



# From Ruins to Rebuilding

**Inclusive Economic Recovery in Aleppo**

## A Window of Opportunity

More than a decade after the onset of conflict, Syria is entering a fragile yet consequential phase. The political developments of 8 December 2024 have contributed to a noticeable shift in the operating environment for businesses across the country. While challenges remain profound, emerging signs of recovery—particularly in major urban centres—are beginning to reshape patterns of human mobility and economic investment.

Aleppo stands at the centre of this transition. Once the economic heart of Syria, the city is again drawing people back—returnees seeking to rebuild their lives and residents striving to restore what was lost. According to a May 2026 [assessment](#) by the United Nations High Commissioner for Refugees (UNHCR), Aleppo recorded 461,914 returning internally displaced persons (IDPs), the highest number across Syria.

This policy brief sheds light on the economic dynamics in Aleppo, with a particular focus on the operating environment for small and medium-sized enterprises (SMEs). The brief is produced by the Syria Community Consortium (SCC), a resilience-focused programme that brings together the Danish Refugee Council (DRC), International Medical Corps (IMC), the Norwegian Refugee Council (NRC), and Oxfam in Syria. Through integrated programming centred on economic recovery—including business training, grants, and livelihood support—the SCC aims to enable sustainable recovery pathways that benefit Syrian communities.

## The Beating Heart of Syria’s Economy Shattered by War and Economic Collapse

For centuries, Aleppo has been more than a city— it sat at the crossroads of trade routes, culture, and industry. As one of the oldest continuously inhabited cities in the world, its history is deeply intertwined with regional and global exchange, including its role along the historic Silk Road trade network.

Before 2011, Aleppo was widely recognized as Syria’s industrial capital. The city hosted a dense ecosystem of small and medium enterprises, with strong specialization in textile, food processing, and pharmaceutical industries. Industrial zones such as Sheikh Najjar formed the backbone of national production, while the historic markets served as vital commercial arteries. Aleppo was also the country’s primary manufacturing hub, accounting for a substantial share—often estimated at around 30–40%—of national industrial output prior to the conflict, according to analyses referenced by the [World Bank](#) and others drawing on pre-2011 data. This economic strength was underpinned by a socially diverse and interconnected population, where livelihoods, trade, and identity were closely linked.

The conflict that began in 2011—and escalated sharply in Aleppo between 2012 and 2016—transformed the city into one of the most devastated urban centres in Syria. Intense urban fighting resulted in widespread destruction of infrastructure, housing, and productive assets. By 2016, large parts of eastern Aleppo, which hosted Aleppo’s key industrial zone, had been heavily destroyed. The United Nations Institute for Training and Research satellite-based assessments indicated that tens of thousands of structures were either severely damaged or reduced to rubble.

Industrial capacity was profoundly disrupted. Aleppo—previously the country’s primary manufacturing hub—saw large numbers of factories damaged, looted, or forcibly closed. According to the [United Nations Industrial Development Organization](#), a significant share of small and medium enterprises across Syria ceased operations during the peak conflict years, with Aleppo among the most severely affected industrial centres. At the same time, national electricity generation declined by more than half compared to pre-2011 levels, as reported by the [International Energy Agency](#), further constraining production and service delivery.

By late 2012, internal displacement in Aleppo increased from approximately 1.6 million people to over 6 million in subsequent years. In 2016 alone, more than 425,000 people in Syria were newly displaced during intensified fighting, and the majority were displaced from Aleppo. Large portions of the city's population fled, while those who remained faced deteriorating services, limited access to basic goods, and collapsing livelihood opportunities. Poverty deepened significantly, with an estimated 90% of Syrians living below the poverty line according to the [United Nations](#). The cumulative impact was not only large-scale physical destruction, but also the erosion of Aleppo's central role in Syria's economy. Production networks fragmented, skilled labour dispersed, and the city's industrial ecosystem—once a driver of national growth—was fundamentally weakened.

