within Syria to anticipate technical challenges facing the post-conflict transition especially with consideration to their impact and implications on regional development and stability.

Similarly, the SPAF document did not examine the very specific internal and external factors that directly triggered the events in 2011, but rather focused on the internal structural factors that contributed to igniting the conflict. The document also refrains from elaborating in detail what the future of Syria could look like as determining this is up to Syrians to decide. Rather, the document examines the impact of the conflict and approaches the policy proposals from a macro perspective.

## Chapter 1

# The Context of the Conflict

The introductory chapter looks at the characteristics of the conflict and contextualizes it geographically and historically.

The chapter gives a brief introduction to Syria looking both at the plurality of the Syrian social fabric, characterized by diversity with multiple ethnicities, religions, sects and languages. The chapter also looks at the rich history of the country, listing the multiple shifts of power, from the fall of the Ottoman Empire, via the French Mandate, until independence, with a particular focus on the State and nation building process in the country.

The chapter further gives a general overview of some of the socio-economic characteristics of the country prior to the outbreak of the conflict. Syria's population was estimated at 24 million.<sup>1</sup> Compared to the neighboring countries, access to health services was high, food poverty minimal, and, despite waves of immigration, the population pyramid remained young due to relatively high fertility rates. Population density was the highest in the Damascus and Aleppo governorates, especially after the drought of 2007 and 2008, which greatly affected the agricultural sector. Furthermore, the Syrian economy witnessed a transition from a socialist economic model to a social market economy model.

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<sup>1</sup> Statistical abstract, Syrian Bureau of Statistics, 2011

## Chapter 2

# The Structural Root Causes of the Conflict

This chapter addresses the most significant social, economic and governance-related internal structural factors (root causes), which contributed to the making of the conflict. It is the view of the experts and stakeholders involved in NAFS that achieving a sustainable reconstruction and reconciliation process should address these internal structural factors, which directly contributed to the outbreak the conflict. Not addressing these root causes of the conflict puts the country at risk of conflict relapse. Therefore the analysis of the root causes, presented in full in the SPAF document and summarized below, were a key part of the process of developing the policy alternatives for post-agreement reconstruction and reconciliation in Chapter 6.

### Governance in Syria before the conflict

For over a quarter of a century, Syria had an authoritarian state characterized by extreme centralization of power with little room for either inclusion or accountability

The state substituted notions of participatory inclusion and societal and legal accountability with clientelistic relations through the Baath Party and other informal relations to power. As for the three branches of government (constitutional, judicial and legislative) Syria's **legal structure** violated the principles of separation of powers by centralizing power in the hands of the executive branch and giving it authority or veto power over both the legislative and judicial branches.

At the **institutional** level, the geographic imbalance in favor of empowering the centre, the institutionalized gender inequality in all spheres of state administration, and a culture of ideological commitment rather than meritocracy amongst civil servants, deformed the nature and function of state institutions. While there were attempts to make institutional reforms, these were slow and incomplete, as well as compromised by existing networks of interests and the interference of the security sectors. Willingness to reform the institutions was generally low stemming from the fear that reforms, especially political ones, could cause the state to lose its support and control over its popular base, and that potential layoffs within the public sector could increase unemployment, itself leading to instability at the national level.

**Civil society** in Syria was marginalized for decades, and was not allowed to participate in governance related issues such as protection, advocacy and accountability. While there were some attempts to look

into possible reform of the legal framework within the civil society functions, security fears remained an obstacle.

**Women** had limited access to the decision-making process. The first National Population Report in Syria (2008) described women's participation as "the silent representation". Women were prohibited of forming non-governmental organizations, according to the Organizations Law of 1958, and the Personal Status Code was discriminatory against women.

In the decade that preceded the conflict, 124 **media** organizations were licensed by the ministry of information to operate legally, with an additional 333 media websites with *de facto* permission to operate without a license. Media laws in Syria did not mention or regulate the access and use of social media in its articles, yet the Syrian Electronic Crime Law deals with cases of "breach", in the use of various social media platforms. Independent print press were subject to unaffordable fees and frequent law suits by the Arab Advertising Establishment.

## The Syrian economy before the conflict

### General factors

The collapse of the Soviet Union in the nineties, one of the country's major economic allies, caused a hit to the trade sector. The Government did not respond in a timely manner to create new economic partnerships and open new markets due to unreformed structural economic deficiencies.

The first wave of economic reform (early 2000s) wavered between the goals of achieving economic growth on one hand and a destabilizing macro-economic model on the other. Inherited structural factors from the pre-reform era were not dealt with, which slowed down the reform process. The economic growth that was achieved during this first wave of reform relied heavily on traditional sectors such as agriculture and extractive industries, sectors which themselves relied on environmental factors and international oil prices, respectively.

The second wave of economic reform (2005 onward), similarly fluctuated between stabilizing the social market economy model, comprehensive planning and achieving economic growth on one hand, and the lack of balanced development on the other. Despite unfavorable regional and international circumstances, the second wave of economic reform was able to achieve notable economic growth and reduced inflation, which was reflected in relatively stable exchange rates of the Syrian pound against the USD and the Euro. This notwithstanding, the development achieved was unbalanced and reforms resulted in some adverse result, as new policies were not gradually phased in or accompanied by institutional reforms.

### Structural Economic Factors

Major changes affected the **structure of the Gross Domestic Product (GDP)**, as important sectors (such as agriculture) regressed and gave room to new sectors with insignificant return on development and low productivity, such as real estate and services. These sectors remained unregulated and corrupt, and compromised economic reform efforts as well as efforts at achieving food security at the national level.

Furthermore the now-privileged private sector relied heavily on quick-win investments rather than long-term investments in industry, tourism, creative economy, information and infrastructure.

**GDP per capita** increased slightly from 55.4 thousand Syrian pounds in 2000 to 58.2 thousand Syrian pounds in 2006, but remained relatively low compared to the region. Projections show that, if economic activity had continued in the same manner without introducing economic reforms the per capita share of GDP would have increased in a slower pace in the years after 2006.

Major challenges faced **public finance** during the first decade of the millennium, chief among them the decline in public revenues, due to a parallel decline in oil revenues. Despite introducing new taxes, such as the consumer spending tax, the state proved unable to improve tax collection effectiveness, close tax evasion gaps and to increase income tax revenues due to slow public sector performance.

To address the declining **public revenues**, the Government shifted attention towards increasing taxes (income tax, property tax, foreign trade and miscellaneous fees) as a source of income for the state budget, as a result of the continuous decline in oil production and oil revenues.

During the decade before the conflict, **public spending** policy was designed to bridge the gap between spending equilibrium and public sector investments. The Government had to cut public spending due to the aforementioned decline in revenues, which directly affected commitment to standards of wages and public sector transfers, and therefore development spending and growth.

As for **public debt**, Syria was one of the lowest internally and externally indebted countries, which meant that the Government was capable of meeting its current and investment spending commitments on the medium-term. This provided the Government with additional possibilities for financing more long-term infrastructure projects through internal and external borrowing. While internal and external debt was low, the public debt policy in Syria lacked transparency on debt volume and debt service schedules.

The **monetary policy** performed reasonably well in the first decade of the millennium by maintaining the stability of the exchange rate and mitigating its extraordinary fluctuations, while building concrete reserves, controlling money supply growth, and thus, inflation. After having been closed since 1981, the Money and Credit Council was reactivated in 2002 to manage monetary policy and the Central Bank regained the power to determine the exchange rate of the Syrian pound. New monetary and banking laws were issued which allowed the granting of licenses to private financial institutions, such as insurance companies, commercial and Islamic banks. The Damascus Security Stock Exchange was reopened in 2006. Monetary policy did not however abandon the basic monetary policy tools such as the reliance on legal reserve ratio in managing money supply, determining exchange rates, and interest rates margins on discretionary basis.

Lending to the private sector grew approximately 8-fold between 2001 and 2010. On the liabilities' side, deposits clearly evolved, especially time, saving and foreign currency deposits that increased by 300 per cent during the same period. The Consumer price index also maintained an average rate of around 5 per cent between 2000 and 2010 with the exception of 2008 when inflation rate jumped to more than 15

per cent due to the global increase in food prices, which coincided with lifting a big portion of the energy subsidies in Syria during the same year.

