



Countering the logic of the war economy in Syria; evidence from three local areas

Rim Turkmani with Ali A. K. Ali, Mary Kaldor and Vesna Bojicic-Dzelilovic.*



Shop owner in besieged Ghouta selling locally developed solutions including gas extracted from plastic to overcome the shortage of fuel and other livelihood necessities in the area.

30 July 2015

* r.turkmani@lse.ac.uk , a.a.ali@lse.ac.uk , M.H.Kaldor@lse.ac.uk , V.Bojicic-Dzelilovic@lse.ac.uk
Civil Society and Human Security Research Unit
Department of International Development
London School of Economics and Political Science

Table of Contents

Executive Summary	5
1 Introduction.....	11
1.1 Methodology, empirical data and participants.....	13
1.1.1 Data structuring.....	15
2 Daraa.....	15
2.1 Internal environment	15
2.1.1 Population	16
2.1.2 Unemployment and job opportunities	18
2.1.3 Natural resources and infrastructure	19
2.1.4 Agriculture	21
2.1.5 Industry.....	22
2.1.6 Trade.....	23
2.1.7 Coping economy	24
2.2 Area borders.....	24
2.2.1 The border with Jordan	24
2.2.2 The Nasib Crossing with Jordan	25
2.2.3 Borders with government controlled areas.....	26
2.3 Actors.....	28
2.3.1 Armed groups	28
2.3.2 Local Governance actors.....	28
2.3.3 Civil society	29
2.3.4 Actors' relations.....	30
2.4 What goes in?.....	30
2.4.1 Aid and its distribution	30
2.4.2 Cash and Remittances	31
2.4.3 Fuel	32
2.5 What goes out?	32
2.5.1 Antiquities.....	33
2.6 Case study The Olive Branch agricultural project.....	33
3 Eastern Ghouta	35
3.1 Internal environment	35
3.1.1 Population	35
3.1.2 Unemployment and job opportunities	37
3.1.3 Natural resources and infrastructure	37
3.1.4 Agriculture	38
3.1.5 Industry.....	39
3.1.6 Trade.....	39
3.1.7 Coping economy	40
3.2 Borders of Ghouta	41
3.2.1 Tunnels	42
3.3 Actors.....	44
3.3.1 Armed actors	44
3.3.2 Local governance actors	45
3.3.3 Civil society	45
3.3.4 The 'Economic Office'	46
3.3.5 Actors' relations.....	47

3.4	What goes in?.....	47
3.4.1	Currency transfer and exchange.....	47
3.4.2	Aid.....	48
3.4.3	Fuel	48
3.5	What goes out?	49
3.6	Case study: Creating employment, <i>Alseeraj</i> projects.....	49
4	Rural Idleb	50
4.1	Internal environment	51
4.1.1	Population	51
4.1.2	Unemployment and job opportunities	51
4.1.3	Variegated security.....	52
4.1.4	Infrastructural Resources in the area	52
4.1.5	The fight over infrastructure	53
4.1.6	Agriculture	53
4.1.7	Industry.....	54
4.1.8	Trade.....	55
4.1.9	Coping economy	56
4.2	Area borders.....	57
4.2.1	The border with Turkey	57
4.2.2	Borders between government and opposition areas.....	59
4.2.3	Borders with ISIL-controlled areas.....	59
4.2.4	Internal checkpoints	60
4.3	Actors.....	61
4.3.1	Armed actors	61
4.3.2	Governance.....	61
4.3.3	Civil society	62
4.4	What goes in?.....	62
4.4.1	Aid.....	62
4.4.2	Diesel	63
5	Donor strategies and Aid policies	63
5.1	Planning issues	63
5.2	Planning for 'the day after' vs. planning for now	65
5.3	Aid vs. development	65
5.4	Access to Aid	67
5.5	Aid sources	68
5.6	Aid manipulation	69
5.7	Measures to mitigate aid manipulation	69
5.8	Community Driven Approaches	71
6	Comparing the dynamics in the three different locations	72
6.1	Impact of the nature of borders.....	72
6.2	The Diesel Domino Effect.....	74
6.3	A new societal condition.....	75
6.4	The collapse of state structure.....	76
6.4.1	Absence of legal structure	76
6.4.2	Violence financed by public money	77
6.5	External vs. Internal funding of violence	78
6.6	The war economy as an obstacle to peace	79
6.7	Impact on business	80
7	Recommendations	80

7.1	Aligning the Political Level with Efforts to Reverse the Societal Condition.....	81
7.2	Supporting state building structures	82
7.3	Reviving the legitimate economy is vital for reducing both poverty and violence.....	83
7.3.1	Providing fuel in a legitimate way	84
7.4	Donor specific recommendations	84
7.5	Area focused recommendations:	85
7.5.1	Eastern Ghouta:.....	85
7.5.2	Daraa:	86
7.5.3	Idlib:.....	86
Appendix I, The Questionnaire		87

ACRONYMS

ACU	Aid Coordination Unit
CBS	Central Bureau Of Statistics
CSO	Civil Society Organisation
PYD	Democratic Union Party
FSA	Free Syrian Army
GAC	Governorate Administrative Councils
ISG	Interim Syrian Government
IDP	Internally Displaced Person
IAPS	Islamic Administration of Public Services
ISIL	Islamic State in Iraq and the Levant
JAN	Jabhat Al Nusra
LAC	Local Administrative Councils
MOC	Military Operations Command
NGO	Non Governmental Organisation
OCHA	Office for the Coordination of Humanitarian Affairs
SARC	Syrian Arab Red Crescent
SIG	Syrian Interim Government
SNC	Syrian National Coalition
SNAP	Syrian Needs Analysis Project
SYP	Syrian Pound
UNHCR	United Nations High Commissioner for Refugees
VDC	Violations Documentation Center
WFP	World Food Programme

Executive Summary

Within four years of the armed conflict that followed the Syria uprising, the Syrian economy has been reordered into a new decentralised, fragmented and regionally and globally connected economy, in which the main economic activities depend on violence and violence depends on those same economic activities. The country has thus entered a vicious circle where Syria's own resources are being used to destroy it, and where ordinary people have no choice but to rearrange their lives around the conflict and either join or pay (directly or indirectly) armed actors in order to meet every day needs such as fuel and food. The degree of this reordering varies hugely from one area to the other. The pre-war formal economy has dramatically contracted while new illicit and informal revenue-raising activities have greatly expanded. The financing of violence is a combination of local resources and external, mainly regional, funding.

This paper is based on empirical research in three areas of Syria: Eastern Ghouta, Daraa countryside, and Idleb and part of Aleppo countryside. All the areas studied are under opposition control and they are all mainly agricultural areas where industry and trade are also largely related to agriculture. The analysis of the economic dynamics is derived from our research in mainly opposition-controlled areas, but our investigation shows that these dynamics are linked to the overall conflict in the country. Further investigations are needed to understand the local dynamics in other areas such as government-controlled areas and areas under Kurdish armed and political actors control.

Main Findings:

1. New Societal Condition

In all three areas, the main sources of revenue and employment before the war began (agriculture, the public sector, small-scale trade and industry, tourism) have shrunk dramatically. New sources of revenue are directly linked to violence, the management of internal and external borders, the extraction of local resources, and the absence of any regulation. They include bribery and extortion; loot and pillage; unregulated trade, refining and building; smuggling of people, human organs, fuel and antiquities and forging documents. This reordered economic profile is associated with the emergence of a new rich class of leaders of armed groups and associated businessmen, an impoverished middle-class dependent on remittances from abroad, and an underclass, without means of sustenance, subject to continuous violence of various kinds. Unemployment ranges from 60% to 90%, making people vulnerable to combat recruitment. In these areas, from which the government has largely withdrawn, there are some nascent public arrangements such as the Local Administrative Councils, but these bodies lack regulatory and service capacity and their political power is dependent on the armed groups and on external funders. In order to make sense of the dynamics of the current societal condition, it is necessary to understand

why those actors who have adapted their incomes and revenues to the new conflict situation have an interest in ensuring this situation is maintained and in resisting any efforts to counter it.

2. Control of Borders

The main parameter, which explains the respective dynamics in the three areas, is the borders; the way they are controlled, what and who is allowed to cross and the fees imposed. Ghouta is completely surrounded under quasi-siege by government forces, humanitarian aid is not allowed in and the flow of goods is benefiting armed actors and war profiteers on both sides. Daraa has a border with Jordan which is strictly controlled by the Jordanian authorities: they only permit cash and humanitarian aid and not commercial goods to enter opposition-controlled areas, and they control the movement of arms and fighters. Checkpoints at the borders with government-controlled areas extract fees for the benefit of a network of war profiteers mainly on the government side. Idleb and Aleppo countryside has a border with four different areas (Turkey, Government, Syrian Kurdish forces and ISIL controlled areas) each with different security controls: Turkey imposes few restrictions on what or who can enter the country, allowing the entry of commercial and transit goods; fuel arrives from ISIL controlled areas; and checkpoints at the borders with government-controlled areas extract fees. The one policy that seems to be shared by the Turkish, Jordanian and Syrian governments is the prohibition on the legitimate delivery of fuel into any of these three areas.

The differences in border control affect the nature of the armed groups and the nature of the war economy in the three areas. In Idleb Turkey has facilitated the trafficking of combatants and weapons of ISIL and Jabhat Al Nusra (JAN). It also has a role in determining which armed actors control border crossings and thus generate income from it, while in Daraa the presence of JAN and ISIL is less significant and most combatants are local and less extreme. Because Ghouta is under siege, there are few if any foreign fighters; most combatants are local and there is no presence of ISIL.

Borders also affect the economy of the area. Turkey allows armed groups that have an affiliation with it to control the border crossings, thus giving them access to an estimated USD 660,000 a day in 'customs revenues'. In contrast, Jordan refuses to allow armed groups to control the borders and extract fees. In Ghouta there is strong evidence of mutually agreed measures on controlling what goes in and out of the area where a well-established network of businessmen, generals and commanders on both sides of the conflict profit from this process, particularly from the dramatic increase in price of goods inside eastern Ghouta.

In terms of the local economy and coping and survival mechanisms residents of Ghouta are forced to rely on receiving remittances, producing diesel and gas from plastic or accessing assistance from externally-supported projects and a few other limited

opportunities. Residents of Daraa also remain heavily dependent on remittances arriving through Jordan, with some civilians engaging in smuggling activities. Trade is limited mainly to what can be sold in stalls. In Idleb, there are more trade and construction activities; some towns like Sarmada have benefited from trade across the borders and the lack of regulation, some areas are relatively secure and agricultural activities continue, and other areas, especially those close to borders with government-controlled areas are severely impacted by violence --political violence as well as violence associated with the war economy.

3. The Diesel Domino Effect

Most of the opposition-controlled areas in Ghouta, Daraa and Idleb are rural areas which are heavily dependent on agriculture. In the past, trade and industry in these areas have had a strong agricultural link. Because there is no legitimate delivery of fuel in these areas, the only source of fuel is the black market where fuel is sourced either from either the government or ISIL controlled areas. Fuel prices are seriously inflated as a result, with diesel 2.5 times higher in price in Idleb, 3.4 in Daraa and up to 20 times in Ghouta. Because the agricultural sector is very dependent on diesel for pumping water and ploughing, inflation in diesel prices has made farming unprofitable. This, in addition to the security situation and the lack of other important inputs such as fertilisers, has contributed to the decline in agriculture and consequently agriculture -related industry and trade.

4. Absence of State

The collapse of the state in opposition-controlled areas is one main reason behind the restructuring of economic activities around violence. Most importantly there is an absence of one central actor in charge of public good, who could impose regulations that protect the public interest and channel public resources for the benefit of the society. This vacuum is filled to some extent by a muddled mixture of policies from neighbouring countries, donor and humanitarian agency policies and *de facto* regulations imposed by controlling armed actors and their political associates.

The public resources of all the three areas are going directly to fund violence rather than supporting public services, which are left to international donors and INGOs to support.

Recommendations:

The core paradigm on which our recommendations are based, is the notion of transforming the societal condition from one typified by the existing private and/or identity-based mutuality, in which the different actors have a shared interest in continuing the conflict, to a different kind of public mutuality that is centred on mutual interest in stability, not conflict, and aimed at the public interest broadly conceived.

The economic co-dependency in the region, and between different areas within Syria itself creates an opportunity for such public mutuality. Our research shows that there is already a trend amongst conflict actors motivated by economic aims and service provision in

conducting talks and reaching agreements. What we are proposing is that this private mutuality should be channelled into public mutuality through deals that help to alleviate individual suffering and that creates spaces where a legitimate economy can be promoted. To achieve this, the paper proposes:

1) Align the political level with efforts to reverse the societal condition.

Talks about ending the conflict, at all levels -- international, regional and local – should focus on ways to change the situation on the ground so as to create the conditions for stability.

Talks should also be much more inclusive at all levels and include civilian actors. Even if they were to succeed, any high level talks limited to those with a vested interest in the mutual war enterprise would entrench the societal condition and lead to the persistence of war economy even in the absence of war.

The peace process needs to be understood as a multi-level process involving a combination of talks at different levels that focus on changing the general conditions and also the situation in specific areas including concrete measures to counter the war economy and improve daily life, alongside more political discussions aimed at reaching a political settlement. Talks between Syrian actors could, for example, build on a trend we have observed in understandings and agreements built around the economic and infrastructure co-dependency of the different parts of Syria that these actors control.

At the international and regional level we propose that discussions should start now regarding the general economic recovery strategy for Syria and proposed ways to establish a framework that could make possible a legitimate local economy and foster mutual economic benefits for the broader society. We also propose that lifting the economic sanctions could be an important tool in a negotiation framework.

Negotiations for restoring control of Syria's international borders are also essential for ending the conflict and reversing the war economy. Further, pressure needs to be applied at the international level, on all the regional actors that continue to finance and support violence in Syria.

In addition, we propose that economic offences committed within Syria, such as the loot and pillage of antiquities should be criminalised under International Law.

2) Support State-Building Structure

Addressing the collapse of the state is key to countering the war economy. There needs to be strong emphasis on governance and a unified legal framework. In particular, we propose that income generated from public resources, such as fees at border crossings and income from oil, should be channelled to finance public services and governance structures in these areas, rather than the current practice of financing armed actors. For example, pressure should be applied to move the control of the crossings between Syria and Turkey

to a civic authority that adopts Syrian law and revenues generated should support public services.

3) Reviving the legitimate economy is crucial for reducing both poverty and violence

If we understand what is going on in Syria as a societal condition rather than a short-term humanitarian disaster, a different kind of assessment and response is required. Emergency aid is neither suitable nor sustainable. Participants in this study were not interested in asking for humanitarian aid. Rather, they consistently emphasized the importance of agriculture, economic development, and education in order to improve their situation.

At the same time, Syria is not necessarily in need of the classical development response, because conditions are not conducive to standard developmental recipes. Needs assessment should include not only the needs of individuals but also the need to revive the legitimate economy in the areas where they live. In light of this, we propose area-based assistance. Instead of thinking about categories of aid needed (humanitarian, development, food support and so on), it is essential to analyse the specific combination of support required in each respective area. The aim is to promote a virtuous local economic cycle that reduces unemployment and increases stability by supporting legitimate livelihoods. This could help to inspire in local residents a self-interest in the continuation of a stable situation in their areas.

In the rural opposition controlled areas, the requirements for reviving the economy often relate to agriculture, such as restoring water infrastructure and providing diesel, seeds and fertilizers. A specific proposal is the provision of fuel, particularly diesel, in a legitimate way and at a reasonable price; this is one key element that has the potential to combat the war economy and revive the local legitimate economy.

4) Donor Specific Recommendations

These include an increased presence of the INGOs inside Syria; better co-ordination of donors; not terminating aid to areas where proscribed armed groups operate; better communication between donors and beneficiaries; an increased role for Syrian civil society; and more measures to increase the commitment and accountability of aid subcontractors.

5) Area Specific Recommendations

The paper also includes specific recommendations for each of the areas that we studied. These include: political pressure to lift the siege of Ghouta and to allow the delivery of humanitarian aid to bring the prices down; political pressure to control the Turkish-Syrian border crossing; livelihood and fuel support in all three areas.

1 Introduction¹

The Syrian conflict displays many of the systemic characteristics of war economies that have been described in relation to other contemporary conflicts.² It is an economy that is decentralised, fragmented and globalised, in which the main economic activities largely depend on violence and violence depends on those same economic activities. The pre-war formal economy which centred on agriculture, industry, and tourism has dramatically contracted while new revenue-raising activities such as controlling border crossings and checkpoints, looting, extortion, kidnapping or smuggling (oil, antiquities, drugs) have greatly expanded.