## A Fragile Recovery: Reviving Dynamics in Aleppo

The political developments of 8 December 2024 marked a subtle but important shift in the operating environment in Aleppo and across Syria. While structural challenges remain deeply entrenched—including damaged infrastructure, macroeconomic instability, and limited access to finance—there are emerging indications of localized changes in mobility, economic activity, and population movements. [Assessments](#) by the International Organization for Migration indicate increasing return movements to parts of Aleppo since late 2024, while displacement dynamics remain fluid. [Analysis](#) from the Assessments Capacities Project (ACAPS) further highlights that access—including the movement of people and goods—varies significantly by location, reflecting a fragmented and still-constrained environment.

Market dynamics show a similar pattern of partial reactivation. Previously fragmented due to conflict, markets in some areas are now functioning at moderate levels, with goods generally available but affordability a major constraint, according to the [World Food Programme](#). Complementary assessments by the [Food and Agriculture Organization](#) point to localized improvements in market activity, particularly in urban areas where demand is gradually recovering. At the community level, parts of Aleppo are witnessing the reopening of small shops, workshops, and production units—typically at reduced capacity and with limited capital according to a recent labour market assessment conducted by [DRC](#). This reflects both necessity and cautious opportunity, as households seek to restore income and entrepreneurs test the viability of restarting businesses. However, access to inputs, reliable electricity, and financing continues to constrain recovery. These conditions are closely linked to return dynamics. Return is rarely linear: many households adopt phased strategies, with one member returning first to assess housing, services, and livelihood prospects. Aleppo's historic role as an industrial hub remains a key factor, particularly for skilled workers and former business owners, though barriers such as housing damage and limited services continue to hinder sustainable return. Vulnerability is not limited to returnees as those who remained in Aleppo often exhausted their resources over years of crisis. The broader economic context remains a critical constraint. According to the [World Food Programme](#), high inflation, reduced purchasing power, and widespread food insecurity continue to limit recovery. As a result, market reactivation has not yet translated into improved living standards.

Social cohesion is closely linked to economic recovery in Aleppo. Years of conflict and displacement weakened community networks, increased economic inequality, and reduced trust between groups, all of which continue to affect recovery efforts. At the same time, inclusive livelihood and recovery initiatives can help rebuild both local economies and social ties. The United Nations Development Programme (UNDP) [highlights](#) that livelihood support, rehabilitation of local services, and community-based recovery approaches can strengthen resilience and reduce tensions between returnees, internally displaced persons, and host communities. Taken together, these trends point to a fragile and uneven transition rather than a linear recovery. The current moment represents a narrow window in which targeted early recovery interventions—particularly in livelihoods, small enterprise support, and market systems—can help consolidate gains. Ensuring these efforts are inclusive will be essential for sustainable recovery and social cohesion.

## The Consortium's Approach to Economic Recovery

In Aleppo, the Consortium's approach to economic recovery is built on a clear conviction: sustainable recovery must be inclusive, market-oriented, and anchored in the capacities that people already possess. After years of disruption, many individuals retain valuable technical skills, professional experience, and entrepreneurial ambition. The Consortium's role is to unlock this potential and translate it into viable, income-generating opportunities. A defining principle of this approach is non-discrimination. The Consortium's support is guided by vulnerability and opportunity. All Syrians have faced prolonged hardship and privileging one group over another risks deepening divisions at a time when social cohesion is essential. Within this framework, the Consortium places focus on men, women and youth-led businesses and enterprises with social impact. The SCC recognizes the barriers that many people face in accessing finance and markets, and their critical role in community resilience and local economic recovery.

At the same time, interventions are targeted and performance oriented. Beneficiaries are selected through a combination of vulnerability and suitability criteria, ensuring that those receiving business support have the technical competence, experience, and commitment required to manage and sustain a business and that the business module is market relevant. This includes practical assessments of skills, as well as the development and review of business plans. This careful targeting increases the likelihood that investments translate into real economic outcomes, including income generation and job creation. In parallel, SCC also targets vulnerable unskilled youth, providing training and financial support to help them enter the market through start-up opportunities.

