

LABOUR MARKET ASSESSMENT REPORT

SYRIA



Photo by: DRC Syria, 2025

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1. Executive Summary

Syria's ongoing political transition and its reopening to trade and diplomacy are reshaping the country's economic and labour landscape, creating opportunities for recovery while also exposing systemic vulnerabilities. This Labour Market Assessment conducted by the Danish Refugee Council across the governorates of Aleppo, Homs, Dara'a, Damascus and Rural Damascus between August and November 2025, examines three key sectors-agriculture, construction, and textile-to inform market-driven economic recovery programming in the post-conflict context.

The agriculture sector, traditionally the country's largest employer and representing 26% of Gross Domestic Product (ICARDA), is recovering unevenly amid water scarcity, damaged irrigation systems, and rising input costs. Yet, renewed access to land and markets is revitalizing production, particularly of cereals, fodder, and drought-resilient crops. Informality and limited finance constrain smallholder investment, but the sector offers high potential for rapid job creation if supported by infrastructure rehabilitation, expanded access to inputs, technology and introduction of new agricultural techniques, and market linkages which positions Syria yet again as the breadbasket of the Middle East.

The construction sector is expanding due to large-scale reconstruction needs. Medium-sized firms are leading reconstruction projects through formal contracts, subcontracting informal small and micro-enterprises. Instability, persistent inflation, energy shortages, and liquidity crises undermine growth, but demand for skilled labour and potential for reconstruction and rehabilitation projects remain strong.

The textile sector in Syria, once a regional industrial hub, is on a long road to recovery but faces competition from smuggled imports and difficulties in accessing raw materials. Recovery hinges on the availability of modern equipment, improved energy reliability, and restoration of trade networks.

Across sectors, labour markets are dominated by informality, fragmentation (between business to customer and business to business), and gender norms that limit female participation. Targeted investments in skill development and reskilling, and the recovery of micro, small, and medium enterprises (MSMEs) are essential to foster sustainable and inclusive growth. Moreover, support that is coordinated across the Government of Syria, NGOs, other civil society actors, and the private sector, is essential to addressing systems-level gaps and constraints in the agricultural, textile, and construction market systems.

2. Introduction and key findings

The political transformation in Syria, marked by the change of government in December 2024, has ushered in a new era of uncertainty and potential opportunities. This shift has profoundly affected market systems, economic governance, and livelihood opportunities. Key developments include:

- **Transition in governance:** While this transition has introduced stabilization challenges and still requires large governance reforms, it also holds potential for improved transparency, reduced corruption, and more inclusive economic opportunities.
- **Reopened trade routes:** Newly accessible trade routes have revitalized regional commerce, enhancing the availability of goods in key markets. This has led to an initial stabilization in commodity flows and stability in market accessibility, but prices of key commodity items remain volatile.
- **Refugee returns and population movements:** The return of refugees from neighbouring countries and Internally Displaced Persons (IDPs) within Syria is reshaping demographic and economic landscapes. This influx, although uneven, has increased demand for housing, services, and employment and has also infused local economies with skilled labour and entrepreneurial activity.
- **Currency volatility and market adjustments:** Although exchange rate fluctuations remain a challenge, the easing of some economic sanctions and the potential influx of external investments have started to mitigate the worst effects of currency depreciation.
- **Sectoral shifts:** Several economic sectors are undergoing significant transformations. The reopening of agricultural lands, the resumption of industrial activities, and the introduction of new trade partnerships are signs of an economy in transition.

The Syrian economy remains fragile; however, these recent shifts present a window of opportunity to rebuild markets, foster sustainable and inclusive growth, and promote pathways to economic recovery and self-reliance. Within this evolving landscape, understanding these changes is critical to designing effective interventions that align with the new realities in Syria.

The Labour Market Assessment (LMA) conducted by DRC Syria across Aleppo, Homs, Dara'a, Damascus, and Rural Damascus provides an in-depth analysis of the agriculture, construction, and textile sectors, three pillars of the Syrian economy and employment. The objective of the LMA was to identify key economic opportunities, constraints, and market system dynamics to inform policy and market interventions led by duty bearers, civil society and private sector entities.

The LMA reveals that, despite persistent macroeconomic fragility and systemic failures, these sectors are gradually regaining traction, driven by reconstruction, population returns, and increased market connectivity. However, recovery remains highly uneven and constrained by inflation, energy shortages, weak infrastructure, and pervasive informality.

The assessment combined **78 Key Informant Interviews (KIIs)** and **27 Focus Group Discussions (FGDs)** with owners of MSMEs, workers, jobseekers, community members, market actors, and local authorities. It examined market structures, employment patterns, barriers to growth, access to finance, and skills gaps, while integrating gender and youth perspectives. The analysis provides critical insights into the evolving labour market and the potential entry points for interventions to promote economic recovery.



Contextual snapshot of Syria (as of Q4 2025)

The LMA was conducted during a critical juncture in Syria, with the following notable contextual information relevant to the country's labour market and economic recovery. It should be noted that the context continues to be fast evolving.

- The Human Development Index fell from 115th (2010) to 162nd (2025), reflecting a nearly four-decade regression.
- The transitional government (since December 2024) remains politically unstable, with limited territorial control and no public budget yet for social services or infrastructure investment.
- US sanctions were lifted in June 2025, clearing the path for renewed international investment, trade normalization and access to World Bank financing, Ceasar Act was lifted as of December 2025.
- Poverty affects 90% of Syrians, and 16.7 million people (three-quarters of the population) are in need of humanitarian assistance.
- Over 6 million IDPs remain displaced, while 1,144,650 Syrian individuals have crossed back to Syria from other countries between 8 December 2024 and 23 October 2025 (UNHCR)
- Returnees face limited job opportunities, loss of assets, and difficulties reclaiming property due to documentation and land-rights issues.
- Approximately 6 million working-age Syrians emigrated, causing a severe loss of skilled labour.
- Exports have dropped 84% compared to pre-war levels; agriculture now dominates trade (olive oil, cotton, tomatoes, spice seeds)
- Imports of wheat flour, rice, and refined petroleum highlight Syria's dependence on external food and energy supply.
- Several international fairs in agriculture, construction, and textiles have been organized since the beginning of 2025, bringing together various Syrian entities that operated within these economic sectors with investors, as well as local and international private sector actors.

Key findings from the LMA

- **Informality dominates all assessed sectors.** Over 80% of small and micro-enterprises operate without registration, licenses, or formal labour arrangements. This shields them from taxation but excludes them from access to finance, insurance, and legal protection.
- **Youth**, under 30 years old, comprise the majority of the workforce, employed mostly in daily or temporary jobs. Their skill levels are generally low, and the collapse of vocational training infrastructure constrains upskilling.
- **Women's participation remains informal.** Employment is largely restricted to traditional roles, with cultural norms, safety concerns, and lack of childcare options acting as key structural barriers.
- **Wages are low and irregular**, often insufficient to meet basic living costs. Daily workers in construction earn between 7-12 USD per day, while factory and agricultural workers average below 100 USD per month. Payment delays are common.
- Skills gaps are critical, particularly in mid-level technical and craft professions, which are linked to the **collapse of the vocational training system**. Most training occurs informally, skills and often assets being passed down within the family unit.
- **Access to finance** is almost entirely informal for MSMEs. Enterprises rely on self-financing, reinvested profits, advance client payments, or supplier credit. Formal banking is largely inaccessible due to high collateral requirements, opaque procedures, and a lack of trust in financial institutions.
- **Lack of steady, affordable, and predictable access to electricity and fuel** emerges as a universal barrier across sectors and locations. Frequent power outages halt production, inflate costs, and constrain the operation of factories and workshops.
- **Inputs and raw materials costs** are a major issue across all sectors, hindering production due to inflation and fuel shortages, and squeezing the profit margins of MSMEs.
- **Safety standards** are poorly enforced across sectors, with injuries common in the construction sector, while insurance coverage is nearly absent.
- **Agriculture remains the largest employer** in Dara'a, Homs, and Rural Damascus, characterized by seasonal and informal labour, smallholder and family-based farms with very limited mechanization or irrigation.
- **Water scarcity and damaged irrigation systems** are the most critical production constraints for the agriculture sector, while land tenure insecurity persists in some areas.
- There is a **potential for high labour absorption in the agriculture sector** through irrigation rehabilitation, input subsidy programs, smallholder value chain development, local seed production, and small-scale food processing (e.g., dairy, olive oil, cereals).
- The construction sector is dynamic and rapidly expanding due to **massive reconstruction demand**, characterized by interdependence among micro, small, and medium-sized enterprises that creates both efficiency and systemic vulnerabilities.

- Modernization through **green construction and prefabrication** is a viable innovation pathway for the construction sector in Syria.
- Textile factories in Aleppo and Damascus have partially resumed operations, but most small workshops remain **informal and rely on family labour**.
- The **cotton-based value chains** are largely broken, as cotton production has declined by 88%, forcing a reliance on imported fabrics and synthetic fibers. While the revival of cotton cultivation remains a potential pathway for recovery, it would need to be approached cautiously given cotton's high-water requirements in the context of prolonged drought and severely depleted water resources.
- The textile sector in Syria is suffering from **unregulated imports** of cheaper Turkish and Chinese textiles that undercut domestic producers.
- **Local garment production**, embroidery, and tailoring for domestic markets remain a profitable niche, which could be supported by the re-engagement of displaced industrialists and diaspora investors, to boost both capital and expertise.





Photo by: DRC Syria, 2025

3. Methodology and research limitations

The data for this Labour Market Assessment was collected across five governorates in Syria between 31 August and 09 September 2025, focusing on the agriculture, textile, and construction sectors. The methodology ensured robust, inclusive, and ethical data collection to inform responsive programming and policy decisions. The following are key characteristics of the research methodology and noted limitations:

Training and deployment of enumerators

Enumerators were trained by DRC Syria staff in the Arabic language on the 27 August 2025, covering assessment objectives, facilitation skills, ethical standards, and data collection principles. Training emphasized trust-building, sensitive questioning, active listening, and bias avoidance. Teams of two (one Economic Recovery staff and one MEAL/community volunteer) were deployed as follows: Aleppo (3), Homs (4), Dara'a (4), and Rural Damascus (4).

Sampling Strategy

Purposive sampling targeted diverse stakeholders based on sector, employer size, and expertise. The plan included 80 Key Informant Interviews (KIIs): Aleppo (24), Damascus (1), Rural Damascus (19), Homs (17), Dara'a (19); and 44 Focus Group Discussions (FGDs): Aleppo (8), Damascus (3), Rural Damascus (9), Homs (12), Dara'a (12).

Data Collection Tools

Five structured qualitative tools were used that were embedded with gender and youth-specific considerations.

- **Tool 1: KII with Large Employers** (50+ Employees)
Survey documenting employment practices, wage systems, compliance measures, market roles, finance shocks, and resilience strategies.
- **Tool 2: KII with Mid Employers** (5-49 Employees)
Similar themes to Tool 1, but adapted and customized for medium-sized companies.
- **Tool 3: KII with Micro/Small & Self-Employment** (≤5 employees & aspirants)
Survey documenting entrepreneurial challenges, startup dynamics, micro-grant impacts, and socio-demographic factors.
- **Tool 4: KII with System/Market Actors**
Survey conducted with traders, suppliers, financial actors, and authorities to have a comprehensive understanding of supply chains, governance frameworks, market flows, pricing, and financial services.
- **Tool 5: Focus Group Discussion Guide** - Guidance on conducting FGD with workers, jobseekers, and community members. Modular focus group discussions were designed to cover livelihood landscapes, sector-specific information (construction, agriculture, textiles), cross-cutting issues, and participatory exercises.

Data Collection Coverage

KIIs were prioritized to capture timely, expert-level insights on sectoral conditions, service delivery, market dynamics, and operational constraints from relevant stakeholders, including service providers, local authorities, community leaders, and market actors.

FGDs were prioritized to capture community-level perspectives and validate key findings through direct engagement with affected population groups. They provided an opportunity to understand priority needs and access barriers ensuring that the assessment findings reflect lived experiences and support triangulation of information obtained through KIIs.

Key Informant Interviews:

- 80 KIIs were planned, and 78 were conducted (98%). 7 KIIs were not conducted due to accessibility and sectoral challenges, while 5 additional KIIs were conducted beyond the initial planning to address specific gaps identified during the data collection process and the availability of relevant respondents.
- The 7 missing KIIs included: 1 textile mid-size employer in Aleppo, 2 textile market actors in Aleppo, 1 large construction company in Aleppo, 1 construction mid-size employer in Aleppo, and 2 large agricultural employers in Dara'a.
- The 5 additional KIIs consisted of: 1 construction market actor in Aleppo, 1 agriculture mid-size employer in Rural Damascus, 1 large textile employer in Rural Damascus, 1 textile mid-size employer in Rural Damascus, and 1 textile market actor in Rural Damascus.

Focus Group Discussions:

- While 44 FGDs were initially planned, 27 were conducted (61%), following a decision not to conduct follow-up discussions with FGDs, largely owing to the repetition of information obtained through the discussions. Based on this, the adjusted FGD completion rate was 27 out of 28 (96%).

Data Collection Procedures, Data Management and Analysis

Each KII lasted between 1 and 1.5 hours while each FGD was around 2 hours each. Enumerators followed manuals emphasizing effective questioning, accurate notetaking, and participant comfort. Informed consent was obtained, and confidentiality was maintained. Ethical training guided privacy, sensitivity, and trust-building. Qualitative data from KIIs and FGDs were transcribed and coded thematically to identify recurring patterns across sectors and regions. Triangulation between different respondent types and data sources enhanced the reliability of findings. Salaries and market prices were calculated in USD to facilitate analysis, using the official exchange rate of 11,000 Syrian Pound (SYP) to 1 United States Dollar.

Ethical Considerations

All participants were informed of the assessment objectives, and enumerators obtained informed consent before data collection. Confidentiality was ensured by anonymizing responses and restricting data access. Ethical training guided enumerators to respect participant privacy, handle sensitive information appropriately, and build trust.

Quality Assurance and Supervision

Supervisors monitored data collection for compliance and accuracy. Regular check-ins and spot validations helped in identifying and addressing issues promptly. Data entry was reviewed for completeness and consistency. Data was transcribed and triangulated across respondent types.

Limitations of the LMA

The following are some of the limitations of this research that were noted:

- Employer size and labour structures vary significantly across sectors and governorates, affecting the applicability of some tools and requiring flexible data-collection approaches.
- Tool 1 (KII - Large Employers) was not fully applicable in the agriculture sectors in Dara'a, where seasonal daily labour dominates and few large companies exist.
- Participant identification in certain districts (e.g., construction workers in Zokak Aljen, Rural Damascus) posed difficulties.
- Limited participation from government stakeholders in the KII, due to recent change in government structure and not fully assigned roles/responsibilities within relevant departments.
- No cotton producers were interviewed, and the assessment of cotton value chain was limited due to the difficulty in identifying stakeholders engaged in this sector.
- Only one FGD was conducted in the textile sector.
- Geographic coverage limited to DRC areas of operations.



Photo by: Syria Community Consortium, 2025

4. Construction sector

A. Description of the market systems assessed

Over a decade of war and significant infrastructure destruction has left entire neighbourhoods and cities devastated, with bombing destroying buildings beyond repair and requiring full demolition before rebuilding. The scale of destruction affects the reconstruction potential of some areas and raises questions about the disposal of rubble and waste from damaged infrastructure. The war has also damaged transportation networks (roads, bridges, ports), electricity, and water systems, affecting the entire construction supply chain. Factories producing key inputs such as bricks and cement have been largely destroyed and require significant investments to resume operations, limiting domestic output and increasing reliance on imports.

The conflict displaced large segments of the working-age population and interrupted vocational education, sharply reducing the availability of skilled labour. Construction-related small enterprises, including masonry workshops, equipment rental services, and transport operators, were destroyed or forced to close. Persistent insecurity and unexploded ordnance continue to restrict safe access to worksites, preventing many workers from resuming their trades.

The Syrian construction sector faces persistent material shortages and rising costs. Cement import volumes increased by roughly 15 percent in 2025, and prices climbed by about 8 percent, while steel and other essential inputs have also become more expensive due to inflation, sanctions, fuel price hikes, and transport disruptions.

Environmental factors further constrain production, as water scarcity limits the manufacture of bricks and cement. Security conditions remain another critical obstacle. Ongoing violence, Israeli airstrikes, and the presence of unexploded ordnance threaten logistics networks and pose serious hazards to construction workers. Finally, hyperinflation and low household incomes suppress demand, with many families unable to afford repairs or rebuilding, further reducing construction activity and employment opportunities within the sector.

However, the Syrian construction sector is showing early signs of recovery following the fall of the previous government. One clear market signal of this recovery is the May 2025 BuildEx exhibition in Damascus and Rural Damascus, which drew 25,000 visitors and 520 companies, including 200 international firms, followed by the IMAR exhibition in Damascus between the 29th of October and 1st of November 2025. The strong turnout of the first event and the several exhibitions highlight renewed international interest,

opportunities for technology transfer, and the potential for new job creation in the sector. Demand for key construction inputs is also rising. Bricks, cement, sandstone, and steel are experiencing increasing trade volumes and remain competitively priced within the domestic market, encouraging local production, provided that logistical and quality issues can be addressed. Labour market dynamics reflect these developments. Daily wages for construction workers have climbed from about USD 4 to between USD 7 and 12, indicating stronger demand for labour. Returning Syrian workers from neighbouring countries bring valuable sector experience, though targeted vocational training will be essential to equip internally displaced populations with the skills needed to participate in the rebuilding effort.

Overall, the construction market system in Syria is in a tentative rebuilding phase. Significant capital inflows and events like BuildEx point to substantial growth potential, but the sector's full recovery depends on improved security, restoration of infrastructure and water supply, stabilization of prices, and sustained investment in both production facilities and workforce development to revive livelihoods disrupted by years of conflict.

The market assessment related to the construction sector focused on four governorates: Aleppo, Homs, Damascus and Rural Damascus. The assessment consisted of: three medium construction enterprises, with an average of 144 employees each, located in Aleppo and in Homs; ten small enterprises, with an average of 12 employees each, located in three governorates; 11 micro businesses that were all a sole proprietor or family business, located in all the assessed governorates; seven market actors such as head of municipality, construction merchant or engineering firms, across all the locations; as well as a total of eight focus group discussions (FGDs) with construction workers, job seekers and community members.

B. Core actors of systems

The construction sector in the assessed areas of Aleppo, Homs, Damascus and Rural Damascus, gathers market actors of different sizes and technical specialization, with some more generalist construction enterprises and specialized ones like in carpentry, tiling, engineering etc.

The medium-sized construction enterprises surveyed are generalist construction companies, all licensed and officially registered and tend to capture the larger construction or rehabilitation contracts in Syria, in other governorates where they operate through other branches. They have permanent employees and then rely on smaller subcontractors and informal providers for certain inputs and services. These smaller subcontractors are often small and micro-businesses that handle transport, site-level materials, and small-scale services while remaining outside the formal structure. The medium-sized companies also rely on daily workers hired on a contractual basis. All surveyed medium construction enterprises operate at scale, thanks to significant capital investment in machinery, professional expertise and compliance and tend to sustain their operations from project-based contracts with international organisations and government institutions.

While medium companies depend on the subcontracted services of smaller businesses, these small-scale suppliers and service providers are heavily dependent on contracts from larger firms. This dependency however means that when a recession hits medium employers, small and micro-businesses lose their main source of income, reflecting sector-wide vulnerability and limited resilience of smaller businesses in the construction sector.

