The COVID-19 pandemic has further escalated Syria’s severe economic crisis, which is marked by currency depreciation and peak rates of unemployment and poverty. While the global economic decline decreases remittances and disrupts trade, lockdown measures across Syria have brought local economies to a halt. With an ongoing war economy, corruption, poor governance, and insufficient funds in all areas of the country today, none of the various authorities is putting meaningful compensation mechanisms in place to protect ordinary Syrians from paying the price for this global emergency.

More than 80 percent of the Syrian population today live below the poverty line, and many of those working are confined to the informal economy. Not only are the most vulnerable segments of Syrian society the most at risk of contracting and spreading the disease, but they also have the least access to medical treatment, meaningful protection, and socio-economic compensation. COVID-19 has reached Syria at a time of severe hardship, and has exacerbated existing social and economic injustice throughout the country.
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Introduction

The outbreak of the COVID-19 virus in late 2019 developed rapidly into a global pandemic with severe consequences on individuals, communities and economies. Due to its rapid and large-scale spread throughout the world, COVID-19 has presented challenges to healthcare systems, governments and economies, not only in developing countries, where healthcare infrastructure is insufficient, crisis management is poor and socio-economic disparities are already high; but also in countries with the most advanced economies.

One of the most significant economic consequences of the COVID-19 pandemic is the global recession. In order to reduce infection rates and prevent massive pressure on healthcare infrastructure, governments have, to varying degrees, applied lockdown measures that massively restrict the movement of persons both within countries as well as internationally. Given the high international economic interdependence, these restrictive measures have hit domestic economies, as well as international trade and supply chains. In addition to the serious financial damage across economic sectors, unemployment rates are predicted to rise considerably worldwide. According to the IMF, the global economy is projected to decline by 3% this year, which is “much worse than during the 2008-09 financial crisis” (IMF 2020). From a social perspective, inequalities have increased dramatically during the course of the pandemic at both national and international levels.1 There is an urgent need for vulnerable social groups worldwide to gain access to protection and to basic health and social services.

For a country in conflict like Syria, the pandemic response is associated with many additional challenges that range from fragmented authorities, political violence, military operations and low governmental capacity, to a destroyed healthcare infrastructure and a significant lack of medical personnel. The large number of IDPs and the densely populated camps and towns in particular require massive local and international efforts to contain the pandemic in Syria. Moreover, the country is facing the most severe economic and financial crisis since its independence, associated with high rates of poverty and unemployment. It is not only the nine years of destructive war and rising sanctions that are responsible for this crisis, but also the unjust governmental policies. Thus, the economic and social consequences of the COVID-19 outbreak and the lockdown measures are expected to be catastrophic in Syria.

This paper aims at addressing the main potential economic and socio-economic consequences of the COVID-19 pandemic in Syria in light of the current economic crisis and the ongoing conflict. After giving an overview of the governmental measures and the socio-economic challenges in Syria, the paper will address the most important consequences of lockdown measures on the economy and on society.

1. The socio-economic challenges prior to the pandemic

Around 17 million people live in Syria today under a diverse range of living conditions with unequal access to healthcare and other basic services (UN 2020a). More than 13 million of them are people in need, dependent on aid or remittances. In addition to the 5.5 million refugees abroad, around 7 million Syrians have been internally displaced since 2011 and live in formal or informal camps with very limited access to basic infrastructure (e.g. clean water, sanitation) and healthcare services.2 Most of these camps are located in the Northeast and Northwest of the country. The camps are densely populated, dependent on humanitarian and medical aid and host the population that is the most vulnerable to COVID-19.3

Even those who haven’t been displaced and live in less destroyed cities and towns are suffering under deteriorating living standards and shortages of basic services and goods. Inhabitants of cities like Sweida, Damascus, Tartus and Latakia have reported a lack of electricity supply; shortages of heating oil and cooking gas; scarcity and inflated prices of basic products, in particular the high price of bread.4 Moreover, public health and education facilities are increasingly ill-equipped, lack skilled personnel and function poorly (Interview 1 2020 and Interview 2 2020).