Financial support is delivered as part of an integrated package. Enterprise recovery and financial grants are complemented by structured business and financial management training, and business advisory services throughout the project cycle. This continuous engagement enables participants to strengthen financial management practices, improve production planning, and respond to evolving market conditions. It also allows the Consortium to monitor progress, address challenges early, and support adaptive growth. The approach further recognizes and addresses key structural constraints to recovery. Investments often focus on productive assets and solutions that improve efficiency and reduce operating costs, enabling small enterprises to stabilize and expand. This is particularly critical in contexts where access to reliable services—such as electricity or affordable inputs—remains limited.

Importantly, the Consortium views small businesses not in isolation, but as part of the wider local economic system. Supporting individual enterprises contributes to broader recovery by creating employment, strengthening supply chains, and increasing the availability of goods and services. The SCC strategy is grounded in market systems assessments with the aim to support value chains and create business ecosystems that bring people together and enhance collective recovery. As the economy begins to recover in parts of Aleppo, these businesses play a vital role in restoring economic activity.



Women led workshop supported by SCC in Aleppo. March 2026

# The Story of Yehya: From Skilled Worker to Successful Entrepreneur in Aleppo



Yehya at his carpentry workshop in Aleppo , March 2026

Yehya is a carpenter from Aleppo who was displaced from the countryside during the war and later settled in the city as conflict intensified in his area of origin. Over time, he developed strong professional expertise in carpentry, eventually taking on a supervisory role in a factory production line. Despite this experience, his income remained limited and barely sufficient to cover basic living costs and rent.

Seeking a pathway to stability and growth, Yehya applied for support through a structured selection process that tested technical skills and required a clear business plan. Following his acceptance by NRC, he participated in business development training and received a grant to establish his own workshop. This marked a decisive shift from wage employment to entrepreneurship. With this support, he invested in machinery and secured a workspace, allowing him to stabilize his income, reduce financial pressure, and gradually repay debts. Importantly, he was also able to rehabilitate his own home using money from his project's profits, which enabled him to stop paying rent and significantly improve his household's economic stability. A key feature of his business model is collaboration. Yehya partnered with an upholsterer, combining complementary skills in woodworking and textile finishing to respond to furniture orders more efficiently. This partnership strengthened productivity and allowed them to offer more complete, higher-quality products to clients.

Following the government change in December 2024, demand for household goods increased in parts of Aleppo, driven in part by population movements and need to refurbish homes. This created new opportunities for small producers like Yehya, who adapted by focusing on higher-quality, modern furniture designs and strengthening their client base. Rather than competing on volume alone, the business increasingly relies on craftsmanship, reliability, and customer trust. At the same time, Yehya and his partner have begun to formalize their outreach through basic digital marketing, using social media to showcase their work and reach new customers. Their ambition is to establish a dedicated showroom, reflecting a longer-term vision of scaling from a small workshop into a recognized local business.

Yehya's experience illustrates a broader dimension of recovery in Aleppo: the transformation of skilled labour into structured entrepreneurship. It highlights how targeted support can enable individuals not only to restore livelihoods, but also to strengthen housing stability, reduce economic vulnerability, and contribute to the revitalization of local markets in a post-conflict setting.

## The Story of Hussam: Rebuilding a Tailoring Workshop in Aleppo



Hussam showing the skills of his workers in Aleppo. March 2026

Hussam is a tailor from Aleppo who once ran a small workshop in Kallaseh before the war disrupted every aspect of his life. His home and workshop were damaged, forcing him to flee with his family and take up informal work to survive. In 2020, he cautiously began rebuilding his profession, repairing a few machines and resuming work on a very small scale. Yet like many artisans in Aleppo, his business remained constrained by limited capital, weak demand, and the fragmentation of markets.