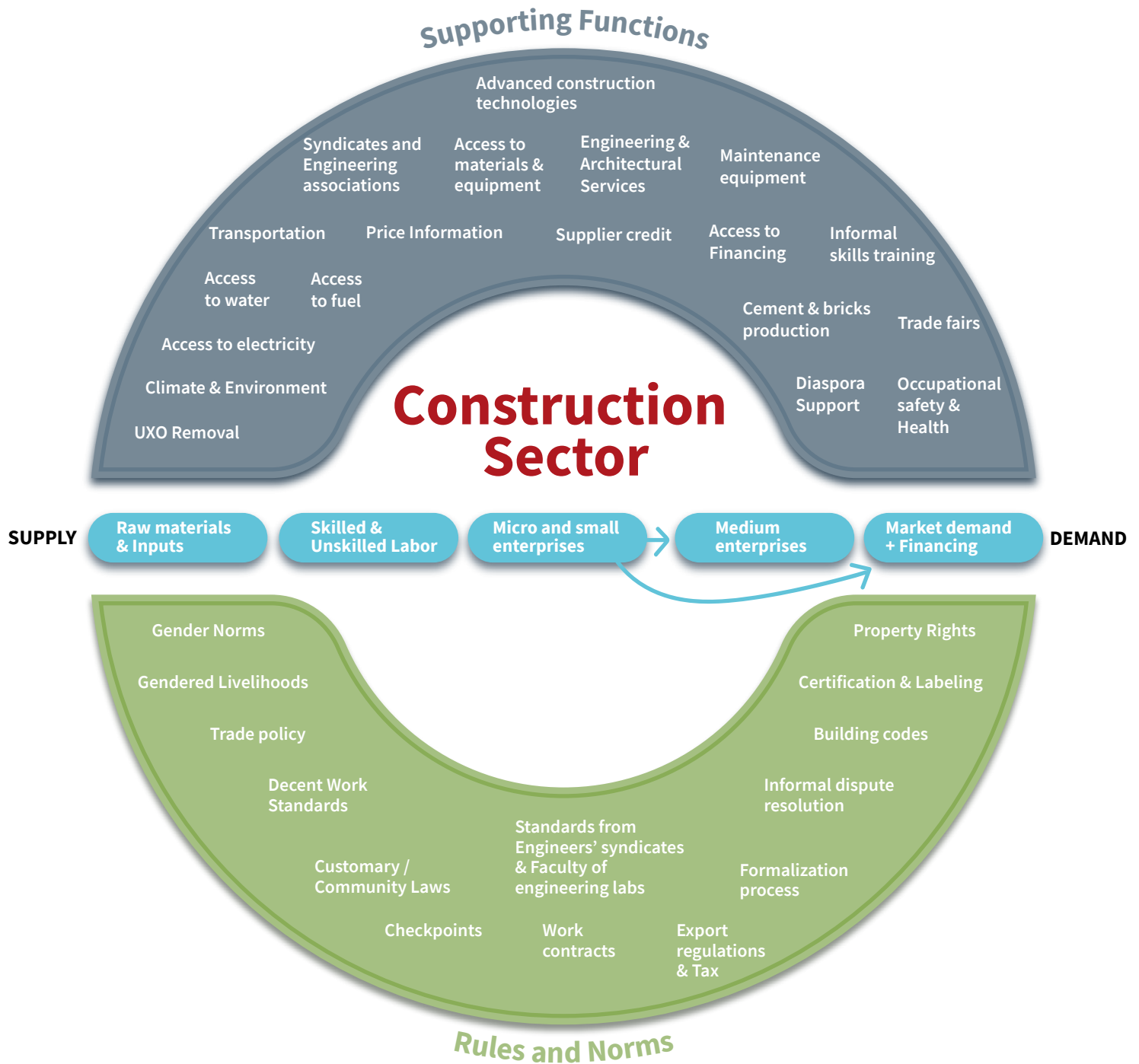
As for the interviewed small and micro construction enterprises, they all operate informally, i.e. without registration or licensing, but operate openly. Despite being informal, some small enterprises still hold professional certifications, and one said to still maintain a bank account. The informality of small and micro businesses in the construction sector is driven by registration costs, taxation burdens, and a lack of tangible benefits for compliance, while they are struggling to grow due to a lack of capital. Indeed, informal small and micro-businesses in the construction sector across all survey areas rely on reinvestment of early profits, personal savings, or family support to develop their operations.

The viability and profitability of the surveyed micro and small enterprises are said to rely on personal networks and reputation, not institutional support. The specialization of these enterprises, such as in high-end cladding and restoration, is critical to differentiate themselves, remain competitive, and secure contracts with larger companies. Several of the surveyed business owners mentioned that their specialization supports their profitability and regular contracts.

In regard to daily workers in the construction sector, interviewed through various FGDs, their status is constrained by the inability to start a business due to a lack of capital and prohibitive entry costs, cited particularly for blacksmithing and carpentry equipment. Individuals rely on the limited daily work contracts available, either as skilled or unskilled, and hence remain trapped in daily labour.

Other market actors and regulatory authorities, such as the chamber of commerce and industry, syndicates and government institutions, are widely seen as ineffective and irrelevant by all the surveyed businesses and individuals, no matter the business status or location. Small and micro enterprises operate in the informal sector, while the medium enterprises interviewed were all registered with the state and pay regular fees. All engineering firms interviewed are registered with the Engineers Syndicate. Despite these different contributions and mandatory registrations, all surveyed participants agreed that the institutions are largely inactive, offering no substantial support or advocacy for the construction sector, that the Engineers Syndicate does not play a compliance role nor a developmental one, and that government institutions are seen more as extractive (taxation, fees, barriers) than supportive in enabling growth or competitiveness.

C. Key supporting functions



D. Rules and regulations

Rules and regulations are perceived and applied differently, mainly depending on the enterprise size. The medium-sized enterprises interviewed are indeed fully compliant with national and local construction rules and regulations, and are therefore fully licensed and registered. They adhere to the specifications book for public, private, and organizational projects, with oversight from the Engineers Syndicate and the Faculty of Engineering laboratories, including for the labour regulations. Such compliance is required and scrutinised for medium-sized enterprises. In general, the medium enterprises interviewed reported high and inconsistent taxation, with municipal fees and state levies often adding unpredictable costs to operations. All agreed that the cost burdens are not always matched with adequate services, seen as high relative to the support received.

The medium enterprise surveyed in Aleppo, in particular, stated that the enforcement of building codes and safety standards is uneven, depending on project type and funding source. Such regulations impact only medium-sized registered firms, while small and micro enterprises did not report facing regulatory obstacles. It is also interesting to note that larger construction projects, institutional or from NGOs, are reported to demand strict compliance from these clients, while local private projects are more loosely regulated. It is similarly interesting to note that all medium enterprises operate formally but outsource much of the work informally.

Indeed, all small and micro enterprises interviewed operate informally, avoiding licensing due to taxation and cost burdens, while they implement large components of the construction contracts awarded to the larger firms. The authorities do not seem to pay attention to these practices, which is part of the business model established for the construction sector. Some surveyed business owners considered registration unnecessary given their type of work, or operate in a grey zone between informality and formal recognition, being registered yet holding professional certificates. They see formalization as costly and complicated and they expect high tax burdens if formalized, which discourages registration. Hence, to avoid taxation they stay informal. They also perceive chambers, unions, and cooperatives as irrelevant for micro businesses, inactive, and unhelpful.

The informality of small and micro enterprises results in the absence of tax payments and interaction with formal regulatory bodies. The informality shields them from direct regulatory costs, while in any case, it was unanimously reported that institutional protections do not exist. However, two micro-businesses interviewed in Aleppo mentioned operating with the license of their fathers, which seems to be passed on through the generations.

All engineering companies interviewed are fully licensed and registered with the Government and are part of related syndicates as a mandatory step, and they also mention that tendering requires compliance with government and donor standards. Compared to other businesses, some engineering firms recognise the use of the Engineering Syndicate in providing formal recognition, legitimacy, visibility, and access to exhibitions, while some other interviewees saw limited practical benefits beyond recognition and formal legitimacy and little advocacy or protection. The taxes and fees required for registration and syndicate fees were not highlighted as prohibitive by the engineering firms interviewed, while some other interviewees considered them as costly and bureaucratic. Indeed, some complained about tax increases that are not proportional to business capacity, and complex and slow renewal processes were quoted.

As for daily workers in the construction sector, all reported operating informally, without licenses or permits. They view formal registration as unnecessary for survival-level construction work.

A local authority key informant also recognized that unions are weak, unable to protect contractors or workers from delays, inflation, or irregular payments. The institutional barriers reported by surveyed business owners of all sizes revolve rather around market volatility and competition, not regulation per se. Market volatility is exacerbated by the absence of reliable electricity, the inflation that deeply impacts all businesses, and bureaucratic delays; all systemic governance failures that affect productivity.

E. Barriers and accessibility to the market

All the interviewed micro, small and medium enterprises stated that the construction sector across Syria is extremely shock-prone. Economic and financial shocks were the most frequently cited by surveyed businesses. Inflation and currency depreciation have increased input and material costs, ultimately eroding profit margins. Businesses highlighted inflation due to fuel shortages, and volatile cement, iron, wood, finishing materials and steel prices, in some cases rising over 200%. Medium construction enterprises interviewed in Homs reported that the price of some construction materials have doubled or tripled in the past few years. Inflation also translates into higher wage costs. All these factors have forced businesses to delay or restructure contracts.

Furthermore, combined with inflation, the liquidity crisis in Syria is delaying client payments and leaving enterprises unable to cover wage and supplier obligations on time. Similarly, some key informants mentioned that the street exchange rate fluctuations between USD/SYP are impacting business operations and can bring associated fraud risks.

Energy shocks are the second most prevalent. Severe electricity shortages across the country disrupt operations, forcing the use of costly generators for business operations. Fuel shortages were reported by all informants: frequently stalling active worksites, delaying projects, disrupting transportation of materials and tools, and increasing operating costs. One micro-business cited the tremendous cost of 500 USD for transportation paid in a single month.

Several businesses noted security shocks as one of the main barriers to accessing the market. The ongoing insecurity and instability delay material delivery and increase costs. According to some interviewees, the military and security issues undermine workforce stability. Medium and small enterprises also reported labour shocks, as high turnover, and the loss of skilled staff due to migration, which creates a long-term operational strain and reduces enterprises' capacity to deliver on contracts.

Related to the above-mentioned shocks, key informants reported some key impacts on their operations:

- Stalled construction projects during extended outages or fuel crises, which leave both contractors and workers without income.
- Higher costs of production are passed partially to clients, risking competitiveness.
- Project budgets often become obsolete mid-way, forcing scaling down or delaying execution.
- Municipal projects are disrupted by budget shortfalls, sanctions, and rising input prices.
- Delays and higher costs create cash-flow strain and pressure client relations.
- Costs rise faster than wages, leaving workers unable to save or invest.

To deal with the above-mentioned challenges and shocks in the construction sector, the surveyed businesses and individuals interviewed through FGDs had to adapt and are regularly adopting the following coping strategies:

- All surveyed businesses negotiate with their suppliers, often arranging delayed payment terms with trusted merchants to address cash flow gaps. Some delay procurement when cash flow is constrained.
- Medium and small businesses reprioritize their projects. Medium businesses particularly shift resources between high-value projects or NGO-funded work to maintain continuity and tend to diversify their clients to stabilize revenue streams. Some medium businesses also mentioned relying on high-turnover daily projects to maintain liquidity, reducing reliance on long-term commitments. Similarly, medium-sized businesses have the ability to negotiate contracts with built-in flexibility or phases to deal with instability. On the other hand, small and micro businesses adopt flexible project scheduling to adjust for power outages or have to reduce their activity. Micro businesses, specifically, due to their size and capacity, can only reduce their activities when costs spike.
- All surveyed businesses use generators to compensate for unreliable electricity, though this significantly increases costs.
- Medium-sized businesses and engineering firms declared relying on partnerships with subcontractors to share risks.
- Small and micro businesses rely on personal and professional networks, as trust-based arrangements to sustain their operations in the absence of formal support mechanisms.
- Small businesses reduce their reliance on external transport by planning bulk purchases. Conversely, a medium-sized business interviewed in Rural Damascus said coping by limiting the purchase of bulk materials and instead sourcing incrementally despite higher long-term cost.
- Micro businesses depend on renting or borrowing tools as a coping strategy. As an even more drastic coping strategy, daily workers are sharing tools and equipment among peers to reduce costs.
- Medium enterprises scale their workforce up and down depending on project flow and rely on temporary workers to avoid long-term wage commitments and maintain greater flexibility. A medium enterprise in Rural Damascus even reported reducing reliance on skilled labour where possible. Micro businesses on the other hand reported operating with minimal staff, family members only, to reduce overhead or hire temporary staff only as needed.
- Medium enterprises in Homs specifically mentioned sourcing cheaper local inputs and outsourcing tasks to reduce costs.
- Local authorities, in particular the city councils, cope by adjusting construction priorities to critical public services.
- Daily construction workers cope by relying on daily labour flexibility and by switching between trades as needed, with some workers taking side jobs outside the construction sector, with some individuals in Homs diversifying into small-scale agriculture. Several interviewees mentioned having to take on multiple small jobs. More concerning, youth job seekers in Homs specifically mentioned having to take on irregular or unsafe jobs.
- Daily construction workers, due to unstable income from the sector, have to reduce their household expenditures and consumption, particularly on food and health expenses to survive.
- Several individuals interviewed through FGDs reported seasonal labour migration to areas with better job opportunities.
- Daily construction workers also mentioned reliance on remittances and informal borrowing to cope with the instability of the income from the construction sector, as well as international aid.

F. Access to finance and payment modalities in the market

Access to finance is in general constrained for all the businesses interviewed across Syria, no matter their size. Medium-size enterprises interviewed operate almost entirely on a cash-flow model, with revenue from projects funding wages, materials, and operational expenses. They finance their operations through reinvested profits and contract revenues, relying on client advance payments and staged disbursements. They noted, however, that the payments of contracts with NGOs or public institutions are often delayed, straining their liquidity, halting operations, or reducing their ability to pay workers promptly.

Key informants from medium-sized companies mentioned that collateral requirements and rigid financial conditions from formal institutions effectively exclude them from accessing structured finance, as well as they mentioned preferring to avoid debt due to mistrust and risks associated with debt. Medium-sized enterprises' capital is also constrained by inflation and currency volatility that have made it difficult to plan long-term investments or purchase large quantities of materials in advance. Rising material costs outpace available capital, and a lack of credit flexibility limits expansion. Medium-sized enterprises' reliance on large lump-sum contract payments creates cash flow challenges. To deal with short-term liquidity shortages, key informants reported relying on credit from suppliers, with merchants occasionally providing construction materials on deferred payment terms, though this is based on personal trust and limited in scope. They also delay worker payments, which cascades down negative impacts on vulnerable individuals. Informal borrowing is also a strategy used by some medium-sized companies, even though borrowing from a personal network is not sufficient for large-scale needs.

All small-sized construction enterprises interviewed declared not using any kind of financial mechanism, neither formal (bank or microfinance Institutions) nor informal (saving groups, remittances, etc.). It is particularly interesting to note that the barriers to finance brought up by small-sized enterprises are different from the ones shared by medium-sized. Here, they all agreed that barriers are mainly due to a lack of clarity on terms, requirements, and eligibility. They are staying away from banks due to exclusionary requirements, mainly related to documentation and collateral. One business owner quoted "complex and impossible demands" when trying to access formal finance. Most small-sized key informants also referred to their distrust of banks.

As for micro businesses, across all surveyed areas, the challenges and coping strategies are similar. They rely on personal savings to operate their business, some also mentioned relying on NGO business grants. They also distrust formal institutions, but none reported relying on remittances, only some on informal borrowing. They also rely on clients' advances and down payments to fund operations, buy materials, and pay workers, which creates an important financial vulnerability. They are rejecting the idea of getting a loan due to prohibitive interest rates and the inability to meet the collateral requirements, with only very few interviewees specifically mentioning rejecting loans also on personal and cultural grounds.

All interviewed construction daily workers reported near total exclusion from credit and financial institutions. Remittances are, however, highly prevalent and seen as a lifeline to cover basic needs, consumption, or small investments, though limited in coverage and said to carry social risks.



G. Supply and Demand characteristics of the market

Supply and demand of construction services

The construction services value chain in Syria is predominantly composed of micro, small, and medium enterprises that form an interdependent ecosystem of demand and supply. Medium-sized construction contractors typically act as intermediaries, supplying construction services to larger projects across public, private, and NGO-funded construction projects, mainly infrastructure, residential, and commercial buildings. Several medium-sized companies mentioned that NGO projects, even if they often set higher technical requirements, provide more stable demand compared to fluctuating private sector projects. This dependence on large scale projects funded by NGOs risks undermining the sustainability of the construction sector unless private sector Syrian and foreign investments scale up.

Micro and small enterprises contribute with specialized construction services and trades. These smaller and micro firms either subcontract to medium enterprises, engineers, or contractors, for larger-scale contracts or operate independently, providing services directly to individual clients for smaller construction contracts, mainly on rehabilitation. Micro-enterprises, especially in Aleppo, mentioned that their customers and wholesalers are neighbours and that they have limited outreach. Only one of the micro businesses interviewed, a joiner in Aleppo, mentioned having a relatively diversified customer base, with larger companies, hospitals, airport, and local community.

Small and micro engineering enterprises interviewed specifically highlighted the persistent demand for construction services via municipalities and councils, hence linking part of their work to municipal budgets, which are limited and unstable. This layered interaction between medium, small, and micro enterprises underscores a highly localized, mutually dependent market system where MSMEs collectively drive both material and service flows within the construction sector.

Supply and demand of construction materials

Construction materials are reported, by all MSME key informants, to be procured mostly locally, while some specialized materials and equipment are imported. Key informants reported that they procure from local suppliers, mainly from their own cities, and sometimes from other cities, the following: cement, iron, sand, gravel, carpentry wood, steel, aggregates, granite, stone, ceramics, and paints. In Aleppo, the local markets of Bustan Kul Ab, Al-Kallaseh, and Al-Furqan were particularly cited, and some major suppliers were referred to, such as Al-Wafa Company (Idlib) and Al-Fath Sawmill (Khan Dael, Aleppo). Local authorities in Rural Damascus specified that the majority of basic inputs (cement, iron, gravel) are produced domestically.

However, some locally procured materials, such as steel, are reported to be inconsistently available, with price volatility linked to inflation and fuel costs. In general, no shortages or delays in supply were reported, but the quality was reported to vary. A medium-sized enterprise in Homs specifically reported that “higher-quality materials are often unavailable locally”. Imported materials cited by key informants are: granite, ceramics, fixtures, specialised paints, tiles, aluminium, decorative materials, and varnishes. Specialised equipment and machinery (cranes, electric shears, etc.) are all imported from China. The imported materials are expensive and vulnerable to checkpoint fees and smuggling competition, according to interviewed MSMEs. Several key informants reported that the costs of imported construction materials are fluctuating according to international markets and currency rates, as well as sanctions.

Bottlenecks in the construction value chain

The main bottlenecks in the construction value chain identified in surveyed areas are logistical, related to poor road conditions and in terms of energy. Both electricity and fuel costs and shortages inflate transportation and production expenses. The reliance on costly generators to cope with the electricity outage trickles down to production costs and prices of construction materials and services throughout the full value chain.

The third most mentioned bottleneck, by businesses of all sizes, is the price volatility and the dependence on local suppliers in the absence of market price regulation. For inputs imported, prices are tied in dollars and hence unstable in terms of exchange rates, particularly for micro businesses that do not necessarily have access to USD currency. Price volatility and dependence on a few local suppliers, in the absence of price and currency regulation, create unstable cost structures, limit competitiveness, and deepen small enterprises' vulnerability, highlighting systemic coordination and information failures within the construction market.

For both small and micro enterprises, their bottlenecks revolve around equipment. While small enterprises can access equipment, they struggle to afford the equipment maintenance, such as repairs to cranes and cutting tools. On the other hand, micro businesses are unable to access modern equipment, which constrains their output and hinders productivity.

A critical bottleneck within the construction value chain in Syria lies in the pricing dynamics between actors at different tiers of the market. Micro-enterprises providing informal labour or subcontracted services to medium-sized contractors and merchants reported to be often bound by the latter's pricing and credit systems, leaving them highly exposed to delayed payments and exploitative rates. At the same time, medium enterprises report that intermediaries frequently inflate prices, compressing already thin profit margins. These dynamics reflect a systemic imbalance in market power across the value chain, where limited transparency, informal contracting, and dependency-based pricing perpetuate vulnerability for smaller actors and inefficiencies for larger ones.

H. Supply and demand for labour

Profile of construction employees

Across all interviewed medium and small enterprises, **youth dominate the workforce**, with about 60% under 30 years old. This suggests a strong absorption of young labour, though largely in low-skill roles. A medium-sized enterprise in Homs mentioned preferring workers under 30 years old for their productivity, while some others mentioned their physical labour.

It is critical to note that labour demand depends heavily on project inflows, with enterprises employing both permanent and temporary workers. In medium-sized enterprises, the workforce combines administrators, project managers, engineers, technical, legal, and casual workers. For both medium and small enterprises, teams are assembled for each project, including skilled workers (engineers, craftsmen), while several note a shortage of skilled labour. A construction engineer company owner reported specifically “a shortage of reliable skilled workers, particularly in carpentry and concrete work, due to migration”.

Women’s participation is, however, minimal, confined to engineering or administrative positions, and only in companies that have a larger number of employees. Only one of the interviewed micro-businesses was led by a woman engineer.

Throughout the key informant interviews with business owners, few specific distinctions were made regarding workers’ displacement status, suggesting relative equality in employment. A medium-sized enterprise mentioned to employ displaced professionals based on skills.

In both medium and small companies interviewed, about half of the workers are skilled (electricians, painters, concrete workers, tilers, blacksmiths, etc.), and the other half are unskilled. They both vary the number of workers based on project size, with only a limited number able to maintain the same number of employees. As for the interviewed micro businesses, they are all sole proprietor/worker or a family business (for instance, working with their brother).