In addition to the challenge of a large number of vulnerable people, healthcare infrastructure in Syria has been massively and systematically destroyed during the war. Due to the war, only 64% of hospitals and 52% of primary healthcare centres throughout Syria were functional at the end of 2019 (UN WHO 2019). Around 70% of the healthcare workforce has left the country.5 The UN Secretary General has therefore called for “a complete and immediate ceasefire throughout Syria” to enable efforts to contain the COVID-19 virus and avoid impending tragedy (UNHRC 2020).

Even with a functioning ceasefire, responding to the pandemic seems to be an impossible mission in Syria. There are only 325 intensive care unit beds with ventilators throughout Syria, which are necessary to treat potentially critical cases of those infected with the COVID-19 virus. Moreover, these units are unequally distributed throughout the country. While Damascus (96), Latakia (77) and Tartus (30) have the highest capacity, Idlib province has only 20 units and Deir ez-Zor has none (Gharibah and Mehchy 2020, 5-7). The unequal access to healthcare facilities highlights an important aspect of social injustice in Syria brought about by the war. While populations of certain cities have no chance of survival due to the absence of hospitals, other social groups might meet the same fate because they have neither the

1. Inequality has different aspects that range from equal access to medicine, clinic care and protective materials (e.g. masks and disinfectants), to equal opportunities to get state subsidies and social support. For more information see UN (2020a).

2. According to the Internal Displacement Monitoring Centre (IDMC), 1.8 million IDPs were displaced in 2019, see IDMC (2020).

3. According to a study conducted at the Omran Centre for Strategic Studies, there were about 790 camps in northern Syria in addition to so-called informal camps, which are informal settlements for IDPs (Al-Abdualla 2018).

4. There have always been protests against the deteriorating socio-economic situation in regime-held areas during the war. The new wave of protests against governmental policies and high prices (the so-called protests of hunger) have taken place in Sweida and Daraa since June 7, 2020. For more information, see Al Jazeera (2020).

5. The destruction of medical facilities has mainly been caused by attacks of pro-government forces. For more information this topic see Lund (2019).
2. Lockdown measures and government response

On 22 March 2020, the Syrian government in Damascus announced the first confirmed case of COVID-19 after weeks of covering up suspected cases in public hospitals and the need for some families to self-quarantine. In response to the pandemic, all authorities in Syria have undertaken a set of precautionary measures since mid-March and created governmental committees to deal with the pandemic. The most significant measures that have greatly impacted the already fragile economy and conflict-affected communities throughout Syria are the closure of restaurants and shops; restrictions on mobility of persons; the prohibition of large gatherings of people; the suspension of all activities that require social contact the closure of schools and universities; the suspension of economic activities; the closure of external borders and restrictions on travel among provinces. In particular, the night and weekend curfew and the forced closure of markets, not including pharmacies and grocery stores, made the life of vulnerable people difficult, for example single mothers, old people, IDPs and aid-dependent families.

As a result of economic pressure and rising criticism against these measures, governments relaxed the enforced closure measures gradually by end of April. Businesses and shops have re-opened and people are allowed to move between governorates despite the pandemic. External borders are still kept closed to a large extent. Still, various shops in regime-controlled areas have not yet opened for other reasons: “many of shop owners continue to keep their businesses closed not because of the lockdown measures, but because of the Dollar crisis (meaning the fluctuation of the exchange rate of the U.S. dollar). They don’t want to sell at a loss.” (Interview II 2020)

Despite the high risk of a rapid spread of the virus and badly equipped prisons, the regime in Damascus has not released over 100,000 political prisoners. Like its ally, Iran, the regime has also seized the opportunity to call once again for a lifting of the economic sanctions against Syria in order to support the international efforts to contain the pandemic in Syria.

3. Economic and social consequences of COVID-19

The consequences of lockdown measures in Syria are profound, as the economy today is going through its most severe crisis since its independence. Since the end of 2019 the Syrian pound has depreciated rapidly from 632 Syrian pounds against the U.S. dollar on 19 October 2019 to exceed 3000 Syrian pounds against the U.S. dollar on 8 June 2020. Current salaries and wages are falling, as consumer prices are increasing according to the depreciation of the currency. This has increased hardship for the more than 80% of the Syrian population who are already living below the poverty line. In addition, this crisis is marked by slow economic growth and high unemployment rates that range between 50% and 80%. The factors behind this poor economic situation prior to the outbreak of COVID-19 in Syria are manifold. In addition to the destruction of war and a corrupt political elite, there are increasing sanctions, as well as the financial crisis in Lebanon and, most recently, the conflict within the inner circle of the ruling family.