This paper describes the functioning of the war economy in three local areas: Daraa countryside, Ghouta, and Idleb countryside. All the areas we study are under opposition control, and they are all mainly agricultural areas where industry and trade are primarily related to agriculture. They differ in terms of composition of armed groups, in the role of local administrative councils and civil society, and, most importantly in terms of borders. Ghouta is completely surrounded under siege conditions; Daraa has a well-controlled border with Jordan through which only humanitarian aid and strictly controlled movement of arms and fighters are allowed and Idleb has a border with Turkey where few restrictions are imposed the entry of goods and people. Idleb countryside is also the most fragmented with areas under the control of Syrian government, opposition and Jabhat Al Nusra (JAN) control. There are some relatively safe areas, some areas where fighting and bombardment is continuous, and other areas where trade is booming.

The main argument of this paper is that the conflict in Syria needs to be viewed as a societal condition in which armed groups have emerged as the main economic actors and in which the allocation of resources is determined by violence and other forcible restrictions. After four and a half years an emergency response is no longer appropriate; indeed humanitarian aid merely aggravates the societal condition if it is supplied for a long period of time. And yet the standard recipes associated with development aid are inappropriate for Syria as well. What is needed is a new form of intervention that is designed to counter the dynamics of the war economy and to create openings for stabilisation. Our research shows how the various warring parties both compete and co-operate in revenue raising activities; so much so that it can be argued that the various parties share a mutual interest in disorder

¹ This project is funded by the United Kingdom's Conflict Prevention Pool and the European Research Council. The contents of the report are the sole responsibility of the authors and do not necessarily reflect the views of the United Kingdom Government nor the European Commission. We are grateful to Prof. David Keen, Chris Doyle and Dr Zaidoun Zoubi for comments.

² See for example Jonathan Goodhand *From War Economy to Peace Economy?* 2003; David Keen *Complex Emergencies* Cambridge, Polity Press, 2007; Peter Andreas "Criminalized Conflict: The Clandestine Political Economy of War and Peace in the Balkans" *International Studies Quarterly*, Vol. 48, No. 1 pp. 29-51, Mar., 2004,

which facilitates their survival. Outside intervention must transform this private mutuality into a broader public mutuality aimed at reversing the prevailing societal condition and improving the lives of individual Syrians. How this might be done is very context-specific and we delineate a series of recommendations in the conclusion. Generally speaking, it is possible to identify certain broad priorities that should inform outside intervention, based not on geo-political interests but rather on mutual public interests at local, national, regional and even international levels.

First of all, political interventions need to be aligned with aid interventions. Peace talks among the warring parties should focus on an agreement about specific measures that could limit or divert war economy activities in specific areas or of specific types so as to create more favourable conditions for stabilisation, building the foundation for a broader peace agreement from the bottom-up. Such talks could relate to sanctions (technically they are unilateral coercive economic measures), the provision of humanitarian assistance, border crossings, support for infrastructure, trade routes and so on.

The quasi-siege in eastern Ghouta epitomises our argument. This is a situation which does not conform to a conventional siege where the aim is to defeat the other side. Instead, the Syrian government and armed groups in the area, chiefly the Islam Army, collude on what enters and exits the area and how. As a result of the profits they accrue, military commanders acquire wealth and power in the midst of a humanitarian disaster where children are dying of starvation and malnutrition.³ International diplomatic efforts could focus on opening up this area for the delivery of humanitarian aid through talks with both sides. In the longer term this would help to foster the conditions for a future political settlement.

A major finding from our research is the crucial importance of border control and border crossings. The international community needs to ensure that border crossings are put under the control of public authorities and that any funds levied at border crossings are used for the public good. This is particularly important in relation to the Turkish border with Syria.

Another finding is the importance of community-driven methods of creating legitimate livelihoods so that unemployed people have an alternative to joining an armed group or engaging in criminal activities. We are aware that this is only possible in certain communities since many communities are dominated by armed groups. In our research, we have come across many examples of the ingenuity of people in difficult circumstances, some of which could be bolstered. We argue that it is critical to respect local knowledge and identify the agents that are most likely to contribute to the public good.

³ The “Slow Death; life and death in Syrian Communities Under Siege” report published by Syrian American Medical Society in March 2015 gives a detailed picture of malnutrition and death inside besieged Ghouta. It reports that by 2014 most Ghouta residents lost between 5-50 kg of their weight.

To improve local knowledge, there needs to be a stronger presence for INGOs, humanitarian and UN agencies inside Syria. This could allow for direct and fairer distribution of different types of support including aid so as to reduce the (often nefarious) role of subcontractors and increase direct knowledge of local situations and the needs of the population. This would also have the added value of 'protection by presence'. The international community could increase the safety of international and Syrian personnel exerting pressure for the shutting down of kidnap exchange markets or illegal border crossings.

This paper will set out our findings in each of the three areas followed by a discussion of the role of donors. In the final section, we will summarise the overarching themes that emerge, the conditions that enable the war economy and what this implies for policy.

The analysis and recommendations in this paper are mainly targeted at actors who are willing to invest in finding solutions to the Syrian crisis and alleviating suffering. We believe that the empirical evidence presented here could be the subject of further analysis into the complex dynamics of the political economy of war in Syria.

1.1 Methodology, empirical data and participants

The LSE London-based team coordinated the management of the research project on which this report is based. The fieldwork was conducted from Gaziantep through Syrian research centres in coordination with a network of field researchers inside Syria who also interviewed the actors and researchers who come to Gaziantep from Syria.

The data collection covered three case studies, all of them from areas under opposition control. These areas were Idlib countryside including parts of Aleppo's eastern countryside, eastern Ghouta in the countryside of Damascus, and the countryside of Daraa.

To establish a robust body of empirical evidence on the actors, dynamics and impact of the war economy, LSE team developed a questionnaire (included in Appendix I) which was used by the researchers who conducted the interviews in the aforementioned geographical areas. The main research questions relate to:

1. The economy of the areas and its resources before and after the conflict, how individuals survive, and how their basic needs are met.
2. The major stakeholders of the war economy in the areas and how they are funded.
3. The local power brokers; their interests and political agendas.
4. The interplay between the different actors and the extent of their dependency on the war economy.
5. Who controls services, the flow of goods and natural resources, and how? Who is involved in rent seeking activities? Who is in charge of distribution points, border checkpoints?

6. The extent to which external aid and humanitarian support flows are channelled into different licit and illicit activities and how.
7. The prices of fuel, bread and flour in each area and the average salary paid for combatants on this area.

Around these main themes, more detailed questions to guide the interviews were developed as the research proceeded. We interviewed many participants more than once, as certain issues and interesting narratives emerged after going through the first rounds of interviews. In addition, many civil society organisations that collate information from the ground for research and needs assessments purposes kindly shared their data with us. This data included very relevant issues for our research. Some organisations were already aware of the war economy and its impact and this was reflected in the questionnaires that they distributed to their field workers and informants.

Altogether the research team collected 41 fully answered questionnaires. The vast majority of these full interviews were either face to face or voice-over-net interviews. The flow of the conversation was kept informal and the participants often gave us information and stories that were surprising. In addition to this, dozens of shorter interviews were conducted, but with more direct questions targeting certain actors on specific issues. We also benefited from the material generated by 38 interviews made for a separate research paper, “ISIL, JAN and the war economy in Syria”.⁴ Moreover we conducted two group discussions in Gaziantep, one with civil society organisations and the other with media organisations to discuss their understanding of the war economy. Fifteen more interviews were conducted with donors, UN agencies and INGOs, some in Gaziantep and others by Skype or face-to-face interviews in London.

We paid particular attention to the choice of participants. Most of them are independent civil society or Local Administrative Councils (LAC) members who are active on the ground in Syria and are originally from the area in which they are active. The various interviews and sets of data from the same area were cross-checked and compared with desk-based research and existing knowledge about the area’s profile before and after the conflict. The team followed LSE ethical guidelines relating to consent, data privacy and the anonymity of the interviewees.

The summary of the empirical data from the three areas presented below is based on the information we sourced. Unless otherwise specified, information is only included in the report if it appears in two or more questionnaires or interviews and/or has been observed in the media.

⁴ “ISIL, JAN and the war economy in Syria” Turkmani, R., LSE, June 2015.

1.1.1 Data structuring

After the first review of the data and after comparing the dynamics in the three different areas and observing the important parameters, we identified the best way of structuring the data in order for us to understand the significance of different parameters and the logic of the war economy in each area.

In structuring the data, we treat each area as a box that contains:

1. Its boundaries, how they are governed, the specific situation of each of the crossings and who and what can go through them and for what price.
2. The internal environment of the area including:
 - a. The population and its social composition
 - b. Unemployment and job opportunities available
 - c. Natural resources and infrastructure and whether control over them caused violence or whether they created mutual dependency between conflicting parties.
 - d. Status of agriculture, industry and trade in the area.
 - e. Coping economy.
 - f. Illicit activities.
3. The actors in the area, armed groups, civil society and LACs and also their relation to each other.
4. What goes into the area including aid, remittances, fuel and commercial goods.
5. What goes out of the area including antiquities, commercial goods and looted materials.

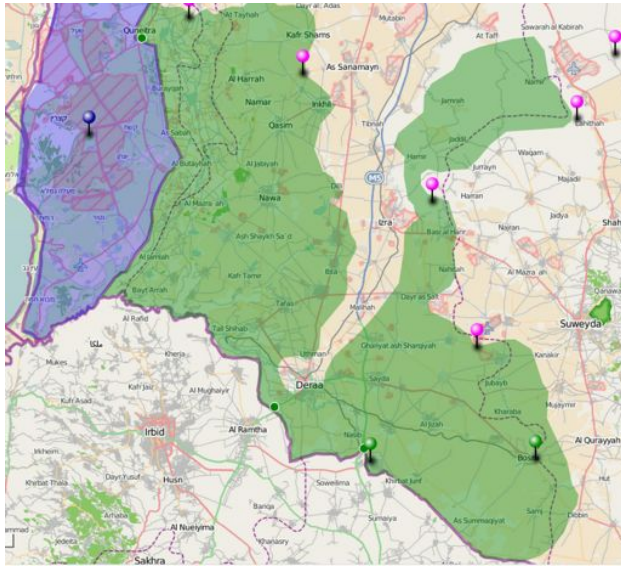
We structured the data as explained above for all three areas and included a summary table in Appendix II.

2 Daraa

2.1 Internal environment

Daraa province lies in the south west of Syria and shares a border with Jordan and neighbours the Israeli-occupied Golan Heights. Daraa city, the provincial capital of Daraa province, is 90km from Damascus. The Syrian uprising began there in March 2011. The capital, Daraa, is the administrative centre and where the strongest agricultural markets of the area are located. It is a hub for trade between markets in Syria, Lebanon and the Gulf States. The area that we cover in this paper is mainly that of the Daraa governorate that is

under opposition control⁵ (area shaded in green in **Error! Reference source not found.**), which is most of the governorate with the exception of Daraa city.



Map 1 Illustration 1: A map showing Quneitra, Daraa and Suweyda in southern Syria. Green-shaded areas represent opposition control, the un-shaded areas are government-controlled. The Israeli-occupied Golan Heights are shaded blue.
Courtesy of deSyracuse maps of the Syrian civil war

2.1.1 Population

The population of the entire province was just below 1 million in 2010, according to the Syrian government Central Bureau Of Statistics CBS.⁶ The population living in rural areas is 55% with 45% living in urban areas. Many people in Daraa escaped the violence fleeing to Jordan until mid-2013 after the border crossing between Daraa and Jordan was heavily restricted by the Jordanian government. UNHCR estimates that in July 2013 around 28% of the estimated 2011 population of Daraa were registered as refugees in Jordan.⁷ As of August 2014, UNHCR Jordan had more than 280,000 active registrations of refugees from this area.⁸

There are no reliable population figures after 2011. The closest reliable figure we found was that reported by Syrian Needs Analysis Project (SNAP)⁹ which reported 692,000 across 12 districts under opposition control out of the 17 sub-districts of Daraa governorate¹⁰ in an assessment at the end of 2013. SNAP reported that 28% of this population were IDPs, 58% of them were under 18 years old and 54% are female. 37% of them lived with host families in Daraa.¹¹ The IDPs are the most vulnerable group in Daraa.

⁵ During the period of the data collection of this research project which is from February till June 2015.

⁶ Estimate of population living in Syria by the governorate 31/12/2010, Central Bureau of Statistics, Syrian government.

⁷ UNHCR, "Syrian Refugee Response - Jordan" 13 July 2013.

⁸ OCHA 26/08/2014, UNHCR 16/08/2014

⁹ "Daraa Governorate Multi Sectors Needs Assessment" Syrian Needs Analysis Project (SNAP), January 2014

¹⁰ The districts included in the assessment do not include Daraa city

¹¹ According to the same source the rest of the IDPs are distributed as follow: 23.8% in rented accommodations, 20.8% in vacated/unfinished apartments and buildings, 17.7% in collective centers and 0.4% in open spaces/

In terms of social composition, Daraa's population is predominantly from a Sunni Muslim background, but there are Druze, Christians, Alawites and Shiia¹² as well. The ethnic background is predominantly Syrian Arab but there are also Kurds, Circassians and 29,000 Palestinians. There are also Bedouins in the area.

Tribal identities and family affiliations were reported by most participants to be more important, especially in the case of conflict, than ethnicity or confessional affiliation. In many cases before seeking justice for perceived wrongs, one must find out to which tribe the individual belongs. Tribal affiliation is important throughout Daraa's social strata, including the upper class families like the Masalameh, Mahameed and Jawabra families in Daraa city and Alzoabi and Alhariri in the countryside.

All the people we interviewed agreed that confessional identity is not a source of conflict in Daraa.

Currently the majority of the population lives in poverty. According to the participants we interviewed, they cited figures around 80%, saying that the wealthy and economically comfortable represent a small proportion of the population, particularly as the middle classes have also been impoverished since the war. This was not very different from figures presented in the SNAP needs assessment¹³ which reported that food security and health sectors were the top needs priority with 75% of the population is in need of food assistance, 20% of them were in acute need of food assistance.

The neighbouring governorate of Quneitra, with an original population of 70,000, hosts 250,000 IDPs¹⁴ despite its limited health infrastructure and local food supply. Many families have experienced multiple displacements, being forced to leave their homes as often as 10 times. Many IDPs in Quneitra come from the southern Damascus suburb of Al Hajar Al Aswad, and before that were originally from the Golan, displaced by the Israeli invasion in 1967.

2.1.1.1 Education

Only 25% of primary school age children and 28% of secondary school age children are accessing learning spaces on a regular basis.¹⁵ Before 2011, 90% of school-aged children in Syria were enrolled in schools. Interviewees from civil society sector working in education reported to us that the status of education varied considerably from one area to another. They reported that in Taffas, 90% of the schools were running, but 90% of the teachers

¹² The Shiia are mainly in Bosra and some in Daraa City

¹³ *Ibid*

¹⁴ These figures were reported to us by the head of an active civil society organisation which covers humanitarian and livelihood needs in Quneitra and who therefore have good access to data, they also carry on their own assessments.

¹⁵ According to SNAP needs assessment referenced above

worked without being paid. In Nawa,¹⁶ the biggest town in the southern area, only 20% to 30% of the schools were running and in some areas there was an alarming rise in rates of illiteracy. Many interviewees believed that education is the most important need in Daraa, expressing deep concerns about the dire consequences of new generation growing in ignorance, One of them told us *"We are losing a generation, some of them are into crime already, there is a vacuum in their heads now so anyone can brainwash them, the extreme Islamists are easily brainwashing them. But we want to have democratic Syria "*. In contrast, the SNAP humanitarian need assessment lists education as the fourth needs priority in Daraa after food, health and shelter.⁹

2.1.2 Unemployment and job opportunities

Unemployment is perceived to be very high. The average unemployment figure we were given is 73%¹⁷, this came out of 39 responses. Even those who have retained their jobs in the public sector, like teachers, no longer receive salaries directly. They have to go in person to government-controlled areas in order to receive their salaries. Many fear going for security reasons or because they are wanted for military service and therefore do not collect salaries at all.

The main job opportunity is joining armed groups; most interviewees confirmed this. One of them said *"If you are not part of an armed brigade you simply can't find working opportunity"*. The salary range is 20-100 USD for members of armed groups. A single man receives USD 50 per month, a married man receives up to USD 100 per month. JAN pays the highest salaries.

Other opportunities are either related to working with civil society, LACs and NGOs, however these roles are not accessible for most people. Alternatively, one might engage in the illicit activities listed in section 2.1.7.

The most legitimate and healthy job opportunities we observed were those offered by civil society run projects. For example the Civic Defence Council in Daraa¹⁸ employs 351 people for an average salary of USD 150 per month. The agricultural project run by Olive Branch CSO featured in section 2.6. However, such opportunities cover only a small fraction of the work force.

¹⁶ We have not been given clear reason for the difference in the number of running schools in these areas but there seem to be access problem since Nawa, where the situation is the worst is further away from the Jordanian borders and closer to contested areas.

¹⁷ The unemployment figures reported to us un the interviews range between 70% and 95%

¹⁸ Full name The Public Commission for Civil Defense in Daraa. All information on civic defense in Daraa was given to us either directly from the head of The Public Commission for Civil Defense in Daraa or others who benefited from their services.