Employment conditions

The employment conditions of construction workers vary greatly according to the size of the business and the skills of the employee. Across the majority of surveyed employers, the wages are paid in cash in SYP. The following table shows reported wages, using the official exchange rate of 11,000 SYP to the dollar:

Skills/positions	Medium enterprise	Small enterprise
Unskilled	55-64 USD per week or 100 USD per month	45-55 USD per week
Skilled	82-136 USD per week	100-127 USD per week
Engineer	About 90 USD per week or 350 USD per month	Not available
Project manager	A broad range between 273 and 1,000 USD per month	Not available

For medium companies, the benefits they provide for their employees include on average meals, occasional housing, transportation, seasonal food baskets, and overtime/holiday pay (double rates). Only three of the surveyed medium-sized enterprises mentioned that they have safety procedures in place and that they are providing personal protective equipment to their workers (vests, helmets, tape markers, warning signs, and traffic lights). On the other hand, a building materials contractor interviewed highlighted worker safety as a major concern, noting that no insurance was in place. Indeed, medium-sized enterprises are compliant with registrations but not with safety measures, with little or no oversight by the Engineers Syndicate and inspections. As medium-sized enterprises are licensed, they said that they adhere to labour law and safety standards, and most declared that their workers receive contracts, social insurance, and benefits.

Some small-sized enterprises consider that they pay competitive wages compared to other companies, which helps them retain workers. They provide lunch, transportation, and one provides overtime pay. More importantly, one business owner working on a project with international organizations recognises the importance of workers’ safety, provides accident compensation, and enforces safety rules. In general, in small businesses, the employment standards are lower than in medium-sized ones, due to the absence of formal registration. Hence, there is no labour protection, no insurance, and no fixed contracts, with payment of salaries done per project.

It is interesting to note that the perspectives on **working conditions differed significantly between business owners and workers** who participated in FGDs in Aleppo and Homs. All FGD participants agreed that the work conditions in the construction sector are harsh, with safety risks and injuries, while safety protection standards are largely absent. They all agree that wages are low and unattractive compared to the effort and hours worked, and that they are often insufficient to cover living costs, with many saying they work without a guarantee of payment. Some said that they face non-payment, and several agreed that there is a recurrent exploitation by employers in this sector. It was even raised in one FGD that **employers exploit apprentices and relatives**, paying symbolic wages.

Weak job security and employment continuity, driven by the project-based nature of construction and seasonal fluctuations, are recurring problems. All youth, returnees and displaced persons interviewed through the FGDs said that they face major barriers and must accept whichever construction-related work they are skilled at due to a lack of other opportunities. This contrasts with what interviewed business owners mentioned that they provide competitive wages and good working conditions.

About 50% of interviewed workers said that they work as daily workers with informal arrangements because they cannot afford to start their own businesses. Many mentioned that they prefer freelance or craft-based work for independence, though daily labour remains common due to a lack of capital. They receive their payment on a weekly or daily basis, depending on the clients, but noted that there is intense price competition.

Employment trends and hiring practices

Medium and small enterprises declared that there is a consistent demand for skilled labour in construction and rehabilitation projects. A couple of companies said they are facing shortages of skilled labour, either because some experienced workers start their own businesses or because specific skills, like stone carving, are hard to find. Some employers expressed that the skilled labour shortage and the loss of experienced staff are due to military/security issues.

One medium-sized company in Aleppo mentioned that its workforce expanded significantly (100% increase) in 2023-24, but the recession in late 2024-25 reduced activity to only seven projects. Some engineering and architectural enterprises said that their hiring practices are mainly with subcontracted workers and suppliers rather than direct large-scale employment.

All interviewed **enterprises recruit their workers through personal networks or local labour networks**. Workers are recruited based on their reputation and prior work experience. Employers rely on referrals and trial periods of workers, with no job advertisements.

Current workforce skills and skills gaps identified

The construction sector operates with a diverse labour base, ranging from micro-enterprises built on inherited craftsmanship to medium-sized companies managing multidisciplinary teams. Micro-enterprise owners uniformly declared long-standing, practically acquired technical experience in their trades (often “a profession inherited from their father”), learning skills from family or friends rather than external providers, and generally did not identify formal training needs beyond a single request for marketing support.

Medium-sized enterprises reported hiring large workforces with a broad skill mix, including engineers, electricians, painters, tilers, concrete workers, blacksmiths, administrators, and unskilled labourers, while small enterprises similarly employ a mix of skilled and unskilled workers. Licensed engineers are available and recognized as well-trained through universities and syndicates, but employers reported that graduates with formal engineering education frequently require lengthy adaptation on site due to weak practical exposure. Similarly, interviewed engineers said that their knowledge needs continual updating due to evolving construction techniques.

Construction employers also consistently flagged a shortage of highly skilled mid-level technicians and specialist craftsmen, such as complex tile installers and stone carvers, driven by inadequate training provision and the absence of formal certifications, and reported high turnover among skilled trades (e.g., electricians, blacksmiths), which compounds recurrent shortages. Manual labour continues to dominate as many firms lack modern machinery and rely on unskilled workers. Most unskilled labourers interviewed said that they learn informally on the job, with no structured training provided by the company. Across regions and FGDs, respondents highlighted that technical skills are often outdated relative to new tools and techniques, training gaps are therefore pronounced, with a lack of structured vocational programmes, poor exposure to modern techniques, and no accessible digital/technical training.

Several gaps in soft skills were highlighted by employers and by FGD participants:

- Arithmetic and literacy are mentioned by micro-businesses as needed skills for cost estimation
- Digital literacy
- Business management and financial literacy
- Marketing
- Negotiation and customer-handling skills, with workers specifically mentioning that they feel vulnerable in pricing discussions
- Safety training
- Modern machine operation (for instance, CNC and cutting discs were quoted)

The scope of technical skills and occupations that were mentioned as difficult to find by employers is quite large. The most mentioned across all interviews was carpentry skills, followed by masons and electricians, then tile installers, blacksmithing/ironwork, engineering (civil and structural), painting/finishing work, project management, and architectural design. Other skilled roles (general cladding, restoration) are available but scarce; stone carving was mentioned by a medium-sized enterprise in Aleppo as “a niche but critical skill in restoration work”.

Training practices and providers

Across all locations and respondent categories, the construction sector in Syria is characterized by predominantly informal training systems, with limited institutional or formal vocational training. The majority of companies and workers rely on on-the-job learning, apprenticeship, peer mentoring, and family-based knowledge sharing rather than structured programs. According to several FGDs, participants reported that access to formal training opportunities has been extremely limited in recent years, with most skills transferred informally through apprenticeships or family members. The only difference is for architects and engineers whose technical competencies are mostly gained through formal university education, with subsequent certificates.

A consistent pattern emerged: workers typically acquire skills through apprenticeships and informal on-site learning, while formal institutions are not seen as providing adequate technical preparation. Most interviewed enterprises do not offer in-house training but rely on mentorship systems, where senior technicians guide new hires. From the perspective of medium-sized companies, workers generally enter the labour force with prior experience, often obtained informally through other channels. While these companies may offer limited internal training, they mostly depend on employees arriving with existing skills.

An engineering company interviewed in Aleppo stood out as a notable exception. It actively integrates structured training practices into its operations, particularly for newly graduated engineers. The company organizes more than fifteen training sessions per year focused on professional and applied learning, communication, and design skills, and plays a direct role as a training provider.

At the institutional level, training opportunities remain scarce and fragmented. The Engineers Syndicate and university laboratories offer only limited technical training, primarily focused on testing and compliance rather than practical site work. Vocational training centres, where they exist, are described as under-resourced and misaligned with sector needs. A Rural Damascus market actor specifically noted the absence of locally accessible vocational institutes, further reinforcing the overall shortage of formal training infrastructure.

Inclusion of youth and women in the construction sector

Across all enterprise sizes and locations, the construction sector in Syria remains highly male-dominated, with women's participation largely confined to administrative and engineering roles. Meanwhile, youth constitute the majority of the unskilled and semi-skilled workforce, often entering the sector through informal apprenticeship systems rather than structured training pathways.

Youth participation is widespread but concentrated in low-skill, entry-level positions. Large companies described youth as dominating the unskilled and semi-skilled workforce, frequently entering the sector without formal qualifications. Medium-sized firms similarly reported that most of their workforce is under 30 years old, learning primarily through on-the-job experience and informal apprenticeships. However, despite their numerical dominance, youth often lack structured training pathways to progress to higher-skilled roles. FGDs in Homs also revealed that youth workers often migrate due to low wages, underscoring the sector's limited capacity to retain young talent.

Gender inclusion is severely limited throughout the sector. Most medium and micro-businesses reported no female participation, citing both cultural and physical barriers, and a general lack of demand or interest in employing women, reflecting entrenched gendered traditions within construction, with some key informants describing construction as a "profession considered socially undesirable for women". Similarly, in FGDs, respondents unanimously stated that the sector was not conducive to women's work, reinforcing persistent gender stereotypes. Women were instead perceived as confined to socially accepted roles such as cooking, sewing, or hairdressing, with only a few respondents acknowledging women's participation in engineering or design.

The inclusion of women in the sector was solely within medium-sized companies, and yet it remains minimal and confined to administrative or engineering positions. Out of one company's seven engineers, only two were women, and none occupied skilled or unskilled labour positions. The company explicitly attributed this gender gap to social norms and sectoral biases. In one instance, an engineering company in Damascus, led by a woman, exemplifies emerging opportunities for female leadership in the sector. However, the owner reported facing client bias due to being both young and female, illustrating the compounded barriers women encounter in male-dominated professions.

I. Opportunities

Growth and expansion potential

Across locations and enterprise sizes, the construction sector in Syria continues to present strong growth potential, largely driven by reconstruction and rehabilitation activities. In Aleppo, both medium- and small-sized enterprises emphasized that reconstruction demand remains the primary driver of opportunities, with sustained rebuilding of schools, hospitals, housing, and roads creating multi-year employment and contracting opportunities. Medium-sized enterprises reported that after the change of government in December 2024, rebuilding has sharply increased demand for materials and labour, while small-sized firms identified renovation, restoration, tiling, granite, and decorative services as profitable niches linked to this recovery. Medium enterprises specifically highlighted that continued NGO investment in schools, clinics, and infrastructure creates reliable workstreams, while small-sized companies reported that their customer base includes interior designers, contractors, business owners, real estate developers, and international organizations, though they currently do not hold NGO or institutional contracts. NGO and internationally

financed projects are consistently perceived as the most stable and promising growth streams, offering predictable contracts while requesting higher quality standards, as confirmed by medium and small construction enterprises in Aleppo and Homs.

Among micro and small enterprises, growth is more modest but sustained. All interviewed micro-businesses across all governorates expressed a desire to expand, yet expansion remains constrained by limited capital and outdated equipment. Despite this, several micro-entrepreneurs displayed resilience, rebuilding their operations after losses during the war, often through family support, grants, and self-financing. Businesses reported stable demand from wholesalers, engineers, and contractors, as well as seasonal peaks during the summer, providing short-term scaling opportunities.

In terms of growth drivers for their operations, small-sized enterprises emphasized that competition remains based primarily on service pricing and craftsmanship reputation, with reputation, connections with engineering offices, and the ability to deliver high-quality restoration work as the main competitive advantages and their motor for growth.

At the municipal level, the Head of Douma City Council cited as a growth driver the strong potential in urban reconstruction projects, including markets, housing, and public facilities, reflecting local government-led recovery priorities. Demand is further supported by war damage and local recovery needs, and strong interest was reported in urban design and private housing projects, primarily linked to returns.

Most interviewed enterprises and individuals cited a growing demand for renovations and home restoration as families return to their homes as one of the main drivers for the sector. Expansion potential is recognized in skilled trades such as blacksmithing, aluminium works, Arabic furniture, and carpentry, creating niche segments with sustainable demand tied to housing repair. Similarly, blacksmithing, carpentry, and masonry were identified by medium-sized enterprises as priority growth trades across regions, supported by increased reconstruction activities and local community demand. One micro-enterprise interviewee also noted that modernising equipment is a key condition for future growth.

Engineering and architectural services emerge as key growth areas, particularly in Homs, where firms reported steady demand for design and technical services linked to public infrastructure. Interestingly, medium-sized companies further highlighted diaspora engagement as a potential growth vector, with returning investors contributing financing, technical expertise, and connections to bring in higher-quality inputs.

Opportunities for Youth and Women

The construction sector remains a major and viable entry point for youth employment, particularly in unskilled and semi-skilled roles, as noted by both medium and small companies. Across enterprise sizes, employers reported heavy reliance on workers under 30 years old, especially in Aleppo, where on-the-job learning and informal apprenticeships dominate skill acquisition. However, these opportunities remain largely informal and unstructured, limiting long-term career development. Medium firms reported that youth can access technical and unskilled jobs and that the sector could absorb more youth if reconstruction demand continues. Key informants also reported that youth could benefit from apprenticeships in skilled trades if demand increases.

In contrast, women's participation remains extremely limited. Most small and micro-businesses stated that no positions are available for women, citing cultural and technical barriers and a lack of demand for female workers. In Aleppo, employers explicitly mentioned that women's inclusion is not foreseen without external incentives, such as a political push or financial incentive. Only medium-sized companies identified limited female participation, primarily in administrative and engineering support roles. Similarly, one micro engineering firm in Damascus acknowledged potential for women in design and planning, particularly in digital engineering. The engagement of a woman in the construction sector might require specific skills and advocacy for behavioural change. Expanding opportunities for both groups will depend on the creation of structured training pathways and a shift in cultural perceptions within the sector.

Innovation and modernization pathways

Medium and small businesses identified technology adoption and modernization as critical levers to enhance competitiveness and efficiency within the construction market. Prefabricated materials, advanced machinery, and green construction methods were mentioned as opportunities to streamline operations, reduce reliance on fragmented local supply chains, and lower costs inflated by middlemen. Medium firms in particular noted that integrating energy-efficient techniques and solar solutions could align local construction practices with international standards, especially in collaboration with NGOs and international partners investing in reconstruction.

Diaspora engagement was also viewed as a promising modernization channel by medium companies, with potential to inject technical expertise, investment capital, and quality standards into rebuilding process. Meanwhile, small and micro-sized businesses emphasized that reputation, craftsmanship, and reliability remain core competitive assets, but recognized that long-term growth depends increasingly on access to better tools, logistics, and machinery, not just labour skills. Overall, while innovation pathways are recognized by several enterprises, modernization efforts remain nascent, constrained primarily by financial and infrastructural limitations.

Constraints on growth

Despite strong reconstruction-driven demand, enterprises across all regions reported persistent systemic and structural constraints that limit the sector's full recovery and expansion. All business sizes cited infrastructure deficits, particularly electricity, fuel, and transport shortages, as major barriers to scaling. Access to finance was the most frequently mentioned obstacle: small and micro-enterprises expressed the desire to expand operations but remain unable to invest in equipment or hire additional labour due to capital scarcity and lack of credit mechanisms.

Medium enterprises pointed to regulatory uncertainty and limited institutional support, which undermine confidence in sustained investment. Microenterprises also reported market distortions caused by fraud and smuggling, further constraining fair competition and profitability. FGD participants in Aleppo in particular mentioned competition from cheaper goods and services originating in Idleb and northern Syria, undercutting locally based contractors and suppliers. Indeed, areas outside the former government's control used to operate more freely, with access to more financial assets and supply chains, enabling them to move quickly into new markets, such as Aleppo, with the change of government. At the municipal level, the Head of Douma Council highlighted budget shortfalls and the lack of credit instruments, which are restricting public-sector-led reconstruction and private engagement.

J. Conclusion - Construction sector

The Syrian construction sector operates through a fragmented yet interdependent market system. Medium-sized formal enterprises anchor the value chain by securing large institutional contracts and subcontracting execution to informal small and micro businesses. This structure enables efficiency but creates systemic vulnerabilities, especially when demand slows, leaving smaller actors exposed to income loss. Informality dominates the lower tiers, driven by high registration costs, limited access to finance, and weak institutional incentives. Public institutions and syndicates are largely inactive, offering little support or protection. Regulatory enforcement is uneven, with medium enterprises facing high taxation and bureaucratic inefficiencies, while small and micro businesses operate outside formal systems.

The sector is highly shock-prone, affected by inflation, fuel shortages, liquidity crises, and security risks. Enterprises rely on informal coping mechanisms such as supplier credit, flexible project scheduling, and temporary labour. Workers face unstable employment, low and irregular wages, and frequent safety risks, with youth dominating the workforce and women largely excluded.

Access to finance is overwhelmingly informal, with businesses dependent on client advances and personal networks. Formal financial institutions are inaccessible due to collateral requirements and mistrust. Supply chains are mostly domestic but suffer from quality inconsistencies, price volatility, and logistical bottlenecks. Skills gaps are critical, particularly in mid-level technical roles. Training systems are mainly informal, limiting technical skills and upward mobility.

Despite these constraints, the construction sector shows strong growth potential driven by reconstruction demand, investments, and return/diaspora engagement. Modernization through energy-efficient construction techniques, prefabricated materials, green construction, and improved access to finance and training could unlock inclusive recovery and resilience of the construction sector.



Photo by: DRC Syria, 2025

5. Textile sector

A. Description of the market systems assessed

Before the war, Syria's textile and garment industry was the second largest in the Arab region after Egypt, accounting for about 20% of industrial production and employment and 13% of non-oil exports. The sector was predominantly cotton-based and highly integrated, from cotton cultivation to garment manufacturing, employing around 2.7 million people. Since the conflict, the sector has collapsed due to destruction, sanctions, and the displacement of industrialists and skilled labour, particularly from Aleppo, once the heart of the textile industry. Cotton production has dropped by nearly 88%, forcing manufacturers to rely on costly imports or synthetic fibers. The sector faces severe challenges including fuel and electricity shortages, outdated equipment, sanctions, limited access to finance, and competition from low-cost second-hand imports. Informality, low productivity, and loss of skilled labour further weaken production capacity.

Despite this, the textile sector remains one of Syria's key industries with recovery potential. It continues to serve the domestic market and could benefit from easing sanctions, reconstruction prospects, and renewed partnerships with Turkish textile firms seeking lower labour and production costs. The possible return of displaced Syrian industrialists could bring investment, materials, and expertise. Reviving domestic cotton cultivation, modernizing factories, rebuilding infrastructure, and improving access to finance and training are critical steps. The sector also holds potential for job creation, particularly for women and youth, if supported by targeted vocational training, SME development, and investment in modernization and energy reliability.

The market assessment related to the textile sector focused on three governorates: Aleppo, Damascus, and Rural Damascus. The assessment consisted of: three medium textile enterprises, with an average of 172 employees each, located in Aleppo, Damascus and Rural Damascus; of four small enterprises, with an average of 14 employees each, located in two governorates; three micro-businesses in Aleppo; two market actors who are textile traders in two governorates; as well as one FGD with nine community members in Aleppo.

B. Core actors of systems

The core actors in Syria's textile sector consist of micro, small and medium-sized factories, workshops, and textile traders, each occupying distinct positions within the market system. Medium-sized factories, particularly concentrated in Aleppo, Damascus

and Rural Damascus, employ hundreds of workers, with some factories historically employing over 1,200 staff before the war. The surveyed small and medium-sized enterprises operate across the value chain, covering garment production, finishing and distribution, and frequently act as intermediaries supplying smaller workshops and wholesalers. Micro-businesses, often family- or home-based, focus on localized production of finished garments, including children's clothing, embroidery, and bridalwear, relying heavily on flexible labour arrangements, informal networks, and seasonal production cycles to maintain operations under market constraints.

Textile traders are also key actors, connecting producers with domestic and regional buyers, sourcing both locally available and imported raw materials, and navigating informal supply channels to meet demand amid high competition from cheap Turkish and Chinese imports. Formal government institutions, chambers, and unions exist but are widely perceived as inactive or obstructive. Key informants consistently reported that the state acts primarily as a barrier to growth, and no respondent expected reforms or improvements, reflecting deep distrust in institutions.

C. Key supporting functions



D. Rules and regulations

All interviewed textile businesses, no matter their size, repeatedly highlighted the absence of effective regulation in the textile sector. This lack of regulation and enforcement mechanisms for imports specifically leads to the smuggling of cheaper, low-quality Turkish and Chinese goods, which dominate the market because authorities lack enforcement mechanisms. This concern, perceived as a government failure, was the main one expressed by all interviewees, as damaging their operations due to unfair competition and undermining the textile sector in Syria. One medium-sized business owner said that the absence of “fair competition laws, and no protective tariffs undermines business viability”.

Interestingly, one of the three interviewed medium-sized businesses, despite its size, is operating largely informally, while the others are registered and hold the required licenses. The interviewed medium-sized textile company Rural Damascus stated that the bureaucratic hurdles and slow processes make renewals costly in both time and money. Similar to the construction sector, registered businesses said they face high, inconsistent taxation, with rates often unrelated to actual business capacity and sudden increases without justification.

All the micro- and half of the small-sized textile businesses reported being unlicensed and operating informally, registration being avoided because it brings additional taxes and inspections without offering meaningful benefits. Small micro-businesses mentioned that they would consider registration if it could support their expansion. Two out of the four interviewed small-sized businesses are however registered. One cotton clothing workshop holds an export license and one clothing manufacturer and trader holds multiple permits (commercial registration, chamber membership, and tax filings). The cotton clothing workshop stated that even if there is “no practical support received from chambers and unions, formal licensing offers potential export credibility”.