The COVID-19 pandemic broke out under theses challenging circumstances, which added to people’s sense of insecurity, increased economic pressure and deepened social inequality. Economic experts from Damascus University estimated the economic losses due to the COVID-19 lockdown measures imposed by the Syrian government in March and April 2020 at two trillion Syrian pounds (ca. 1 billion U.S. dollars a month). The closure of shops, the curfew and the restricted transportation have hit almost all of the 83,000 enterprises and craftsman workshops that were reactivated in 2019 after being closed for nine years due to the war. Even if production plants were partly exempted from the enforced closures, the restrictions on the mobility of persons prevented workers in the

6. For more information about the situation of the DSA see Abyad (2020).
7. For detailed information, see the reports on the development of COVID-19 in Syria (in Arabic) by the Centre for Civil Society and Democracy (CCSD 2020).
8. This paper focuses on the measures that affect the economy and socioeconomic situation only. The preventative measures are more comprehensive: disinfection of streets and vehicles; closure of parks and sport centres; awareness campaigns on social distance and hygiene; distribution of masks for the poor by NGOs; a reduction of working hours in the public sector by 40%; isolation of travellers in quarantine for 14 days; equipping isolation stations; the postponement of the parliamentary election and temporary suspension of mandatory conscription in regime-held area, see the reports of CCSD (2020).
9. Ibid.
10. According to SNHR, Law 6/2020 is one of the many Amnesty laws that the regime has used in response to international appeals for human rights but it has not influenced the situation on the ground. Only 96 of 130,000 detainees in prisons and detention centres have been released based on the recent amnesty (SNHR 2020).
11. For more information about the calls to lift sanctions see Aji (2020).
13. According to the International Labour Organisation, unemployment rates in Syria reached 50% in 2019. However, economic experts inside Syria estimated the unemployment rate at 80%. For more information see Soshals (2019).
14. For more information about the impact of this conflict on the economy see MENA Media Monitor (2020); Financial Times (2020); and Makki (2020).
suburbs from reaching their workplace in the cities (Gusun 2020). The closing of borders with other Syrian territories (e.g. northwest and northeast) and with neighbouring countries, in particular Lebanon, has led to a decline in export and has impeded the import of raw materials.

One of the industries most affected by such measures is the textile and clothing industry. Although the government has made efforts in the last few years to protect this industry by imposing import bans on clothes, local production has suffered due to low demand and the high cost of production. Under the current high inflation rates and the depreciation of the Syrian pound, people barely have money left to buy food and other basic products. The tourism sector in Syria, which had slightly recovered in the last three years due to religious tourism from Iran, has suffered the most under lockdown measures. At least 700 tourism enterprises have suspended their activities partly or fully since March 2020. In 2019, there were about 235,000 religious tourists and more than 2 million other tourists. Accordingly, Syria is estimated to lose between 7 and 8 million U.S. dollars in monthly tourism revenues during the lockdown (ibid).

The deceleration of economic activities is expected to put more than half a million jobs in the industrial and construction sectors at stake, as well as 650,000 jobs in hotels and restaurants. In addition, around 1.1 million self-employed persons may suffer a significant decline in their income (ibid). Moreover, governmental revenue is expected to decline significantly due to economic stagnation. The decrease of international oil prices as a result of COVID-19 might be an advantage for the Syrian government, which imports oil either from DSA or Iran. However, rather than improving the socio-economic conditions for the majority of the population, state spending is instead focussing on financing military operations, rewarding the external allies and defending the regime in Damascus, which had slightly recovered in the last three years due to religious tourism from Iran, has suffered the most under lockdown measures. At least 700 tourism enterprises have suspended their activities partly or fully since March 2020. In 2019, there were about 235,000 religious tourists and more than 2 million other tourists. Accordingly, Syria is estimated to lose between 7 and 8 million U.S. dollars in monthly tourism revenues during the lockdown (ibid).

The Ministry also provided a link for registration targeting disadvantaged groups. For more information see Enab Baladi (2020b).