The government change in December 2024 marked a turning point in his ability to operate. Movement of goods became easier, trade routes—particularly with Türkiye—reopened more effectively, and transport times were significantly reduced. For the first time in years, he was able to reach clients without the delays, costs, and uncertainty that had defined the previous period. Demand began to grow again, and with it, the possibility of rebuilding something beyond subsistence. Through support from the Consortium, implemented via DRC, Hussam received a grant to expand his workshop. He invested in additional machinery and installed a solar energy system, reducing his dependence on expensive and unreliable power generating sets. This investment alone significantly lowered his monthly operating costs and allowed him to reinvest in production. His output doubled, and he was able to employ four additional workers.

The impact extended beyond the business itself. One worker had spent years in hiding, unable to access stable employment due to fear of military conscription. Another had recently returned from Lebanon and found in this workshop his first opportunity to re-establish a livelihood at home. The workshop thus became a space for Syrians, from different backgrounds and experience in the conflict and served both economic recovery and social cohesion in Aleppo. With reduced energy costs—saving approximately \$400 per month—Hussam is now gradually building the foundations for further expansion. His ambition is to move up the value chain, from partial production to full-cycle manufacturing, including textile sourcing, finishing, and packaging. He is also seeking to strengthen his market reach beyond Aleppo, drawing on existing trade networks in Türkiye and Libya to re-establish external linkages. Hussam's experience reflects what targeted, well-structured support can achieve when aligned with shifting economic conditions. It is not only a story of recovery, but of reactivation—of skills, markets, and aspirations that had been constrained for years. For the Consortium, it demonstrates the value of combining financial support with practical investment in productivity, enabling small enterprises to become drivers of recovery in post-conflict Aleppo.

# From Relief to Recovery: Policy Priorities

The current moment demands a decisive shift in how recovery in Syria is understood and supported. While humanitarian assistance remains essential, it is no longer sufficient on its own. A forward-looking approach must prioritize economic recovery as a pathway to dignity, resilience, and long-term stability.

**First, the transition from aid to economic recovery must be accelerated.** Humanitarian support continues to play a critical role in meeting urgent needs, but it must be complemented—and progressively balanced—by sustained investments in livelihoods, enterprise development, and market systems. Supporting people to rebuild income and participate in local economies is essential to reducing dependency and restoring self-reliance.

**Second, inclusion must be placed at the center of all interventions.** Programs must explicitly target both returnees and those who remained, based on vulnerability rather than status. All Syrians have endured years of hardship, and approaches that privilege one group over another risk deepening divisions and undermining social cohesion at a critical moment.

**Third, economic hubs must be prioritized as engines of recovery.** Cities such as Aleppo hold significant potential to drive broader economic revitalization. Targeted investment in industrial zones, markets, and key value chains can generate multiplier effects, creating jobs and restoring economic linkages across regions.

**Fourth, access to finance must be expanded.** Small and medium enterprises remain the backbone of local economies, yet they continue to face severe constraints due to lack of capital. Scaling up access to grants, concessional financing, and business development services is critical to enabling businesses to restart, grow, and create employment.

**Fifth, return must be linked to opportunity.** Sustainable return cannot be achieved through improved security conditions alone. It depends on the availability of livelihoods, access to services, and the ability to rebuild a dignified life. Integrated approaches that combine housing support, basic services, and economic opportunities are essential to making return viable and lasting.

**Finally, social cohesion must be strengthened through shared recovery.** Inclusive economic programming—bringing together returnees and remainees—can play a vital role in rebuilding trust, reducing tensions, and fostering a sense of shared future. Recovery efforts that are perceived as fair and equitable are more likely to contribute to long-term stability.

Aleppo's trajectory reflects both the depth of Syria's losses and the scale of its potential. Its industrial legacy, entrepreneurial spirit, and renewed movement of people and markets position it as a cornerstone of national recovery. The post-2024 context presents a narrow but critical window of opportunity. Seizing it requires a deliberate shift toward inclusive economic recovery that recognizes the needs of all Syrians—whether they left or stayed. By investing in people, revitalizing markets, and prioritizing cohesion over division, policymakers and practitioners can help transform return into renewal—and lay the foundations for a more stable, resilient, and inclusive future.

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