It is interesting to note that some medium-sized businesses are not licensed while some small-sized ones are. It might be explained by the type of trade and services offered by the business rather than the size of their operations. All registered businesses, however, agreed that registration is time-consuming and costly.

In terms of institutional support, all business owners interviewed stated that chambers and unions are inactive, not protecting MSMEs. There is a general lack of trust in such institutions. The reported fragmented and inconsistent regulatory enforcement undermines the ISO certification and compliance with standards, and in fine their value. This lack of governmental support is also seen through the absence of a dedicated policy framework supporting expansion and industrial laws that treat loans for factories like consumer loans, preventing long-term investment and business expansion.

E. Barriers and accessibility to the market

Interviewed business owners and community members are facing a wide range of barriers to accessing the textile market and sustainability in Damascus, Rural Damascus, and Aleppo governorates, including economic, financial, security, and energy challenges. The first and largest challenge mentioned by all interviewed enterprises in Aleppo, Damascus and Rural Damascus is the shrinking of local demand for textiles due to unregulated imports, with cheap and low-quality Turkish and Chinese textiles and second-hand clothes that flood the market. This absence of market regulation and lack of institutional support and control over smuggling has been reiterated several times by interviewed business owners.

Security risks also hinder market accessibility, according to the interviewed medium and small-sized businesses, only in Aleppo. Both medium-sized business owners interviewed in Aleppo said that the location of their enterprise generates tensions and uncertainty; one said that his “factory is in a contested area (SDF vs. General Security), creating uncertainty and disruption”. Small businesses also referred to the instability as a safety risks, but also mentioned thefts as something recurrent and fires.

Access to electricity is a major market accessibility barrier faced by all interviewed business owners across Aleppo, Damascus, and Rural Damascus. Electricity supply is highly unstable and requires the use of generators, which increases costs. Challenges related to electricity also include frequent electricity thefts, damaging transformers and disrupting production.

Economic and financial shocks, mainly inflation, were cited as a critical barrier to market sustainability by all micro- and small-sized businesses in all mentioned governorates, and by the medium ones in Damascus and Rural Damascus. Conversely, this wasn't mentioned as a challenge by the medium-sized enterprises in Aleppo, which might be due to higher-ranked barriers. Key informants mentioned a wide range of barriers: instability linked to customs fees; liquidity shortage; instability in the exchange rate, which creates price volatility of raw materials and challenges when dealing with external clients; inflation and currency depreciation undermine purchasing power, making it difficult for both producers and traders to stabilize operations; sanctions and import restrictions create volatility in supply and pricing of textile goods. All contribute to creating constant economic and financial uncertainty for businesses in the textile industry and in fine for their employees.

Specifically, inflation and currency devaluation heavily affect input costs and wage stability. Small and medium enterprises in Damascus and Rural Damascus reported that inputs, like fabrics and accessories, have increased by 200-300% in recent years. In terms of wage stability, a key informant in Aleppo quoted that “manufacturers and traders respond to these shocks with layoffs, wage cuts, or reducing hours”. Informality allows rapid adjustments for businesses but leaves workers vulnerable with no protection. This was correlated by the feedback from the FGD in Aleppo, mentioning that merchant exploitation and unfair pricing practices place small producers and workers under constant stress.

According to a micro-business in Aleppo, “small size and localized client base create additional vulnerability”. Inflation and sharp currency fluctuations erode the purchasing power of both businesses and customers. It is particularly impactful on the stability of microenterprises, which scale down output or pause operations entirely during severe electricity or currency shocks, and on employees of the textile industry who get laid off in response to rising costs and falling demand. Participants in the FGD in Aleppo reported direct effects on food security and on the ability to cover rent, as textile earnings are often the primary source of income.

To address such barriers and enhance their market accessibility, respondents had to adopt various coping strategies. Two medium-sized enterprises interviewed mentioned adapting by reducing their workforce from 200 to 155 employees and from 1,800 to 300 employees respectively, shortening the working hours (cutting one full hour per day) and scaling down their production to minimise exposure to financial and security pressures. Interestingly, two medium-sized enterprises interviewed admitted seeking alternative input suppliers to source cheaper inputs, sometimes of lower quality, including smuggled goods, despite the risks. They also passed costs onto customers through higher product prices. All these measures are detrimental to business operations and potentially risky.

Another medium-sized enterprise said that its way to compete with foreign goods is by focusing on design and local customer loyalty. This enterprise in Aleppo, which is facing insecurity, said it decided to maintain its operations despite the insecurity but noted the persistent stress on staff. Several businesses also reported using generators to cope with the electricity shortages. To reduce safety hazards that are reported as recurrent in textile enterprises, a few business owners are taking particular precautions around machine use and fire safety, including with fire extinguishers on site and strict no-smoking rules.

Micro businesses cope with the above-mentioned barriers by relying heavily on family labour or unpaid labour, which provides flexibility during demand shifts, as well as on informal trusted networks to provide financial support without resorting to external finance. Operating from home also allows micro businesses to reduce overheads.

Textile in Syria is seasonal, with a scale-up before holidays or with foreign orders. To cope with seasonal fluctuation, small and micro businesses adjust production cycles according to seasonal demand, reducing costs during low seasons. Several businesses also resort to keeping modest profit margins (10-15%) to maintain competitiveness during inflationary cycles.

According to the FGD respondents in Aleppo, households employed in the textile industry have to supplement textile income with food-related employment (small groceries, catering, fast food) or other services. Interestingly, and compared to the construction sector, it was reported by FGD participants that merchants sometimes delay payment terms to known producers. They specified that it is not common practice, unlike in the construction sector.

F. Access to finance and payment modalities in the market

Only one out of the three interviewed medium-sized enterprises had previously obtained two bank loans. All surveyed business owners, of all sizes, declared not depending at all, or anymore, on bank loans. The main reasons advanced were the rigid loan conditions and collateral requirements, high interest rates, and lack of trust in the banking institutions. The interviewed medium-sized business owner who obtained bank loans in the past said that “banks treat industrial loans as consumer loans, unwilling to take risks for long-term industrial investment”.

Inflation and volatility in exchange rates further discourage borrowing, as repayment risks are high, in a highly inflationary environment where repayment obligations may quickly exceed real income. The absence of affordable finance mechanisms keeps many dependent on small-scale, incremental reinvestment.

All interviewed enterprises rely on alternative financing mechanisms, coming from personal savings, family contributions, partners, and reinvested profits. None of the small and micro-businesses attempted to access bank or microfinance loans, due to perceived high interest rates or for religious reasons. A number of business owners rely on informal credit from suppliers to purchase equipment or raw materials. This is seen as a way to finance business operations, while specifying that this is doable only within a trusted network and that it limits its scope. FGD respondents mentioned that vulnerable excluded groups, such as women and youth, often rely disproportionately on NGO grants since they lack the collateral or trust networks required to access informal credit from merchants.

In terms of formal financing options, most small and micro-enterprises, together with one medium-sized one in Aleppo, declared avoiding loans for religious beliefs and the prohibition against interest-bearing loans. The importance of remittances was mentioned several times, not as a direct investment in the industry but by sustaining household consumption, which drives demand for textiles.

When asked about the growth impact that the lack of capital has on their operations, small and micro businesses answered that the expansion of their operations is hindered by electricity shortages, lack of equipment, licensing issues, competition from smuggled goods, but not directly by financial inaccessibility. One small business said prioritising equipment, raw materials, and electricity provision, and another one mentioned that prioritizing marketing is more important, rather than direct financing, which would be a potential benefit but is not actively pursued.

Interviewed micro-businesses in Aleppo, some of which had received DRC support in the form of a business grant, said that the interest-free startup capital to cover workshop rent, machines, and raw material is critical to launch the business or to expand it,

specifically when income levels are too low to accumulate savings or loans. This was confirmed by several FGD participants who reported that grants from associations and NGOs were often the only way to secure capital for a startup or expansion. These grants were not only financial lifelines but also provided a sense of empowerment and independence.

Several suggestions were brought up by medium-sized business owners. One being to advocate for development-focused banking policy, with acceptable-interest loans. A business owner noted that with “better financing and laws, [he] could expand to 250+ workers easily”. Another business owner said that he “would consider support in the form of alternative energy solutions (solar panels) rather than loans”.

G. Supply and Demand characteristics of the market

Supply of textile raw materials and equipment

The textile sector in Syria relies on a mixed supply base combining both locally available and imported inputs, though imports dominate in terms of quality and volume. The main raw materials used by textile producers include fabrics (especially cotton and denim), threads, accessories, and trims such as buttons and zippers.

Most raw materials are sourced locally through established distribution channels, primarily concentrated in the Aleppo market. However, nearly all cotton and denim fabrics sold in these markets are themselves imported, predominantly from China. Jeans fabric, in particular, is imported from Egyptian-based Syrian producers, while other fabrics are sourced locally when available, with supplementary imports from China to fill gaps. Despite this generally stable supply, occasional shortages of specific colours, fabric grades, or specifications are reported, particularly for dyes and prints required to match European-inspired designs.

Local suppliers of fabrics and accessories exist and are preferred when available, but their capacity to meet the industry’s quality and volume requirements remains limited. Locally available materials often lack the variety, durability, and style required for competitive production, pushing producers to rely heavily on imports from Türkiye, China, and Lebanon. Some of these imports enter through informal or smuggling channels, especially for premium-quality fabrics and accessories, and were reported mainly by Damascus and Rural Damascus-based enterprises.

The cost and stability of input supply are further affected by exchange rate fluctuations, which contribute to rising prices and uncertain availability of imported materials. Despite these challenges, the overall supply system is relatively stable, with one large distributor often serving as the main partner for material provision.

In terms of equipment, the textile industry depends primarily on imported machinery, mainly from China and Korea. Local production is limited to basic inputs such as threads and certain raw materials, while the technological and mechanical components of the value chain remain fully reliant on imports. This reliance reinforces the sector’s vulnerability to currency instability, import restrictions, and cross-border trade disruptions.

Demand for textile products

The demand for textile products in Syria has been highly volatile, shaped by economic instability, reduced consumer purchasing power, and intense competition from imported goods. Over the past two years, demand has declined by an estimated 25-35%, primarily due to the influx of cheaper foreign products, particularly from Türkiye and China. While these imported goods are generally of lower quality, their affordability has eroded the sales of locally produced textiles, leaving some producers with unsold fabric stockpiles.

Competition from smuggled Turkish and Chinese textiles remains a defining feature of the market. These goods often undercut domestic producers on price, forcing Syrian manufacturers to compete primarily on quality. The lower prices of imports continue to divert demand away from local products. Imported goods benefit from economies of scale, subsidised inputs, and cheaper logistics, while Syrian producers face high fuel and electricity costs, low productivity, and outdated machinery. Similarly, despite some imports being lower quality, they often have better design and consistency, which affects local consumer preference. According to FGD respondents, some traders also exploit market preferences by branding locally made goods as foreign products to command higher prices, further disadvantaging local producers.

Market dynamics have, however, shown some regional and temporal variation. Demand experienced a modest recovery following the change of government in December 2024, as production resumed and distribution channels reopened. Several small-sized businesses in Aleppo said that 2025 has seen renewed demand growth, attributed to improved product quality, and increased domestic demand with returns.

The demand structure of some interviewed businesses, specifically small and micro-enterprises, is wholesale oriented. They sell to wholesalers, for example, some concentrated in Aleppo’s Al-Jaloum market or Latakia. Some small-sized interviewed enterprises also serve wholesale clients in Saudi Arabia and domestic retail outlets, including stores catering to traditional events and ceremonies such as funerals. A small-business respondent in Aleppo noted that imports are not seen as a strong competitor for finished goods, given the company’s reliance on excellent-quality cotton. This business, which previously focused on exports, has now shifted to include domestic markets as part of its customer base. In contrast, a micro-business respondent in Aleppo described very localized sales channels, limited to neighbours, relatives, and the immediate community, with no linkage to broader retail or export markets.

Across the supply chain, textile enterprises surveyed occupy varying positions: medium- and small-sized factories focus on supplying fabrics to wholesalers and other factories, acting as intermediaries between raw material suppliers and garment producers, while micro-sized businesses operate at the end of the chain, producing finished garments for local retail markets.

Bottlenecks in the textile value chain

The Syrian textile value chain faces multiple bottlenecks that constrain production efficiency, competitiveness, and profitability. While domestic transport has become generally stable and delays have improved compared to earlier years of sanctions, several structural and systemic challenges continue to weigh heavily on the sector's performance.

A primary constraint lies in the high and volatile cost environment. Inflation in input prices, especially for imported raw materials, has severely affected production costs, compounded by sharp increases in energy prices and wages when converted to USD. Over the past three years, the cost of raw materials decreased by around 10%, while wages rose by 20% and energy costs by 60%. Electricity remains one of the most critical cost drivers, with power priced at approximately 10,000 SYP per kWh. Due to the insufficiency of grid power, factories and workshops are forced to rely on private generators or alternative energy sources, further increasing operating expenses. These rising input and energy costs have pushed up selling prices, but producers' profit margins remain very tight.

Exchange rate volatility and continued currency depreciation have amplified the cost of imported inputs and machinery, while imports of essential components and equipment, primarily from China, remain a dependency for many producers. Sanctions further inflate import prices, while the devaluation of the Syrian pound erodes purchasing power and limits producers' ability to buy raw materials in bulk, driving up unit costs.

Market-related constraints also weaken value chain performance. The local market is saturated with cheap, smuggled foreign goods, primarily from Türkiye and China, which depresses demand for domestic textiles and undercuts local producers. Many small and micro-enterprises, in particular, cannot compete with mass-produced or imported clothes and lack exposure to wider networks that could open new market pathways. The absence of industrial property rights or enforcement mechanisms further undermines trust and discourages innovation, as producers lack protection for locally designed products.



H. Supply and demand for labour

Profile of textile employees

Across interviewed enterprises, the workforce composition varies by firm size. Medium-sized enterprises report hundreds of employees (e.g., a medium factory in Aleppo with 155 workers, one in Damascus with 300 workers), where roughly half of staff are under 30. Smaller enterprises range from 7-8 workers to 26 workers, while micro businesses are often sole-proprietor or family-run. Youth dominate technical and production roles across all sizes.

Gender composition is more balanced in comparison with the construction sector. In medium and small enterprises women account for 30-50% of employees, concentrated in stitching, embroidery, packaging, and other production roles. Smaller workshops also employ women, often as seamstresses, detailers, or machine operators. Micro businesses showed mixed gender patterns.

Medium-sized enterprises in Aleppo, Damascus and Rural Damascus are employing migrants and IDPs, as needed, while other businesses did not mention any exclusion of any groups, which suggests a hiring process independent of displacement status. The hiring practices are based on skills, with no discrimination against IDPs. However, it is worth noting that some MSMEs rely more on IDPs for tasks not preferred by host communities, at lower salaries. IDPs accept such tasks due to the absence of other job opportunities.

Employees profiles in the textile sector span skilled, semi-skilled and unskilled employees, with medium-sized enterprises hiring for a large range of jobs. Typical roles include skilled tailors and machine operators, detailers, sprayers, hemmers, designers, packaging staff, drivers, designers, sales, administration, and services (e.g., repair/ironing). Medium enterprises combine technical specialists and administrative teams (production supervisors, sales, services), while smaller ones rely mainly on skilled tailors and apprentices trained on the job.

Employment conditions

The employment conditions in the textile sector vary widely depending on the size and formality of the business. Medium-sized enterprises tend to offer more structured and regulated employment environments compared to small and micro businesses, which remain largely informal. In small and medium businesses, wages are generally paid in cash and SYP, occasionally supplemented with bonuses or in-kind benefits such as meals or transportation. One small enterprise business owner said that the wages are benchmarked against sector norms and adjusted regularly.

For instance, in medium enterprises, unskilled workers earn around USD 100-150 per month, skilled workers between USD 300-400, and middle management up to USD 800. In smaller enterprises, weekly wages range from USD 20 to 60, depending on skill level, with skilled seamstresses and skilled machine operators receiving the highest pay, reflecting scarcity. Overtime is common and usually compensated at higher rates. It appears that medium-sized enterprises consider monthly wages while for small businesses, weekly pay seems to be the norm. The below table shows the reported wages, using the official exchange rate of 11,000 SYP to the dollar:

Skills/positions	Medium enterprise	Small enterprise
Unskilled	100-150 USD per month	23-45 USD per week
Skilled	300-400 USD per month	45-60 USD per week
Middle management/supervisor	Up to 800 USD per month	45-55 USD per week

Employment benefits and protections are uneven across enterprises. Registered businesses, the medium-sized ones, report adherence to social insurance registration and provide limited housing and transportation allowances. For instance, the medium-sized enterprise interviews in Rural Damascus registers its works with the Ministry of Social Affairs and Social Insurance; yet said not to adhere strictly to the labour codes or certifications, particularly for exports, partially due to the minimal compliance and limited oversight from governmental institutions. On the other hand, small and micro-enterprises operate informally, without contracts, insurance, or formal labour protections. These businesses typically rely on daily or per-piece payments, and employment continuity depends on seasonal orders and available capital. Safety measures are inconsistently applied: some small and medium-sized business owners report having fire extinguishers, first aid, and safety training in place. Most small businesses, however, rarely apply occupational health and safety standards or receive any external monitoring, due to their informality.

In focus group discussions, workers consistently highlighted the instability of income, the absence of formal protections, and the gap between work effort and pay levels. While business owners often described their conditions and pay structure as competitive, interviewed textile workers through FGD viewed employment in the textile sector as insecure, underpaid, and marked by exploitation risks, particularly in informal settings. This discrepancy underscores the textile sector's dual structure, where formal enterprises attempt to maintain regulated standards under economic strain, while the majority of small workshops continue to rely on informal, flexible, and often precarious employment arrangements.

Employment trends and hiring practices

Across the textile sector, enterprises of all sizes report fluctuating but generally high demand for labour, particularly for skilled machine operators, tailors, and workers trained in finishing, dyeing, and embroidery. Medium-sized enterprises in Damascus and Rural Damascus and in Aleppo consistently note difficulty in finding technically trained staff, especially engineers and operators familiar with modern machinery, while smaller enterprises face fewer shortages for basic tailoring and sewing roles. Business owners across both Damascus and Rural Damascus and Aleppo emphasize that while unskilled labour is easy to find, the pool of qualified and reliable skilled workers has diminished, partly due to migration, the decline of formal training institutions, and the overall deterioration of professional standards after years of conflict.

Recruitment practices in the textile sector remain predominantly informal and network-based. Most enterprises, whether medium or small, rely on personal referrals, word-of-mouth, and short trial periods to assess new recruits. Formal advertisements are occasionally used, particularly by medium-sized enterprises or urban workshops, but employers generally value trust, prior reputation, and reliability over formal qualifications.

A recurring challenge cited by small and medium enterprises is the issue of worker commitment and honesty, with several business owners stating that reliability and discipline are as important as technical skills in sustaining employment.

Workforce retention and stability differ significantly. Medium-sized enterprises face challenges in retaining skilled technicians and engineers, especially those trained on modern machinery, who often migrate or shift to informal freelancing. Conversely, small-sized businesses report relatively stable workforces, largely because wages are perceived as fair and workers are recruited through trusted personal networks.

Hiring trends also reflect the sector's informal and flexible structure. Workforce size tends to expand during peak demand seasons, especially before holidays, and contract temporarily when orders decline. From workers' perspectives, through FGD, informality however translates into weaker job security, with workers exposed to irregular hours, seasonal income fluctuations, and high vulnerability to market shocks.

Current workforce skills and skills gaps identified

The textile sector in Syria operates with a workforce that ranges from small, family-run workshops to small and medium factories employing several hundred staff. Microenterprises primarily rely on skills acquired informally, passed on by family members or personal experience, with owners and workers learning tailoring, embroidery, and finishing techniques on the job. Small- and medium-sized enterprises employ a mix of skilled and semi-skilled tailors, machine operators, detailers, and packaging staff.

Despite this broad base of practical skills, interviewed business owners consistently report gaps in formally trained technical competencies. Medium-sized businesses, in particular, struggle to find engineers and technicians with expertise in modern machinery, including cutting, dyeing, printing, and finishing equipment. A medium-sized enterprise in Aleppo reported that most candidates lack formal training and rely solely on informal craft learning, resulting in recurring quality gaps. Small-sized enterprises also highlighted a shortage of machine operators proficient in contemporary stitching, cutting, and knitting technologies. Medium-sized enterprise in Rural Damascus emphasized that employees often need additional practical exposure to advanced tailoring techniques and design software, while smaller Aleppo enterprises stressed gaps in finishing, detailing, and quality control skills. Business owners further noted that workers' knowledge of current fashion trends and modern garment production standards is limited, reducing competitiveness against imported products. One small business owner specifically suggested specialized training in design programs (e.g., Gerber). One micro-business owner believes that "specialized training in textile production and quality standards would improve competitiveness".

Non-technical skills are also deficient across the textile sector. Digital literacy, marketing, and business management were widely cited as missing, constraining small and micro-enterprises from reaching broader markets or scaling operations. Several respondents emphasized the need for training in social media management, e-commerce, and customer engagement.