2.1.3 Natural resources and infrastructure

The M5 highway, which connects Damascus to Jordan and which is one of Syria's key shipping and transit routes, runs through the centre of the Daraa reaching Nasib border crossing.¹⁹



Figure 1 Logging in Daraa. Courtesy of Enab Baladi

There are power plants in Daraa such as Jasem power plant. Interviewees from the Civic Defence Council reported to us as much as half of the area's electricity infrastructure is not functioning and that they are trying to repair it. Before 2011, the national grid provided 40 megawatts of power to Daraa. It now sends only between 5-10 megawatts. People reported severe shortages of electricity; some said that they have not had electricity for 3 months.

The land is very fertile and heavily forested. Many of the forests have been subject to heavy logging, as residents use the wood for heating and cooking. In Tseel for example, there previously existed a 4000 acre forest. According to one of the interviewees, this forest now hardly exists after a local sheikh issued a fatwa permitting logging because of the absence of any other fuel resources.²⁰

Daraa is rich in water and hosts the Yarmouk river (45km), which receives 900ml of rain per year, has many springs, 3211 wells and 16 dams. Daraa dam is one of the most important dams that used to provide water for 10,000 acres of farmed land.

Seven of the dams were reported to be completely dry.²¹ The dams have been a major resource in Daraa supporting not only the agricultural sector but also internal tourism and

¹⁹ Also referred to as Jabir Nasib border crossing. Jabir is the name of the location of the crossing on the Jordanian side.

²⁰ We found the problem of logging in Daraa reported in several media outlets, for example "Logging threatens the forests of Daraa", Enab Baladi, issue 144, 23-11-2014

²¹ "The drying out of Daraa dams in the south of Syria", February 2015.

fishing producing 60 tons of fish per year.²² The reasons behind the drying of the dams were reported as follows: draught, the damage caused by war to the canals which feed water to the dams, and the sharp rise in the number of wells which were dug by people after the government terminated the supply of water to opposition-controlled areas. Members of the Civic Defence Council in Daraa reported that they had failed in their attempts to curb the digging of wells, because no armed or other actor was prepared to help them. Shortages of power have affected both the operation of the dams and irrigation from dam water. The use of the waters of the Yarmouk river and nearby springs have been a source of dispute between Jordan and Syria, with Jordan complaining of the number of dams built on the Syrian side.²³

Telecom infrastructure has been destroyed by war, including mobile masts. Jordanian mobile networks cover a good part of the Daraa area.

2.1.3.1 Fight over infrastructure

Control over infrastructure has been the motivation of many battles in Daraa such as the attacks to control parts of the M5 motorway and the Nasib crossing into Jordan. In October 2014 for example, armed opposition forces captured checkpoints along the M5 in an unsuccessful attempt to take over the Nasib crossing.²⁴ In November 2014, an alliance of armed opposition groups and JAN made gains in Daraa, taking over the city of Nawa and the western part of Sheikh Miskin with the aim of linking up opposition controlled areas in Daraa with opposition controlled areas on the outskirts of Damascus.²⁵

The media has reported attacks on power plants, such as attacks by opposition forces in February and December 2014 on Khurbat Ghazala traction current converter plant that feeds Daraa city with electricity.²⁶

Government forces tried many times to regain control of dams in Daraa, for example by attacks to regain control over Thawra water provision line.²⁷ When JAN arrived in Daraa they also tried to control the dams.²⁸

Co-dependency

There remains co-dependency between government-controlled and opposition-controlled areas as most water resources and infrastructure remain in opposition areas, despite attempts by the government to regain control. This has at times led to negotiations and special arrangements between the warring parties to keep some essential public services running.

²² “The 16 dams of Daraa, important part of people’s lives”. Economic section of DP press. 22-8-2010.

²³ Hana Namrouqa, 2012. 'Water sharing violations require political solution.' *Jordan Times* April 28

²⁴ Regional analysis, Syria, Governorate profiles. October 2014 by ACAPS <http://www.acaps.org/img/reports/p-regional-analysis-for-syria---part-iii-governorate-profiles-oct-dec-2014.pdf>

²⁵ Associated Press 29/11/2014, Institute for the Study of War 12/11/2014, Al-Monitor 17/11/2014, Syria Deeply 17/11/2014, McClatchey 17/11/2014, Syrian Observer 13/11/2014

²⁶ December 2014 attacks were reported by SANA and in February 2014 in Syria today.

²⁷ This was reported by one of the interviewees from Daraa

²⁸ This was reported by one of the interviewees from Daraa

For example, as a result of an agreement between the government and opposition in Muzaireeb, government-controlled areas receive water in return for electricity.

Opposition forces have not disconnected the Thawra water line, which supplies As-Sweida, the government-controlled province east of Daraa. Most of the region's dams are in west Daraa, all under opposition control in conditions ranging from well maintained to disrepair. The arrangements of Nasib crossing explained in section 2.2.2 constitute another good example of co-dependency and economic mutuality that motivate talks between conflicting parties. There is even an agreement by which the government police can enter opposition-controlled areas to control a prison there; this arrangement was agreed upon because actors in the opposition-controlled area agreed that it is in their best interest if the prison (which is full of criminals) remains under control.

2.1.4 Agriculture

Before 2011 the agricultural sector employed around 20% of the population of Daraa governorate; the rest worked in industry, services, trade and crafts or as civil servants.²⁹ Syrian government figures from 2007 state that 60% of land in Daraa province is arable and 8% pastoral.³⁰ Livestock was an important part of the economy: there were 46,000 cows and 540,000 sheep in 2007.³¹ Agriculture represented the main economic activity of the population. The main produce was wheat, barley, chickpeas, lentils, vegetables and olives (over 6,000 trees).

Reliable statistics were not available for recent agricultural production but all interviewees described a situation of sharp decline and increasing constraint.³² The main product of the limited farming activities are vegetables. There are more agricultural activities in northern parts of the countryside because the level of internal water is higher which means that it does not require so much fuel for pumping. This makes agricultural activity in this part viable and profitable. Part of the vegetable crop is sold to government areas but trucks have to pay fees to government forces to pass through checkpoints between these areas.

The obstacles to farming in Daraa which were reported by all interviewees resemble those across Syria:

1. The security situation,
2. Scarce and very expensive fuel, particularly diesel which is much needed for pumping water for irrigation and operating tractors and machineries and transport of goods,

²⁹ Central Bureau of Statistics, Government of Syria.

³⁰ 'The Agricultural Investment Map of Daraa Province' Ministry of Agriculture and Agrarian Reform. Government of Syria.

³¹ *Ibid*

³² Several interviewees reported 80% decline in agricultural activities.

3. Scarce and very expensive essentials like fertilizers, seeds, fungicides, herbicides and insecticides,
4. Damage to infrastructure such as dams and water canals,
5. Unavailability of fodder for livestock,
6. Lack of access to market and inability to export.

One farmer interviewed detailed the problems he faced since the conflict began. He used to farm 40-50 acres of land in 2010, which cost him 2 million SYP. Now it costs him 2-3 million SYP to farm 5 acres. The diesel fertilisers cost USD 1,000 per ton, up from USD 100 before the conflict, and are scarce. The government strictly bans fertiliser supplies to opposition areas, claiming some can be used to make explosives. Urea 45 is one such fertilizer and costs 30,000SYP per bag compared to 2,200SYP in the past. Villages under opposition control buy smuggled fertiliser from government-controlled areas but only in small quantities. Seeds are expensive, with one ton of potato seeds costing USD 1,700. Other materials needed for farming are scarce and only available through smuggling from government areas. On top of that farmers cannot export their produce to Jordan as they used to.

Livestock farming has significantly fallen since the conflict began. In addition to the overall difficulties of farming listed above, shelling also means that livestock farming is seen as too risky. Farmers worry they will lose their herds and are consequently selling them, leading to a drop in livestock prices of 25%. Some have been selling their animals to survive, especially those forced to flee their land. In the first two years of the conflict, merchants were buying the animals cheaply and selling them in Jordan at a profit. In one village for example, 25 houses owned cows before the conflict began, now only one owns livestock. Some are exploring new techniques in producing cheaper fodder- this is explained more in section 2.6.³³

2.1.5 Industry

Because much of the industry was formerly centred on food processing and dairy plants, it has also been heavily affected by the damage to the agricultural and animal farming sector. Participants told us that 85% of factories are not operating.³⁴ Food factories have stopped production; the largest one was hit with six barrel bombs. None of the canned food factories have been restored. The exception is olive presses which have not all been destroyed. One area which had 20 olive presses before the conflict, has been only operating seven presses this year.

Other factories have been looted. An owner of a factory in Daraa whom we interviewed told us that his newly built factory was looted and the parts were moved to Jordan where

³³ There was big consistency in the information given to us on the decline of agricultural activities and animal farming and the reasons behind it.

³⁴ We found evidence in the media to the bombing, destruction and looting to all the industrial facilities they reported to be destroyed.

looters attempted to sell it back to him. There was also a recycling plant, which was looted and sold in parts. Even silos have been dismantled and looted. The largest dairy plant in Daraa, operated by the Syrian Libyan Company, was looted and destroyed.

Even where factories have not been destroyed, it is not possible to operate them because of the fuel and energy crisis in addition to other challenges such as security and the fact that many skilled workers have left the country.

2.1.6 Trade

Interviewees spoke about prosperity before the conflict that “almost everything was available and there was active trade in food and food products”. But this prosperity is evidently only relative as most developmental indexes for Daraa before the crisis were among the lowest in Syria.³⁵

Trade before the conflict was mainly related to food products and industry. There was also a fleet of 10,000 trucks that operated to and from Daraa, according to a businessman interviewed, and the trucks represented an important source of livelihoods in the area. Much of this fleet still exists, but mainly in government controlled areas although it was heavily hit recently following the closure of Nasib crossing. A joint Industrial Free-Zone zone between Jordan and Syria located at the Nasib crossing is a source of employment for thousands of people in Daraa. Many of these workers moved to Jordan and continued to work in this zone by accessing it from the Jordanian side.³⁶

Most existing trading activities are illicit, such as the widespread black market trading of fuel and coping mechanisms such as stalls elaborated in section 2.1.7. Most supermarkets have closed since the fighting. Real estate activity is very weak. Some sell their houses to raise money to survive. Smuggling is common; it is more common across borders with government-controlled areas than across the Jordanian border. Arms have widely proliferated across the borders and are being sold openly in stalls according to some participants. One said that many civilians have acquired weapons too *“I sometimes ask myself if, once the crisis is over, will they be able to collect all of these arms?”*. The car trade is thriving. One village, which had only one car sales and rental agency before the uprising, now has 15. Many trade cars independently. The growing demand was attributed to: the increased need for cars in the countryside since there is no more public transport; the absence of state regulations on this sector, which used to be tighter, and; the new money made by those who are profiting from the crisis.

³⁵ For deep analysis to the relationship between the development index, population growth and social unrest in Daraa see *“The last decade in Syria”* by Jamal Barout. April 2011.

³⁶ This was reported to us by Jordanian officials.

2.1.7 Coping economy

People are turning to alternative energy resources to evade the fuel and energy crisis, and as a result trading in solar energy products has become a profitable business. There does not seem to be a monopoly of supply. Prices vary: devices, which provide lighting cost between 8,000 to 12,000 SYP. Devices provide between 10W and 600W. Solar panels can be affected by the bombing.

Street stalls are widespread, with some setting up stalls from their homes. Items commonly sold include fuel, bread and cigarettes. Typically a stall is manned by members of the poor rural class and the goods sold on the stall belong to bigger traders or businessmen. A smaller percentage of the population is selling property to survive, and some sell aid parcels or exchange unneeded for needed items. Subsistence farming is common, but generates calories as opposed to revenue. There is a trade in document forgery, which is low cost and yields high returns. Yet this activity is fraught with risk: forgeries are being discovered at the Jordanian border. The media has covered this issue in the past two years.

Kidnapping was not reported by participants to be widespread. Where it occurs, it takes place between armed groups for political reasons. The kidnapping of wealthy individuals and NGO workers for ransom is not common, with the exception of JAN kidnapping of international and UN officials for ransom.³⁷ The trade in antiquities is widespread and highly profitable, this is discussed in more details in section 2.5.1.

Other illicit activities have been reported including looting of houses.

2.2 Area borders

2.2.1 The border with Jordan

Daraa hosts part of the Syrian-Jordanian border and is adjacent to the occupied Golan Heights. Two border crossings operate between Jordan and Syria: Ramtha and Nasib. Before the conflict, strong border controls did not prevent smuggling. Participants described the lavish lifestyles of those living near the border who engaged in smuggling. Initially the collapse of state control on the Syrian side led to an increase in smuggling, especially of Syrian livestock to Jordan. Since mid-2013 however, Jordan tightened border controls, installing CCTV and restricting the passage of goods and people, including refugees, across the border with the opposition controlled areas. This led to a sharp decline in smuggling activities and indeed in the number of refugees crossing to Jordan (See Figure 2) Because of restrictions, it now costs between 1000 – 1500 JD to smuggle an adult into Jordan and 600 JD per child. Some urgent medical cases are allowed to enter Jordan, but only after lengthy security name-checks. A new crossing has been established at Tell Shehab, strictly for the passage of humanitarian aid into Syria. At the time of writing, the crossings on the Syrian side are under opposition control and participants said that no commercial goods or fuel

³⁷ See more on this in “*ISIL, JAN and war economy in Syria*” Turkmani, LSE, June 2015.

were allowed to pass through the crossings. Jordanian border restrictions may be the cause of increased numbers of IDPs inside Daraa province.

Movement of arms and fighters is heavily controlled by Jordan through Military Operations Command (MOC). It coordinates and funds the flow of opposition fighters and arms into southern Syria. The MOC is based in Jordan close to the borders and coordinates and funds the activities of the armed opposition in Daraa.

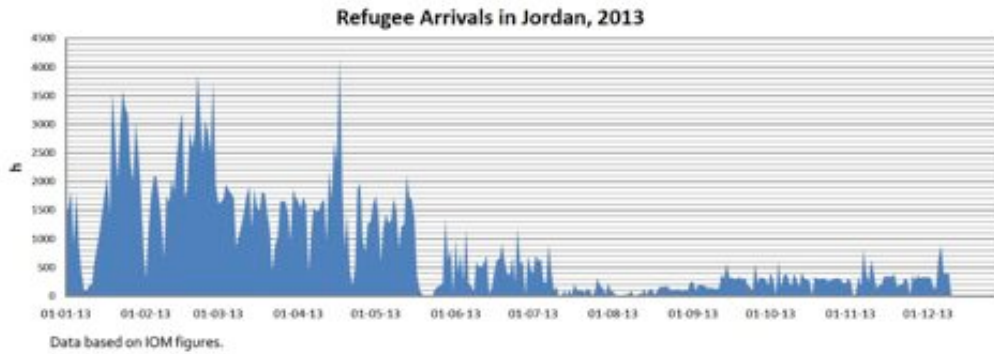


Figure 2 *Refugee arrivals from Syria to Jordan, 2013*

2.2.2 The Nasib Crossing with Jordan

The Nasib crossing is crucial to several regional economies including Jordan's. Jordanian goods sold to Turkey used to pass through it via Syria, as did goods between Lebanon, the Gulf States and Egypt. Jordanian agricultural products bound for Europe via Syria and Turkey no longer have a suitable land route. An estimated 300 trucks passed through Nasib crossing daily in each direction, including 120-130 trucks which transited through Syria from Lebanon via the Masha' crossing. The cost of transporting goods by land from Lebanon has increased by 50% since the conflict. The annual income of Nasib before its closure was estimated at between USD 2bn – USD 3.5bn.

Jordan is said to have strongly objected to opposition fighters attacking the Nasib crossing, any plans put by armed groups to the MOC which include taking over the crossing are not funded. However, the crossing fell under opposition control in April 2015. JAN, which does not coordinate with MOC, took the lead in this operation, digging a tunnel to the crossing which other armed groups found out about too late. After the JAN takeover of the crossing, it was looted together with the industrial free-zone. Influential businessmen from Daraa, based in the Gulf states, intervened and goods were returned to owners. Jordan closed the crossing after it fell to opposition fighters. Initially there was talk of opening a new crossing between Ruwayshid in Jordan and government-controlled As-Sweida in Syria³⁸, but this has not subsequently materialised.

³⁸ “The risks of the alternative crossing to Nasib”, The republic eye 15-4-2015.