The total volume of **investment** projects doubled as measures were taken to encourage private investment, such as reducing income tax and simplifying administrative procedures for project licensing and entrepreneurship. Private investment growth rates exceeded those of the public sector to account for more than 60 per cent on average of GDP during 2000-2010. However, the private sector's share of total loans granted by the banking sector in Syrian pound and foreign currencies remained lower than the share of the public sector (43 per cent vs. 57 per cent) on average during 2006-2010. Most of those were commercial loans to finance business operations. However while investments and investors' enthusiasm increased due to the reforms, the investment climate suffered from major deficiencies related to heavy bureaucracy and corruption.

## The social scene in Syria before the conflict

### General observations

In the period leading up to the outbreak of the conflict, the Syrian society was characterized by a **critical class division**, and the society could arguably be divided into three components or social segments. The first segment is what can be referred to as the marginalized social group, which remained at the lower level of the economic ladder, busy with day-to-day survival with little or no access to education or business opportunities. This segment of the population primarily resided in rural areas remote from the big centers or in informal settlements around the larger cities. The second social segment, which is the lower-middle working class had limited or modest resources and better access to education, but still with limited access to employment and opportunities. This social group resided in rural areas, small cities, and underdeveloped governorates remote from the more urban centers. The third social group benefited from the economic and social transformations and with closer interactions and relations with the state, regardless of the level of education. This group formed in the big cities and included traders, businessmen, and business owners, who adopted the values of consumerism. Across the three groups, there were people who advocated for the values of citizenship and civil society, but never had the chance to form a stand-alone group.

**The social structure was subjected to the pressures of authoritarian models of governance**, within which social interaction, cultural expression and human action were limited within a narrow and strictly defined scope. This in turn contributed to sustaining these highly authoritarian and centralized models for decades, and empowering it to control and enforce top-down social changes.

**The State's desire to create false notions of unity and to suppress difference in the name of nationalism resulted in a lack of active citizenship** and unfit management of **cultural diversity**. This contributed to the creation of a hidden social contempt beneath the banner of a "unified national identity", instead of human expressions of diversity.



**There was a lack of social justice and unbalanced social development** among the different regions of the country, among the cities and between urban and rural areas, was most apparent in differences in the levels of social development, including differences in poverty rates, differences in access to services, and differences of social and economic empowerment and capacity building targeting both public institutions and local communities alike.

**Traditional development planning** was primarily focused on the spread of social services horizontally rather than improving the quality of these services and setting measurable social indicators, leaving the elimination of poverty and social protection behind.

### Structural Social Factors

State policies did not adapt to or mitigate some of the key challenges related to **population** growth, population distribution and migration that the country was facing. Fertility rates remained high with the population increasing with almost 650,000 yearly. The population remained unevenly distributed with as much as 44 per cent living in Damascus, Rural Damascus or Aleppo governorates. A third challenge was the lack of efficient policies to regulate migration (especially youth migration) and to create linkages with the community of Syrian expatriates abroad.

The **labor market** did not grow at the same speed as the population, with the two major economic sectors, agriculture and extractive industries, in decline. There were attempts to reform the social protection system, with the introduction of new initiatives such as a food ration system (following the waves of drought in 2008) and a cash transfer programme (2011). Income-generating programmes were established, but did not successfully include the most marginalized members of society. Social insurance schemes were also established, which covered a wide range of insurance plans such as work injuries, retirement, and death among others, but did not cover unemployment and easy-access health insurance. These limited attempts at reform notwithstanding, the social protection system – the state's social security net - was unable to catch those falling outside the labor force. While there was a modest increase in average wages from 2000 to 2005, it did not match however the growing needs of Syrian families as the cost of living steadily increased. In addition to growing inflation, the Government lifted subsidies on essential goods and services such as water, electricity and petrol products.

While there was a **moderate increase in wages** in the five years leading up to the outbreak of the conflict, it **did not match the increase in the living costs** due to inflation, the lifting of some of the Government subsidies, changes in consumption patterns and a high population growth rate that demanded direct support from the Government. While the period saw economic growth and higher rates of return on economic development, the circle of poverty and marginalization expanded, as returns were unequally distributed and the majority of Syrians did not have easy access to high paying jobs in the labor market. Only a quarter of the population had access to opportunities resulting from economic growth, which shifted the social mobility from horizontal to vertical and deepened the income gap between the richest and the poorest.

Reports on Syria's progress towards reaching the Millennium Development Goals (MDGs) considered the education indicators in the country to be the highest in the region before the outbreak of the

conflict. These indicators expressed the quantitative aspect of education, but failed to cover its qualitative aspects. The Government attempted to improve the status of the education sector, but did not manage to treat it as a strategic component of development. During the decade before the conflict, education was made compulsory and free from grades 1 to 9 and the percentage of enrolment rate rose, but the situation varied across governorates. Education policies in the decade before the conflict focused on improving internal efficiency, such as reducing the average number of students per teaching staff, but did not manage to mitigate high dropout rates.

Public institutions for higher education were unable to absorb all the demand on education services by the increasing number of young people finishing secondary education. Over 20 per cent of secondary school graduates were unable to enrol in higher education. While authorizations were given to open private universities in 2001, high tuition fees made it close to impossible for students with limited income or from a poor background to attend.

As for the curricula and the approach to learning in both primary, secondary and higher education, it was highly influenced by Ba'ath Party ideology with a focus on rote memorization in a top-down manner, rather than empowering students to seek knowledge. While there were attempts to 'modernize' the curricula across all levels of education and to introduce up-to-date modules into textbooks, students remained 'recipients' instead of becoming active participants in creating and exchanging knowledge.

Despite the increase in the percentage of public expenditure on education from 18 per cent in 2006 to 19 per cent in 2010, it actually regressed as a percentage of the gross domestic product from 5.6 per cent to 5.2 per cent between 2006 and 2010 – one per cent lower than the neighboring countries and the international average. This affected, among other things, professional development and salaries of teachers.

Moving from education to **public health and health security**, the Government of Syria attempted to improve access to **public health services** in the decade that preceded the conflict, with disparities in access and quality among the regions. This notwithstanding, major structural problems remained, such as the lack of a unified referral system that governs the health sector and the weak legislative environment of the sector. This reflected negatively on the quality of the health services, as the lack of coordination, especially between the public and the private sector, hindered full access to health services and burdened the people with the cost of private health services. While the private sector's contribution to the provision of health services was gradually increasing under the lack of regulation of the quantity and quality of services, the public sector suffered under decreasing public spending. Health policies were unable to close the gap of geographical disparity and achieve health justice and performance standardization.

Another structural problem within the public health system was the inadequate geographical distribution of health services. Most hospitals were built in urban centres and rural and remote areas did not have hospitals with comprehensive services. This negatively affected national health indicators, such as morbidity and mortality rate and life expectancy in these areas. In sum, the improvements that were

introduced to the health sector prior to the conflict did not mitigate the impact of the structural problems in the system.

Finally, taking a look at the **basic services**, the housing sector did not manage to respond to the ever growing needs of a rapidly growing population, and did not match the changes in livelihood patterns, which moved many services from being classified as “luxury” to becoming basic needs. Limited-income Syrians did not have access to affordable and decent housing, which resulted in the mushrooming of informal housing in the belts surrounding the big cities. Access to water services increased from 86 to 89 per cent between 2001 and 2011, while the per capita share of safe water decreased 91 to 72 cubic liters. During the same period, access to sanitation services increased to reach 98.6 per cent, while disparities in access remained between the rural and urban population.

## Chapter 3

# Impact of the Conflict

Chapter three looks into the most significant social, economic and governance-related impact of the conflict. The longer the conflict lasts, the more deep-rooted related challenges will become in Syrian society and the more difficult and expensive the process of addressing them, will become. Assessing the depth and details of the impact of the conflict is a prerequisite for identifying policy deficits, developing policy alternatives for future reconstruction plans, and avoiding conflict relapse. Therefore, the policy alternatives proposed in this first edition of SPAF (Chapter 6) are designed to respond to the immediate, medium- and long-term impact of the conflict.

### The Impact of the Conflict on the Governance of Syria

The duration, intensity and scope of the conflict in Syria have had a detrimental impact on the country's institutions and governance structures. Existing problems, such as institutional bottlenecks, have deepened. Latent concerns, such as lack of civil liberties, freedoms and inclusive growth, have been exposed. And new challenges, previously dormant in Syrian state and society, have emerged, such as political polarization and the rise of extremist thought and practice.