Soft skills are equally critical in sustaining employment. Business owners across Aleppo, Damascus and Rural Damascus highlighted reliability, punctuality, honesty, and discipline as essential for workforce retention, with many noting that turnover is more often linked to behavioural issues than technical skill gaps.

Training practices and providers

Across the textile sector in Syria, most technical skills are acquired informally, with apprenticeships or on-the-job training forming the primary pathway. Workers gain practical experience within family-run workshops or within enterprises, often learning tailoring, embroidery, and machine operation under the guidance of senior staff.

All business owners consistently report that formal vocational training opportunities are limited and largely outdated. Internal training programs exist in some medium-sized enterprises, for instance, a large Aleppo factory provides three-month practical training for young workers, covering sewing, operations, and design software, followed by salary renegotiation upon demonstrated competence. A women's sewing workshop in Aleppo also delivers hands-on training in knit-stitch operations. One small business owner insisted that real and efficient training can only happen in workshops, noting that classroom instruction is insufficient for practical skill acquisition.

Formal vocational training exists but is limited, outdated, and poorly aligned with current machinery, quality control, and design requirements. Key informants highlighted a persistent mismatch between available training and industry needs. Structured programs for advanced machine handling, modern stitching, cutting, knitting, finishing, design, quality control, and digital marketing are largely absent. NGOs and private institutes occasionally provide short-term or specialized courses, but these remain limited in scale, costly, and insufficient to address the sector's technical and business skill needs.

Inclusion of youth and women in the textile sector

Across all enterprise sizes, the textile sector in Syria demonstrates comparatively higher female participation than other sectors, particularly in production-related roles such as tailoring, embroidery, and packaging. In several factories and workshops, women make up between 30% and 50% of the workforce, with their presence most visible in micro and small enterprises. Women's inclusion appears strongest in the micro and small enterprise segment, where flexible and home-based models of work are common. Women-run workshops and home tailoring businesses have proliferated, especially among displaced and female-headed households. Nevertheless, most female workers remain concentrated in low-wage, repetitive tasks such as stitching, packaging, or thread-cutting, with limited opportunities to transition into design, branding, or management. Medium-sized enterprises showed minimal female representation in higher-skilled or technical roles. Women's roles remain largely confined to low-skilled or semi-skilled positions, with few advancing to technical or supervisory roles. Business owners across small and medium enterprises consistently cited cultural norms, limited access to machines and finance, and the absence of targeted vocational programs as the main barriers restricting women's upward mobility.

Youth are a significant proportion of the workforce, representing half or more of total employees. Young workers are concentrated in unskilled, semi-skilled, and technical roles, often entering the sector through informal apprenticeships or family-run workshops rather than through structured vocational training. Some business owners described their youth workers as "the backbone of the production process". Few young workers possess formal training in modern textile techniques, machinery operation, or quality control. Employers frequently noted that many youth recruits "learn on the job", leading to productivity and quality gaps compared to pre-crisis standards.

I. Opportunities

Growth and expansion potential

Across all enterprise sizes, the textile sector in Syria demonstrates strong potential for recovery and expansion, anchored in Aleppo's historic industrial base, skilled labour force, and embedded production networks. Despite prolonged shocks, key informants and FGD participants framed textiles as one of the most resilient and promising economic sectors, with latent capacity that could be rapidly reactivated under improved operating conditions. Many businesses, currently operating at reduced capacity, reported readiness to scale up production if access to electricity, equipment, and capital were improved. For instance, one medium textile factory employing 155 workers indicated its ability to expand to 250 or even 1,000 employees with the addition of new production lines and access to industrial loans. Similarly, medium-sized workshops in Aleppo reported the capacity to rehire pre-crisis staff and expand operations once electricity reliability, licensing, and anti-smuggling enforcement improve.

Growth potential is also supported by evolving domestic and external market opportunities. Locally, steady demand for affordable garments, uniforms, and home wear continues to sustain small and medium workshops. A children's clothing trader said that this remains a resilient sub-sector, with continuous household demand.

Participants across Aleppo, Damascus and Rural Damascus highlighted NGO procurement as one of the most stable growth pathways, providing predictable demand and supporting local job creation. Some business owners said that low local wages, while challenging for workers, offer a cost advantage for large-scale garment production, positioning Aleppo competitively for regional trade once energy and input bottlenecks are resolved.

Restoring exports, particularly to Gulf markets and diaspora-linked businesses, was frequently cited as a long-term growth vector by small and medium enterprises, provided that quality standards, ISO certification, and market linkages are strengthened. FGD participants emphasized opportunities to link Aleppo's textile products with diaspora communities abroad, as well as to explore neighbouring-country markets where Syrian goods are still valued.

At the micro-enterprise level, tailoring, sewing, and embroidery remain accessible entry points for growth, especially for women and youth. Many home-based and small workshops reported strong local customer bases and ambitions to expand production beyond neighbourhood markets. Several women-led businesses in Aleppo expressed plans to acquire additional machines, modernize operations, and train young workers. Exhibitions and trade fairs were repeatedly emphasized by key informants and FGD participants as key mechanisms to reconnect local manufacturers with domestic and international buyers, helping re-establish specifically Aleppo's role as Syria's textile hub.

Opportunities for Youth and Women

The textile sector remains one of Syria's most accessible entry points for youth and women in Aleppo, Damascus and Rural Damascus. Women are concentrated in tailoring, embroidery, and garment finishing, roles often performed in home-based or small workshops that provide flexible working conditions. Youth, especially under 30, dominate machine operation, cutting, and packaging jobs, typically acquiring skills through apprenticeships or on-the-job learning rather than formal training. Employers described the sector as naturally inclusive, with women representing around half of the workforce in several medium-sized enterprises and youth making up the majority of production staff.

Women-led businesses, such as bridalwear, lingerie, and cotton workshops, show strong potential for expansion if access to capital, electricity, and modern machinery improves. Employers also noted that participation in exhibitions and trade fairs, could strengthen women's and youth employment by linking them to more stable markets.

Innovation and modernization pathways

Respondents across the textile sector consistently identified modernization and technology upgrading as the main levers for recovery and competitiveness. A medium-sized business owner in Aleppo reported plans to pursue ISO certification, update machinery, and reopen production lines to scale up to 1,000 workers if industrial loans and regulatory reforms become available. A women-led sewing workshop said that they could expand from 60 to 200 staff by acquiring modern machines. Smaller businesses stressed that exhibitions, marketing, and trade fairs are essential to reconnect with wholesalers and export markets, particularly diaspora-linked buyers. Overall, respondents emphasized that machinery renewal, quality certification, and stronger market linkages represent the most realistic pathways for innovation and modernization in Syria's textile sector.

Constraints on growth

Across all enterprise sizes, textile businesses in Syria reported persistent structural and systemic barriers that continue to constrain growth. Electricity shortages and unstable infrastructure were the most frequently cited challenges by workshops and factories in Aleppo, Damascus and Rural Damascus, with many noting that irregular power supply disrupts production cycles and limits machine use. Smuggling and unregulated imports, particularly from Türkiye and China, were identified by almost all respondents as the main market distortions undermining local competitiveness. A medium Aleppo textile factory described the influx of poor-quality imported clothes as "eroding trust in locally made products", while smaller producers stressed that smuggled goods depress prices below viable levels. Access to finance remains a major bottleneck, preventing even well-established firms from investing in machinery or expanding labour capacity; several micro and small enterprises rely on family loans or informal credit. Regulatory uncertainty and weak institutional support further exacerbate risks, discouraging scaling and deterring investment.

J. Conclusion - Textile sector

The Syrian textile sector, historically a cornerstone of the country's industrial economy, exhibits significant resilience despite years of conflict, economic shocks, and systemic disruption. Once a highly integrated and export-oriented industry, it has experienced substantial declines in production, cotton cultivation, and skilled labour availability, compounded by sanctions, unreliable energy supply, and unregulated imports from Türkiye and China. These challenges have created persistent barriers across the value chain, including high input costs, fluctuating demand, limited access to finance, and fragmented regulatory oversight, which collectively undermine competitiveness and profitability.

Despite these constraints, the sector retains strong recovery potential. Medium- and small-sized enterprises demonstrate capacity for rapid scale-up, particularly if access to reliable electricity, modern machinery, formal financing, and regulatory support improves. Aleppo's industrial base and skilled labour network remain critical assets, while domestic demand, diaspora markets, and NGO procurement offer viable avenues for stable revenue. All of the MSMEs interviewed, especially women-led workshops, provide accessible entry points for youth and women, contributing to inclusive employment and skill development.

Key opportunities for growth lie in modernization, technology upgrades, and strengthening market linkages. ISO certification, machinery renewal, technical vocational training and soft skills development, participation in exhibitions, and integration with regional trade networks can significantly enhance competitiveness. Addressing structural constraints, including energy reliability, regulatory gaps, and access to finance, remains critical to realizing the sector's potential.



Photo by: DRC Syria, 2025

6. Agriculture sector

The agriculture sector in Syria has long been a cornerstone of the economy, employing a substantial portion of the workforce, with significant potential for growth and job creation. Pre-crisis, an average of 21.85% of Syrians were employed in the agriculture sector, with a peak of 32.89% in 2000. As of 2022, around 15.5% of the labour force remained engaged in the sector despite years of conflict, displacement, and environmental degradation. Syria's agricultural system is now grappling with one of the most severe droughts in nearly four decades, compounded by over 14 years of war, widespread infrastructure destruction, and deep economic collapse. These overlapping crises have driven food production to critically low levels, placing immense strain on thousands of farmers and rural households. Key informant interviews (KIIs) conducted across Homs, Hama, Aleppo, and Rural Damascus repeatedly emphasized that "agriculture is still the backbone of rural life", but that its sustainability now hinges on urgent rehabilitation of irrigation networks, restoration of input supply chains, and improved access to finance and skills.

At the same time, the sector's structure has shifted profoundly. FGDs revealed that many of these smallholders combine crop cultivation with small-scale livestock keeping, typically sheep, goats, and poultry, to diversify risk and sustain household consumption. Medium- and large-scale commercial farms, once a defining feature of Syria's agricultural export economy, have largely collapsed or operate far below capacity due to damage, insecurity, and liquidity constraints. Local traders, input suppliers, and informal cooperatives have stepped into service delivery roles once filled by public institutions, though without consistent regulation or support.

Finally, years of conflict have compounded pre-existing environmental degradation and climate stressors, turning climate change into an existential threat to Syria's agricultural future. Farmers across all governorates described visible declines in soil fertility, shrinking water tables, and increased desertification. Recurrent droughts and rising input costs have made traditional rainfed systems increasingly unviable. Several KIIs emphasized that without new irrigation solutions and drought-resistant seeds, farming will die out in many villages. Yet these same challenges also present opportunities for transformation: the adoption of climate-smart agriculture (CSA), watershed management and rainwater harvesting, and regenerative soil management, can simultaneously restore productivity and build resilience. With targeted investments, Syria's agricultural sector could once again become a driver of food security, employment, and ecological recovery. The following sections analyse the structure, actors, and dynamics of the agricultural market system, identify barriers and enabling conditions, and highlight key opportunities for inclusive, climate-resilient recovery.

A. Description of the market systems assessed

Before the conflict, the agriculture sector accounted for up to a quarter of GDP. Today, despite massive losses in infrastructure, inputs, and labour, agriculture continues to provide critical income and subsistence for returnees, IDPs, and rural host communities. Current estimates suggest that 15-20% of the active workforce remains engaged in agricultural production or related value chains, underscoring its importance for recovery and food security.

The sector is dominated by smallholder and subsistence farming systems, often integrating mixed crop-livestock activities. Major crops include wheat, olives, cotton, tomatoes, vegetables, and herbs, while livestock (especially sheep, goats, and poultry) provides both income and dietary diversity. Agricultural productivity, however, has declined sharply due to multiple shocks: damaged irrigation infrastructure, contamination of farmlands by unexploded ordnance (UXO), limited fuel and electricity for water pumping, and unaffordable inputs such as fertilizer and seeds. Climate variability, in the form of recurrent droughts and irregular rainfall, further constrains production, especially in rainfed areas.

Syria's food system has become fragmented and import dependent. Once a net wheat exporter, Syria now meets well under half of domestic wheat demand; FAO estimates 2025 production at 0.9-1.1 million tonnes against consumption near 4 million tonnes, leaving around 3 million tonnes to import¹. The Minimum Expenditure Basket (MEB) was estimated at 2.27 million SYP in November 2025². The average monthly wage (750,000 SYP or 68 USD per month) still covers only about 37% of the MEB's food component, underscoring the continued erosion of household purchasing power and the widening gap between income and basic living costs³.

Market linkages between producers and consumers have been disrupted by damaged transport routes, loss of cold storage, and the collapse of processing and aggregation facilities. This has led to localized surpluses and shortages, post-harvest losses, and volatile food prices. In many regions, especially Aleppo, Hama, and Idlib, agricultural output consistently falls short of population needs, worsening food insecurity.

Despite these challenges, communities are adapting. DRC's field consultations in rural Homs and Aleppo found that returnees and host farmers are gradually re-engaging in crop and livestock production. Some are transitioning to less water-intensive crops such as olives and almonds or adopting drought-tolerant wheat strains (like the "Jabal" variety developed by ICARDA, which requires 30% less water and increases yields by 40%)⁴. There is also growing interest in solar-powered irrigation, small-scale greenhouses, and improved agricultural practices, particularly among youth and women seeking to rebuild livelihoods. These trends point to a sector that, while fragile, retains strong potential for economic recovery and inclusive growth.

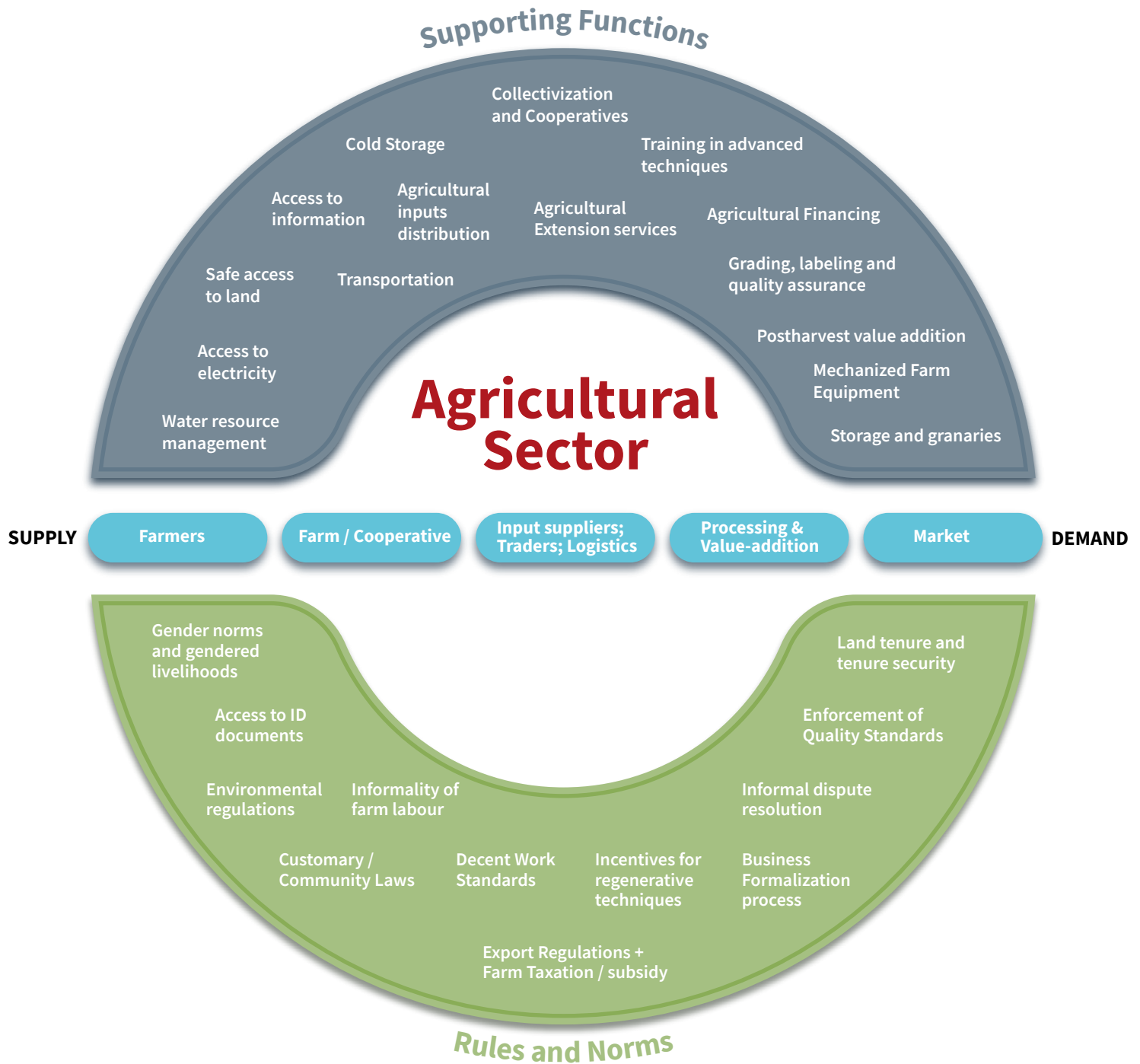
The following market "donut" illustrates the core actors, supporting functions, rules and norms which govern the agricultural sector in Syria.

1 "The Syrian Arab Republic: Farmers struggle amid worst agricultural crisis in decades", FAO, September 2025

2 "Monthly Market Price Bulletin WFP VAM | Food Security Analysis Syria. Issue 131" WFP, November 2025

3 "Country Brief - Syrian Arab Republic", Global Information and Early Warning System, August 2025

4 "New drought-tolerant crops for resilient dryland livelihoods", ICARDA, 2023



B. Core actors of the Agricultural system

Syria's agricultural system comprises a diverse network of producers, private actors, duty bearers, and civil society organizations, all operating within a context of fragility, informality, and localized governance. Insights from KIIs and FGDs conducted across Homs, Hama, Aleppo, and Rural Damascus confirm that market participation is driven as much by survival strategies as by commercial opportunity. The interplay between these actors determines who benefits from agricultural markets, who bears the risk, and who remains excluded.

Market Actors

Producers: Predominantly smallholder and subsistence farmers, producers cultivate small plots with family labour, often without access to mechanization or formal irrigation. Interviewees consistently highlighted that production choices are dictated more by water availability, input affordability, and security conditions than by market signals. Farmers in Homs and Rural Damascus noted that they “plant what we can irrigate, not what the market demands”. Women and youth are increasingly visible in home-based horticulture, dairy processing, and herb cultivation, but their participation remains informal, low-paid, and undervalued. In several FGDs, female participants emphasized the need for collective greenhouses and shared processing units to improve productivity and income.

Input Suppliers: Local dealers provide seeds, fertilizers, pesticides, and tools, mostly through informal credit and barter. Multiple KIIs confirmed that these traders extend credit to trusted farmers, often “keeping ledgers in notebooks”, but face liquidity shortages that limit the scale of support. Respondents across Hama and Homs reported the presence of rampant counterfeit fertilizers and low-quality pesticides, citing weak regulation and limited inspection by the Ministry of Agriculture and Agrarian Reform (MAAR). Nevertheless, some formal input companies and cooperatives are cautiously re-establishing networks in urban centres such as Homs and Rural Damascus, showing early signs of re-marketization.

Collectors and Traders: Traders and transporters dominate price setting and market access. KIIs with wholesalers revealed that they often set farm-gate prices unilaterally, citing high transport costs and fuel scarcity. Farmers across FGDs complained that “traders come to buy at whatever price they want because we have no cold storage or transport”. The result is a highly asymmetric value chain, where smallholders absorb most of the risk while intermediaries capture the greatest value. In the absence of functioning cooperatives, traders' influence remains unchecked, though a few producers expressed interest in reviving collective marketing groups if supported with start-up capital and storage facilities.

Processors and Aggregators: Small and medium agro-enterprises - particularly in olive oil, dairy, and food preservation - are critical for local employment and value addition but face major operational constraints. KIIs with processors in Homs noted that plants are operating at only 40-60% capacity due to unreliable power supply and outdated equipment. Many rely on diesel generators, which inflate production costs. Women-led micro-enterprises, especially in dairy and pickling, are active but largely unregistered and under-capitalized. Several women's groups reported that “our biggest challenge is packaging and transport, not production”. Upgrading small-scale facilities and linking them to cooperative marketing structures were repeatedly cited as key opportunities.

Retailers and Consumers: Local markets connect rural producers to consumers but face chronic challenges - poor cold storage, price volatility, and low purchasing power. KIIs with market vendors revealed that consumer demand is “present but weak”, as rising inflation has outpaced wages. The erosion of purchasing power has reduced market turnover for perishable goods and forced producers to downscale output. Respondents stressed the need for improved cold-chain infrastructure and fairer transport regulation to stabilize prices.