The entire region was impacted by the closure of Nasib crossing. In Lebanon truck drivers went on strike³⁹, in Syrian farmers were hit particularly hard as they relied on this crossing to export their products to the Gulf. Syrian and Lebanese governments sought a partial solution by exporting via the sea⁴⁰, but this could only be used for fruits such as apples, whereas vegetables needed to be transported through the quicker land route. Businesses in the Gulf were affected too and the fruit and vegetable prices there increased sharply. But it was Jordan, which was hit the most from the closure of Nasib⁴¹. The losses were estimated to be 100 Million USD in the first four days after the closure⁴². For security reasons, Jordan refused to deal with the armed opposition as the actor who could handle the crossing at the opposite side, even after the management of the crossing was handed to Dar Al Adel. Jordan's main concern is that the income of the crossing on the Syrian side, which is estimated to be 5-9 Million USD per day, would then go to fund violence that might escalate. A previous Jordanian interior minister declared on Al Jazeera that Jordan is only prepared to deal with state actors on Syrian side of the crossing.⁴³

The regional losses from the closure of Nasib unexpectedly brought together disparate actors who felt the need to negotiate around mutual economic interests. Negotiations that involved the Syrian and Jordanian governments, and the opposition and Gulf-based Syrian businessmen from Daraa led to special arrangements for the reopening of the crossing. Under these arrangements trucks are now allowed to cross the area between the Nasib crossing and the nearest point controlled by the government in As-Sweida, while being escorted and protected by armed opposition. Upon entering government-controlled territory, the trucks are treated as if they have just crossed the border and accordingly pay duties there. Similar arrangements for trucks traveling in the opposite direction are in place. In effect, the crossing has been moved to As-Sweida. Only businesses that are able to afford the increase in transport costs and the increased security risk are able to make use of these arrangements. Recent escalations in violence in Daraa led to the closure of the crossing and the freezing of these arrangements, which again escalated the pressure on all actors to find a solution.

2.2.3 Borders with government controlled areas

Inside Syria there is a network of checkpoints between opposition and government-controlled areas: each checkpoint consists of two checkpoints on each side of these areas. Participants explained that opposition checkpoints were easy to pass through because their fighters seek support and popularity from the local population. Government checkpoints, in contrast, antagonise locals by extracting bribes and fees from the passing traffic. Some interviewees reported that checkpoints could make between hundreds of thousands to a

³⁹ "Strike for truck owners on Tenail motorway asking for solutions after the closure of Nasib", Lebanon file, 21-4-2015.

⁴⁰ "Would Tartous sea port compensate for Nasib?" Syrian Masah, 19-4-2015.

⁴¹ "The pain of Jordan; Nasib crossing...losses are in millions", Al Quds AL Araby, 11-04-2015.

⁴² "Nasib closed for the 4th day and the losses are 100 Million\$" Bal Arabi, 4-4-2015.

⁴³ "What is the significance of Nasib crossing?", Al Jazeera, Al Waqe AL Arabi, 17-4-2015.

million Syrian Pounds per day, which appears a reasonable estimate when we consider fees charged at these checkpoints. Fees have to be paid when traveling in both directions. The result is decrease in the profit made by farmers who send their products to be sold in government-controlled areas, and almost a doubling in the price of consumer goods that are allowed through these checkpoints to enter opposition controlled areas. Only a limited range of consumer goods are permitted to pass, including cooking oil, sugar, baby milk, rice, and detergents.

The provision of these goods seems to be facilitated by established networks. For example consumer goods arrive in Tafas⁴⁴ from government-controlled areas nearby via businessmen who live in the government-controlled areas and who have connections to members of the government and those in charge of the checkpoints. These businessmen and their agents could 'buy' a checkpoint, paying a bribe of between 50,000-60,000 SYP per truck to allow its passage without inspection, regardless of its load. However, some goods are not allowed to enter even if a bribe is paid. For example one man with connections to the government was imprisoned after smuggling car parts to opposition areas. Materials useful to the agricultural sector are also not allowed, particularly fertilisers which the government claims will be used to make explosives. Even bread is not allowed: one man smuggling bread from government controlled As-Sweida to opposition-controlled areas of Daraa was arrested and the story was broadcast on state television.⁴⁵

Whenever armed clashes take place over the main roads between government and opposition controlled areas, the roads are closed and a shortage of consumer goods ensues. On one occasion in recent months the main road from Daraa to Damascus was closed for over a month because of the increased armed activities in the area; with very few cars being allowed to pass, a dramatic shortage in consumer goods ensued.

Some examples of the fees reported to us for trucks passing from opposition-held areas to government-controlled areas are: Freezer trucks are charged around 150,000 SYP to pass, vegetable trucks pay 15,000 SYP for a four ton load and 20,000 SYP for an eight ton load. Worse still, the men at the checkpoint may be particularly antagonistic and attempt to confiscate the truck, in which case the driver may be forced to pay between 30,000 to 70,000 SYP to avert confiscation.

There is also a network of internal checkpoints throughout opposition-controlled territory but all participants said that these checkpoints are for security only and do not charge fees.

⁴⁴ Town in Daraa under opposition control.

⁴⁵ "SANA report the arrest of smuggler who smuggled bread from Daraa to Sweida" *All for Syria*, 11-5-2015.

2.3 Actors

2.3.1 Armed groups

The FSA and moderate Islamist brigades are the main actors in most of Daraa, with most of them united under the Southern Front. Members of these groups tend to be local or from nearby places like the Damascus countryside. Defecting soldiers hold leadership positions in the FSA. There is no overt ISIL presence but one brigade, Shuhadaa Al Yarmouk, is strongly believed to be having very strong connections to ISIL. There is limited presence for JAN, which arrived in the area after it had been expelled by ISIL from Dei Al Zour, but they are not popular.⁴⁶ None of the armed groups have been able to dominate the whole area.

2.3.2 Local Governance actors

We do not intend to present an overall summary of the status of governance and its actors in Daraa. Mainly we focus on its relevance to the topic of this paper and how people we interviewed perceived governance actors.

There is a Governorate Administrative Council (GAC) in Daraa, and Local Administrative Councils (LACs) in the local areas. The previous GAC was based mainly outside the country, which affected its credibility; it had only four members inside Daraa and they were the least skilled. In early 2015 a new GAC was elected and all its members are reportedly from inside Daraa.

There are various projects by LACs and other civic actors attempting to provide security, including a local police centre and a regional police centre, as well as courts. Their ability to impose order on the area so far is, however, limited.

As research participants explained, the failure of the LAC's can be partially attributed to their political association, the political sources of their funding, and competition over access to funding. The shortcomings of LAC's are characterized by divisions and inability to build genuine popular legitimacy. Most funding formerly came through a political body, the Syrian National Coalition (SNC) and its associated bodies such as the Syrian Interim Government (SIG) and Aid Coordination unit (ACU). Political association of funds have also been reported to us as an issue in Aid and its distribution as explained in section 2.4.1. We are told that in recent times, support for LAC is no longer channelled through these political actors.

At one stage the area witnessed competition between two different GACs, each trying to claim legitimacy and each with a different armed actor supporting it. One is stronger than the other because of its relations with the SNC. Despite neither GAC having legal status as a representative body of the area, both opened marquees to generate public support and invited people to attend around the same time.

⁴⁶ "ISIL, JAN and war economy paper" *supra* note 4.

In 2014, the Syrian Interim Government (SIG) interfered with the appointment of the GAC and named new unelected members who were nearly all from Ahali Horan.⁴⁷ The latter is an organisation known to be affiliated with the Muslim Brotherhood and, as declared by its web site, receives funds from charitable donors in Qatar. They also opened two religious education institutes in Daraa. This led to highly charged disputes and intense disagreements until eventually the SIG's orders had to be reversed.⁴⁸ Yet, Ahali Horan retains strong influence over the GAC, including the one elected this year, partially because they are very well funded and able to influence decision making.

Most interviewees reported that funding for LACs is poor, patchy, unreliable, and thus unsuited to running schools and other long-term service projects. Funding sometimes comes in the form of one-off payments earmarked for specific villages and is quickly spent. Support from the GAC was reported to us as poor. The lack of skilled workers, especially those with project management capacities have been reported to be a major issue; many people from the area have been trained but they have subsequently left Daraa. Also, people who have been trained a members of the LACs may not be elected or selected again; new members thus require training following each election. This is causing weak accumulation of expertise.

The Civil Defense Commission⁴⁹, which is independent from the GAC and operates more like a civil society organisation is very active and it seems to have generated popular legitimacy, partially because it offers its services to all regardless of any political or any other affiliation. The locals themselves seem to be keen to protect the council and enable it to do its work despite the activities of any armed group in the area. Its leading figures have played an active role in the civic movement from early days, most of their work is voluntary and the little they receive as salaries is very close to what other workers in the organisation receive. This has contributed to its popular legitimacy.

The most recognised judicial body is Dar Al Adel, it is dominated by Islamists and is associated with the armed groups. Most armed groups accept it and respect its rulings including JAN, and it is the only judicial body with such support amongst armed groups. Because of this, Dar Al Adel was recently chosen to run the Nasib crossing. It is not clear, however, what level of support Dar Al Adel enjoys amongst civilians.

2.3.3 Civil society

A good number of CSOs operate in Daraa and Quneitra, and are very well perceived by the public. They are filling an important gap, particularly in education. They are under-

⁴⁷ Full name is Rabitat Ahali Horan; <http://ahlhoran.org/>.

⁴⁸ This incident was reported to us by key figures who attended the meeting with GAC members and the legal advisor of the GAC. During the meeting orders arrived from a minister in GAC to appoint the new members, the legal advisor himself had to interfere trying to reverse this order in order to prevent major disputes.

⁴⁹ *Supra*, note 18.

resourced, however, with the smaller ones complaining about lack of support from donors who seem to be focused on a few more well-known CSOs.

There is good number of local civic projects run by different organisations and committees. Despite their number they are far from being able to cover all the needs. For example the Tamkeen committees⁵⁰ in Tseel and Tafas ran campaigns to clear litter from the streets. Tamkeen committees have also repaired and reopened schools and worked on public health projects. Most interviewees spoke positively of these projects, one of them told us *“Some organizations are doing great work, they expect nothing in return, they are interested in rebuilding Syria, such as Tamkeen. It may take time to see the results of their work but they are working hard”*.⁵¹ Another head of CSO said that *“Tamkeen is a good example on how to transfer skills between LACS and CSO's”*

Groups with Islamist political affiliation, like Ahali Horan, lack popularity. One participant described how they interfere with civil society projects. In the case of a field hospital project funded by WHO *“they ruined the project altogether.”*

Qatari and Saudi funds also arrive to support relief in the areas but this is viewed generally as 'Islamic support' that goes only to 'loyal' parties.

2.3.4 Actors' relations

LACs coordinate with aid agencies and armed groups from the FSA, but generally do not engage in coordination with Islamist groups. Black market traders have relations with the opposition and government armed actors for the provision of security and supplies. They collaborate with the government to procure fuel, and with the opposition to sell it in opposition areas, paying fees in the process.

2.4 What goes in?

2.4.1 Aid and its distribution

The area depends heavily on international aid arriving via Jordan. There is a glut of some supplies, like pasta and blankets, and a shortage of others. Excess aid is traded for other items. One person reported that in some cases the quality of food aid is so poor that people feed it to their animals.

Distribution is typically perceived as unfair. Some armed groups prioritise their members and their relatives. Politically affiliated actors distribute aid based on loyalty, causing resentment and division. The monitoring and evaluation of aid arriving through the ACU and the SNC is poor. A member of an established Syrian NGO we interviewed received a grant from them to source and distribute aid. They said that ACU asked for only minimal checks

⁵⁰ Supported with funds from DFID.

⁵¹ The only criticism was that the Tamkeen committees are competing with the legitimacy that LAC is trying to create.

on the identity and numbers of the beneficiaries of the aid. He compared the ACU's methods to other INGOs who supported this Syrian NGO to do the same task and found them to be very poor in comparison.

"What they asked for as proof is only an electronic list of the name of the main person in each receiving family and the number of the family members. They do not even ask for their signature - this could easily be faked; anyone in a few hours can create a fake list. This opened up the way widely for corruption and wasting funds, also this opens the way for people in charge to distribute aid only to their relatives and friends and if someone comes from outside the area they won't give him aid and they would refer him to the council of its original village. Other NGOs follow more rigorous methods and they ask for phone numbers of recipients so that they can call some of them and verify that they received the aid"

SNC/ACU policy has at times impeded aid distribution to IDPs. For example LACs have received funding for specific areas and villages. When it comes to distributing the aid the LACs deliver the aid to the original people of these areas and tell the IDPs that they must return to their places of origin to claim assistance from their own LAC.

Some LACs distribute aid in a biased way, based on favours. Participants reported that CSOs in the area have a fairer aid distribution record and more thorough monitoring and evaluation. A member of an NGO we interviewed explained that they formed committees, which included locals and IDPs, to oversee distribution in each village. The monitoring and evaluation procedure they used was thorough, asking to see photographs, ID documents, and *Daftar Al Aela*- 'the family book' containing detailed records of the whole family. At times such procedures have led locals to reject aid, where they view the excessively detailed information requested by donors as thinly veiled intelligence gathering.

2.4.2 Cash and Remittances

The transfer of cash into and out of the area is unregulated. The U.S. dollar is the most popular currency traded, especially for large transactions. The usual route is cash in dollars transferred from Jordan to Syria, which gets exchanged to SYP in Daraa, and then the dollars are transferred to Damascus. The Syrian government is content with this and does not interrupt the process because this hard currency is helping to prop up the government's foreign currency supply.

The main sources of funds arriving through Jordan include: donors and INGOs funds supporting CSOs and LACs; funding for armed brigades and salaries for their members, and; remittances from the Syrian diaspora. Many people in Daraa have kinship ties to members of the Syrian diaspora working in the Gulf States who regularly send remittances, this was a major income for many people in Daraa even before the crisis. Participants report that some of this money has been used to fund agricultural projects.

Many transfer and exchange offices have opened since the conflict began; some are independent and some are attached to armed brigades. The exchange rate is not regulated. The typical transfer rate from Jordan to Daraa is 1.5%. The majority of transfers are connected to currency traders in Damascus.

Anyone who leaves Syria and returns is allowed to carry up to USD 5,000 with them. But participants said this is only the amount that one has to declare, and that in practice there are no checks on the amount of dollars which can practically be brought in to Daraa from Jordan.

2.4.3 Fuel

Like all opposition controlled areas there is a severe shortage of fuel, and it is only available in the black market. No fuel is allowed from the Jordanian side with only one exception. Recently Jordan has allowed commanders from Daraa who participate in training in Jordan to bring back fuel with them. This occurred after the shortage of fuel became very pressing, especially after new military plans for expansion in Daraa were drawn up by armed actors. Unfortunately, similar measures are not taken to provide fuel for services and agricultural projects or with regard to fuel for everyday use such as Butane Gas. Many of the trucks which cross the Nasib crossing arrive with their fuel tank full; they sell this fuel in black market in government-controlled areas and leave only what is enough to enable them to return to Lebanon. Some of this fuel is smuggled again to opposition-controlled Daraa. This is why the closure of Nasib crossing caused a rise in the price of diesel in both Sweida and Daraa.

Diesel and Butane gas are either smuggled from government-controlled areas or are produced locally from plastic; the latter is cheaper but much worse in quality. There is a monopoly on the trade in fuel and diesel in Daraa by certain traders who control supply from government areas through their networks and connections. They also control the price and most stalls sellers buy from them. Most participants reported sharp and unpredictable price fluctuations. *"Yesterday the price was 400 SYP per litre, today it is 700 SYP. At times it reaches 1,200 SYP. It is farmers who are hit the most by this"*. Locally refined 'black diesel' costs 250 SYP per litre. Butane Gas cylinders are bought for 1,500 SYP by traders and sold at 4,500 SYP.

2.5 What goes out?

Since the beginning of the armed conflict the area has lost most of its moveable assets. Early in the armed conflict much of the livestock of the area was smuggled to Jordan and this was also true of its best factories. What leaves the area in addition to this are the hard currency as explained in section 2.4.2, some of the vegetables produced in northern Daraa countryside and antiquities as elaborated in section 2.5.1 below.

2.5.1 Antiquities

The digging for antiquities and smuggling them to be sold in Jordan is widespread and highly profitable. Alongside the arms trade, it was believed to be the most significant trade by our participants, in terms of benefiting from the crisis and providing a reason for its continuation.

The area is rich in archaeological sites and smuggling is taking place, particularly of ancient coins. Several interviewees reported that artefacts were being acquired for antiquity traders in Jordan. Another expressed his agony that *“Smuggling antiquities carried a life sentence before the conflict, now it is being conducted in the open without any fear”*. Not only are antiquities being sold to finance violence, but also the methods of digging for antiquities are very damaging. Diggers and underground explosives are being used.