On the other hand the emergence of an active civil society, an independent media, and, a more open societal debate about core political, economic and social issues, inarguably constitute a positive development and should form building blocks for inclusive and participatory, short- and long-term, reconstruction and recovery in the post-agreement phase.

While the state adopted **constitutional reforms** in 2011, it did not carry out a serious inclusive dialogue with stakeholders and reforms were narrow, non-participatory, slow and lacked coherence.

While some of the **state institutions** proved resilient during the conflict, others saw a sharp decline in performance or completely ceased to function. Stagnant and slow government institutions were not able to properly function due to both the armed conflict and structural problems related to governance and administration. As a result, there was a complete breakdown in the social contract between the state and the people. In the areas that fell under the control of non-State actors, state institutions were no longer able to meet their basic responsibilities such as imposing the rule of law, providing basic services and organizing the public space. In some areas, this gap was filled by new governance structures or by civil society. That being said, the Government continued to provide salaries and pay incentives to an estimate two million public servants even in areas outside their direct control at the time of writing (January 2017).

As mentioned, areas outside the state's direct control, as well as some areas still under state control, witnessed the emergence of **new governance structures** in the form of local councils. These councils

focused mainly on service provision, administration, mediation and coordination with donors outside Syria but often lacked coordination with other councils, which in some cases led them to be responsive to powers outside the sovereign borders of the country.

As the Syrian **civil society** gained an active role primarily after the conflict erupted, their roles and responsibilities focused, to a great extent, on governance-related initiatives and social advocacy, addressing human rights, release of detainees and democratic reform, and, contributing to re-establishing an active and participatory citizenship. Syrian civil society has come to play a major role in peace-building by contributing to cease-fire negotiations on the ground, and, coordinating and moderating dialogue among conflicting parties, both independently and in collaboration with the Office of the UN Special Envoy to Syria. In sum, major structural transformations have taken place in regards to Syrian civil society as their roles have expanded and as activists have become essential contributors to the peace process.

While women are among the most vulnerable to the impact of the conflict, their contributions have been an integral part of the response, as many have played an active role in protection issues, social and political negotiations, peace building and civil empowerment.

Alongside the rise of civil society, the country witnessed a proliferation of Syrian media outlets, both traditional media such as television and radio, as well as the expansive use of social media platforms, such as Facebook, Twitter and YouTube. A survey of new Facebook users in the Arab world found that between January 3 and June 25 2012, a total of 1,376,112 new users were added in Syria.<sup>2</sup> The rise of new media outlets, both traditional media and social media, has had a dramatic impact on the Syrian society in both positive and negative ways. On the one hand, the Syrian society gained greater political awareness, taboos have been broken, and serious and rigorous political, social, cultural discussions become a fact of everyday life. New media outlets have also brought forth new and diverse ideas, which otherwise would not have an outlet for expression in Syria. They have contributed to attracting large numbers of people into citizen journalism, online commentary, and exposed them to others working in similar domains. On the downside, the proliferation of new outlets has contributed to, rather than bridged, the deep schisms in Syrian society. Previously, Syrians were largely exposed to the same news, commentary and political discourse regardless of whether they agreed with it or not. However with the proliferation of unregulated and at times unprofessional new media outlets a culture of agitation and extremely partisan news outlets has risen. There is also arguably a crisis of authenticity stemming from the lack of third party verification of most news that appears on social media.

Another major impact of the conflict is arguably **the rise of “war economy” and “war lords”**. Multiple reports indicate that corruption has increased since 2011 in many areas and sectors. This is partially due to the rise of a war economy that has been driven by the proliferation of militias, both in the areas under the control of the Government and non-State armed groups. The war economy, based on competition for smuggled goods, black markets, control over natural energy resources and foreign funds

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<sup>2</sup> Social Media in the Arab World: Influencing Societal and Cultural Change? Governance and Innovation Program, Dubai School of Government, July 2012.  
[https://www.researchgate.net/publication/230709418\\_Social\\_Media\\_in\\_the\\_Arab\\_World\\_Influencing\\_Societal\\_and\\_Cultural\\_Change](https://www.researchgate.net/publication/230709418_Social_Media_in_the_Arab_World_Influencing_Societal_and_Cultural_Change)

(intended for either humanitarian or militaristic purposes), has been entrenched as the crisis has continued. Although smuggling, especially along the Turkish and Lebanese borders, can be traced back to before 2011, these illegal economic links were further fortified by the rise of armed opposition militias and the fragmentation of the country into areas under the control of either Government or non-State armed groups, which necessitated the rise of local, informal economies rather than a unified national economy.

## The Impact of the Conflict on the Economy of Syria

The impact of the conflict on the Syrian economy has been disastrous. Decades of development achievements were lost, the infrastructure of the economy wrecked, and, the productive basis and human and physical capital were destroyed. Figures show that Syrian GDP contracted by 56 per cent between the years 2010 and 2016. As a result, by the end of 2016, the total accumulative losses caused by the conflict were estimated at 327.5 billion USD, of which 227.5 billion USD were losses in the **Gross Domestic Product (GDP)** and an additional 100 billion USD loss in capital reserve. In late 2016, the military battle in Aleppo alone increased the physical capital loss at the national level by almost 15 per cent compared to the 2015 national rate.

Physical capital, which is the main element of the productive base of any economy, sustained colossal damages, mostly affecting the housing and construction sector, the losses of which stand at almost 30 per cent of the total losses. Eighteen per cent of the losses are in manufacturing, and 9 per cent are in extractive industries, and another 9 per cent in utilities (electricity, water and sanitation).

Looking at the structure of the GDP, the contribution of the agricultural sector to the GDP increased from 19 to 26 per cent during the first four years of the conflict. While the sector greatly deteriorated during the conflict, as indicated by the now widespread food insecurity, the increase is largely due to the even sharper decline of other sectors' contribution to GDP, the manufacturing sector chief among them. Most other sectors, such as internal trade, tourism, transportation, banking sector, insurance, real estate, financial services, have similarly deteriorated and suffered major losses.

Looking at the effect this has had on people's **livelihoods and family spending**, as prices have increased, the local currency has depreciated, food products decreased due to sieges and the deterioration of the agricultural sector, and the **spending ability of the average Syrian family has sharply declined**. In some areas the national average increase in the price of national food baskets has sky-rocketed to reach 62.1 per cent of its original price in 2015, with even higher prices in besieged areas such as Deir Ezzor where the price has reached 978 per cent. It is now estimated by the World Food Programme that 71 per cent of Syrian families (with regional disparities) are now below food poverty line, which is the minimum income needed to secure the caloric intake sufficient for a healthy and active life.

**Public spending** has increased by 65 per cent between 2010 and 2015, resulting in a dramatic increase in fiscal deficit. Public revenues have declined by 66 per cent during the same period of time, largely due to a decline in oil revenues (68 per cent) non-oil revenues (65 percent, out of which tax revenues by 60 per cent and the rest non-oil non-tax revenues by 71 per cent).

At the same time, current public spending increased with 121 per cent between 2010 and 2015, while capital spending (including development projects) decreased by 67 per cent during the same period. The

fiscal deficit caused an unprecedented catastrophic increase in the public debt which reached 750 per cent of pre-conflict rates.

The **foreign trade sector** paid a large price during the conflict due to the collapse of the productive basis of the economy, the slowdown of the economic activities in most of the productive sectors, and the unilateral economic measures against Syria. Exports and imports declined by 89 and 60 per cent, respectively, between 2011 and 2014.

Increased military spending, economic sanctions, and, a large drop in exports and tourism revenues, all lead to a great decline in the official foreign currency reserves. It is estimated that during the first three years of the conflict, the Central Bank of Syria used more than 14 billion USD of the reserve which was estimated to between 22 and 24 billion USD before the conflict. The Bank's interventions to affect the supply and demand in the foreign currency market failed to stop the decline in the Syrian pound exchange rates.

## The Social Impact of the Conflict

### General Social Impact

The conflict has had a detrimental impact on the social fabric with **exhausted social capital, collapse of cohesion** as well as harmful **new social dynamics**. This has manifested itself in extreme societal polarization, and coupled with the negative economic and governance effects discussed previously, has resulted in deep and possibly long-lasting schisms within society.

On the upside, groups of Syrians have challenged these divisions and polarizations by encouraging more mature social dynamics and promoting an active citizenship and human rights as the basis for a new social contract, within which Syrians can unleash their potential.