Duty Bearers and Public Institutions

The public sector retains formal oversight of agriculture but operates with limited reach and weakened legitimacy. Overall, governance fragmentation and overlapping mandates have created institutional vacuums that hinder policy enforcement and coordination, reinforcing dependence on civil society and informal mechanisms.

Ministry of Agriculture and Agrarian Reform (MAAR): Field data show that many district-level extension centres remain non-functional, and that farmers now rely on NGO or private-sector advice. One MAAR official interviewed in Homs admitted that “we have the mandate but not the means”, citing staff attrition and underfunded programs.

Ministry of Water Resources: Oversees irrigation but struggles with fragmented authority. FGDs in Aleppo and Homs reported that local communities often manage canals and pumps autonomously, paying for fuel collectively.

Local Administrative Councils and Municipalities: Operating as local governance structures. In some localities, they coordinate canal cleaning or market rehabilitation, while in others, they impose informal taxes, which respondents in Hama described as “the cost of moving anything”.

Chambers of Agriculture and Professional Associations: Exist on paper but remain largely inactive. Nevertheless, farmers and processors expressed willingness to re-engage if these bodies were revitalized with inclusive membership and clear mandates.

Civil Society, Cooperatives, and Community-Based Structures

Across nearly all FGDs, participants identified local NGOs, cooperatives, and women's groups as critical enablers of agricultural recovery. These community structures are increasingly filling the gap left by weak formal institutions, acting as entry points for inclusive programming, capacity development, and climate-resilient livelihood restoration.

Local NGOs and INGOs: Serve as the leading providers of extension and capacity building, particularly in Rural Damascus and Homs. Farmers repeatedly cited NGO training and grants as “the only reason we could restart farming”.

Cooperatives and Producer Groups: Many pre-war cooperatives collapsed, but new groups supported by organizations are emerging. In Aleppo, one cooperative leader described how joint input purchasing helped “cut fertilizer costs by half”. However, internal governance remains fragile, and legal recognition is inconsistent across regions.

Women's Associations and Savings Groups: Women's groups in Tartous and Homs are engaged in home-based processing, savings, and revolving funds, offering informal financial inclusion. FGDs highlighted these as effective platforms for training and scaling micro-enterprises, though limited mobility and childcare remain barriers.

Private Sector

While small in scale, the private sector is re-emerging as a driver of input delivery, processing, and innovation. In parallel, digital connectivity is gradually reshaping how rural producers and traders interact. Across all locations, respondents noted increased reliance on mobile phones, WhatsApp, and social media groups to share prices, coordinate logistics, and identify buyers, filling the gap left by the collapse of extension and market information systems. Younger farmers in Aleppo and Homs use digital channels to track prices and learn about new inputs, while some input retailers have adopted simple smartphone tools for bookkeeping and payment tracking. Mechanics, solar technicians, and agro-pharmacy owners are also emerging as micro-service providers offering repair, installation, and advisory support tied to renewable energy and irrigation. Strengthening partnerships between these local entrepreneurs, cooperatives, and NGOs could simultaneously accelerate the diffusion of clean technologies and create green employment pathways for youth in rural areas.

Agricultural Input and Equipment Firms: Private dealers in Homs and Tartous confirmed a steady recovery in input sales, despite import challenges. Several expressed readiness to partner with NGOs to expand last-mile distribution and credit schemes.

Agro-Processors and Exporters: Medium enterprises in olive oil, dairy, and herbs are restarting production but face capital shortages. KI respondents emphasized the need for energy-efficient equipment and access to foreign exchange.

Financial Institutions: A few microfinance initiatives, such as the **Syrian Microfinance Fund**, are experimenting with agricultural lending. However, most farmers interviewed stated they “trust the input dealer more than the bank”. Building confidence through Islamic-compliant lending and cooperative credit is key⁵.

Digital and Renewable Energy Providers: Field interviews and FGDs across Homs, Hama, Aleppo, and Rural Damascus consistently identified energy access as one of the most binding constraints to agricultural production. Farmers emphasized that many irrigation channels and pumps remain physically intact but non-functional due to diesel shortages and soaring fuel costs. This has driven rising interest in solar-powered irrigation and low-voltage pumping systems, as confirmed by equipment dealers and technicians in Hama and Rural Damascus. Demand for solar systems has grown since 2023, particularly among small and medium farms, yet high upfront costs, the absence of credit facilities, and limited availability of spare parts remain key barriers. Input traders reported that farmers increasingly request quotations for solar kits but are unable to invest without external support, signalling a clear opportunity for blended financing or de-risked micro-leasing schemes.

⁵ Islamic-compliant lending refers to financial products that adhere to Islamic (Sharia) law, which prohibits charging or paying interest (riba). Instead, financing is structured around profit- and loss-sharing, asset-backed transactions, or service fees. Common models include murabaha (cost-plus financing), mudaraba (profit-sharing partnership), and ijara (leasing). These mechanisms are often more culturally acceptable and trusted by rural clients in Syria who are wary of conventional interest-based loans.

C. Key supporting functions

The agricultural system depends on a series of supporting functions that enable production, trade, and value addition. Many of these functions remain weak or disrupted, representing key entry points for intervention. The following constitute the key supporting functions unique to the agriculture sector:

1. Infrastructure and logistics

- a. Irrigation systems, rural roads, and electricity supply are severely degraded. In Homs, communities report that although irrigation channels exist, they cannot operate due to fuel shortages and damaged pumping systems.
- b. Water quality issues, stemming from mixed sewage networks, pose additional challenges for safe irrigation and public health.
- c. Transport constraints - destroyed bridges, high fuel prices, and insecurity - limit producers' ability to reach urban or export markets.

2. Input and equipment supply

- a. Agricultural machinery, spare parts, and tools are scarce or outdated. Suppliers import used equipment at high cost due to currency devaluation and restricted trade.
- b. Input distribution networks remain fragmented, with limited regulations to guarantee quality or authenticity.

3. Knowledge, skills, and innovation systems

- a. State agricultural extension services have largely collapsed, leaving farmers without technical guidance.
- b. NGOs and UN agencies fill some gaps through training on improved seeds, pest management, and water efficiency, but coverage is patchy.
- c. Emerging initiatives include vocational training for youth, farmer field schools, and private advisory services.

4. Finance and investment facilitation

- a. Formal credit is largely inaccessible; rural financial institutions and cooperatives are inactive.
- b. Informal lending, remittances, and rotating savings groups are the main financial lifelines.
- c. New investment opportunities may arise following the removal of sanctions and the resumption of World Bank engagement.

5. Market access and value chain services

- a. Weak aggregation and storage facilities lead to high post-harvest losses.
- b. Limited marketing, branding, and packaging constrain the competitiveness of products such as olive oil, herbs, and dairy.
- c. Some private initiatives are reactivating local agro-processing and export channels, notably in Damascus and Rural Damascus and Tartous.

Across these supporting functions, there are emerging opportunities to introduce solar-powered irrigation, digital market information platforms, and cooperative input schemes, which could collectively rebuild system functionality and increase resilience to climate and market shocks.

D. Rules and Norms

The enabling environment for Syria's agricultural system is defined by a combination of formal rules, informal governance practices, and deeply embedded social norms. Together, these shape how actors participate in and benefit from the agricultural economy. The following sub-sections summarize the most relevant rules and norms affecting the performance and inclusivity of the agricultural market system.

1. **Land Rights and Tenure Security** - Land tenure insecurity represents one of the most severe constraints in the agricultural system. The conflict resulted in widespread destruction and loss of property records, displacement of owners, and informal occupation of agricultural lands. Many returnees have found their plots inaccessible, occupied, or rendered unsafe due to UXO contamination. Women face additional legal and social barriers to owning or inheriting land, despite nominal provisions under

Syrian civil law⁶. In several areas, unclear boundaries, the absence of cadastral surveys, and competing claims undermine investment, restrict credit access, and fuel social tension between returnees and host communities. The lack of an impartial mechanism for resolving land disputes remains a critical gap in the system.

2. **Business Registration and Licensing** - Agricultural producers and processors face a complex and inconsistent regulatory environment for business registration. The process for obtaining official licenses for farms, cooperatives, and small agro-enterprises is often lengthy, costly, and opaque. In many governorates, administrative procedures differ depending on which local authority is in control, leading to confusion and arbitrary enforcement. Many small-scale processors and traders therefore operate informally, outside of the legal system, which limits their ability to access formal financial services, contracts, or markets. The absence of streamlined registration frameworks discourages entrepreneurship and limits private investment, especially for women- and youth-led initiatives.
3. **Local Governance and Informal Taxation** - In the absence of centralized governance, various local authorities and non-state actors exert control over agricultural markets and impose informal taxation or “fees” on goods in transit. These charges occur at checkpoints, marketplaces, or along major transport routes, inflating transaction costs and reducing producers’ profits. In some cases, access to irrigation or input supply is mediated by powerholders who extract rents in exchange for services. This environment of fragmented and competing authority fosters unpredictability, discourages large-scale investment, and perpetuates market fragmentation. Such practices also reinforce local patronage networks and deepen inequalities between connected traders and marginalized smallholders.
4. **Trade and Financial Regulations** - Despite the recent commitment towards the removal of U.S. sanctions and Syria’s clearance of World Bank arrears, access to formal financial systems and international trade remains limited. Exchange rate instability, currency depreciation, and dual pricing systems distort input and output markets. Agricultural producers struggle to import essential inputs (such as fertilizers, seeds, and machinery) due to restrictions on foreign exchange and the high cost of compliance with customs procedures. Credit availability is minimal as banks operate with liquidity shortages and impose strict collateral requirements that smallholders cannot meet. Price controls on certain commodities, intended to protect consumers, further disincentivize production, as farmers receive lower returns than market value.
5. **Quality Standards and Market Regulations** - The absence or weak enforcement of product quality standards, grading systems, and consumer protection mechanisms hampers competitiveness and export potential. Many small-scale processors operate without certification, limiting their access to regional or international markets. Inconsistent veterinary and phytosanitary controls increase the risk of product rejection in trade and undermine food safety domestically. There are also no effective mechanisms to regulate counterfeit or substandard agricultural inputs, exposing farmers to unreliable seeds, fertilizers, and pesticides that compromise yields and soil health. Strengthening inspection systems, standardization, and traceability would significantly improve market efficiency and trust.
6. **Environmental Regulations and Resource Management** - Environmental management frameworks remain largely unimplemented. Over-extraction of groundwater, inefficient irrigation practices, and unregulated pesticide use have degraded soil fertility and water quality. Institutional responsibilities for environmental oversight are fragmented between the Ministry of Agriculture, local councils, and de facto authorities, resulting in weak coordination. Climate adaptation policies exist on paper but are not operationalized at the regional levels. As a result, farmers often resort to unsustainable practices, such as excessive groundwater pumping or the conversion of marginal land, further threatening the long-term viability of Syria’s agricultural base.
7. **Gender Norms and Social Practices** - Social norms significantly influence who can participate in and benefit from agricultural opportunities. Traditional gender roles continue to confine women to unpaid family labour, kitchen gardening, and home-based processing. Women’s mobility is restricted by cultural expectations and safety concerns, limiting their ability to attend trainings, engage in marketing, or manage farm operations independently. Decision-making power within households and cooperatives remains largely male-dominated, with women rarely controlling income or assets. Similarly, youth are often excluded from land inheritance and access to credit, leading to a lack of interest in agriculture as a viable livelihood. Addressing these entrenched norms through community dialogue, inclusive programming, and targeted financial and training support is essential to building a more equitable and productive sector.

6 “Housing, Land and Property Rights for Syrian Women in Contexts of Internal Displacement: Challenges and Opportunities”, Researching Internal Displacement, 2021

E. Barriers and accessibility to the market

The assessment identified a set of interlinked barriers restricting access to agricultural markets in Syria. These barriers affect producers, processors, traders, and consumers alike but are particularly acute for returnees - both refugees returning from abroad and IDPs returning to their areas of origin. Despite the centrality of agriculture to livelihoods, participation in the market system is constrained by physical damage, rising costs, and limited inclusion of women, youth, and persons with disabilities (PwDs).

Barriers for Producers and Agribusinesses

For farmers and agribusinesses, the foremost constraints relate to damaged infrastructure and market connectivity. Irrigation networks, feeder roads, and local marketplaces remain partly destroyed or non-operational, isolating rural producers from urban demand centres. In rural Homs, community leaders reported that although irrigation channels exist, they cannot function “as fuel is missing to push water with water pumps”. High transportation costs and scarce fuel further erode profit margins.

Input prices have risen sharply due to import dependence and currency depreciation, while formal credit is largely inaccessible. Many farmers have lost collateral or land titles during displacement, limiting access to finance. Processors face similar challenges, including unreliable electricity, high fuel costs, and limited working capital, which disrupt activities such as olive pressing and milling, curbing local value addition. For female entrepreneurs, complex licensing procedures and social expectations discourage formal business registration, restricting access to finance and market space.

Barriers for Consumers

For consumers, the principal barrier is affordability. Hyperinflation and currency volatility have made food prices unstable. According to the WFP (March 2025), the monthly minimum expenditure basket reached 200 USD equivalent, while the average wage covered less than 15% of this amount. Returnee households, often arriving with depleted savings, struggle most acutely. Seasonal shortages linked to transport bottlenecks and damaged cold storage reduce food availability and variety, particularly in remote and formerly contested areas. Although markets are stocked, as one Aleppo participant noted, “the shops are full of food, but no one can buy it”.

Barriers Faced by Vulnerable and Marginalized Groups

Returnees face combined physical, administrative, and social barriers. Many have lost documentation, productive assets, or farmland contaminated by unexploded ordnance (UXOs). Others encounter tensions with host communities over scarce resources and aid access. They often require re-skilling, start-up capital, and reintegration into producer groups to re-establish livelihoods.

Women continue to face mobility restrictions and exclusion from cooperatives or land ownership. Cultural norms and unpaid care duties limit participation in marketing or training. As noted in assessments from Aleppo, mobility and transportation issues, including the inability to access workplaces due to distance or lack of accessible transport, remain significant challenges. The lack of childcare support for women further restricts their ability to enter the workforce⁷. Nevertheless, women remain active in home-based food processing and horticulture when supported with inputs and market linkages.

Youth returning from displacement struggle to enter farming due to lack of land, capital, and modern skills. Many perceive agriculture as unprofitable compared with migration or informal urban work. Targeted vocational training in greenhouse cultivation, solar irrigation, and food processing could help bridge this gap.

Persons with Disabilities face the greatest exclusion, citing inaccessible farmland, a lack of adapted tools, and neglect in livelihood programs. FGD participants in Homs noted that PwDs “can’t access the market”, underscoring the need for inclusive infrastructure and tailored support.

Systemic and Environmental Constraints

At the system level, five cross-cutting barriers continue to impede equitable market participation:

- **Climate and Environmental Risks:** Recurrent droughts, degraded water systems, and unsustainable resource use drive productivity losses.
- **Transportation and Connectivity:** Damaged roads and high fuel prices limit the flow of goods and people, leading to fragmented local markets.
- **Price Volatility:** Exchange-rate fluctuations and informal checkpoint fees destabilize input and output prices.
- **Information Gaps:** Farmers and small traders lack access to reliable data on prices and demand, reinforcing dependence on intermediaries.

7 “Voices from Syria”, UNFPA, 2024

F. Safety and UXO Contamination: In many return areas, fields remain unsafe to cultivate, delaying recovery and market re-entry.

Access to finance and payment modalities in the market

Access to finance within Syria's agriculture sector is severely limited across all value chain actors, from individual farmers and workers to medium-sized enterprises. Agricultural businesses primarily operate on cash-flow and reinvested profits, with little or no access to formal credit. Medium enterprises-such as nurseries, agricultural traders, and input suppliers - depend on client prepayments, seasonal revenues, and supplier credit to manage operations, but inflation and delayed payments erode liquidity and prevent long-term planning. Many businesses avoid engaging with banks due to high collateral requirements, complex procedures, and mistrust toward formal institutions.

Smallholders and micro agricultural businesses are even more financially excluded. Most operate informally and rely on personal savings, family loans, or small humanitarian grants to purchase inputs. A few obtain informal credit from input dealers, but these arrangements are trust-based and non-contractual, leaving both sides vulnerable to default and price fluctuation. Daily labourers and seasonal workers have no access to formal or informal credit channels, depending entirely on cash wages or remittances from relatives abroad. Remittances remain a lifeline for some households, though unevenly distributed and often used for consumption rather than productive investment.

Micro Finance Institutions (MFIs) historically have had a limited footprint in Syria. In recent years, some programs and proposals (such as the Syrian Microfinance Fund) have been conceived to expand microloans to small businesses and vulnerable populations in agriculture. Islamic microfinance via Murabaha (cost-plus lending) may be socially acceptable in rural areas and shows potential for sustainability if properly structured⁸. Agricultural microfinance can bridge unmet demand for credit among small livestock or farming households if adapted to seasonal cash flows and risk-sharing. However, as of now, uptake is minimal, and credit supply from MFIs is fragmented, modest, and hindered by institutional and regulatory weaknesses.

Across the value chain, cash remains the dominant payment modality. Employers and traders transact in cash, paying workers daily or weekly and buying inputs directly from suppliers. The absence of digital or formal payment systems reinforces informality, liquidity constraints, and exposure to price shocks. With limited access to financial services and no institutional safety nets, both businesses and workers operate within a fragile, trust-based financial ecosystem that constrains growth, deepens vulnerability, and discourages investment in productivity or modernization.

Actor Type	Main Financing Sources	Typical Payment Modalities	Key Barriers to Finance	Coping and Informal Mechanisms
Medium Enterprises (nurseries, farms, agricultural traders)	Reinvested profits, supplier credit	Cash-based transactions; occasional deferred payments with buyers or suppliers	Lack of collateral; complex loan procedures; inflation and currency volatility; delayed client payments	Use of supplier credit; advance payments; delaying worker wages; informal borrowing from peers
Small Agricultural Enterprises / Input Dealers	Personal/family capital, short-term trade credit from wholesalers	Cash or handwritten IOUs; short credit cycles (1-2 months)	No formal collateral; low trust in banks; high interest rates	Borrowing from personal networks; reducing inventory; rotating cash among suppliers
Smallholder Farmers / Micro Producers	Personal savings; remittances; NGO grants; informal borrowing from relatives	Cash only; input purchases on credit or barter	Lack of land titles; fear of debt; poor financial literacy; weak institutional access	Selling livestock/assets; sharing labour and inputs among relatives; input dealer credit
Daily Agricultural Workers / Seasonal Labourers	N/A - income from daily wages only	Paid in cash daily or weekly	Excluded from financial institutions; no savings mechanisms	Community borrowing; reliance on remittances; reducing consumption during off-season
Home-based Producers	Household savings; remittances; small NGO cash grants	Cash-only; family-based transactions	Gender norms limiting bank access; mobility restrictions; lack of financial literacy	Family savings groups - rotating credit among relatives; informal barter with neighbours

⁸ "Opportunities and challenges of Islamic microfinance in livestock production: An evidence from Syria", Salwa Almohamed and Salwa Almohamed, 2018

G. Supply and Demand Characteristics in the Agricultural Market

The agricultural sector in Syria is composed primarily of micro and small-scale producers, complemented by a limited number of medium-sized enterprises involved in crop cultivation, livestock breeding, and input supply. This ecosystem functions through localized, interdependent networks linking farmers, traders, processors, and agricultural input providers. Despite its resilience, the system is highly fragmented and vulnerable to economic, environmental, and infrastructural shocks.

Market Structure and Product Flows

Demand for agricultural products is driven mainly by local consumption and urban markets, with limited formal exports due to sanctions, transportation bottlenecks, and currency depreciation. In governorates such as Homs, Hama, and Rural Damascus, medium-sized farms and nurseries serve as aggregators, supplying vegetables, olive oil, and seedlings to urban centres. Informal traders and middlemen play a critical intermediary role, purchasing crops at farmgate prices and reselling them to wholesalers or retailers. This structure is functional but asymmetrical, as producers bear the brunt of price fluctuations and post-harvest losses.

Demand for agricultural services - such as irrigation, ploughing, pest control, and post-harvest handling - remains relatively stable but is highly sensitive to input prices, energy supply, and water availability. Employers report that they could expand production and hire more workers if energy and input costs stabilized and irrigation became more reliable.

Supply of Inputs and Resources

The supply of agricultural inputs (seeds, fertilizers, pesticides, and equipment) is dominated by private importers and traders, with minimal public-sector involvement. Local input chains are heavily affected by inflation, currency depreciation, and import restrictions, resulting in 200-250% price increases and frequent shortages of quality inputs. Locally produced alternatives such as compost or traditional seed varieties exist but remain insufficient. Weak quality control has led to the circulation of counterfeit or substandard products, eroding trust between producers and suppliers. In the livestock subsector, feed and veterinary medicine supply is erratic and costly, with feed expenses now comprising up to 70% of total production costs. As a result, many small-scale breeders have downsized or exited the market.