The economic consequences of COVID-19 in the Northeast and Northwest of Syria are very similar to the consequences mentioned above, for example there is a decline in economic activities, high prices and rising unemployment. However, the closure of borders and the suspension of many activities of international NGOs has worsened the already poor socio-economic situation in these areas, as a large proportion of their population are either IDPs or refugees living in camps. The closure of borders has significantly affected the recovery efforts that have been made in both regions over the last few years. Their export and import markets are dependent on the regime-held areas and the neighbouring countries of Iraq and Turkey. By the end of March 2020 many producers (small textile manufacturers and farmers) had either stopped their production or were facing difficulties in delivering their produce (Ibrahim 2020).

However, local observations claim that corruption, discrimination and a policy of favouritism within the regime will undermine any efforts towards compensation measures. Some cities like Tartus and Latakia get more attention than other places, according to a Syrian citizen “The regime has always followed a policy of discrimination. It has favoured certain cities and neglected others for political reasons” (Interview I 2020). However, according to a Latakia-based researcher, the favouritism of the regime focuses on specific social groups (e.g. military members and fighters) rather than on a specific city or region. She also observed that this policy was not pursued in line with the government’s response to COVID-19. According to her, the ongoing collapse of the Syrian pound has a deeper impact on the living standards of the population than the pandemic itself (Interview III 2020).

In times of crisis and in the absence of effective state institutions, prices of many products have risen sharply, which has increased the pressure on the poor. While prices of food products have increased by 70% since 13 March, prices of hand sanitizers and face masks have increased in some areas by 5000% (Advani 2020b). Not only are the collapse of the Syrian pound and growing demand for food products behind the surge of prices, but also the monopolistic practices of local merchants as well as state corruption. For instance, a free delivery service of bread to houses in Damascus during the curfew was encouraged by the state and was carried out by certain committees, who sold bread at higher prices and collected “donations” for the poor. These committees appear to do voluntary and charitable work when in reality they profit from the price difference and control the distribution of “donations”. According to a citizen in suburb-Damascus, “they (meaning the committees) are the same people who defended the regime in 2011/2012 (National Defence Committee) and we don’t trust them. They can commercialise everything at the expense of the very poor” (Interview I 2020).

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16. These numbers are official statistics of the Syrian government, cited in Gusun (2020).

17. As of 9 April 2020 the WHO has received $1.25 million, UNICEF has received $2 million, and the Syrian Humanitarian Fund (SHF) has $59.9 million in available funds managed by the United Nations Office for the Coordination of Humanitarian Aid (OCHA), see Advani (2020b).

18. The Ministry of Social Affairs in Damascus has announced a one-time payment of 100,000 Syrian pounds (less than 60 U.S. dollars) for workers in the sectors affected by the pandemic (e.g. hotels, restaurants, bus and taxi drivers). Given the rising prices, this amount is far below what is needed. The Ministry also provided a link for registration targeting disadvantaged groups. For more information see Enab Baladi (2020a).

19. According to the Syrian Arab News Agency (SANA), around 32 million Syrian pounds have been collected as of 16 May 2020 and there were about 300,000 applications (SANA 2020). However, critical voices claim that this plan is merely a new opportunity for corruption, for example Enab Baladi (2020b).

The price of food products in the Northeast and Northwest of Syria have not increased as much as they have done in the regime-controlled areas. The local production of food products (e.g. wheat, vegetables and fruits) and not being fully reliant on the depreciated Syrian pound in daily payments have led to a more moderate surge in prices. Authorities in these areas are, however, expected to suffer due to a decline in revenue. The DSA will lose revenue due to both the economic deceleration and the fall of international oil prices. The DSA is the largest oil producer in Syria and relies greatly on the sale of crude oil and agricultural products (e.g. cereals and cotton) to regime-held areas. The income of local authorities in opposition-held areas comes from taxes, particularly from cross-border activities, as well as from foreign assistance (e.g. humanitarian or stabilisation aid) (Saïd 2019). Despite modest efforts to distribute food assistance to the already aid-dependent population in the region, people claim that these efforts are far below their needs (Ibrahim 2020).