The **displacement of Syrians** has also brought forth new challenges as well as resilient responses. The millions of Syrians who became **refugees** have been met with incredibly difficult circumstances, in many instances, sustaining inhumane living conditions or death, poverty, abuse and trafficking. At the same time, the Syrian diaspora has shown amazing resilience and impressive adaptation skills, showing achievements in science, business, sports, and arts, strengthening the common sense of belonging to the "Syrian persona".

**Syrian civil society**, for its part, has seen both increased social contribution while suffering from a lack of strategic planning. The rise of **Syrian civil society** during the conflict has been one of the major elements that has contributed, and continue to contribute, to safeguarding Syrian social cohesion. Initiatives, organizations, charities, legal, educational and research centres have been established to deal with the impact of the conflict and to work for a long-term future for Syrians. Syrian civil society, however, arguably lacked the ability to strategize and create sustainable long-term impacts in some cases.

Looking at **Syrian women** in particular, they have found themselves **enduring increased suffering while also increasing their social contribution**. During the conflict, Syrian women have been direct and indirect targets of public and institutional violence. Many Syrian women and girls have suffered detention, kidnapping, trafficking and domestic violence, at much higher rates than prior to the conflict.

Many Syrian women, however, became active agents for change and challenged the impact of the conflict. They became bread winners, heads of households, and played a role in safeguarding Syrian identity through education and culture and oral history documentation. In the public sphere, Syrian women were able to equally assume their role in Syrian civil society and in social, economic and political activity taking place inside and outside Syria.

### Structural Social Impact

Population reform policies implemented in the decade before the conflict were not effective as fertility rates increased and the population distribution was altered in non-productive ways which led to the country failing to capture the hoped-for demographic window

By 2015, more than 6.5 million Syrians, about one third of the pre-war population, were internally displaced. About 6 million **refugees** fled to neighbouring countries such as Lebanon, Jordan, Iraq, Turkey and Egypt, 5 million of whom are formally registered. In some of the host countries, economists saw the number of Syrian refugees' influx as a threat to the host country's economy, and as a result the host state implemented very strict measures and practices to limit the social and economic activities of the refugees in their countries, which resulted in an ever narrowing window of opportunity to manage their means of survival. **Displacement** has also caused families to split apart, with children most affected due to deteriorating health, lack of opportunities to continue their education and the general difficulties of the situation psychologically. The large number of refugees additionally caused drainage of Syrian human capital, particularly noticed among health and education services providers.

The impact of the conflict on the **labour market** has been catastrophic, with existing employment opportunities reduced, little new job creation, lack of safe work environment, huge decline in the purchasing power of the Syrian pound (thus decline in the value of wages), and an increasing unemployment rate (55 per cent in 2014), caused by losses in the national economy and the purchasing power of the local currency, and the absence of security in vast areas of the country. Due to the continued conflict many Syrians have resorted to illegal **coping mechanisms** relying on violence as a source of income, such as robbery, kidnapping for ransom, and joining one side of the conflicting parties motivated by financial need and not by political conviction. Other Syrians resorted to legal but unsustainable sources of income, such as self-employment, financial transactions from family or friends abroad, humanitarian aid, loans, financial reserves and selling productive assets.

Low economic activity in most sectors, losses in income sources and work opportunities, sharp increases in the prices of commodities due to decline in local currency's purchasing power, economic siege and the imposed unilateral economic measures, all contributed to pushing the significant sections of the Syrian population below poverty lines. At the time of writing this document, the percentage of the Syrian population living under the general poverty line has risen to 83.4 per cent, of which 54.2 per cent are under the extreme poverty line. The poverty gap increased to a national average of 16.3 per cent. About 13 million Syrians (3.8 million men, 3.7 million women and 6 million children) are now in urgent need of humanitarian aid of some sort.

The conflict laid a heavy toll on the **education** sector and priority has shifted from reform to managing school attendance and keeping children and staff safe while in schools. After five years of conflict, a



whole generation is now at risk of losing its opportunity to get an education. Enrolment rates inside the country declined from 96 per cent to less than 75 per cent in 2015, due to displacement, shelling and bombing, loss of infrastructure, and drop in the number of teachers and education staff.

Temporary school dropout is expected to lead to permanent dropout among a large group of school pupils. The disruption of education has a clear negative impact on the well-being of children, affecting their self-esteem, social interaction skills and ability of self-expression, which creates longer-term social burdens. The Government is attempting to continue delivering education services, and education is being provided in many of the areas no longer under the control of the Government. The curricula, however, differ from one area to the other depending on the type of military, political and cultural control. The Government kept paying salaries for teaching staff well into the conflict and in all governorates. However, , even when it is forced by violence and armed conflict, is faced with reductions in wages, which burdens the teachers and leaves them unmotivated to teach.

The deterioration of the **health** situation in Syria manifested itself in a multi-faceted manner as health services and sector damages have reached disastrous levels. Hundreds of thousands of lives were lost due to the armed conflict, lack of electricity and access to safe water, lack of access to medication and treatment, spread of diseases and malnutrition, drop in vaccination coverage, chronic diseases such as heart conditions, diabetes, and cancer due to displacement and the decrease in medical staff numbers due to migration, injury, detention, or death. Essential components of the health care system are now absent and health infrastructure has suffered major destruction with more than half of all hospitals directly affected. In 2015, 34 per cent of the hospitals were out of service, 14 per cent were partially functioning, and almost a third of the hospitals were completely destroyed. The lack of medication, spare parts, and trained medical staff, the increased number of patients due to internal displacement, and the increase in the number of disabilities caused by war injuries all burdened the remaining functional hospitals. Nationally, the number of patients per doctor increased from 661 in 2010 to 1442 patients in 2015.

**Basic services** have taken a major hit during the conflict, even in areas not directly impacted by the ongoing armed conflict and are considered relatively safe. Lives of many Syrians became almost impossible due to violence, besiegement, and discontinued basic services such as safe drinking water, proper sanitation, electricity, and fuel for heating.

## Chapter 4

# Possible Scenarios of the Conflict Ending in Syria

Chapter four takes a balanced look at the future by reviewing the most likely scenarios for how the Syrian conflict could end. One scenario was selected as the most likely one to guide the design of the policy alternatives to have a realistic starting point for reconstruction and recovery.

### The Formulation Process of the Possible Future Scenarios and its Standards

NAFS believes that governing Syria is the sole right and responsibility of its people, which is why the process of formulating scenarios for the conflict ending in Syria was done through a participatory process. This process resulted in the following:

- Developing future priorities that could be achieved under the chosen scenario and the conditions that the scenario provides for peace and state building.
- Developing policy alternatives and their respective priorities and projects their feasibility given existing conditions.
- Enhancing the platform of strategic dialogue that NAFS forms so it would contribute to the discussions regarding peace and state building and the existing challenges and needed response.

Setting the weights of key actors was an essential part of the process drawing up the possible scenarios. The interests of political elites, economic elites, the military and security institutions, regional and international powers, armed groups, religious groups and social structures, and their interactions, were all taken into consideration while developing the scenarios. The process also focused on defining spoilers that reject the option of a civil unified state in Syria, and whose interests reside in the prolonging of the conflict.

An analysis of both the regional and international climate and balance of powers between regional and international players was included in this process as they clearly influence the peace process, transition, and state building which will eventually take place.

The process of defining the scenarios was a technical and methodical process, at the heart of which is the diagnosis of the conflict dynamics and impacts. As such, there was little room for wishful thinking, but rather a reliance on an in-depth analysis of opportunities and challenges to lay a reasonable and objective foundation for the peace-building and state-building phases.

The process of defining the possible scenarios, therefore, went beyond projecting “possible futures” to actually drawing up possible roadmaps. The aim of this exercise was to provide decision-makers with

solid and calculated future options that would strengthen a transitional process and prevent possible conflict relapse, as well as create a base line for the future policy alternatives. Multiple scenarios were eventually defined and the scenario considered most relevant, appropriate and probable for the future of Syria was chosen. The timeframe assumptions were that the peace-building process would last up to three years proceeded by, and overlapping with, an estimated seven year long state-building phase.

### The Creative Narrative Approach

To create the scenarios the Programme chose a creative narrative approach where it engaged a group of Syrian experts with a broad spectrum of expertise in brainstorming sessions to define the elements of the possible scenarios, such as main players, defining factors, spoilers, opportunities and challenges. This process was backed by a series of supporting discussion papers produced by the Programme's network of experts.