Many known brigades are involved in this, such as the Shuhadaa Al Yarmouk, Al Khal, Ahrar Ashaam, JAN and Al Muthana⁵² Brigades. The largest brigades in the area even have their excavation teams. The head of one of the excavation teams is the brother of the head of a brigade. They offer it as a service *“If you find a tomb, you can inform them, they will bring their digger and give you a percentage of what they find.”*

2.6 Case study The Olive Branch⁵³ agricultural project

Fresh food items are lacking in Daraa, especially in the south and food aid parcels contain only dried and tinned food. To address this problem and make fresh food and milk available for the group that needs it the most, growing children, an INGO focused on children provided support to the Olive Branch CSO to run an agricultural project. Two farms were established and 65 acres of land were cultivated in opposition areas of rural Daraa to grow fresh produce and have even some livestock. The project sourced most needed materials locally and employed 53 people; around 20% of them are commanders who left their armed groups and quit fighting in order to work for this project. Food security has improved, 8,000 fresh food baskets have been distributed for free in the area, and new techniques of farming and irrigation were learned and used.

Obstacles to the project included:

1. Scarcity and affordability of essential materials like seeds and fertiliser. This was partially solved by replacing manufactured fertilisers with animal waste.
2. Expensive diesel fuel to operate machinery and irrigation pumps. This was partially solved by using new irrigation techniques.

⁵² In the village of Adawan, the Al Muthana brigade use diggers and have 'eaten the rocks' looking for antiquities to sell

⁵³ The name of the organisation in Arabic reads as *Ghusun Azaytun*



Figure 3 Vegetable farming by Olive Branch agricultural project



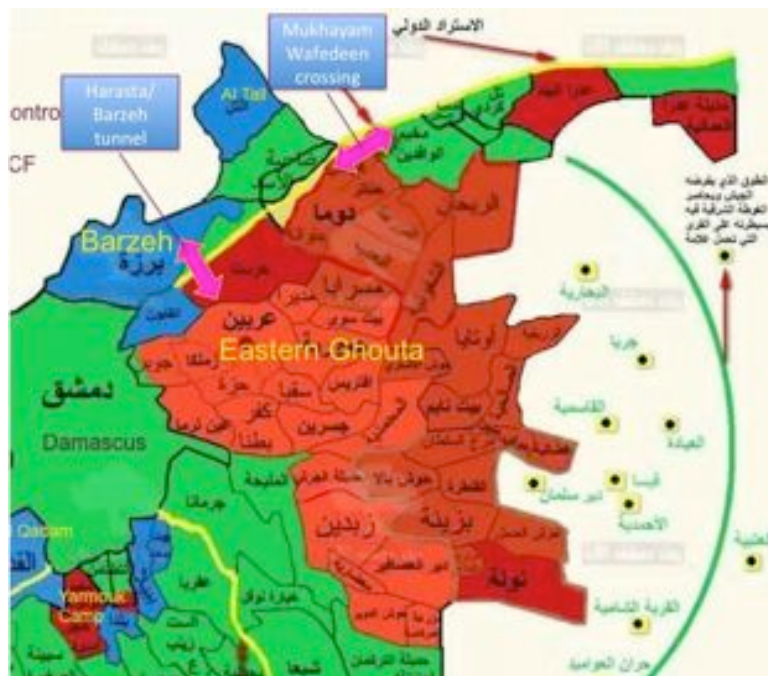
Figure 4 Cow feeding on Sprouted Fodder produced by Olive Branch agricultural project

3. Highly fluctuating price of materials. This was overcome by the organisation's ability to buy the essential materials when they appear in the market for a good price. Having the funds ready to move when prices are low was essential.
4. Lack of fodder. This was overcome by using the Livestock Sprouted Fodder System, which enabled them to produce food for the animals in a short time and with little water (see Figure 4). This technique was new to farmers in the area.

3 Eastern Ghouta

3.1 Internal environment

Ghouta is an area in countryside Damascus to the southeast of the capital. It is historically known for the fertility of its land and the quality of its fruit products. The data from our study focuses on Eastern Ghouta, which is the larger besieged area, marked in red on Map 2 (red areas under siege, green areas under government control, blue areas are under local ceasefire agreement). This area had been under extremely brutal siege by government forces since October 2013 and is subject to continued shelling by government forces. The main city in this area is Douma.



Map 2 The map of the besieged area of Eastern Ghouta which we studied. Areas marked in red are opposition controlled, green areas under government control and blue areas are under local ceasefire agreement). The locations of the checkpoint and the tunnel are marked in pink

3.1.1 Population

The population of the entire Ghouta area was around 2,200,000 in 2010, according to official estimates.⁵⁴ Many families left Ghouta after the conflict, others arrived there as IDPs. There are no exact figures for the population of Eastern Ghouta before or after the conflict.⁵⁵ According to a recent report⁵⁶ the number of families in Eastern Ghouta is

⁵⁴ Estimate of population living in Syria by the governorate 31/12/2010, Central Bureau of Statistics, Syrian government. <http://www.cbssyr.sy/yearbook/2010/Data-Chapter2/TAB-3-2-2010.htm>

⁵⁵ The population of the city of Douma before the conflict was estimated to be 111,000 in 2004 consensus.

⁵⁶ "Report on the situation in Eastern Ghouta" Al Joumhooria party, May 2015.

102,100, with the average family size being 5 members. This means that there are perhaps around 510,500 individuals living in Ghouta under siege today.

The social structure has become mixed, very different from what it used to be. The people of the area are socially conservative in general, most originated from reasonably well-off middle class backgrounds. The area does not have clan or tribal affiliations. Confessional identity is not a source of conflict in the area according to all participants.

According to participants, 90% of the people of besieged Ghouta live now under poverty line. One participant told us *“The rich are now the people who can have two meals a day, and that would still be very basic food.”*

3.1.1.1 Life under siege

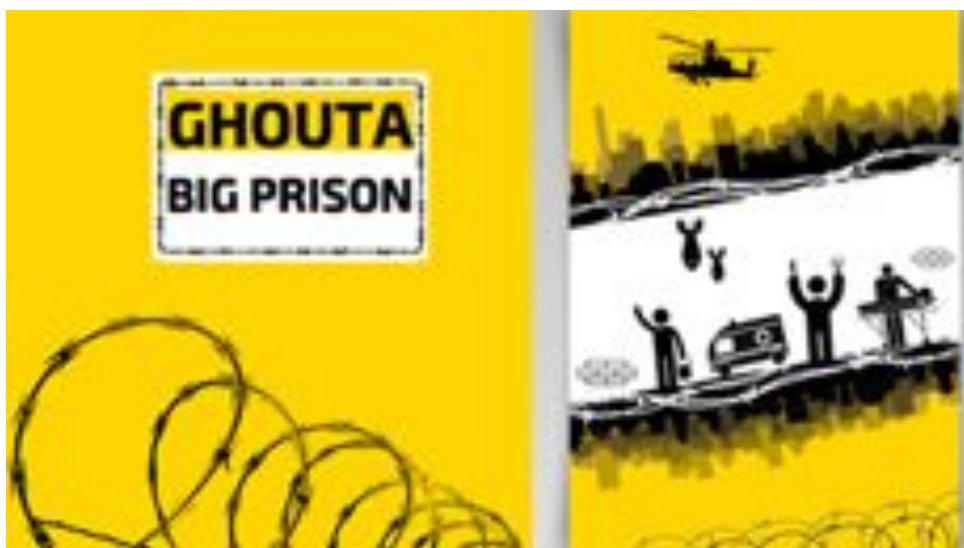


Figure 5 Ghouta depicted by Syrian civil society campaigns as a big prison

Life under siege is brutally harsh. Shelling and airstrikes continue and there is an acute shortage of food and medicine. One participant said: *'it is very common to see people who have lost limbs in Ghouta'* adding that *“Every other day a baby dies because of the lack of food and milk”*. Participants told us that the government seeks to pressure armed opposition groups by attacking the civilian population. Human rights organisations⁵⁷ and media reports support the claim that attacks focus on mainly civilians in busy civilian areas such as the markets. At the same time, the main armed actor in Eastern Ghouta, the Islam Army, has the liberty of holding a military parade showcasing tanks and 1700 trained fighters, without fear of attack.⁵⁸ One interviewee said to us *“there is no siege, this is a lie. How can there be a siege when the head of Islam Army can go in and out of Ghouta several times this year and appear in Turkey and Saudi Arabia, or when 1000 of his fighters leave Ghouta last month to go and allegedly fight ISIL in Qalamoun. The newly released 1000 SYP*

⁵⁷ See for example “Massacre in popular market in Douma” Syrian Human Rights Committee, 30-6-2015 and “Shelling on popular market in Douma causes 50 casualties including 5 fatalities” Akas Al ser 7-30-2015.

⁵⁸ “Army of Islam marches outside Damascus- Zahran Alloush attended the military parade”, Now., 30-4-2015.

note is already common in Ghouta, so what siege? There are arrangements in place to suck the best out of this area, allowing certain actors to benefit, while civilians suffer ”

A report⁵⁹ written by Dr. Aous Mubarak, a Syrian dentist, who lived under the siege in Ghouta, described the unimaginable humanitarian suffering of life under siege. *“Some started eating animal feed...and soya flour. They stopped selling soya flour only after the some children had died from it.”* He described how many people died of hunger and lack of medicine. *“There were children who fainted on their way to school to school, and the elders looking without success for their medication. Many of them died due to lack of insulin and other medicines, there were farmers crying as they watched their animals dying in front of their eyes because they couldn’t feed them. The majority of people slept hungry. They were living on one meal a day or even half a meal. They could only think how to find food for today and leave tomorrow for tomorrow. Each of them has lost tens of kilograms... And children who cried at bed time out of hunger were told by their parents to go to sleep in order to get fed in the morning”*

3.1.2 Unemployment and job opportunities

Unemployment is around 80-90%. Joining one of the armed groups can provide a monthly salary of an average of USD 50 in addition to food parcels. At times fighters are only paid in food. Work in return for food has also been used by other local actors. There are limited opportunities presented by agricultural projects, hospitals and health centers and LAC projects. A head of a Syrian NGO based abroad and supporting projects in Ghouta told us that they had provided salaries to skilled people and doctors because they do not want them to leave Ghouta just as the community needs them the most.

3.1.3 Natural resources and infrastructure

The land of Ghouta is very fertile, containing many water wells and the Barada river. The Aleppo-Damascus highway runs through it as does one of the roads to Damascus International Airport. While they remained contested for a long time, both now lie outside the besieged area.

According to a statistical report⁶⁰ published in November 2013, the war has destroyed 84 out of the original 421 schools, 20 nurseries out of 120, 8 out of 15 hospitals and 21 out of 92 bakeries. In the areas near the front lines, 90% of the infrastructure was destroyed, and 60% of the houses. In areas more distant from the frontlines, 30% of the infrastructure was destroyed, and 25% of the houses. Participants reported that the situation continues to deteriorate.

⁵⁹ “The untold stories of the Ghouta siege”, Al Jamhuriya, 17-10-2014.

⁶⁰ The report was published by the Office of statistics of Eastern Ghouta.

3.1.4 Agriculture

Agriculture was the major source of income before the crisis. Varieties of well-known fruits and vegetables were grown there and livestock such as chickens, cows, and sheep were kept. It was the main source for dairy products for Damascus. All of this has been heavily hit. Yet people are making an attempt to go back to farming. Because of the increased costs farming small plots of land is no longer profitable in Ghouta. With the support of the LACs, and Syrian or international NGOs, farmers thus combine efforts to create bigger projects that are more viable.



Figure 6 Vegetables produced locally in Ghouta by project run by Alseerah organisation (see section 3.6) and distributed as fresh food parcels

In one such project, the LAC of Douma supported the farming of 2500 acres of land with assistance from an INGO. This helped farmers to grow wheat, which reduced the pressures of the siege. Unfortunately, funding ceased for the project this year. Support for another project recently led to 800 acres being farmed. The output of such a projects unfortunately has not been high enough to lower prices in Ghouta. Participants emphasised that more support was needed to farm more land and revive agriculture, which would also hopefully revive the industries associated with it, generating employment and ensuring food security.

The obstacles to farming in Ghouta are similar to those faced in Daraa and listed in section 2.1.4, with the exception that the price of fuel and other necessities are extremely inflated by the siege. Some farms have also been taken over by armed groups and have become military bases.

Because of the water from the Barada river and the high level of internal water in Ghouta, less fuel is required in Ghouta to pump water to where it is needed. One interviewee working in agriculture told us *“the Barada river is the only thing that the regime was not able to deprive us from. Had they cut its water from entering Ghouta there would be floods in regime areas”*.

Sadly Ghouta lost a percentage of one of its most valuable resources, the fruit trees, due to logging in search of fuel. *“Me and my brothers had three orchards each is 7 Acres, They were full with all kind of trees, now there is not one single tree standing there. This is long term devastation, it takes 10-15 years to get one of these trees to yield fruits.”*

3.1.5 Industry

There are two industrial areas in Ghouta: Adra Al Oumalia and Tal Kurdi containing many factories, including a car factory in Adra. Much of it has been damaged or looted during the conflict. Many other food factories previously existed but most were either damaged or rendered impossible to operate. Some dairy factories continued to work after the crisis, one of them reached arrangements with the Syrian government that allows him to continue providing Damascus with dairy products, and in return for these products he is allowed certain food items such as flour to enter Ghouta.

The only new industries that emerged after the crisis are extracting gas and diesel from plastic⁶¹ and gas from organic wastes.

3.1.6 Trade



Figure 7 Akram Sweidan painting life on rocket shells

⁶¹ “Extracting Gas from plastic in besieged Douma”, Qasioun News agency, 31-5-2015.

Trade and crafts were an important source of income before the uprising and the area was also famous for its quality craftwork: the chamber of commerce of Damascus countryside was the richest in Syria. This sector has been seriously impacted by the conflict. No more crafts, except for “Painting on death” workshop of the artist Akram Sweidan who is engraving and painting rockets shells that failed to explode in a message to the world⁶² (Figure 7).

Participants told us that trade is now *“manipulated in the hands of handful of businessmen who control everything”* Many of these are what have become referred to as “Blood traders”. They are accused of profiting from the siege.

3.1.7 Coping economy

Because of the lack of legitimate livelihoods, people have been forced to resort to several alternatives to cope.

Private generators are a source of electricity. Some people have small generators for personal use and others invest in a large generator and they provide electricity as a service for a price; this is known as the “Ampere trading”. These generators require fuel, which makes them very expensive to run. The cost is around 1,000SYP for 2.5 hours per day per week, and it rises with the cost of fuel. Many are turning to alternative energy. While solar generators are useful they are not common, and they can be quickly stolen. Diesel and butane gas are extracted from plastic and animal waste and sold in order to generate income and to cope with fuel shortages.

Street stalls have spread but run irregularly, reflecting the scarcity of wares and goods available to market. Most stalls are connected to the businessmen who control the prices and the supplies to Ghouta. The penniless sell their furniture and clothes in open stalls, but it can also be a strategic decision: burglary is so common now that families often decide to sell their belongings because they assume they will most likely be stolen anyway. One participant who had his bike stolen did not replace it, assuming the replacement would quickly be stolen again.

The systematic kidnapping operations that exist are not motivated by ransom, but are done for ideological reasons and settling old scores.

The market for document forgery has grown since the uprising, particularly as more and more people are wanted by the government because of their political position. A forged passport can cost between USD 1,000 - USD 3,000.

⁶² “Painting on death in Eastern Damascus”, Al Jazeera, 16-12-2014.

3.2 Borders of Ghouta

All the borders of Eastern Ghouta are with government controlled areas and part of a siege operation by government forces. On the west, and on the other side of the Damascus-Aleppo highway lies Barzeh. Barzeh, which was originally under opposition control negotiated a ceasefire with the government.⁶³ There are two main ways of accessing Ghouta: through a checkpoint and by underground tunnel (see Map 2), both of which have become lucrative sources of income for armed groups inside the besieged area and the government forces and officials on the other side.

The checkpoint at Mukhayam Al Wafideen near Douma is known as the 'One Million Crossing'. It gained this name as it is said to make 1 million SYP profit per hour on fees charged for goods entering Ghouta. Most of the movement of goods and people into and out of Ghouta happen through this crossing. The way this checkpoint operates is explained in Figure 8. It has government- and opposition-controlled checkpoints on each side and in between there is an exchange zone. Assume a businessman in Ghouta wants to buy a ton of sugar which costs USD 0.5 per kilo in Damascus; he would then coordinate with a businessman in Damascus who is connected with certain security officials in the government and would then source the sugar and deliver it across the government-controlled checkpoint 'One Million Crossing' entering the 'exchange zone'. To make it there, certain fees have to be paid. The businessman from Ghouta, who in turn has to be connected with the right commanders in the opposition, enters this zone after crossing the opposition-controlled checkpoint, completes the deal, receives the sugar then enters Ghouta again after paying fees at the opposition-controlled checkpoint. When the time is right, this businessman would then sell the sugar for the highest price to smaller dealers and stall sellers and finally to arrive to the end user with the price of USD 11.8 per kilo, a 24 fold increase in price. To put it differently, for each ton of sugar which costs USD 500 a staggering USD 11,265 is going to feed this well-established network of war profiteers and violent actors. Figure 8 illustrates this process.