Labour Market Dynamics and Skill Gaps

Agricultural employment is widespread yet predominantly informal, seasonal, and low paying, deterring consistent workforce participation. Employers emphasize a shortage of reliable and technically competent labour, especially in roles such as irrigation technicians, greenhouse operators, and veterinary assistants. Meanwhile, the workforce - particularly women, youth, returnees, and persons with disabilities - faces barriers related to mobility, documentation, safety, and access to skills or finance.

Women are concentrated in low-skill, home-based work, while youth struggle to access land or credit to start independent ventures. Vocational and technical training opportunities exist but remain disconnected from actual labour market demand, offering limited pathways to employment or apprenticeships.

Entrepreneurship and Access to Finance

Many rural households and returnees engage in self-employment in farming, small processing, or trade. However, without access to capital, stable input supply, or reliable buyers, these micro-enterprises remain trapped in low-return cycles. Credit from formal financial institutions is virtually inaccessible due to collateral requirements, while informal lending is scarce and high-risk. High input costs, limited aggregation mechanisms, and weak business management capacity further restrict the ability of smallholders to scale or differentiate products for higher-value markets.

Information and Market Access Failures

Market transactions depend largely on informal networks and word-of-mouth exchanges, excluding newcomers and reducing efficiency. Producers have limited access to real-time market information, including input prices or urban demand trends, and rely heavily on middlemen who capture much of the value chain.

Transportation challenges, checkpoint delays, and fuel shortages further restrict access to customers and partners. Moreover, digital payments and e-commerce remain underdeveloped, and quality assurance mechanisms are weak, reducing trust between buyers and sellers.

Systemic and Environmental Bottlenecks

Structural challenges, such as price volatility, lack of agricultural credit, unreliable electricity, and weak regulation, create a market where demand often exceeds the reliable supply of quality products, yet producers cannot expand production. Environmental stressors, including recurrent droughts, irrigation shortages, and soil degradation, exacerbate these pressures, leading many farmers to reduce cultivation or shift to lower-input crops. These compounding factors underscore a fragile and undercapitalized agricultural system, where both supply and demand are distorted by overlapping economic, environmental, and institutional constraints.

Despite these challenges, the agriculture sector remains a cornerstone of rural livelihoods and a primary entry point for displaced and returnee populations to rebuild income. Addressing systemic mismatches between market demand, workforce capacity, and resource availability will be essential to revitalizing Syria's agricultural economy and creating more inclusive and sustainable employment opportunities.

H. Supply and demand for labour

Agriculture continues to serve as both a safety net and income source for returnees, displaced persons, and rural households in Syria. However, its job creation potential is limited by informality, low productivity, and a widening skills gap between what employers demand and what workers can supply. Labour demand is steady but seasonal, while supply remains abundant yet poorly aligned with the requirements of modern, value-added agriculture.

Profile of Agricultural Employees

The workforce is predominantly informal, male, and middle-aged, engaged in small-scale crop and livestock production or home-based processing. Permanent workers - such as irrigation operators or livestock supervisors - are few, while most employment is seasonal or casual, often filled by displaced persons, returnees, or youth. Recruitment occurs locally due to mobility and fuel constraints, with verbal agreements replacing contracts. This flexibility comes at the cost of job security and labour protection.

Women's participation is significant but concentrated in low-paid, low-intensity tasks like weeding and sorting, reflecting both social norms and unpaid care responsibilities. Younger workers view agriculture as unattractive unless it offers higher returns through mechanized or greenhouse-based production.

Employment Conditions and Trends

Agricultural work is precarious and cash-based, with low and fluctuating wages that vary according to the season (averaging between 4.5-5.5 USD per day) and little access to social insurance or written agreements. Workloads peak during planting and harvest periods, often without overtime pay or adequate safety measures.

Employers cite high input and fuel costs as key barriers to hiring stability, while electricity outages and irrigation shortages further disrupt operations. Despite recognizing women's reliability, employers note that safe transport and childcare support are essential to increase their participation. Labour demand is heavily seasonal, and recruitment is driven almost entirely by personal networks, excluding newcomers and marginalized groups.

Workforce Skills and Gaps

Syria's agricultural workforce combines traditional know-how with limited technical and business skills. Workers are familiar with basic cultivation and livestock care but lack training in irrigation maintenance, greenhouse management, pest control, and post-harvest handling. Mechanical repair and water management expertise is particularly scarce.

Soft skills such as record-keeping, costing, and teamwork are also weak, reducing efficiency. Women and youth face the largest skill gaps due to limited mobility and access to vocational training. The absence of standardized certification systems prevents employers from objectively assessing skill levels, reinforcing a low-skill, low-wage cycle.

Training and Skills Development

Training opportunities remain sporadic, donor-driven, and poorly linked to market demand. Vocational centres are few, under-resourced, and mainly urban-based, while employers rely on informal learning or demonstrations by input suppliers. Training often focuses on product use rather than improving production efficiency or business management.

Workers and micro-entrepreneurs expressed demand for practical, mobile, and short-term training that combines technical, business, and soft skills. Women prefer community-based sessions with flexible timing and childcare support, while youth favour short, accredited courses tied to job placements. Expanding such approaches could improve employability and productivity while supporting inclusion in DRC's livelihoods programming.

Inclusion of Youth and Women

Although agriculture remains central to rural economies, youth and women remain underrepresented in its more productive segments. Women's work is concentrated in home-based, low-paid activities, while youth view the sector as unstable. Nonetheless, there is strong interest among both groups in modernized and technology-linked roles - such as greenhouse cultivation, irrigation systems, or digital marketing - if access to finance and recognized training is available.

Expanding women-led cooperatives, value-added processing, and digital agriculture services offers a viable path for inclusion. Future programs should combine gender-sensitive training, enterprise development, and local awareness efforts to make agriculture a more inclusive and appealing livelihood option.

I. Opportunities

Syria's agricultural sector, though strained by over fourteen years of conflict, economic collapse, and the worst drought in nearly six decades, remains one of the most viable engines for recovery, job creation, and food security. Field data from KIIs and FGDs across Homs, Hama, Rural Damascus, Aleppo, and Dara'a reveal a convergence of local resilience, unmet demand, and systemic reform potential. The following subsections consolidate and analyse opportunities identified through the assessment, integrating empirical evidence from the field and recent policy and humanitarian insights.

Revitalization of High-Potential Value Chains

Across nearly all governorates, respondents identified vegetables, olives, and dairy as the most resilient and scalable subsectors, offering immediate employment and income potential.

1. **Cereals:** Wheat and barley continue to serve as the backbone of rural livelihoods and food security in Syria, yet yields have plummeted due to drought, fuel shortages, and soil exhaustion. Key informant interviews across Homs, Hama, and Rural Damascus consistently described an urgent need to restore cereal production through improved inputs and water management. Farmers reported that many traditional wheat varieties have failed under current climatic stress, emphasizing the need for drought-tolerant seeds such as Jabal-type wheat, alongside soil-moisture conservation and crop rotation practices. In some FGDs, participants noted that “with better seed and one working well, a family can survive the year”, underscoring the sector's continued importance as a household safety net. Rehabilitation of community-level grain silos and storage facilities, many of which are currently defunct or damaged, was repeatedly suggested to reduce post-harvest losses and stabilize local grain prices. Coordinated interventions in input supply, irrigation rehabilitation, and credit access could thus yield rapid productivity gains and protect national food security.
2. **Vegetables and Horticulture:** Vegetable production emerged from FGDs as one of the most dynamic and opportunity-rich subsectors for recovery, driven by strong market demand and relatively short production cycles. Farmers in Douma and Homs highlighted vegetables such as tomatoes, cucumbers, peppers, and leafy greens as quick-turnover crops that can sustain household incomes even under water constraints. Several respondents emphasized the effectiveness of low-cost greenhouses and drip irrigation systems, which enable year-round cultivation and better protection against climatic variability. However, high upfront costs remain prohibitive. Introducing micro-leasing or vendor-credit schemes through local input suppliers, many of whom already informally extend credit, could unlock adoption at scale. Pairing these interventions with technical training through agricultural vocational institutes would create a pipeline of skilled operators, mechanics, and technicians essential for maintaining the systems.
3. **Perennial Crops: Olives, Almonds, and Fruit Trees** - The perennial crop segment, particularly olives and fruit trees, was repeatedly identified by interviewees as a resilient anchor of rural economies, sustaining employment and income even during crisis years. Processors and traders in Homs and Tartous noted that most olive oil presses operate at 40-60% capacity, constrained by energy shortages and outdated machinery rather than by lack of demand. Rehabilitation and modernization of these facilities, including energy-efficient pressing equipment and improved quality control systems, could significantly expand production and restore competitiveness in domestic and export markets. Farmers also called for cooperative-based pruning, replanting, and marketing initiatives, as collective labour arrangements and bulk sales could increase efficiency and bargaining power. Similar potential exists in fruit processing, including apricots, almonds, and figs, where improved drying and packaging facilities could create seasonal employment, particularly for women and youth in harvest and post-harvest handling.
4. **Herbs, Medicinals, and Food Processing** - The cultivation and processing of aromatic and medicinal plants, including thyme, anise, chamomile, and cumin, emerged as a promising low-water, high-value niche, particularly in Homs and Rural Damascus. FGDs revealed that women-led cooperatives and micro-enterprises are already active in drying, pickling, and packaging herbs and vegetables for local markets, though limited access to quality control and branding restricts growth. Traders described consistent demand from regional buyers for Syrian herbs, citing them as “trusted and traditional”. Establishing shared processing units and cooperative quality assurance mechanisms would enable producers to meet export standards, while simple investments in branding, labelling, and eco-packaging could raise market value. These micro-industries also hold strong social inclusion potential, as they build on existing women's skills and home-based production capacities.
5. **Dairy and Livestock Production:** Livestock production, particularly sheep, goats, and poultry, remains a vital livelihood for conflict-affected households, despite widespread herd losses and feed scarcity. Interviews with dairy processors and livestock keepers pointed to several opportunities for recovery: restoring feed supply chains, improving feed-ration optimization, and supporting veterinary and milk-collection cooperatives. Women participants in Hama and Homs emphasized that household-level dairy processing already provides income security, but that lack of cooling and hygiene equipment prevents them from accessing higher-value markets. Introducing solar-powered cooling units could significantly improve product safety and marketability. For youth, emerging service niches in animal health and solar-equipment maintenance were identified as untapped employment pathways.

Irrigation, Water Efficiency, and Renewable Energy Solutions

Rehabilitating irrigation infrastructure emerged as a universal priority across all locations. Farmers consistently reported that lack of fuel and damaged water networks constrain production more than any other factor. Opportunities lie in solar-powered irrigation, drip systems, and community-managed water pumps, which could lower recurrent costs and improve resilience to drought.

Private irrigation network manufacturers interviewed in Homs described high demand for localized irrigation systems but cited lack of capital and spare parts as barriers. There are opportunities to expand existing pilot models combining solar systems with Farmer Field Schools (FFS) to build both infrastructure and local capacity. Reconstituting basin-level water committees and local user groups will also be key to equitable allocation and maintenance. Any investments should seek to create the dual benefit of generating employment while building the ecological resilience needed to protect livelihoods from future droughts and environmental shocks.

Expansion of Nurseries, Seedling Production, and Input Supply

Interviews with nursery owners and agricultural input traders highlight robust demand for high-quality seedlings, fertilizers, and pest-control products, especially in Homs and Rural Damascus. Nurseries like Al-Tahla and Bassam Agricultural Nursery expressed readiness to scale up production and diversify varieties if access to credit and electricity improved. Input traders noted consistent demand despite import constraints, underlining the resilience of these markets. However, substandard or counterfeit inputs were reported as a pervasive problem. Strengthening regulation, promoting certified distributors, and encouraging partnerships between input traders and NGOs can reduce risks and increase productivity.

Value Addition, Processing, and Packaging

Agro-processing and packaging represent critical growth nodes to increase value capture by smallholders. Olive oil presses, dairy processors, and vegetable traders alike reported ambitions to modernize equipment, but inflation and liquidity shortages block investment. Developing community-based processing hubs (for pickling, dairy, and olive oil) and mobile processing units could create inclusive employment for women and youth.

In FGDs, women specifically identified home-based food production - such as jam, cheese, and preserved vegetables - as profitable if supported by small equipment, branding, and packaging assistance. Demand from NGOs and institutional buyers for locally sourced food products could serve as a catalyst for these ventures.

Agricultural Skills Development

Data from focus group discussions and key informant interviews across Homs, Hama, Aleppo, and Rural Damascus reveal that the agriculture sector is suffering from a critical erosion of technical expertise, as many skilled workers were displaced, migrated, or shifted to other trades during the conflict. Surveys show that more than two-thirds of agricultural employers face shortages of trained labour, especially in irrigation system repair, greenhouse management, plant protection, and dairy processing. Farmers repeatedly noted that there is a widening skills mismatch between rural labour supply and evolving market demands. Rebuilding vocational and technical training systems through apprenticeships linked to active farms, cooperatives, and agribusinesses will therefore be essential to restore productivity. Training content should emphasize practical, market-relevant competencies such as solar irrigation maintenance, greenhouse installation, post-harvest handling, and feed management, entrepreneurship support. Reviving or partnering with existing agricultural vocational centres and local business development services could promote skills development. Equally critical is the mobilization of Syria's agricultural diaspora and displaced expertise. Farmers and technicians currently working in Jordan and Lebanon possess updated skills in irrigation technologies, cooperative management, and climate-smart agriculture that could be leveraged for Syria's recovery.

Inclusive Employment and Entrepreneurship Pathways

Both KIIs and FGDs highlight persistent gender and youth segmentation yet also demonstrate emerging entry points for inclusion.

- **Women:** Women's associations and home-based producers expressed strong interest in transitioning from informal to semi-formal enterprises. Opportunities exist in processing, nursery work, dairy production, and herbal product manufacturing, provided childcare and safe mobility options are available.
- **Youth:** Youth respondents across Homs and Aleppo displayed interest in modern, technology-linked agricultural roles - such as irrigation maintenance, greenhouse management, and digital marketing - if training and credit are accessible.

Financial Services and Risk-Sharing Mechanisms

Across all interviews, lack of credit was cited as the most binding constraint to growth. Traders, processors, and farmers alike expressed willingness to expand if financing were available. Opportunities exist to introduce Islamic-compliant microfinance products, cooperative savings schemes, and digital payments to reduce cash-flow risks. Microfinance institutions could play a greater role in providing seasonal working capital loans for crop and livestock cycles. Innovative financing schemes such as risk-sharing arrangements through partial guarantees or revolving credit funds could be explored, especially financial products that have been tailored for the agriculture sector, for example, Pre-harvest financing, long-term investment finance, index-based agricultural insurance, etc.

Market Information, Logistics, and Cold Storage

Farmers and traders cited chronic losses from transportation bottlenecks and lack of cold storage. Developing local aggregation and storage centres could stabilize prices and enable collective bargaining. Information asymmetry also remains a serious problem. Producers depend on middlemen for price data, leading to exploitation. Establishing digital market information platforms via SMS or WhatsApp could strengthen transparency and empower producers.

Climate Resilience and Environmental Stewardship

Climate adaptation emerged as both a necessity and an opportunity in all governorates assessed. Drought, desertification, erratic rainfall, and widespread soil degradation were identified across nearly every FGD as the most severe and immediate threats to agricultural livelihoods. Farmers described visible declines in groundwater levels, rising salinity, and the abandonment of formerly productive land due to water scarcity and fuel shortages. In multiple locations - including Homs, Hama, and Rural Damascus - participants noted that “irrigation channels still exist, but we cannot operate them”, underscoring the combined impact of infrastructure damage and energy insecurity.

Respondents consistently expressed strong openness to adopting CSA practices if adequate training, demonstration plots, and subsidized inputs were available. Key informants identified drought-tolerant seed varieties, organic composting, soil moisture conservation, and drip irrigation systems as viable entry points that could stabilize yields and reduce production costs. Several farmers also reported experimenting with alternative practices such as intercropping, mulching, and organic fertilizers made from livestock waste, but noted the absence of structured extension services or technical support to scale these methods.

These field observations align with recent FAO assessments (2025), which highlight the urgency of intervention: Syria’s wheat harvest has dropped to between 900,000 and 1.1 million tonnes, among the lowest levels on record, threatening to push over 14 million people into food insecurity. The degradation of agricultural ecosystems, combined with the compounding effects of drought and input shortages, risks irreversible livelihood loss if adaptive measures are not rapidly deployed.

However, this crisis also presents a strategic opportunity to embed climate resilience into Syria’s recovery architecture. Scaling CSA approaches through FFS, community cooperatives, and vocational training programs can simultaneously restore soil health, enhance water efficiency, and create skilled employment in green agricultural services. Integrating regenerative techniques such as water harvesting over the use of solar-powered irrigation could pay long-term dividends.

There is also scope for climate finance and carbon-credit linkages, where international donors or private actors support green rehabilitation projects that generate verifiable environmental benefits. Through such blended approaches, the agricultural sector can shift from reactive adaptation toward proactive environmental stewardship, positioning Syrian farmers not only as beneficiaries of aid but as agents of ecological recovery and resilience-building in one of the world’s most climate-vulnerable contexts.

Leveraging the Syrian Diaspora for Agricultural Recovery

Several KIIs highlighted the untapped potential of skilled returnees and diaspora-linked investors, particularly those with agricultural expertise gained in neighbouring countries. Many Syrians who worked in Jordan’s or Lebanon’s agricultural sectors possess valuable skills in irrigation, greenhouse management, and input trade. Facilitating their reintegration through diaspora investment funds, mentorship networks, and cooperative joint ventures could accelerate local recovery and technology transfer.

Structured engagement with this diaspora could help bridge critical human-capital gaps in post-conflict Syria by introducing modern production practices, supporting vocational curricula, and mentoring cooperatives and small enterprises. Facilitating diaspora investment platforms, technical exchange programs, and business linkages can inject much-needed innovation and financing into the rural economy, while simultaneously offering skilled returnees and expatriate Syrians a stake in reconstruction. This approach would not only enhance agricultural productivity and market competitiveness but also strengthen social cohesion by transforming displacement-induced brain drain into a driver of national recovery and climate-resilient rural development.

Regional and International Collaboration for Agricultural Recovery

Restoring Syria’s agricultural sector will require regional coordination and easing of trade restrictions. The League of Arab States and the Arab Organization for Agricultural Development (AOAD) can play key roles in re-establishing Syria’s participation in regional food security frameworks, aligning with the Arab Programme for the Sustainability of Food Security (2021-2030). Regionally, cross-border trade corridors with Jordan, Lebanon, and Iraq should be prioritized to enable the export of surplus crops such as olives, herbs, and dairy, while also stabilizing domestic food markets. In tandem, diplomatic engagement to gradually lift or adapt economic sanctions can unlock critical access to agricultural machinery, fertilizers, and renewable energy technologies, which are foundational steps toward a self-sustaining and regionally integrated agrarian recovery. Improving product quality and certification, through ISO standards, regional branding, and traceability, would help Syrian agricultural goods regain competitiveness in regional and European markets. At the same time, exhibitions and trade fairs could reconnect producers and buyers and signal the return of legitimate commercial activity.

Extension and Support Services

KIIs highlighted a growing demand for agricultural support services, which represent parallel engines of job creation and modernization. Farmers and traders consistently cited shortages of reliable mechanics, irrigation technicians, and input suppliers. There is a clear and rising need for:

- Agro pharmacies offering certified pesticides, fertilizers, and plant protection advice.
- Technical repair workshops for irrigation pumps, tractors, and milling machines.
- Digital extension platforms to disseminate real-time information on weather, prices, and pest outbreaks via SMS and WhatsApp; and
- Solar-energy installers and water-system technicians, linking renewable energy deployment to agricultural productivity.



Photo by: DRC Syria, 2026

7. Conclusion and recommendations

Syria's economy is transitioning from survival to recovery, driven by reconstruction, agricultural reactivation, and cautious industrial revival. Yet, the various systems that influence the economy, including the labour market, financial services, social protection, and public services, remain fragile, informal, and often exclusionary. The private sector, particularly micro, small, and medium enterprises, shows resilience and adaptive capacity, but faces structural and institutional bottlenecks that cannot be overcome without coordinated policy reforms, inclusive programming, and sustained investments.

A sustainable path forward requires sequenced interventions. First stabilizing macro conditions (energy, inflation, liquidity), then strengthening market systems through finance, market linkages, and infrastructure rebuilding, while supporting inclusive labour market activation via targeted and market-based skills development, improvement of decent working conditions, and financial inclusion.

The assessed sectors, agriculture, construction, and textile, could together serve as the backbone of an inclusive post-conflict economic recovery, capable of generating large-scale employment and revitalizing local economies across Syria.