Through this exercise, the experts defined possible roadmaps for possible futures. These roadmaps defined the type and scale of interventions and policies, which are to be chosen for the peace-building and state-building phases.

### Five possible scenarios

The following five scenarios were developed, of which the experts chose the second scenario to guide the development of the policy alternatives:

#### Scenario 1: "the best case scenario"

A peaceful resolution of the conflict with regional and international consensus is reached, and the conflicting parties agree on a political settlement and what this entails of preparations and policies for the post-agreement phase that ultimately achieves security sector reform and responds to the needs of the peace-building and state-building phases.

#### Scenario 2: "the second-best scenario"

A peaceful resolution for the conflict is reached with lingering hostility between parties, or new limited conflicts emerging over division of power, influence and resources.

#### Scenario 3: "the linear scenario"

The conflict will continue as is, and a linear projection of what might happen in the near future is required.

#### Scenario 4: "the worst-case scenario"

The conflict will worsen and spoilers will cause the impact of the conflict to further deteriorate, which compromises the peace process and causes the total collapse of the state.

#### Scenario 5: "the least-possible scenario"

The conflict ends with a military victory of one of the conflicting parties, within a context of a regional war.

## Chapter 5

# Principles of a Future Vision for Syria 2030

Chapter five presents the basic principles for creating a vision for Syria 2030 as agreed upon by the participants of the NAFS programme.

These principles were used to set forward-looking priorities for the policy alternatives (Chapter six).

### The Principles of the Future Vision (Syria 2030)

The principles of the Future Vision for Syria 2030 are based on four fundamentals: Syria is a unified country, Syrian society is capable of rebuilding Syria and achieving comprehensive development, Syrian society has roots that are deeply founded in human civilization and diversity, and Syria has a unique geo-political position which gives rise to specific challenges which need to be taken into consideration.

### The boundaries of the vision

The principles for the vision were agreed upon by Syrian experts and stakeholders involved in NAFS as a unified vision of their country to be shared, discussed and form the core of a broader, more extensive social dialogue. Adopting it (or not) is solely the decision of the Syrian people and the Syrian society.

### The Principles of the Future Vision for Syria 2030

1. All components of Syrian society seek to **achieve a voluntary, safe and dignified return of the displaced Syrian people**. Return is treated as a long process of reintegration that involves the rehabilitation of millions of lives, which leads to the rehabilitation of Syrian social capital and towards achieving the long-term development of the country.
2. Syria is a country where political **will is carried out solely through peaceful means** and regulated by inclusive and empowered democratic institutions. Ensuring the safety and security of the people is a major priority. Both peace and human security find in national reconciliation the foundation for nationally-owned peace building and state building processes. Priority should be given to rebuilding the culture of peace and eliminating structural violence.

3. Syria is a country built on full active citizenship where the [diversity of the people is protected and fully empowered](#).
4. Syria is a country founded on the principles of solidarity and mutual support to ensure cohesion and inclusive development of solid [social capital](#).
5. All Syrians are [represented and empowered](#) in the public sphere in compliance with the agreed upon principles of [active citizenship](#).
6. Syria is a country of [inclusive and balanced representation](#) in all fields.
7. The national economy supports [comprehensive, balanced, citizen-centred development](#), which provides social protection to all segments of the population, and includes citizens in all aspects of the development process.
8. Syria is a country with a qualified public administration that [deserves the citizens' trust](#). A comprehensive, inclusive and transparent national administrative structure is established with subsidiarity and [administrative decentralization](#) as its key principles.
9. Syria is a country striving to achieve a [balanced and just recovery](#). This entails the [physical and social reconstruction](#), generating knowledge and innovation to [sustainably](#) administer and protect resources, and making use of information technology and communication to [consolidate peace-building and support growth](#).

## Chapter 6

# Strategic Principles of Peace-building and State-Building Phases

Chapter six of SPAF addresses the policy alternatives for both the peace-building and state-building phases. The policy alternatives are structured into nine nexus, which should be adopted today to lay the foundation for the post-conflict phase. Each nexus has seven components; the vision of nexus, logic of the nexus, nexus policy alternatives, timeframe, main players, enabling vehicles and nexus challenges. In this summary, each nexus' vision and logic are shown. For a more complete and more detailed overview of the policies, see the complete SPAF document.

### From building peace to building state institutions

In order to strengthen the peace-building process and achieve a successful transition to the post-conflict phase, mechanisms are needed to ensure national ownership and participation in managing the peace process and stabilizing the socio-economic system. This system aims to protect the social fabric against the marginalization of the Syrian people, and build the foundation of good governance and comprehensive security reform, which are the bases of political reform, building democratic institutions and establishing the rule of law.

This requires redefining the role of the state post-conflict as a social state, the private sector to incorporate social responsibility, and civil society and social movements as active participants in the decision-making process. To this end, structural changes are required to sustain peace and move towards development in the peace-building and state-building phases.

### Peace-building Phase

Policy alternatives for the peace-building phase are designed to secure a safe transition from conflict to post-conflict while preventing conflict relapse. Specifically, the policies proposed for this phase are designed to address the roots of the crisis (Chapter 2 of SPAF), deal with the human and development impact of the conflict (Chapter 3 of SPAF), and start the establishment of a new social reality which ensures dialogue and conflict resolution through peaceful means. During this phase it is also essential to focus on rehabilitating institutions and local communities to ensure political, economic and social safety and security.

By its very nature, the peace-building phase has a short-term focus, while reinforcing the transition needed to achieve medium- and long-term social reconfiguration and state-building. In cases such as the Syrian conflict, which has had a devastating impact on people, society, state and structure, the peace-building phase will likely be extended and focus on humanitarian aid, settlement and reintegration of the displaced, improvement of living conditions and provision of basic services. During this phase, NAFS has chosen to distinguish between a) emergency and humanitarian aid, and b) rehabilitation and infrastructure reconstruction. Emergency and humanitarian aid includes relief work, settlement and reintegration, disarmament, security sector reform, reconciliation, income generation, basic services and social protection. Rehabilitation and infrastructure reconstruction goes beyond the physical rebuilding of structures to include issuing legislative frameworks needed to write or revise the constitution, the provisions for judiciary independence, election laws, media and information laws, constitutional councils, observatory, and establish systems to ensure accountability as well as to ensure transparency and build the foundation of good governance and human rights-based development.

## State-building Phase

The experts involved in the NAFS programme believe that state-building is a political and economic process aimed at establishing and solidifying a new social contract post-conflict. More than a purely technical process, this is a process with the long-term future vision of the country at its heart. It aims at producing a genuine transformation of the state based on respect for active citizenship and human rights, and which responds to the aspiration of the Syrian people. The State, in this context, assumes its institutional roles with professionalism, objectivity and neutrality in a way that ensures social justice. The State governs available resources well and encourages the values of solidarity, unity and common interest in development returns.

## Policy Alternatives Nexus

For more on the methodology and build-up of the Nexus, see page 8 of the Synopsis.

## Nexus 1: Emergency Response, Relief and Humanitarian Work

### Nexus 1A – Voluntary Return and Reintegration

**The vision:** Every Syrian who was displaced or migrated due to the conflict, including all those who are not registered as refugees in host countries, has the right to a safe, dignified and voluntary return to their homes (or to any other location inside the country they voluntarily choose to return to), within reasonable timeframes as part of the conditions of a comprehensive and consensual political solution. The return of Syrian displaced and refugees should be durable and post-return policies should include reintegration and participation in the society as part of the new social contract. All returnees are to be rehabilitated and empowered to rebuild their lives.

**The logic:** Case studies from other countries who have underwent conflict and seen mass migration, indicate that an average of 30 per cent of displaced and refugees return after the conflict ends and a political settlement is achieved. Should this be the case in Syria, the number of returnees expected to return once the conflict ends would likely amount to between 3 and 4 million. To achieve the vision of a safe, dignified and voluntary return of this scale, policy makers should map and address the challenges mass return will entail, including legal and practical procedures for leaving host countries, the travel itself, and settling down inside Syria. Policy makers should also look into the existing coping mechanisms of both the displaced and the states to improve the livelihoods of Syrians and build on and sustain their positive results. The successful return of Syrians can only be achieved when inter-linked with long-term reconstruction policies transforming return initiatives into sustainable local development plans.

### Nexus 1B – Local Response

**The vision:** Local response will achieve food security, alleviate poverty, and seek comprehensive and inclusive economic development. To succeed, the empowerment and inclusion of women and youth is imperative, as is addressing issues of property rights, access to water and employment.