Throughout Syria, there is a need to protect the vulnerable population, which has become even more disadvantaged due to the pandemic. Economic stagnation will profoundly affect informal employment and daily workers, who have neither social and health insurance, nor alternative income sources. These people make up the majority of workers, particularly in the Northwest and Northeast of Syria, where local authorities lack institutional capacity. Informal and daily workers cannot pay the rent of their houses and even have to resort to borrowing money to buy their daily bread (Interview I 2020).

Within cities, disadvantaged populations (e.g. refugees and IDPs) have fallen victim to further marginalisation during the crisis and scarcity of goods and services. Their socio-economic situation is deteriorating dramatically due to an already limited access to basic goods and services and the absence of state support. For instance, during the curfew and lockdown, masses of the poor population risked their lives by standing in front of public distribution centres and supermarkets to get their bread with the controversial “smart card”. The few people, who could afford the market price, or so-called “tourist bread”, waived their right to obtain subsidised goods to avoid getting infected; this is a further aspect of growing social injustice in Syria. Within the very poor population, women and IDPs are the most disadvantaged. In an interview with a citizen of suburb Damascus, it was stated that “Women, children and old people hardly have any chance to stand up to the men in the crowded lines” (Interview II 2020). This can explain why rules on social distancing were respected in areas that have more than in the poor and districts. In addition, informal cleaners and porters took the risk and kept working despite the lockdown (Interview I 2020 and Interview III 2020). The poor have a greater fear of dying due to hunger than due to the virus (Hamo 2020).

Due to the anticipated global recession and the preoccupation of global donors with their own challenges in facing COVID-19 and its economic consequences, there will be very little funding left for humanitarian assistance for the growing number of countries in need like Syria. Activities of international NGOs and humanitarian agencies are thus expected to decline. Remittances from Syrians living abroad will also decline in the short to medium-term, as many of them are expected to lose their jobs or close their business in their host countries due to the lockdown and economic recession. Remittances make up a considerable share of the Syrian GDP and are an indispensable source of income for millions of families. Money transfers via Lebanon alone were estimated at 4 million U.S. dollars daily before the crisis in Lebanon began. Given the poor socio-economic situation of Syria prior to the COVID-19 pandemic, the decline of aid and remittances will cause a humanitarian disaster, destabilise communities, encourage further migration and pave the way for a new conflict over resources.

**Conclusion**

The outbreak of COVID-19 in Syria led to an escalation of the ongoing economic crisis and the exacerbation of social injustice. By the end of May 2020, almost all lockdown measures throughout Syria had been relaxed to varying degrees. Still, economic recovery needs huge governmental support either in the form of financial aid and public investments, or in the form of laws and regulations that promote the domestic economy. After almost a decade of the constant drain on human and economic resources due to the armed conflict, poor governance and mafia-like ruling elite, there is a slim chance of meaningful economic growth in the foreseeable future. The increased sanctions on Syria in particular, most recently the Caesar Act 2020, will prevent any potential investment in economic recovery throughout the country. Calls for the international community to neutralise authorities and regions outside of Assad’s control are therefore understandable in order to prevent a humanitarian disaster.

Social injustice in Syria has always been prevalent due to the unfair income distribution policies and the imbalance of power. During the conflict social injustice has been exacerbated in favour of a number of warlords and criminals, who currently make up the richest social class in Syria. Under these circumstances, the pandemic has not only shown that the poorest population are most vulnerable to the COVID-19 virus, but it also exposed enormous inequality when accessing protection, medical treatment and sources of income. Marginalised groups, IDPs, single mothers and old people are expected to suffer the most due to the lack of compensation mechanisms as well as a reduction of NGO assistance.

With the limited governance capacity of the authorities and the poor healthcare infrastructure, Syrians can only hope to survive both the inevitable spread of the virus and the severe economic crisis.

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21. Due to the increased demand on food products during Ramadan, prices used to rise slightly in this month. However this year due to COVID-19 and the devaluation of the Syrian pound, prices surged dramatically, which increased the suffering of people, see Al-Nofal (2020).

22. The Smart Card was created and is managed by Takamol Holding, which belongs to the cousin of Asma Assad. It has been criticised not only because of the clientelistic relationship to the regime and poor performance but also because the company gets a high rate of profit (estimated at 1 million $) at the expense of the poor. See Advani (2020a) and Asharq Al-Awasaat (2020).

23. For more information see Aga (2020).
References


Interviews