Recommendations for Civil Society Organizations

1. **Strengthen Community-Based Finance and Protection Mechanisms** - While the assessment did not find strong evidence of organized savings or solidarity groups, informal community support and reciprocal labour exchanges remain important coping mechanisms for many rural households. Community-based savings and credit groups have the potential to provide flexible, trust-based financial services in the absence of formal credit systems, while also fostering social cohesion and mutual support. Civil Society Organizations (CSOs) should therefore prioritize the formation, maturation, and formal recognition of community-based finance and protection mechanisms. Organizations should focus on strengthening the internal governance of groups and linking them to formal mechanisms of social protection and finance, including banks and MFIs, as well as potentially agricultural cooperatives or producer groups. In many rural areas, these groups already serve as both financial lifelines and protection platforms, helping women, returnees, and other vulnerable households collectively manage risk, resolve local disputes, and access livelihood opportunities. As such, organizations should strive to support existing community-based structures and refrain from establishing parallel groups.

2. **Promote climate resilient, renewable energy and regenerative agricultural practices to mitigate the effects of drought** - The LMA highlighted the overextraction of limited water resources in the agriculture sector, amidst an ongoing drought and fuel scarcity, leading to the degradation of soils and the dwindling of water for consumption purposes. CSOs should promote regenerative and climate-smart practices in the agriculture sector, including water harvesting, use of water-saving irrigation methods (e.g. drip irrigation), local production of organic fertilizer and pesticides, etc. CSOs should also support MSMEs' access to renewable energy solutions to reduce operational costs and ensure production continuity, through larger financial support (through a grant or loan model) encompassing energy or through tailored top-up financial support to already supported businesses. CSOs, in coordination with the Government, could also support collective energy-sharing models (e.g. shared generator hubs or solar grids in industrial zones) to mitigate production disruptions, limit prohibitive costs, and reduce fuel dependency. Syrian civil society organizations should invest in the establishment of community structures that can be engaged in disaster risk and natural water resource management, as well as adaptation measures such as rainwater harvesting, watershed management, and repair of community infrastructure.
3. **Enable safe access and productive use of land** - Over a decade of conflict in Syria has resulted in widespread land contamination with unexploded ordnance (UXO) and explosive remnants of war (ERWs), particularly in areas previously used for agriculture and grazing. Roughly 60% of all explosive ordnance incidents recorded since December 2024 have occurred on agricultural or grazing land. This contamination severely constrains access to livelihoods and the natural asset base on which recovery depends. To enable the safe and productive use of land, Mine Action should be recognized as a precursor to recovery and development. Clearance and land release operations expand the land available for agriculture, resettlement, and local economic activity. However, many returns are spontaneous and occur before survey or clearance activities, exposing returnees to heightened risks when reclaiming land or resuming cultivation. Mine Action operators should therefore prioritize explosive ordnance threats affecting populated areas and areas critical to livelihoods and development prospects. In parallel, housing, land, and property (HLP) challenges must be addressed. Years of conflict have destroyed land registries and records, creating uncertainty around ownership and use rights. This increases the risk of releasing land to the wrong claimants, secondary occupation of cleared plots, or renewed disputes over ownership. CSOs should adopt a due diligence approach to HLP before, during, and after clearance to identify and mitigate these risks. Finally, interventions should integrate legal assistance, land tenure support, and dispute resolution mechanisms for returnees, while coordinating with Mine Action, shelter, livelihoods, peacebuilding, and protection sectors. This nexus approach ensures that land clearance not only restores safety but also creates opportunities to rebuild livelihoods, basic services, and community resilience that would not have been possible prior to clearance.
4. **Promote collectivization with MSMEs** - Community-based structures such as farmer groups, cooperatives and FFSs have proven to anchor sustainable production while promoting inclusion and collective action. Collectivization of small and micro businesses, across the three assessed sectors, can provide an entry point for shared access to resources (including inputs, materials, water, mechanized equipment, transportation, etc.) and maximize collective negotiation potential (e.g. setting prices, access to markets, etc.). CSOs should support such collectivization or resource sharing structures, which could take the form of cooperative or local business clusters. CSOs can support the establishment of inclusive governance structures within cooperatives or business clusters, promote formalization and improved practices for a diverse array of topics such as grading, value addition, packaging, and marketing; as well as providing pooled material or financial support (grants or loans). For instance, CSOs could explore supporting businesses that could pool transportation costs together to reduce overall costs and expenditures while promoting a greener value chain or facilitate business clustering models to enable small textile producers to pool resources, bulk-purchase raw materials, and jointly market finished goods.
5. **Promote skills development reforms** - To address widespread skills gaps and align workforce capacities with evolving labour market demand, CSOs should promote towards the government and the private sector comprehensive skills development reforms, reinvestment, and modernization of vocational training centres. CSOs should also adopt a participatory approach, training content should be designed in coordination with private sector actors to ensure alignment with real labour market needs. Partnerships with local vocational institutes and private contractors are essential to modernize curricula and integrate sector-specific technical modules. CSOs should particularly adopt within their programme practical learning models, such as FFSs and on-the-job training (OJT), by linking vocational training centres with MSMEs. This would ultimately aim to achieve sustainable job placement. In areas lacking formal vocational institutions, training-of-trainers (ToT) initiatives for experienced craftsmen can formalize traditional mentorship and strengthen the transfer of technical know-how.

All training programs should integrate Decent Work and Occupational Health and Safety (OHS) awareness, promoting compliance with workers' rights and the use of formal work contracts.

To enhance employability, programs should also deliver soft-skills training in literacy, numeracy, digital and financial literacy, and workplace safety. Skills development and training priorities should include carpentry, masonry, electrical work, tile installation, blacksmithing/ironwork, civil and structural engineering, painting, finishing, project management, architectural design, stone carving, cladding, and restoration within the construction sector; machine operation, tailoring, finishing, dyeing, embroidery, and modern textile machinery operation within the textile sector; and climate-smart agriculture, mechanized farming, irrigation and solar maintenance, greenhouse management, agritech within the agriculture sector.

6. **Access to appropriate financing** - CSOs can play a crucial role in facilitating access to finance for MSMEs across all sectors. CSOs should leverage existing financial service providers, and support with the co-design of inclusive financial products and services that are tailored to specific business development need, with sharia-compliant options for MSMEs who request it. Innovative financing schemes such as risk-sharing arrangements through partial guarantees or revolving credit funds could be explored as a means of catalysing access to finance. Furthermore, national financial service providers are recovering from the impact of the conflict, CSOs can provide access to finance through cash grants targeted directly to MSMEs.
7. **Promote inclusion of youth, women, people with disabilities and returnees** - To realize their potential, all studies sector of Syria must leverage the potential of youth, women, people with disabilities and returnees who continue to face barriers to market entry. CSOs can promote positive behavioural change regarding the acceptance of women's participation in the labour market and household decision-making, while challenging traditionally held gender norms through both household and community-level engagement. CSOs can encourage women's leadership roles in MSMEs and as workers and address barriers to participation in skills development initiatives. This could include partnering with professional associations and individuals to showcase successful women entrepreneurs to counter gender stereotypes and promote role models. Inclusive workplaces would also need to be promoted, which could take the form of childcare and transport subsidies within industrial zones to facilitate women's participation in the workforce. For PwD, CSOs need to promote inclusivity, advocate, and give the means to ensure the adaptations of workplace accessibility. Youth's inclusion should be promoted by skills development for upward mobility and sustainability of wage or self-employment. For returnees, the transition back into livelihoods in Syria requires targeted measures to restore access to land and property, documentation, and productive assets. Many returnees bring practical experience, social networks, and local knowledge that can accelerate recovery if properly supported.
8. **Provide market-based support to MSMEs that contribute to the inclusive and sustainable revival of the Syrian economy** - To foster sustainable economic recovery and employment generation, targeted support should be provided to MSMEs operating in key productive sectors and that contribute to the revival of strategic sectors bringing capital and job opportunities into the country; and which demonstrate inclusive hiring practices, including the employment of women and youth, and that could adopt environmentally sustainable practices. Interventions should focus on strengthening market linkages and improving MSMEs' competitiveness through market fairs, trade exhibitions, and e-commerce platforms that promote locally produced Syrian goods, particularly textiles and agrifood, both within Syria and among the Syrian diaspora markets, and that bring together contractors, municipalities, and training providers to jointly identify skills gaps, coordinate recruitment, and promote public-private collaboration in reconstruction efforts. Targeted financial or market support should be provided to help MSMEs acquire or modernize basic production equipment to increase output and product quality. All MSMEs should benefit from training in business management, ensuring entrepreneurs can effectively navigate competitive markets.
9. **Promote domestic manufacturing and value addition** - Prioritize support to local production of raw materials and semi-finished goods that are essential to the country's reconstruction and industrial recovery. Targeted assistance should be directed to construction-sector MSMEs capable of producing and supplying materials that are currently imported, such as granite, ceramics, fixtures, specialized paints, tiles, aluminium, decorative materials, varnishes, and construction equipment (e.g., cranes and electric shears). For the agriculture sector, to ensure the recovery of essential services, such as a shortage of fertilizer, seeds, animal feed, and veterinary medicine, CSOs should support local agribusinesses and cooperatives, while simultaneously supporting the acquisition of skills such as agriculture extension and veterinary services. Moreover, CSOs should support (through cash grants, credit facilitation, technology, and skills transfers, etc.) the rehabilitation and modernization of agro-processing enterprises that operate in the post-harvest segment of the agriculture value chains. This can include supporting the processing of olive, dairy, grains, and fruit into products such as olive oil, jams, etc. which can serve both the domestic and export markets. Expanding local processing capacity would not only reduce post-harvest losses but also stimulate value chains across input supply, logistics, and packaging. Enhancing the productive capacity of these enterprises would generate local employment, reduce import costs, and stimulate domestic value chains. Similarly, support should be extended to local suppliers and producers of fabrics and accessories to meet the textile industry's quality, quantity, and design requirements. Assistance should focus on strengthening their technical and production capacities to ensure product variety, durability, and stylistic competitiveness, particularly for premium-grade fabrics and accessories that can position Syrian textiles in higher-value market segments. CSOs' interventions could encourage the creation or expansion of enterprises manufacturing textile machinery and related industrial equipment domestically, to replace imports and increase sectoral resilience.
10. **Promote safety and sustainable methodologies to contribute to improving the construction sector** - In collaboration with relevant NGO sector experts (namely in the shelter sector) provide awareness campaigns and training on safe construction practices as part of the technical support provided to MSMEs in the construction sector. Pilot construction safety certification for enterprises meeting minimum safety and welfare standards to incentivise occupational health and safety and reputational gains. Upon results, suggest this approach to the Government. Similarly, introduce demonstration projects on low-cost, energy-efficient building methods adapted to Syria's climatic and resource constraints, in collaboration with relevant NGO sector experts (shelter) and private sector/academic experts.

11. **Explore further the cotton value chain** and how it can be supported in Syria, through further research or engagement with relevant private sector actors. The LMA highlights that textile MSMEs consistently cite the lack of affordable, good-quality local cotton as a structural constraint undermining competitiveness, leading to dependence on imports from Türkiye, China, and Egypt. Further research should therefore map remaining cotton producers, processing mills, ginning capacity, and input supply networks to determine whether localized rehabilitation is feasible and where targeted investments could restore value-chain functionality.

Recommendations for Duty Bearers

1. **Rehabilitate and safeguard agricultural and industrial infrastructure** - Duty bearers, including the relevant ministries, and local administrative councils, should prioritize the rehabilitation of essential agricultural and industrial infrastructure (especially industrial zones in Aleppo and Rural Damascus), particularly irrigation networks, rural and main roads, energy supplies, and storage facilities. LMA findings consistently highlight that water access, transportation, and energy shortages remain the most critical barriers to production and market participation. Restoring irrigation canals, maintaining local water systems, and ensuring equitable allocation will be essential to enable productive recovery, particularly in the agriculture sector. Duty bearers should also enforce safeguards to prevent over-extraction of groundwater and to sustain soil fertility and water quality over the long term through regenerative practices.
2. **Enforce quality control and input regulation** - The proliferation of counterfeit seeds, fertilizers, and pesticides has significantly reduced productivity and trust between producers and suppliers. The smuggling of low-quality textiles from Türkiye and China has also drastically distorted the competition and undermined domestic textile producers. Duty bearers should strengthen regulations related to imports, inspection and certification systems for agricultural inputs, establish and enforce clear quality control standards. To support this, in the agriculture sector duty bearers could revitalize local agricultural extension offices to oversee compliance and reinforce regulatory oversight through the Ministry of Agriculture and Agrarian Reforms (MAAR) and local authorities. To support further the Syrian textile industry, duty bearers could promote Syrian-made textile to consumers and neighbouring markets. This can be done, for example, by encouraging quality certification and branding initiatives (e.g., “Made in Aleppo” or “Syrian Cotton”) to rebuild consumer trust and differentiate local products from smuggled imports. For the construction sector, duty bearers could reduce import restrictions or tariffs on essential construction materials and tools for Syrian national construction companies or traders.
3. **Simplify business registration and provide appropriate support to MSMEs** - Complex and inconsistent business registration procedures and arbitrary taxation discourage entrepreneurship, especially among women, youth, and small and micro-business owners. Duty bearers should harmonize licensing requirements across governorates and create simplified pathways for registering cooperatives, small enterprises, and home-based processors. Streamlined administrative frameworks, local support desks, transparency, and progressive taxation could encourage informal producers to transition toward formal markets, enhancing access to finance, contracts, and trade opportunities. It is, however, important that duty bearers, to avoid negative impacts of these measures, ensure strong controls on the imports of products and materials were establishing laws and procedures to ensure that local products of registered businesses remain competitive with imported goods. To provide appropriate support to MSMEs across the country, support or reactivate professional associations and local chambers to collect and disseminate market data (input prices, labour rates, tender opportunities); particularly focus on building trust between these associations/local chambers and local businesses of all sorts. To further support MSMEs, support the establishment of business clusters, with relevant governmental offices, NGOs, and private sector actors.
4. **Integrate climate adaptation and environmental management into local planning** - Duty bearers should institutionalize climate adaptation and sustainable resource management within local and regional agricultural, textile and construction planning. Specifically on agriculture, survey respondents across all governorates emphasized the visible effects of drought, soil degradation, and water scarcity. Local councils and MAAR should adopt clear targets for water-use efficiency, land rehabilitation, and the promotion of climate-smart agricultural practices. Coordination with environmental agencies and community groups will be crucial to operationalize adaptation frameworks and build ecological resilience at scale, in agriculture, textile and construction industries. The Government of Syria could for example introduce incentives or lower import taxes for imported solar panels to support businesses’ operations.
5. **Promote inclusion of youth, women, people with disabilities and returnees in policy and programs** - Duty bearers must institutionalize inclusion as a cross-cutting policy priority for all the economic sectors in Syria. This includes recognizing the unique contributions and constraints of women, youth, people with disabilities (PwD) and returnees in national and local economic strategies. Women’s participation in businesses and decision-making bodies should be mandated and monitored, while youth should be integrated into public employment, apprenticeship, and vocational programs tied to the labour market modernization. Similarly, specific provision and support should be made for the inclusion and sustainable employment of PwD at the workplace. For returnees, local authorities should coordinate with national institutions to restore land tenure rights, facilitate access to documentation, and ensure equitable participation in the labour market. For instance, one concrete measure could be to institutionalize incentives for contractors employing women, youth, PwD or returnees, such as tax reliefs or preferential access to public tenders.

6. **Promote decent work standards** - Duty bearers should promote the transition from informal and precarious labour to decent work standards that ensure fair wages, occupational safety, and social protection coverage. The majority of employment in Syria remains informal (83% of employment in Syria according to ILO), cash-based, and unregulated, exposing workers, particularly women and seasonal labourers, to exploitation and unsafe conditions. Responsible ministries should develop joint frameworks to extend social protection schemes to rural and informal workers, promote fair recruitment practices, and establish occupational safety guidelines adapted to different sector settings, including the enforcement of such measures and quality control. Embedding decent work principles within development plans would not only protect workers' rights but also increase productivity and attract skilled labour to the sector. The Government could encourage public-private partnerships to establish minimum wage standards and transparent contract mechanisms for all sectors and establish clear systems and penalties for non-compliance with decent work conditions to ensure effective enforcement.
7. **Facilitate regional trade** - At the national level, the reopening and securing of cross-border trade routes with Jordan, Lebanon, and Iraq can help restore agricultural and textile exports, reduce market volatility, and attract investment, while also facilitating imports of critical materials. Duty bearers should also align national production standards with regional frameworks to reintegrate Syria into broader food security and trade systems.
8. **Facilitate certified skills development** - To facilitate strong and recognized skills development, certification from the Government will be critical. The Government could introduce competency-based certification schemes aligned with ILO TVET frameworks, which would formally recognize informally acquired skills and enhance employability. In parallel, the Government could support the modernization and development of vocational training curricula, in collaboration with the private sector, to ensure alignment with actual labour market demand, with particular attention to modernization, digitalization, and the application of quality standards. Additionally, on-site training models should be introduced, offering government-recognized certification, and these certifications should be actively promoted to potential employers in relevant sectors to strengthen the link between skills acquisition and employment opportunities.

Recommendations for the Private Sector

1. **Reinforce input and equipment supply chains** - Private sector actors, including traders, importers, and equipment suppliers, play a central role in restoring economic productivity. Given the widespread reports of counterfeit inputs and poor-quality fertilizers as well as smuggled textile goods, firms should strengthen traceability, certification, and distribution networks in partnership with relevant ministries and civil society organizations. Local dealers can re-establish trust with producers through transparent pricing, verified product sourcing, and basic after-sales advisory services. Strengthening vertical linkages between importers, wholesalers, and last-mile retailers will be key to ensuring consistency, affordability, and quality of agricultural and textile inputs across regions.
2. **Invest in value addition, processing, and packaging** - Medium and small agribusinesses should capitalize on opportunities in food processing, particularly in olive oil, dairy, fruit, and herb value chains, which were identified across surveys as holding strong recovery potential. Upgrading equipment, adopting energy-efficient technologies, and improving quality control standards can expand production capacity and create employment. The private sector can also strengthen partnerships with cooperatives and women's groups to source raw materials locally, ensuring inclusive participation and value capture within rural communities.
3. **Expand renewable energy and irrigation solutions** - Energy insecurity remains a binding constraint for production across agriculture, textile, and construction, as consistently emphasized in key informant interviews. Renewable energy providers and engineering firms can play a transformative role by developing affordable, small-scale solar-powered irrigation and cold storage systems suited to contexts in Syria. Collaboration with local councils, microfinance institutions, and community-based groups can help structure sustainable payment and maintenance systems, ensuring widespread adoption.
4. **Strengthen development finance and business services** - Private financial institutions and microfinance providers can expand access to finance for farmers, MSMEs across all sectors, processors, and traders by designing flexible financial products aligned with MSMEs' needs in Syria and seasonal cash flows. Financial institutions and microfinance providers will need to lower collateral requirements and contribute to reforming industrial lending frameworks, so that bank loans for factories are treated as development or investment loans rather than consumer credit. Simplified Islamic-compliant financial mechanisms, such as Murabaha, can enhance uptake. In parallel, business development service providers can play a key role in helping agricultural enterprises formalize operations, improve recordkeeping, and meet compliance standards for trade and investment.
5. **Support skills development and employment pathways** - Private enterprises should actively engage in building the workforce of the future. Employers interviewed through the LMA consistently reported specialized skill shortages. Partnerships with the Government, vocational training centres, farmer field schools, and NGOs can align curricula with labour market needs and facilitate apprenticeship programs. By investing in upskilling and youth employment initiatives, the private sector can address its own labour shortages while contributing to job creation and economic stabilization.

- 6. Adopt inclusive and responsible business practices** - Companies operating in Syria's market system must prioritize inclusion and social responsibility to ensure long-term sustainability. Firms should promote equitable employment and procurement practices that include women, youth, PwD and returnees, and ensure that workplace conditions are safe and fair. Partnering with women's cooperatives, youth-led enterprises, and local suppliers not only diversifies supply chains but also strengthens social license to operate in fragile contexts. For instance, promoting childcare and transport subsidies within industrial zones to facilitate women's participation in the workforce.
- 7. Rebuild market connectivity and trade relations** - Traders and exporters should engage with emerging efforts to re-establish regional trade routes and integrate Syrian products into regional markets. By participating in cooperative export clusters, trade fairs, exhibitions, e-commerce platforms, and product standardization initiatives, MSMEs can access wider markets while supporting repositioning Syria's agricultural and textile goods as competitive, high-quality exports, and benefiting from better imports across all sectors. Collaboration with the government and chambers of commerce will be essential to rebrand Syrian products and meet regional safety and certification standards.





Founded in 1956, the Danish Refugee Council (DRC) is Denmark's largest international NGO, with a specific expertise in forced displacement. DRC is present in close to 40 countries and employs 7,500 staff globally.

DRC advocates for the rights of and solutions for displacement-affected communities, and provides assistance during all stages of displacement: In acute crisis, in exile, when settling and integrating in a new place, or upon return. DRC supports displaced persons in becoming self-reliant and included into hosting societies. DRC works with civil society and responsible authorities to promote protection of rights and inclusion.

Our 6,200 volunteers in Denmark make an invaluable difference in integration activities throughout the country.

DRC's code of conduct sits at the core of our organizational mission, and DRC aims at the highest ethical and professional standards. DRC has been certified as meeting the highest quality standards according to the Core Humanitarian Standard on Quality and Accountability.

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