**The logic:** Policy alternatives for local response aim to reduce the negative impact of the conflict by responding to basic local needs of local communities, displaced and returnees, and to help the affected communities to avoid further poverty, marginalization and reliance on humanitarian aid. Policy making will need to cover important aspects such as providing income to those who lost their jobs during the conflict, building the local communities' infrastructure, providing services, and building local capacities to attain early recovery. Vulnerable groups should be empowered and encouraged to participate, in order to better understand and respond to the needs of the local population.

## Nexus 2: Building Legitimacy and Political Reform

**The vision:** Achieve a political agreement that guarantees a comprehensive transition and a consensual process to reform the governance structure and rehabilitate the political institutions in a representative manner. A culture of democracy is built and practiced, mutual political trust is re-established among the main political players, and the rule of law, equality and citizenship is established.

**The logic:** The overall objective of this nexus is to develop effective mechanisms to sustain peace and protect it, and to enhance the state's legitimacy by sustainably developing its capacities to face basic governance demands. Case studies from other countries which have underwent conflict indicates that the risk of conflict relapse is five times higher in countries which has just reached peace than in those having emerged from conflict 10-12 years earlier. Accordingly, all policies of the peace building phase should be evaluated on the basis of its possible impact on reducing or increasing the chances of falling back into the conflict.

## Nexus 3: Reconciliation and Social Cohesion

**The vision:** National reconciliation in Syria is a continuous process, which starts with national peaceful democratic consensus and necessitates, and goes beyond, peace and state-building. All parties should be held responsible for their contribution and/or involvement in the conflict and the affected people



have the right to claim justice, equality, and citizenship within the new social contract. All Syrians are invited and encouraged to contribute to reconciliation and sustainable peace and the reconciliation process should be a national process. The aim is for Syrians to realize that, even through years of conflict and its devastating toll, it is in their mutual interest to move forward to pave the way for reconciliation, sustainable peace and development.

**The Logic:** Social and national reconciliation can only be achieved if military hostilities end and an inclusive comprehensive political solution is reached. Commencing the rebuilding of the country and putting it back on the track of development are other key prerequisites for reconciliation. Reconciliation in that sense is not only an objective in itself, but a result of a comprehensive effort to establish a new social contract. The nexus assumes that all other nexus and sector policies in this document are designed to serve achieving reconciliation and peace-building.

#### **Nexus 4: Rehabilitation of the Physical and Social Infrastructure**

**The vision:** All Syrians can resume their lives and benefit from the services provided by the rehabilitated infrastructure, including the internally displaced and the returnees. Availability of rehabilitated social and physical infrastructure represents achieving a basic human right, rule of law and good governance. It also represents a just and balanced development that directly contributes to stability, peace building and reconciliation at the local and the national levels.

**The logic:** It is imperative to embark on reconstructing the social and physical infrastructure as soon as possible after the conflict ends so all Syrians, including displaced and returnees, can resume their lives and benefit from the services provided. Reconstruction further contributes directly to stability, peace-building and reconciliation at the local and the national levels. The reconstruction effort needs to take into careful consideration the possibility of funding gaps when setting priorities.

#### **Nexus 5: Social Protection and Development**

**The vision:** Achieve social development that balances rights and responsibilities within the social contract, which has the Syrian citizen at the heart. It is built on the principle of humans' security, their welfare, justice and equality. Development that serves an empowered and active social capital that contributes to building a society that is demographically balanced, socially stable and developmentally enabled to achieve recovery and rebuilding. It is a development that empowers people, especially the most vulnerable and poor, to attain their basic needs. It is in that sense comprehensive, participatory and establishes a human network that carries and protects long-term social cohesion and national reconciliation.

**The logic:** The Social Protection and Development Nexus relies on the social contract and on the international declaration of human rights that guarantees equal access to public services and the right to social protection and to access to quality health and education, and other social development-related rights. As the responsibilities of active citizens lie within the abidance by the rule of law and active participation in the public and political life and in governing the society, a balanced social contract is

achieved through the ability of the state to achieve citizens' rights, through direct intervention, institutional and social capacity building and investment in human capital.

## Nexus 6: Good Governance and Institutional Reform

**The vision:** Establish a process to rehabilitate public institutions, coupled with administrative decentralization, which allows the national administrative structure to be comprehensive, participatory, transparent, accountable, result-based, and achieve gender equality.

**The logic:** Public institution rehabilitation and decentralization are major elements of the new social contract during the peace building phase. An efficient public service and public sector that work according to standards of good governance are at the heart of public administration. Civil service is situated between the citizen and the government. The citizens' trust in the government is enhanced when public servants are able to provide services in an efficient and timely manner, are accountable and adhere to ethical standards, and are responsive to the people's needs. Civil servants are best able to meet the people's expectations, when the service they provide are the closest possible to the local needs. Administrative governance reform should go hand in hand with socio-economic development.

## Nexus 7: Comprehensive Development Policies

**The vision:** Achieve a national economy that supports comprehensive development by attaining high and sustainable growth and employment rates, and ensure decent income, help alleviate poverty and reduce unemployment. This could be achieved by increasing productivity and increasing participation of citizen's in planning the development process and not just being subjected to it, to achieve social justice through the involvement of all Syrians, within a framework of balanced regional, local and rural development. This economy relies on diversified production enabled by technology, which invests in renewable national resources and ensures environmental sustainability.

**The logic:** A comprehensive development approach could form a framework for a political economy that enhances the chances of peace and supports economic recovery. The aim is to tackle the social and economic roots and impacts of the conflict in order to put the economy back on the development track and rebuild the state on the long term.

## Nexus 8: Technological Development and Management of Natural and Environmental Resources

**The vision:** Achieve social and economic development through promoting labour-intensive technology and a shift from low-technology to technology-intensive economy sectors, from low to high added-value sectors, and from low to high productivity sectors, resulting in a national economy based on knowledge and innovation. Manage and protect natural resources in a sustainable way, and guide technological and institutional change to guarantee sustainability for generations to come.

**The logic:** Technological, social and economic innovation is at the heart of any socio-economic process. Innovation and technology could be the means to launch economic initiatives and to respond to today's challenges that require changes in the patterns of production and consumption. Innovation is intrinsically linked to the advancement of knowledge to create a knowledge society and knowledge economy, which could greatly contribute to finding innovative solutions to post-conflict complex problems.

## **Nexus 9: Information Technology and Telecommunication**

**The vision:** The optimal use of information technology and telecommunication services and tools in all relevant sectors to support relief work and the provision of needed services to individuals and institutions during the post-conflict phase, and, more broadly, to achieve growth, economic stability and sustainable development.

**The logic:** The IT and telecommunication sector plays a vital role during both phases of peace- and state-building, by providing efficient tools to ensure that basic services are provided to all Syrians, especially in highly affected areas. Digital platforms would supplement traditional platforms for dialogue to encourage active participation and involvement of the public. The sector also provides job opportunities.

## Chapter 7

# Development Priorities and Macro-Economic Model

This chapter deals with the fundamentals of the proposed macroeconomic policies to be adopted in the post conflict stage in order to enable the Syrian economy to stand on its feet again.

### Approaching development priorities and economic and financial intervention mechanisms

The chapter starts by presenting the economic and financial analysis tools for setting sectors' priorities and the recovery scenarios for 2010, using Computable General Equilibrium (CGE) and financial programming models. It then discusses the indigenous drivers for economic recovery scenario in the post-conflict Syrian economy. This is followed by addressing the post-conflict macroeconomic strategy, financing options and macroeconomic sustainability, then concluding by presenting the sectoral priority-setting methodology.

### The economic and financial analysis tools for mapping priorities

In addition to the massive losses in physical, human and social capitals, capital flight, distortion of economic incentives, widespread poverty and worsening unemployment, the Syrian economy is expected to face other major challenges in the post-conflict phase, not least the weak institutional and financial capacities of state agencies within the now deep-rooted war economy and the expansion of the informal sector. As the restoration of economic recovery to push the development wheel is the cornerstone for the restoration and sustainability of social peace, this recovery will not be enhanced without restoring confidence in social, political and economic institutions which will require undertaking the necessary reforms in economic and governance policies.