We were told that in March 2015 the ongoing rate at the government-controlled checkpoints was 750SYP levy on each kilo of material. A kilo of wheat costing 25SYP in Damascus for example would then costs 775SYP to make it through the first stage in its journey into Ghouta. A fee of 1 million SYP allows a vehicle to pass through the checkpoint.

The siege has created a situation of artificial hyper-inflation for basic necessities, with the increase in price varying among certain goods and materials. For example, it is 33 fold

⁶³ For more details on this ceasefire see *"Hungry for Peace: positives and pitfalls of local truces and ceasefires in Syria"* Turkmani et al. May 2015.

increase in price for bread, 6.5 times for rice, 11.2 times for beans, and anything between 12 to 20 times increase for diesel.⁶⁴

The amount of international aid delivered to Ghouta is extremely low as explained in section 3.4.2. This enables the network of profiteers to impose its monopoly.

There is a price on humans as well should they wish to escape the siege - each person is charged 250,000 SYP to pass.

In a report about the siege of Ghouta⁶⁵ one of the interviewees explained: *“Traders in the Eastern Ghouta amassed great wealth as a result of their dealings with the Assad regime, they argue that they are trying to provide basic necessities for people. Every dealer [trader] is linked to a revolutionary military faction that provides protection for them in return for providing materials for this faction for cheap prices... and here comes the role of factions in providing protection for traders to force civilians to allegiance and submission to them.”*

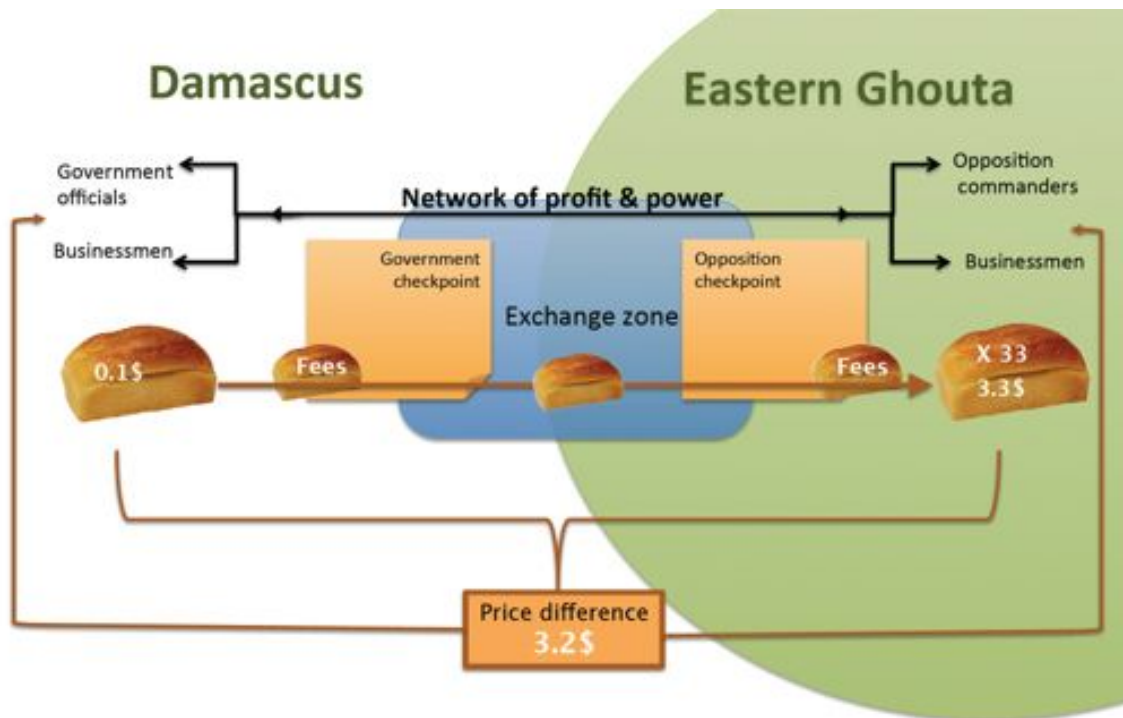


Figure 8 The bread journey through Ghouta

3.2.1 Tunnels

The nearby Barzeh area remained under opposition control after the ceasefire arrangement with the government; as a result prices in Barzeh are almost the same as in government areas. Many tunnels were dug under the motorway that separates Barzeh and

⁶⁴ The prices vary daily, the prices we used above are those reported on 25-5-2015 by Ebaa development organisation which operate in Ghouta and runs regular price watch.

⁶⁵ “How are members of popular committees are benefiting from the death siege in Ghouta” Orient News, 30-11-2014.

Harasta in the western part of Eastern Ghouta to be used to transport goods and people in and out of Ghouta.

Shortly after the siege started a crossing was opened across the Damascus-Aleppo highway between Barzeh and Harasta, which was used to evacuate families from Eastern Ghouta to the safer area of Barzeh. Initially the General responsible for the crossing allowed this to take place free of charge. Later the armed groups and members of the reconciliation committees (a committee of locals which is viewed to be close to the government) closed the crossing and began charging extremely high fees to those trying to leave Ghouta. The armed actors claimed the fees were going to the General but it was believed they were taking a cut. This prompted the digging of a tunnel underneath the highway, which was completed in August 2014. The initial aim of the tunnel was to move humanitarian goods into Ghouta, however rival armed groups fought over it as a route for ammunition, fuel supplies and very lucrative profit. Several other tunnels have been dug as well.

There was intense infighting among opposition armed groups over the control of the tunnels that reportedly included assassinations. Consequently someone from a rival brigade tipped off the government about the location of the tunnel. Government forces then proceeded to blow up the tunnel. Before long a new one was dug which again prompted competition. The tunnel was eventually controlled by the Fajer Al Ummah brigade of Harasta – a conglomerate of armed groups, which merged as a solution to violent competition over control of the tunnel. There is also a fuel pipeline between Harasta and Barzeh, but a 30% share of the fuel was incurred by any group which wanted to bring fuel into Ghouta.

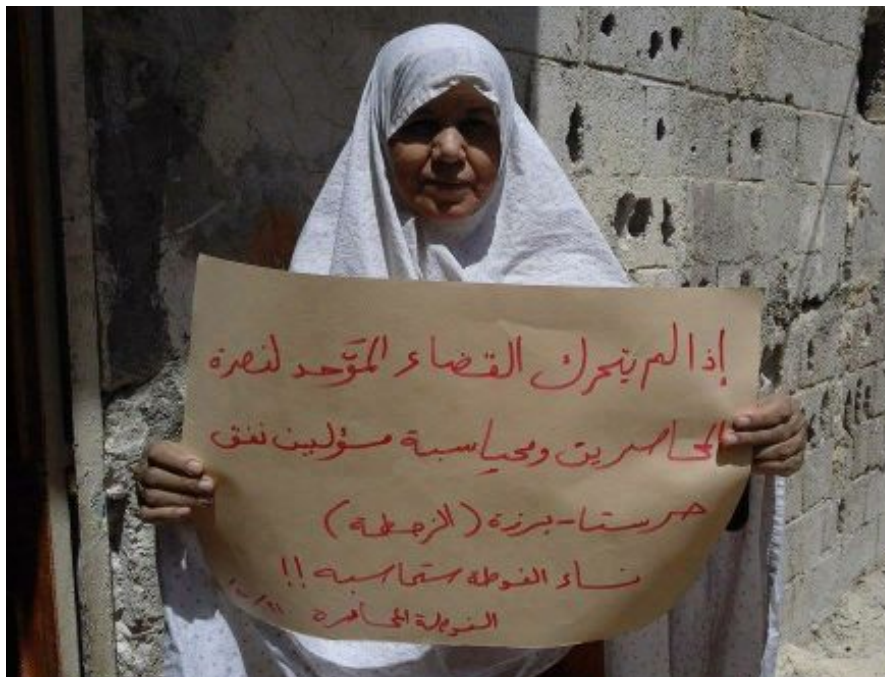


Figure 9 Woman in Ghouta holding a sign in protest against those in charge of the tunnel “If the central judicial office dose not move in solidarity with the besieged, and dose not hold those in charge of Harasta tunnel accountable, then the women of Ghouta would hold them accountable themselves”. Picture courtesy of Tahrir souri.

Our participants say the tunnel is nearly 30 meters long, from one side of a highway to another, but as goods pass through it to the Ghouta end the price increases tenfold. Civilians willing to escape Ghouta through the tunnel have to pay USD 1000.

When the Islam Army grew stronger in Ghouta an agreement was reached by which they were allowed to control the tunnel for two days per week, with Fajer Al Ummah running it five days per week. Infighting between the groups often resulted in tunnel closures but the groups eventually opened an office to manage the running of the tunnel.

3.3 Actors

Being under siege for so long, the actors in Ghouta do not change a lot and are easier to identify and map than other areas. The overall map of main actors is presented in Figure 10

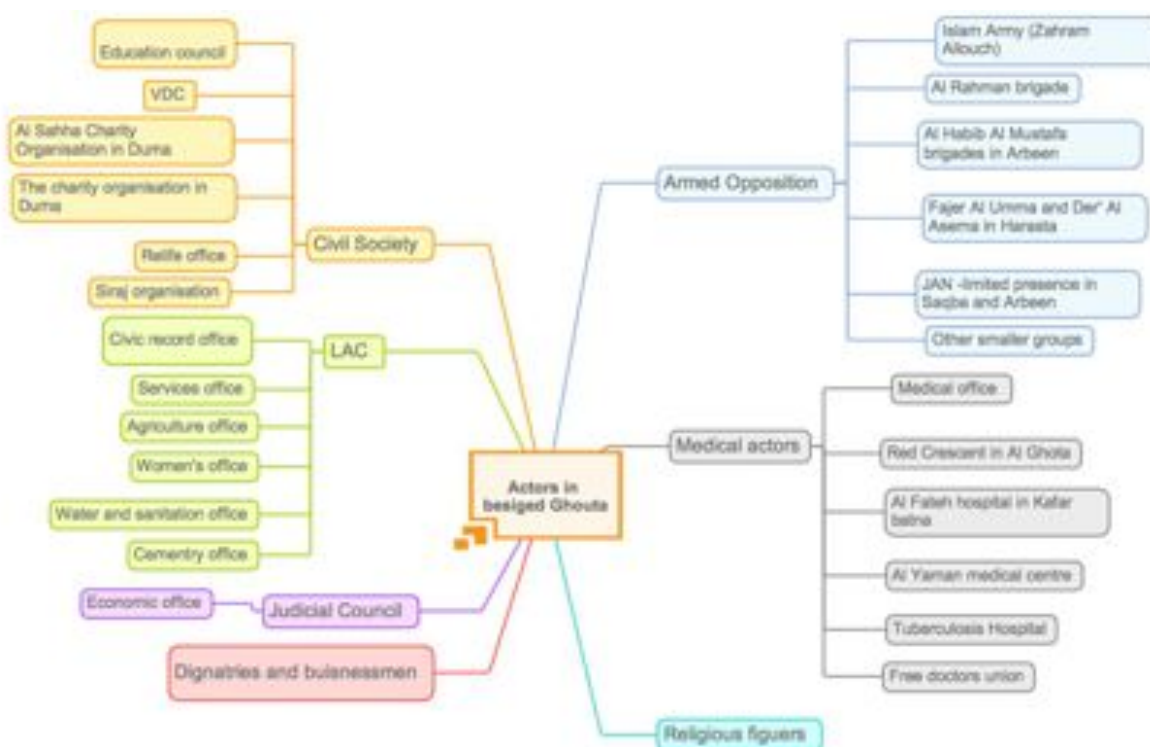


Figure 10 Actors in Eastern Ghouta

3.3.1 Armed actors

Inside the besieged area the Islam Army is the main armed actor followed by the Ummah Army, which it defeated in January 2015. Also present are Fajer Al Ummah Shield in Harasta and Rahman Brigade. Other smaller armed groups have been present. There is a small presence of JAN in Saqba and Arbeen.

3.3.2 Local governance actors

Ghouta is self-governed. Given the harsh conditions it is impressively well governed compared with other opposition-controlled areas. There are several LACs but the biggest one is that of Douma, which is very active and well organized. The members are elected in different categories according to their expertise (See Figure 11). They have many offices explained in Figure 10.

A new civic leadership is being formed, of which the LAC will be a member and there may even be a role in it for the armed groups. A leading figure from the Douma LAC was interviewed for this paper in early 2015. He said that a General Secretariat had been formed and six civilians would be elected to represent civilian concerns. He claimed that in a recent election with a high turnout the LAC had gained legitimacy. He said the aim of the new civic leadership was to pressure the armed groups to address civilian concerns, but they knew they could not force them to accept a ceasefire, which would be a necessary condition for the provision of supplies into Ghouta. Douma LAC was attempting to revive the local economy by investing in agriculture, poultry and rabbits farms.



Figure 11 Election day for the Douma LAC.

3.3.3 Civil society

Civil society, including new medical entities, is also surprisingly active given the harsh conditions they live under. Two of the traditional charities, which were registered before the uprising continued to be active as well.

The Douma branch of the Syrian Red Crescent SARC remained based inside Ghouta and is active. This is the only place in Syria where SARC has kept its offices running in opposition-controlled areas.

One interviewee expressed his frustration that most of the funding came either from a politically associated donor party or through an implementing agency. He explained that they were very anxious about this in Ghouta because then “the support will lead to more problems”.

The harsh situation was leading some important doctors, experts and civil society activists to leave Ghouta, although many of them resisted for a very long time and showed impressive endurance. Some of them were doctors who saw their colleagues being killed by rockets in front of them, and had themselves escaped death many times as they operated on people in field hospitals. But as a result of seeing their children suffering so much, they opted to leave.

There is an increasing trend among civil society and LACs in Ghouta to provide developmental projects and not aid. In an interview with Alseeraj organisation, which is featured in the case study in section 3.6, he said to us “Aid is such a waste of resources, and is not development. If you have USD 100 to spend on aid for a family you can instead buy them a Saj bread-making oven for the same value and they would be able to live out of it. Developmental projects can grow to become gradually self sustainable and would not need the donor anymore”

3.3.4 The 'Economic Office'

A number of businessmen and local dignitaries have attempted to counter the armed groups' monopoly of supplies and the hyper-inflation by opening an institution called the Economic Office, operating under the auspices of the judicial council of Ghouta.

The office initially sought to lower costs in Ghouta and charged a limited fee of around 200 SYP. Apparently the government did not like this, subsequently blocking the roads and restricting the flow of goods to prevent a fall in prices. It has recently changed its name to the 'Financial Office' but is unable to influence the situation.

The office also negotiates the trade of goods from Ghouta to government-controlled Damascus. For example devices, which need electricity such air conditioners and fridges, are cheaper in Ghouta because of poor electricity supplies. Occasionally there is an abundance of local dairy products and fruits if they are in season. A trader will approach the office, stating he has a carload of white goods to take to Damascus. He will be allowed to bring in a car or two of food in exchange, calculated by weight.

However, prices have changed little as a result of the work of the Economic Office. One participant reported that the office is now believed to be corrupt and influenced by the Islam Army. For example, a large amount of sugar may enter the market but disappear overnight as businessmen wish to maintain the high price.

3.3.5 Actors' relations

Relations between armed groups and residents are highly strained. Citizens told us that they are fed up with the armed groups who coerced the population by manipulating aid and food supplies in a situation of near starvation. There was widespread resentment at the armed groups who have enough to feed themselves during a siege, enriching themselves while civilians suffer. This is being expressed overtly through protests.

No one participant expressed sympathy with the main armed groups of Ghouta, although all the participants were very clearly against the government and many had participated in the early days of the revolution.

The iconic human rights activist Razan Zeitouneh and three of her colleagues at the Violations Documentation Center (VDC) were kidnapped by armed groups in Ghouta in December 2013, allegedly by the Islam army.⁶⁶ The Islam Army has imprisoned many people in Ghouta, reportedly prompting locals to protest and demand their release.

This strength of the LAC and civil society seem to be able to constrain the dominance of the armed groups in Ghouta, which are unable to play the substitute role and dominate the governance of the areas. However because of the harsh siege governance alone is not able to combat the hyper-inflation. A very strong relation between armed actors and traders who control prices, and also their relations with actors in Damascus in Ghouta also limits the ability of all actors to challenge them.

3.4 What goes in?

3.4.1 Currency transfer and exchange

Networks of currency traders have emerged in order to send money to and from government and opposition areas. All maintain relations with and pay off the strongest actor. The commission varies and can be as high as 10 – 12% in addition to losing on the exchange rate as the dollar is stronger in Damascus (300 SYP) than it is in Douma (288 SYP).

⁶⁶ Although this matter has not been settled but many evidence point at the Islam Army. See for example: “Why Zahran Allouch is the one to be accused[of kidnapping the 4 human rights activists]?”, Yasin Haj Saleh 22-4-2015.

Sometimes funds disappear en route, the courier claiming to have been arrested and the money confiscated by the government.

3.4.2 Aid

Very little aid enters Ghouta. The UN categorises Ghouta as 'difficult to access' rather than besieged owing to the paltry amounts of UN aid, which the government allows to enter Ghouta via the Syrian Arab Red Crescent (SARC) every four to five months. This categorization may need to be revised in the light of how difficult it is to let sufficient aid into Ghouta. Delivering aid to Ghouta requires permission from the Syrian government for a “cross-line” delivery, but as explained in section 5.4, out of 50 requests UN put to the government since the beginning of the year for cross-line aid delivery only 4 were accepted.

On rare occasion, the government allows goods and civilians to pass through the checkpoint in order to enhance its image. When this happens, according to our interviewees, opposition groups fabricate government attacks, spreading news of the attacks in order to justify closing their side of the crossing so that profiteering can continue. The aid that enters Ghouta is distributed through LACs and CSOs according to their lists of people in need. The distribution mechanism as it was reported to us appeared to be fair.

3.4.3 Fuel

Like all other areas under opposition fuel is not provided in a legitimate way. This combined with the siege means that the price of diesel in Ghouta is 10 to 17 times more expensive than in Damascus. Extracting fuel from plastic has helped to decrease the price slightly, but this is not sustainable, as the amount of available plastic will soon be insufficient.



Figure 12 Boy in Ghouta selling fuel extracted from plastic on a stall. Picture courtesy of Hadi Tatin Photography.⁶⁷

⁶⁷ Hadi lives in the town of Saqba in Ghouta and document life in Ghouta with his camera on his Facebook page.

3.5 What goes out?

Many of Eastern Ghouta's resources are depleted. There is regular gold flow from Ghouta into Damascus. Women of Ghouta are selling their jewelry, which are traditionally used as a means of saving for the hard days, dealers buy it for 25% less than in Damascus then smuggle it through the tunnel to be sold in Damascus. Most electrical goods can no longer be used in Ghouta. These also make their way out to Damascus. The same is true for machineries used in industry and crafts and other assets that people cannot use under the siege.

3.6 Case study: Creating employment, *Alseeraj* projects

Syrian civil society organisations inside Ghouta are exploring ways of reviving the economy and reducing poverty. We came across some examples in our study. We highlight here the case of an organisation called Alseeraj.

Alseeraj is a Syrian civil society organisation focusing on development. It is run and administrated outside Syria. It ran an agricultural project inside Ghouta, supported by donor money. Fuel accounted for 65% of the cost of the project. Given that the price of the diesel in Ghouta is around 10-17 times its price in Damascus, this means that minimum of 61% of project funds went back to fund the network.



Figure 13 Falyagrisha project run by Alseeraj

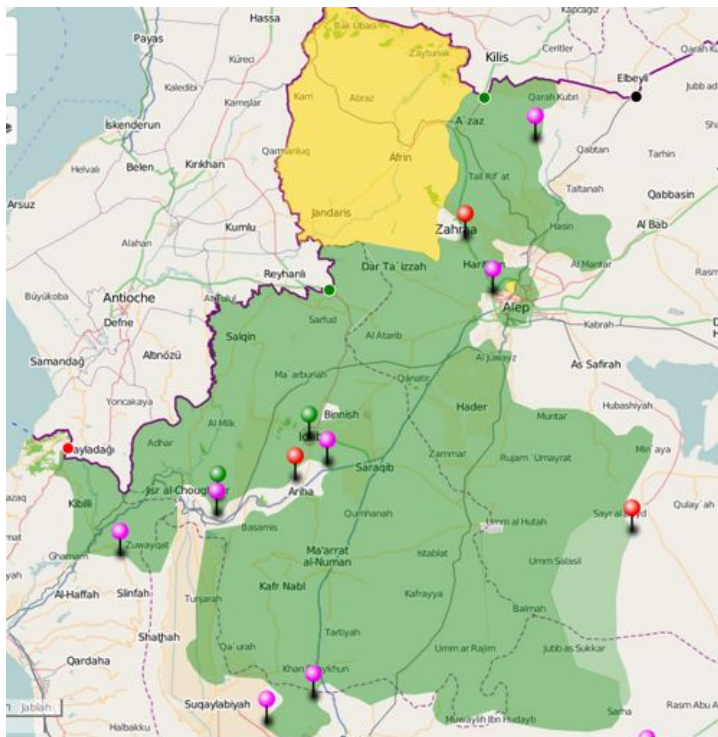
Diesel was needed to run tractors and trucks to transport crops, and to operate water pumps. Seeds were smuggled into Ghouta with the involvement of people from the

government. Those it employed preferred to work on this project rather than join an armed group.

Alseeraj has also run a medical project employing 700 people and providing urgently needed medical care where it is in short supply. Many medical staff have left the country. A blacksmith who used to make mortars and ammunition for the Islam Army was employed at the health centres to make support frames for healing broken bones - he stopped working for the Islam Army as a result. Alseeraj opened a tailoring workshop for women, providing training and employment. The workshop provides women with training and employment opportunities. Their outputs feed into other projects as well, for example producing medical gowns which were purchased by the hospitals and medical centres that they run.

4 Rural Idleb

This section is devoted to the opposition-controlled countryside of Idleb and part of Aleppo countryside. Much of the empirical information presented here relates to the following areas: Afis, Ariha, Jabal Azawiyah, Ma'arat Al Numan, Saraqeb, Sarmada. These areas are located in the governorate of Idleb which lies in northwest Syria and Atareb which is located in the countryside of Aleppo, they are all located in the area shaded in green in Map 3.



Map 3 Opposition controlled part of Idleb and Aleppo countryside in early 2015.
Courtesy of deSyracuse maps of the Syrian civil war

In the following sections the disruptive effects of the war on much of the economy in most of the governorate will be outlined, as will be the new activities reported by participants, and the activities and areas which have benefited from the conflict.

4.1 Internal environment

Idleb's economy before the uprising was heavily dependent on agriculture. Towns and villages on the Turkish border profited from smuggling, selling Syrian goods at higher prices in Turkey. Participants said that profits from farming and trade, and remittances from expatriate Syrians, provided the population with a level of economic stability. Many were employed in the public sector and security forces but a high number of defections took place from Idleb. Men from Idleb are also well known for filling the ranks of the Syrian traffic police.

4.1.1 Population

Idleb was home to around 2,072,00 million residents in 2011.⁶⁸ It is the most rural governorate in the country with 80% of the population living in the countryside. An estimated 560,000 to 720,000 IDPs moved to Idleb by the end of 2013⁶⁹ and large numbers of people from Idleb are now refugees in Turkey. No exact figures exist for the current population, though SNAP reports estimate the number to be 2,400,000 in December 2014.

In terms of social composition, the vast majority of the population come from an Arab Sunni Muslim background. There are also Christians, Alawites, Shiia and Druze. Participants did not see the crisis as rooted in confessional or ethnic identity. For them it was about fighting an oppressive and corrupt government.

Today, whether in government-controlled or opposition-controlled territory, life has become harder, economically less secure and physically less safe for the vast majority of Syrians in Idleb. They must find ways of generating additional income owing to inflation of over 400% since 2011. According to SNAP, over 80% of the population are currently estimated to be living below the poverty line. The situation in Idleb created new social classes, with commanders and those who profit from the war situated at the top.

4.1.2 Unemployment and job opportunities

According to the CBS 2011 consensus, the unemployment rate in Idleb was estimated at 8%. When asked to give their estimates of unemployment in their localities, participants gave an average of 60%. These are not accurate figures of course but testament to perceptions of major economic decline. Even salaried workers in government-controlled

⁶⁸ According to the 2011 census

⁶⁹ SNAP, Idled Governorate profile, June 2014.

areas no longer receive direct payment. They must travel to Aleppo, a trip which costs around 10,000 SYP, to collect their salaries of between 20,000 – 25,000 SYP.

4.1.3 Variegated security

The security situation is highly variegated across Idlib, and this variegation is key to understanding the economic dynamics in the area. The number of villages in Idlib is very high. The government has shelled those which openly demonstrated against it, or which contains opposition forces, but leaves most of the others alone. Some towns have been sites of intense armed conflict between government and opposition forces, and between different opposition forces. For example, Wadi Adheif, host to a government military base, was wrestled from the government, then suffered heavy fighting before JAN was victorious. The town sustained heavy damage.

Towns very close to the Turkish border are generally spared from air strikes, perhaps because aircraft will have to enter Turkish airspace, but not necessarily spared from shelling. One participant said there are *de facto* safe towns that have been spared the fighting. Sarmada, close to the Turkish border, is a town which prospered from smuggling long before 2011 and apparently now only deals in US dollars. The population did not take part in protests so it was spared bombardment by government forces, except during a brief period when JAN were present nearby. Al Jeeneh and Kafar Naseh villages, near Atareb, have been also spared shelling. Rents in Naseh are now higher, but local landlords are reluctant to let homes to people from Atareb fearing it will invite government shelling. Some IDPs prefer Atareb because, although there are airstrikes, security is generally better and rents are much lower than in other parts of Syria. Kidnapping takes place outside Atareb but not inside. Participants reported that security in towns very close to the border is generally better than further inside Syria.

4.1.4 Infrastructural Resources in the area

The residents of Idlib famously threw shoes at Hafiz Assad when he went to the main square in 1970 to give a speech, blaming him for losing the Golan Heights to Israel in 1967 when he was Minister of Defence. People in the province sheltered people fleeing Hafiz Assad's brutal repression of the uprising in Hama in 1982. Both of these actions are said to explain the province's relative neglect and its underdeveloped infrastructure and investment. Nevertheless the governorate is an important strategic location because of important motorways such as Aleppo-Damascus highway 'M5' and the 'M4' highway which connects Aleppo to Lattakia.

Much of the existing infrastructure in the area has been damaged, to varying degrees. Electricity infrastructure is severely damaged, leading to a dependency on private

generators. Infrastructure in Ma'arat Al Nu'man, for example, has been seriously impacted, with some bridges along the main Aleppo-Damascus highway being totally destroyed.

Co-dependency

There remains a degree of dependency related to infrastructure between opposition-controlled and government-controlled areas. In Atareb for example, government forces and the FSA vied for control over the electricity distribution plants, which also supply Aleppo, until the FSA won. At times the government cuts the supply to the FSA areas and the FSA responds by cutting off supplies to Aleppo. They later reached an agreement to keep supplying power to each other's areas so there is cooperation in that sense. This provision of electricity in Atareb does not generate profit for actors, as no fees are currently charged for electricity in Atareb.

4.1.5 The fight over infrastructure

Fighting over infrastructure, particularly roads and motorways, has been a continuing driver of violence in countryside Idlib. At the time of data collection, government forces controlled Idlib city, Ariha, and Jisr Ashughur, but at the time of writing Idlib city and Ariha became under opposition control. They were in effect garrison towns where government forces were concentrated and from which they assaulted rebel groups and civilian populations. The importance of these places is partly attributable to their position along, or close proximity to, the 'M4' highway which connects Aleppo to Lattakia. It is a highway which, at Saraqib, joins the 'M5' road linking Damascus and Aleppo, passing through Hama and Homs. Ma'arat Al Nu'man also lies on the 'M5' road. The highlands of Jabal Azawiyah are strategically important, being adjacent to Ma'arat Al Nu'man and the 'M5' road and with an average elevation of 750m.

The strategic value of towns shifts as territories change hands between government and opposition forces. For example, the town of Afis, 10km east of Idlib, became more important when the Bab Al Hawa road was closed off by government forces who were controlling Idlib back then. This leads to an increase in traffic to and from Turkey running through it to reach the Bab Al Hawa crossing with Turkey. Hundreds of cars may pass through it each day carrying passengers in both directions. Many are carrying Turkish goods into Syria, others are carrying diesel and other fuels to border regions in order for them to be smuggled to Turkey. This may have changed since government forces lost Idlib and Jisr Ashughur to Jaysh Al Fateh.

4.1.6 Agriculture

Idlib's economy before the uprising was essentially an agricultural one, supported by income from smuggling. The lands are fertile and host fruit and olive trees. Cotton and grain are also grown there. Subsistence farming is common across Idlib but the sector as a whole

has declined sharply. A farmer from Afis summed up the problems he faced since the conflict began. They typify problems in the agricultural sector across Idleb.

“The area is totally agricultural and people grow wheat, barley, lentils, chick peas, vegetables, olives, potatoes, and water melons. Agriculture has been affected negatively since the revolution because of the low rains and the increase in the cost of diesel fuel needed to irrigate the lands. There is a lack of stable markets for produce. Some produce was burned after it was shelled, and the flight of many farmers has also been negative. Some farmland is close to military barracks. Roads have been blocked and there are pressures at Syrian government checkpoints”

Shelling also affects the fertility of the land and there is now the risk of machinery cutting into unexploded ordnance. In Ariha, government forces cut down trees as they were potential cover for fighters. Many orchards are neglected. Trees which are diseased cannot be treated, either because of a shortage of medication, or because they are close to military barracks. Those who still farm turned to lentils and cereals. Many farmers can only rely on rainwater for irrigation. The vegetables they grow are exported for sale and vegetables for consumption by ordinary Syrians tend to be imported.

Animal farming has been heavily affected as well, especially poultry farming. Most poultry farms have closed because of the expense of fodder, the difficulty and cost of transporting goods – particularly when roads are blocked - and because some poultry farms were bombed. Cattle are being smuggled to Turkey. The high increase in the cost of animal feed has deterred some from rearing animals like sheep altogether.

4.1.7 Industry

Before 2011, most of the industry in the province revolved around food processing and dairy plants, as well as the chicken factories. In Ariha, industry was related to food production, but has halted since the fighting began. What is left is mostly at the scale of cottage industry.

In Afis, there are a number of factories in the surrounding area that have been damaged. For example, *Al Wey's* factory, which produced food products, was turned into a barracks for government forces despite the protestations of the owner who was influential with the government. The factory continued to operate until there were clashes between opposition and government forces. The government forces subsequently barred workers from working there as an act of revenge, and once their forces left the factory people entered it and destroyed it. Other factories have ceased operating because of an insecure environment and because of the scarcity of raw materials. This has led to an increase in unemployment in Afis.

In Atareb, the lack of raw materials and the flight of workers who left for Turkey or to enrol in the FSA, crippled the local industry there. Industrial areas were heavily damaged by shelling. Some factories were disassembled and relocated to Turkey or Egypt.

After battles with government forces, Saraqib has been under opposition control since November 2012. In Saraqib there was only light industry around dairy produce, but according to a participant from the town other industrialists have now relocated there because it is relatively secure.

4.1.8 Trade

Generally speaking across the province, trade relating to local agricultural produce has declined in line with the sector overall. The market and the new trade in this area is determined first by the almost complete absence of regulations on what can go into the area through the borders with Turkey and the new system of taxation on these borders, second by the lack of any regulations inside this area on economic and building activities and third by the damage and lack of access to what used to be the most important markets in the areas, specifically Aleppo. Other factors we observed in other areas also exist in this area, such as the lack of legitimate fuel supply and the new different demands in the market.

As a result trade in specific locations and relating to certain goods has prospered, as explained in the examples below.

We observed many cases of business re-location from one location to another either within the countryside or from Aleppo to the countryside.

Reconstruction is taking place in safer areas, facilitated by the absence of building regulations, and which the nouveau riche are said to be utilising as they pour their new wealth into real estate. Large amounts of cement also enter Syria from Turkey.

Commercial trucks continue to enter the area through Bab Asalama and Bab Al Hawa crossing. This has led to a flourishing trade in some of the towns and villages. The signs can be observed from the moment one crosses Bab Al Hawa as one interviewee reported. For example there many offices and businesses (e.g. car offices) and large stores are being built for wholesale trade. Turkish trucks do not enter Syria; instead they wait for goods to be transferred into Syrian vehicles in a buffer zone. A participant explained that a queue of trucks as long as 4km could sometimes be seen on the Turkish side. Many of the goods end up in Sarmada, which is the first town in Syria on the road from the Bab Al Hawa crossing with Turkey, and it is the relatively secure. There they are sold and distributed. As a result Sarmada is now a thriving provincial trade centre, selling and distributing wholesale goods arriving from Turkey. This includes almost everything: food such as Turkish frozen chicken, generators, tank batteries (for electricity), electronics, European used cars. Forged documents can be bought there. Some Syrians, whose businesses were terminated because

of the war, transformed their capital to benefit from this free trade. A participant observed: 'If a Syrian from the area has capital they turn it into metal, buy cars or generators and sell them inside Syria.'

Commerce in some towns such as Afis benefited from the badly affected market of cities and towns like Aleppo and Ma'arat Al Nu'man. Also, as a result of the fighting in Aleppo, many businesses that were in Ramouseh industrial district in Aleppo such as trader in electricity generators – in high demand across the country - relocated to Atareb.

However, the lack of access to Aleppo market has badly affected Atareb, which used to function in the past as a bridge between Turkey and Aleppo. Rather than going to Aleppo, Turkish businessmen would travel to Atareb to buy and sell goods including tea, rice, sugar and flour. This has changed as it is Syrians who must now go to Turkey to buy goods at higher prices. There is still a market in Atareb each Sunday but prices are high.