### Scenario building methodology

The preparation of post-conflict macroeconomic scenarios is based on the scenario for the end-of-conflict as outlined in Chapter 4 (see page 27), which was selected on the basis of being the most realistic and appropriate scenario. In general, different macroeconomic scenarios dictate two major tasks for the economic policy. The first is to make the central objective of macroeconomic policies the restoration of the economic recovery in the medium term and to put the Syrian economy on the path of economic and social development again. The second is to mobilize sustainable sources of funding for the reconstruction process so that it maintains a balance between peace-building priorities and financial sustainability requirements. The sustainability of sources of funding should be based on a fair distribution of burdens among the social segments on one hand and among the generations on the other, so as not to burden the fragile segments of the society and the future generations with debt

servicing burdens which may have serious repercussions which could pose larger risks than the consequences of the conflict itself.

The economic scenarios share 2010 as a standard year, where the size of investments, the policy framework and the time required in each scenario is estimated in a way to ensure the restoration of the economic performance of 2010. The year 2010 was a standard year in many crisis impact assessment and post-conflict studies based on several justifications as the economic and social indicators of the Syrian economy returned in that year to their positive trajectories after the shocks of drought, economic liberalization policies, the global food price crisis and the global financial crisis that raged during 2008 and 2009. However, setting 2010 as a baseline does not mean returning to 2010 figures nor adopting the same policies adopted at that time, and does not prevent the re-evaluation of the results quantitatively and qualitatively and correcting the targets on a normative basis while progressing towards achieving them.

### The economic analysis tools

The Computable General Equilibrium (CGE) model was used to assess the impact of the conflict and to explore the cost of retrieving the economic performance of 2010's scenario. It was assumed that the conflict would end in 2016 and that a reconstruction programme would then begin immediately and within a five-year time frame, while the continuity scenario would be as projected by the IMF in 2010. The reconstruction programme consisted of (a) rebuilding the destroyed capital in each sector, and b) the implementation of the public investment program prepared by the 11th Five-Year Plan in 2011. The Syrian economy was modelled during the conflict, assuming the fragility of the relationship between capital, labor and productivity, as well as the variance of the size of the damage between sectors and over years based on the data collected by the programme. It was also assumed that factor productivity and tax rates would remain at their 2013 levels and that the public investment programme would be frozen. On the balance of payments, it was assumed that the Syrian economy would not receive any remittances from abroad except for borrowing. Domestically, local borrowing was assumed to have ceased, as the model showed that domestic savings had been fully exhausted between 2011 and 2013. Under the assumed reconstruction plan, it is estimated that the capital will reach in 2020 what it would have reached in 2015 had the conflict not occurred. The simulation shows that the GDP growth rate will jump to about 40.6 per cent in 2016 and then stabilize at around 12 per cent in subsequent years, enabling it to return to its 2010 level by 2020. The simulation showed that this could reduce the unemployment rate by 20 per cent while it will remain high at 40 per cent, and that public investment can reach 35 per cent of GDP during the first year of the cessation of armed conflict and settle at 20 per cent and where public investment plays a role in stimulating private investment, which can reach 15 per cent of GDP.

At the external account level, the simulation showed that exports could increase gradually from 2016. In contrast, the reconstruction programme would generate a significant increase in imports, which could reach 57 per cent of GDP in 2016 and settle at 43 per cent of GDP during the following years. During the years of the reconstruction programme, the real depreciation in the exchange rate would exceed 22 per cent. However, with the increase in exports and external flows of external debt, it is likely to expect a

relative increase in the exchange rate of the Syrian pound. In the absence of external grants, public investment is estimated to reach 50 per cent of GDP while total debt is estimated to be 200 per cent of GDP. An important conclusion of this simulation is that as the conflict continues the devastation of capital stability is likely to increase, which increases the cost of the reconstruction process and makes it slower. Even if the Syrian economy had the necessary capacity to absorb the assumed flow of investments, a level of total debt of 200 per cent of GDP will make Syria a heavily indebted country. Moreover, having an unemployment rate of 40 per cent will pose serious challenges to the underpinnings of social stability and peace-building, which clearly shows that the reconstruction process will require creative thinking about different possible development approaches.

In another attempt to estimate the requirements for the restoration of economic performance of 2010, a simplified financial programming model was adopted which takes into account the relationship between gross fixed capital formation and the annual change in GDP. This scenario is based on the assumption that the level of primary investment efficiency (i.e. incremental capital -output ratio, ICOR) at the beginning of 2017 fell to half of its 2010 level due to the various impacts of the conflict, which would make the Syrian economy need, at a minimum, double the rate of increase in fixed capital per year to achieve the same growth rates prevailing before 2011. Accordingly, the Syrian economy will need \$ 200 billion, double the amount of the cumulative loss of fixed capital resulting from the conflict, which is estimated to reach about \$ 100 billion by the end of 2016, to return to the GDP level of 2010. Assuming the gradual improvement of investment efficiency during the post-conflict phase, the absorptive capacity of the Syrian economy is expected to increase progressively within the time frame adopted as the business environment regains its vitality.

The projections show that the Syrian economy needs at least \$ 10 billion to take off in the first year after the conflict (supposedly, 2017) and restore a positive growth rate of 4.4 per cent. The annual increase in investment capacity and the increase in the efficiency of investment is expected to gradually increase to about \$ 25 billion in 2025. The growth rate is expected to gradually increase to 9.4 per cent between 2023 and 2025 but sprightly declines to 8.2 per cent in 2027.

### **The funding gap**

The Syrian economy can restore economic performance over the next decade if external sources of funding are ensured to bridge the gap between the \$ 200 billion required and the self-financing capacity of the economy. In light of this scenario, the financial projections show that the Syrian economy will be able to generate about \$ 74 billion at constant prices. Thus, the Syrian economy needs \$ 126 billion as additional sources of funding to achieve this scenario within the above assumptions.

### **Activating the indigenous drivers for economic recovery scenario in the post-conflict Syrian economy**

The lack of external funding sources for the Syrian economy in the post-conflict phase will undoubtedly slow the response to the conflict and the reconstruction process. Consequently, the Syrian economy may take a period of more than twenty years to achieve the indicators of 2010. This necessitates a search for alternative strategies, the most important of which are the indigenous drivers for restoring

the recovery of the Syrian economy in order to create jobs and generate income. Sectors such as building and reconstruction, particularly housing and infrastructure, and small and medium-sized enterprises are important vehicles to restore economic recovery. What should be noted in such a scenario, however, is a gradual and sequential approach to reform and policy implementation. Creative policies must be adopted to improve the return on private investment and to create mechanisms for the distribution of associated risks.

### **Post-conflict macroeconomic strategy**

While macroeconomic policies are not the main mechanism for achieving social peace, they play a fundamental role in creating the right environment for underpinning and sustaining this peace. One challenge after the conflict will be the need to manage the many trade-offs between the goals of stabilizing social peace and launching the process of economic recovery on the one hand, and maintaining the sustainability of macroeconomic indicators on the other. Therefore, a package of fiscal and monetary policies and procedures that contribute to restoring economic recovery must be designed within the context of good macro-economic risk management. In the medium term, fiscal policy should focus on stimulating public-led growth, which in turn would stimulate private sector recovery and enhance external competitiveness. At the same time, monetary policy should strengthen the role of the financial institutions in mobilizing private resources for investment by promoting asset accumulation (e.g. remittances) in the formal banking system. Strengthening the stability of the exchange rate of the Syrian pound contributes to enhancing its role as medium for exchange and a store of value in the economy, which contributes to the revival of the national financial institutions, restoration of confidence in them, and enhancing the ability of the central bank to implement monetary policy.

### **Financing options and macroeconomic sustainability**

Mobilizing the required resources to restore economic recovery, rebuild the State and ensure sustainable peace, will be a fundamental challenge in the post-conflict period, given the deteriorating economic situation, the diminishing of most domestic sources of finance and the difficulties of acquiring sufficient external sources of funding. Domestic savings can play a role in economic recovery but will remain limited because household savings rates are expected to remain negative in the medium term due to poor income and increased marginal propensity to consume. However, Government savings are expected to increase regularly after the conflict as the share of military spending in public expenditure decreases and domestic revenue gradually recovers.

At the external level, most of the countries that support any of the conflict parties are commodity exporters (mostly oil) such as the Gulf States, Iran and Russia. They face economic difficulties in light of the deterioration of oil prices in the world market below \$ 35 per barrel (at the time of preparing this document). While the EU can make a relatively effective contribution to providing some of the necessary financing mechanisms, it is clear that any formula and size of an international initiative to support the reconstruction of Syria after the conflict will remain dependent on the settlement formula of the conflict in Syria.

There are other strategies that Syria can adopt to ease the burden of reconstruction, such as to renegotiate with multilateral international organizations as the country now falls into the category of low-income countries and qualify for additional facilities to help meet and overcome the challenges of reconstruction. Even if such facilities are not available to support the public budget, they can contribute to raising the burden of funding-specific programmes, such as poverty reduction, the provision of basic goods and services or the restoration of basic infrastructure, provided that aid is managed wisely.

### A methodology for setting sectoral priorities

Macroeconomic and sectoral policies feed into each other. However, as Syria's post-conflict economic policy will be facing a busy agenda of urgent policies and issues, which may divert the sectoral policies from the actual priorities for achieving the inclusive development vision, specific criteria must therefore be adopted to guide the public policy towards its central objectives and to identify sectoral priorities in the short, medium and long term. The main criteria are the following;

- the ability of the sector to provide the basic needs
- the ability of the sector to divert resources away from violence / armament
- the ability of the sector to contribute to restoring economic recovery
- the availability of resources
- the size of destruction in the sector and its impact
- the sector's share of GDP
- the sector share of the workforce
- the institutional capacity of the sector
- the availability of funding for implementation
- the impact of the policy / programme on financial sustainability

Sectoral priorities are identified by executive institutions, led by ministries, after the undertaking of sectoral needs assessment and consultation with stakeholders in developing strategic responses. These institutions can develop a list of priority-setting procedures based on sectoral considerations. NAFS programme carried out a simplified post-conflict prioritization exercise. In the peace-building phase, which is expected to extend to three years or more, the above criteria have been applied to prioritize these priorities. Consequently, most of the major sectors such as construction, manufacturing, domestic trade and various service sectors are ranked in close proximity to the investment spending priorities that are, in their turn, linked to the relevant sector's size of physical capital destruction. Finally, the distribution of investment in the state-building phase is expected to restore its pre-conflict proportions.



# Conclusion

As part of its mandate to promote human development and democratic transition in the region, in 2012 UN ESCWA launched the National Agenda for the Future of Syria (NAFS) Programme to devise viable policy options and practical scenarios that can serve as a foundation for rebuilding Syria, and to define the principles of a new social contract, based on a shared ethical and moral basis inspired and guided by the Universal Declaration of Human Rights.

Extensive consultations and technical discussions with more than 165 Syrian experts from different political, social and economic backgrounds have resulted in the Strategic Policy Alternatives Framework (SPAF) document, which is summarized in this synopsis. Launched in January 2017, the SPAF is a “living document” that will be updated regularly to reflect the broadest spectrum of views, and ensure that scenarios and policies are adjusted to respond to the evolving situation inside the country.

The first chapter of SPAF looked at the **characteristics of the conflict and contextualizes it geographically and historically**. While the main focus of the SPAF is on the internal structural root causes of the conflict, the document underlines external factors which have influenced developments since 2011, such as its geopolitical positioning and the conflict of global interests. While it is becoming clear that the rebuilding and reconstruction of Syria is a process which will be highly influenced by regional and international players, the chapter highlights the importance of Syrians having ownership over the planning, rebuilding and reconstruction of their country and agreeing on a new social contract.

The second chapter of the SPAF looked at **the internal structural factors, or root causes, of the conflict**. The experts and stakeholders involved in NAFS concluded that to successfully achieve social reconciliation and a sustainable rebuilding of the country, the root causes which directly contributed to the outbreak the conflict should be assessed and addressed. The Strategic Policy Alternatives Framework document, looks at both the economic, social and governance-related internal factors.

Among the economic and social factors are rural poverty, unbalanced regional development policies, inequality in wealth, income distribution and access to opportunities and lack of social justice were among the structural factors which created a sense of exhaustion, lack of job security, fear of poverty and injustice among Syrians. These factors resulted in a decline in social trust and solidarity, which pushed Syrians towards marginalization, alienation, and created a confused sense of identity and belonging. As these factors persisted over several decades, the sense of unfairness and inequality accumulating and directly triggered the conflict.

As for governance-related structural factors, institutional weaknesses and lack of good governance was widespread. This caused anger and discontent among Syrians as they felt incapable of practicing their rights in participating in the public sphere, governing their own lives and deciding their own future.

The third chapter of the SPAF looked at the **impact of the conflict** on Syria’s social fabric, its economy and governance structures, which, according to NAFS analysis, has setback the country’s development by 25 years. The longer the conflict lasts, the more deep-rooted these challenges will become in Syrian society and the more difficult and expensive, the process of addressing them, will become. Therefore,

assessing the depth and details of the impact of the conflict is a prerequisite for identifying policy deficits, developing policy alternatives, and avoiding conflict relapse.

The impact of the conflict indicates that challenges in a post-conflict context will be shaped by emerging local needs and priorities. The chapter also concluded that Syrians have shown great innovation and creativity in developing localized responses in all sectors, including, but not limited to, governance, which the Syrian people should approach as opportunities when building a better future. These include creative responses, political activism, an active and willing civil society, and, in many places, social solidarity to collectively face the unbearable daily conditions and conflict circumstances.

The fourth chapter of SPAF looked at **scenarios for how the conflict will likely end** and the methodology developed to create these scenarios. The experts selected one of these scenarios as the most likely one, which then guided the design of the policy alternatives for the peace- and state-building phases for post-agreement Syria. The scenario chosen predicts that a peaceful settlement of the conflict will be reached with lingering hostility between parties, or new limited conflicts emerging over division of power, influence and resources. This reinforces the importance of having a political agreement that reflects the broader spectrum of opinions and views of Syrians, not only of the negotiating parties. The scenario was considered by the experts to be both realistic and preferable to other scenarios developed, because it represented an agreed upon aim to work towards.

Chapter five of the SPAF presented the **basic principles for creating a vision for Syria 2030** as agreed upon by the experts and stakeholders of NAFS. Creating a vision for Syria 2030 should be a participatory process which is determined, agreed upon and owned by all Syrians and Setting principles for a future vision for Syria, is a first step towards creating consensus among the representatives of the Syrian social fabric on a common vision for their future – something NAFS consider to be more of a necessity than an option. Several preconditions need to be realized to achieve this consensus, namely prioritizing the collective national interest over individual interests and acknowledging that there is no way back to the previous social contract. Creating a vision for Syria's future and developing a new social contract is a long process which should be done through a phased approach taking into consideration how challenges change over time. By necessity, priorities will be defined differently between the peace-building and state-building phases.

Regardless of the governance model that the Syrians choose to regulate the management and distribution of wealth in Syria, the future vision of Syria, as well as the SPAF itself, is built on the assumption of **the territorial integrity of the country**. Syria should remain a unified country within its current borders and the governance model of the country should be defined by Syrians through an inclusive political process. This process should lead to the establishment of a strong, inclusive, representative central government and strong and empowered local setups. The impact of the conflict showed that the nature of challenges in a post-conflict context will be shaped by emerging local needs and priorities.

Chapter six addressed the **policy alternatives for both the peace- and state-building phases** for post-agreement Syria. The policy alternatives are structured into nine nexus and were developed taking into consideration the previous chapters. Inspired by the 2030 Development Agenda and the Sustainable Development Goals, NAFS adopted a nexus-based approach to better capture the inter-linkages and

inter-dependencies between sectors and clusters. While informed and inspired by the SDGs, the nexus have been tailored to meet the requirements of a country in conflict and sequenced according to what the key priorities will be during the peace-building and the state-building phases, as identified by NAFS.

While the comprehensive policy alternatives are designed for the post-agreement phase, they could inform resilience efforts today to lay the foundation for the peace-building and the state-building phases. It is the view of NAFS that resilience and stabilization programmes in the neighboring countries need to be accompanied by parallel preparation for peace-making and reconstruction among Syrians inside and outside Syria. The highest number of displaced persons remain inside Syria. The dramatic impact of the conflict and the deteriorating living conditions of Syrians both inside and outside Syria will continue to push people in need towards engagement in war economy, radicalization or seeking refuge in third countries. The international community is invited and encouraged to be creative in designing resilience and stabilization programmes to be implemented in areas of displacement as well as inside the country, through working with partners inside and achieve success stories that could push the peace wheel forward. NAFS will work to support these effort by distilling **elements from the policy alternatives** to develop **Guidance Notes** to inform **stabilization and reconciliation interventions**.



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