4.1.9 Coping economy

Across the province, amateur oil refining is taking place. The oil is openly sourced from ISIL areas⁷⁰, but recent battles between armed opposition and ISIL affected this supply. Fuel is sold in clear plastic containers to show its colour: darker fuel reflects worse refining, and a cheaper cost. Some is smuggled and sold in Turkey. When JAN took over from Ma'arouf's brigade they tried to stop this as part of their declared drive against corruption. But instead they have monopolised the diesel trade and smuggle to Turkey it themselves.

The trade in generators has flourished, because of the absence of reliable electricity supply from the national grid. This results from war-related widespread damage to physical infrastructure as well as from political choices to control energy supply to specific areas. Household generators can cost between USD 200 to USD 2000 dollars in Ma'arat Al Nu'man, depending on their power. Larger neighbourhood generators are common across the province; a person will invest in one and sell electricity to the neighbours by the ampere. In Afis a large generator costs 10 million SYP and amperes are sold to neighbours at 1600 SYP per ampere. A household needs three amperes to run a fridge, lighting and a television. In Ariha, two amperes cost 8000 SYP. There are no competition conflicts between generator owners because even two or three large generators do not cover existing needs.

Street stalls are common, selling everything from cigarettes to food and fuel, items stolen from abandoned homes, and even weapons. In government areas, only those with connections to authority can sell weapons. Currency exchange stalls are very common across the governorate, and vendors even exchange currency, either dollars or Turkish lira for Syrian pounds.

Participants reported a widespread increase in reliance on remittances from relatives abroad. Some receive USD 100 per month. There are cases of families sending their youngsters abroad to work in order to receive remittances. In Atareb, the charge is 2.5% for

⁷⁰ This issue is explored in depth in "ISIL, JAN and war economy in Syria", *supra* note 4

exchange and transfer. In Ariha, only those with connections to the government are authorised to process remittance transfers.

There is also a trade in Internet provision. In Jabal Azawiyeh, Internet is accessed through Turkish ISPs and sold by the megabyte. It is available in almost every village on the mountain. In Ma'arat Al Nu'man, a participant suspected that 'new mafias' were controlling Internet service provision. Individual Syrians, he believed, have been chosen by organisations that were branches of intelligence gathering agencies, to be the sole providers of Internet access in the area. *"Just as Rami Makhoul was in control of communications before with Syriatel, there were now others in control of Internet devices which provide Internet access."* They charge for access and the profit goes to one person; the profit is not taxed or redistributed to improve Internet infrastructure the local area.

Document forgery is another thriving trade. Anybody wanted by the government security will struggle to acquire a passport. They will either have to pay a forger or pay bribes within the governmental immigration directorate within the region of US USD 3,000.

Kidnapping is common, motivated either politically or financially by seeking ransoms or 'selling' kidnaped to other armed actors. In Ma'arat Al Nu'man for example it is politically motivated. It was at some stage a common practice between JAN and Ma'arouf's brigades. Some journalists and civic activists have also been kidnapped. However, there are no reports citing the targeting of civilians from the area for economic gain. Drug dealing, which happens covertly, is widespread in this area although locals disapprove of teenagers increasingly engaging in drug use.

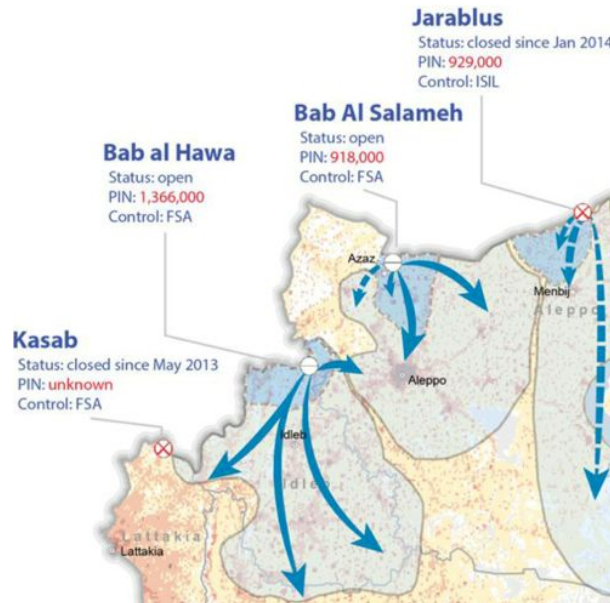
The trade in antiquities is common among civilians in some areas like Ariha who search for them to sell.

4.2 Area borders

The area has borders with four areas with different levels of security control. To the north and north west of the governorate is the Turkish province of Hatay; to its west is the Syrian governorate of Latakia; in the north-east it has borders with Afrin area controlled by PYD and further to the east it borders ISIL-controlled area through the Aleppo countryside.

4.2.1 The border with Turkey

The Turkish authorities enforce different parts of the border with Syria with varying levels of intensity, depending on the prevailing security situation in Syria. While they have allowed Syrians to enter Turkey without passports for some time, they have now imposed restrictions necessitating a valid passport for entry. This prevents the movement of the poorest Syrians who are unable to afford a real or forged passport. Smugglers can be unreliable, as one of our participant learned. He paid 5000SYP to be taken to the border and told to run. He was detained by Turkish authorities, and sent back to Syria.



Map 4 Main access routes for humanitarian aid in Idlib, Courtesy of SNAP

There are thirteen border crossings between Turkey and Syria. The only government-controlled crossing, at Kasab, has been closed since 2013. The crossings in other opposition-controlled areas, particularly where there are Kurdish Syrian majorities, do not have a significant volume of traffic entering from Turkey. People are allowed to pass but these border crossings close from time to time.

The only two borders open for trade and aid convoys are Bab Al Hawa in Idlib governorate, and Bab Asalam in Aleppo governorate (See Map 4). The Turkish Union of International Transport said that 108,000 trucks sent goods to Syria in the first 11 months of 2014, an average of 330 per day, up from 55,000 in 2013.⁷¹ This is more than crossed into Syria before the crisis began and the majority use Bab Al Hawa and Bab Asalam crossings.⁷² Badr also observed that the difficulty of transporting goods between northern Syria and its other regions has led to a shift of northern Syria's economy towards southern Turkey including businesses, factories and capitals.⁷³

Since the inception of the conflict there was fierce fighting over Bab Al Hawa crossing: the Farouq brigades clashed with Ahrar Asham brigades in order to access the potential income from the crossing. The crossing is now mainly controlled by Ahrar Asham brigades which is a close ally to Turkey and openly declared that it does not oppose any potential Turkish military intervention in Syria should Turkey need to do so in order to prevent the establishment of a Kurdish state on Syrian soil.⁷⁴

⁷¹ Badr, Yaroub 2015. *The effects of the conflicts on transportation and trade in the Arab region*. 20 January. Beirut, UNESCWA. [Arabic]p.15

⁷² *Ibid*

⁷³ *Ibid*. p15-16

⁷⁴ "Ahrar ash-Sham-Turkey Relation: Security and Future" Center for middle eastern strategic studies ORSAM, 10 July 2015.

Aleppo is particularly reliant on this crossing for goods. Many of these goods used to enter Syria via ports in Lattakia and Tartus, providing customs revenues to the state. It is still possible to transport goods from Turkey to government-controlled areas, but the goods need to be transferred to a different transport network that can enter the government-controlled areas.

In the past the government imposed controls over what could enter, in order to protect specific Syrian industries. For example, certain sizes of tyres could not be imported from Turkey, although many other industries were not protected in this way. There are no controls or regulations over what can enter the crossing now. Today even ammunition, produced in Turkey, can enter Syria.⁷⁵

Fees are charged on each truck at 10% of the estimated value. The Syrian trader we interviewed gave an average estimate of the fee charged per truck as USD 2000. His estimate on the number of trucks was higher than Badr's figure: 200-400 per day through Bab Al Hawa alone. This could be an overestimate, or perhaps many trucks are not documented. If correct, this translates into a revenue of USD 660,000 per day for those in control of the Bab Al Hawa and Bab al Salam crossing. Figure 14 illustrates how what should be public money is now channelled to finance armed actors.

4.2.2 Borders between government and opposition areas

These borders are controlled with checkpoints, and the conditions at each checkpoint vary. For example, one participant said that it is not possible to enter opposition-controlled territory like Ma'arat Al Nu'man directly from Ariha, although the reverse is possible. To leave government-controlled Ariha⁷⁶ and reach other opposition-controlled areas, you must head to Idlib and from there, pass through a Syrian army checkpoint on the road to Banish city. There is an opposition checkpoint 200 metres from there which does not charge a levy. However, whether individuals can pass or not depends on whether there have been problems between the two checkpoints. When there is a ceasefire, civilians have fewer problems in passing through. But if there is conflict or if government forces have been kidnapping people from opposition areas, checkpoints will often close.

4.2.3 Borders with ISIL-controlled areas

To the east, the countryside of Idlib is connected with the part of Aleppo countryside that is under opposition control and which has borders with ISIL controlled areas. Some of the trucks passing from Bab al Salam and Bab al Hawa crossings head directly to ISIL areas

⁷⁵ In January 2014, seven trucks heading for Syria were stopped by Turkish Gendarmeri forces in Adana. They were found to be carrying weapons to Syria and belonged to the Turkish National Intelligence services. The gendarmes have been arrested and sentenced to prison. See Metin Gurcan, 2015. 'MIT gun truck bust lands Turkish gendarmes in prison'. April 20. <http://www.al-monitor.com/pulse/originals/2015/04/turkey-scapegoating-upsets-gendarmerie-shipping-weapons.html#>

⁷⁶ By the time of publishing this paper Ariha moved into opposition control.

and pay the opposition forces in order to pass securely. Crude oil also arrives from ISIL-controlled areas through these borders and is either refined locally or transported on to Turkey.

Many participants explained that it is relatively easy for family and other relations to cross these borders and to move goods between opposition-controlled and ISIL-controlled areas. It was common to find a family that has one son fighting with ISIL, another with FSA and another with JAN.

4.2.4 Internal checkpoints

Experiences vary. In Afis for example, the checkpoints do not impose fees but inspect for car bombs. In Atareb there are two checkpoints: one on the road from Turkey and one on the road to Aleppo. At the time of the interviews, one checkpoint was controlled by Jamal Ma'rouf's Hazem brigade and one by Liwa Shuhada Atareb. Fees of 200 SYP per barrel were charged only on diesel trucks and were paid only at one checkpoint; these fees were regulated by court tariff, and official receipts were provided. The revenues funded the armed brigades and the LAC. There was no alternative route into Atareb.

In Ma'arat Al Nu'man, the areas controlled by JAN, checkpoints can seriously restrict movement, particularly of people. Those associated with Jamal Ma'arouf's brigade which was controlling the area before JAN, have a particularly fearsome reputation. There were no checkpoints inside the town, but outside it they check to see who was entering and leaving, and inquire about the origins of aid supplies.

A participant from Afis described a particularly difficult period when government checkpoints were charging fees on one side, and FSA checkpoints were charging fees on the other. 'It left Syrians, including myself, between a hammer and anvil ... and this has led to difficulties in acquiring goods and to an increase in their costs'.

The worst checkpoint experiences in Idleb province reported by participants are the ones leading up to Bab Al Hawa crossing with Turkey. One participant explained:

“From my experience, and the experience of others I have spoken to, the very worst brigades in Syria are those near the [border] crossings, especially at Bab Al Hawa. They have checkpoints set up to make sure that nobody can reach the border crossing except via the station/garage that is poorly serviced. If your number comes up on the day as 350, you will not leave that day. You might leave in three days. There are five checkpoints to clear before the Turkish border. At the last one they treat people terribly.”

4.3 Actors

4.3.1 Armed actors

At the time of data collection, government forces controlled Idleb city, Ariha, and Jisr Ashughur. There was a large number of armed actors in the area, including Islamic brigades with the chief among them are Ahrar Asham, FSA, Hazem movement and JAN. There was no central leadership. The multiplicity of armed actors appeared to be the highest in Syria – adding to the complexity of the area.

Several people we interviewed reported that they believe that Turkey was coordinating directly with JAN and that Turkey could severely weaken JAN if desired by implementing stricter border controls. They believed JAN was the real power broker and could dominate once the dust of the conflict settled.

4.3.2 Governance

The highest number of LACs in Syria is in Idleb. LACs were reportedly involved in a number of initiatives to restore and run public services. It is difficult to generalize based on the example of these LACs, especially giving the diversity of the conditions from one area to the other. A number of common obstacles were identified and we will describe the situation in Atareb as an example here.

In Atareb, the LAC evolved from the Revolutionary Council and was formally established in July 2012⁷⁷ to service the 49,000 inhabitants of Atareb. It is engaged in providing services, meeting many of the needs of the town and has even purchased flour and vegetables to keep the price of food down. It has 28 members and 14 offices, one of which caters to IDPs. It has the backing of the armed groups and is the main authority there. It secures external funds and also raises revenue by charging fees for water, electricity, and sanitation services. At the time of the interviews, the armed groups there were from the Ma'rouf's Hazem and Shuhada Atareb brigades. The majority of recruits were from Atareb or the surrounding countryside. There is also a civic defence and a local police force. There are three main Syrian NGOs in Atareb: Mutahedoon, Bena'a, and Kuluna Shuraka. They are addressing some local needs by liaising with INGOs, for example providing ambulances, which are necessary in light of the daily shelling.

In Ma'arat Al Nu'man, no projects could take place while government forces were still present. After government forces withdrew, NGOs began to conduct assessments for possible projects to improve self-sufficiency by restoring water services and supporting agriculture. These projects are still in the planning stage.

Funding resources vary, but they mainly come from international donors and INGOs based in Turkey. In Afis for example, projects are mostly funded by organisations based in Turkey. The funding arrives after the LAC submits a proposal that is accepted by funders.

⁷⁷ More information on Atareb LAC could be found under <http://www.transparen-sy.com/council.php?id=2>

The organisations either fund the project directly, through a bank transfer to a Turkish account or send the cash by hand in instalments. Spending of project money is conducted with precision in order to avoid the funding being cut by the organisation. Interviewees reported to us that there is no fighting over who gets the funding because the funders specify beneficiaries beforehand.

In government-controlled Ariha, service projects were individually implemented and not by relief organisations. They included digging wells and running and maintaining generators. Electricity is mainly provided through the same ‘Ampere trading’ mechanism explained in section 3.1.7, it is sold on demand at prices set by generator owners: 2 amperes cost 2,000 SYP while 8 amperes cost 10,000 SYP.

4.3.3 Civil society

As is the case with armed actors and LACs, civil society actors are varied and high in number. This does not necessarily reflect efficiency, as most are under-resourced and are struggling to meet the needs in their areas. Their respective relationships to armed actors also vary, but in general most of them have problems with the extreme groups especially with JAN. That being said, they have more local negotiating power than international actors.

4.4 What goes in?

4.4.1 Aid

According to SNAP, the north of Idlib remains the most accessible area for cross border international humanitarian assistance from Turkey, but despite this 70% of households are still struggling to meet their basic needs.⁷⁸

In Afis, food and aid parcels are not evenly distributed; some respond by selling excess aid. The main sources of aid are local charity organisations and international organisations and food agencies. There are no fees imposed on aid, it is distributed for free by local committees. The distribution process is not without some favouritism. One participant said:

“I did not hear about aid being sold directly by the committees which receive and distribute relief but it is possible that individuals sell the aid they receive. Yes, aid benefits the armed groups, but in the sense that it helps the poorer members of these groups not because it is supporting violence”

Most participants reported that fees are not demanded in return for food baskets and those delivered by international agencies are provided, to a reasonable degree, without bias. However, some participants reported favouritism in the village LACs. Overall in Idlib, aid is reported to be consumed by recipients in need and relatively little is sold.

⁷⁸ Idlib Governorate profile, *supra* note 69.

Areas far from the borders with Turkey seem to face a worse humanitarian situation and struggle with a lack of access to aid; areas which are contested or close to frontline face a particularly difficult situation.

4.4.2 Diesel

The dependency of this area on ISIL to provide oil was explored in details in “ISIL, JAN and war economy”⁷⁹ paper. Crude oil from ISIL controlled areas is the major source of fuel arriving in countryside Idleb and Aleppo- the rest comes from Kurdish controlled areas. Part of this oil gets refined and consumed locally through the small local refineries, and the rest is sold in Turkey for the benefit of JAN and other armed. The lack of any legitimate sources of fuel in this area gave ISIL the opportunity to make profit by selling the much needed and also to create a dependency in its presence that can be traded with other favors such as allowing trucks arriving from Bab Al Hawa to enter its area. The recent battles with ISIL in the northern countryside of Aleppo led to a acute sharp increase in the price of diesel in because the delivery route was interrupted. This had a major impact on life Idleb and Aleppo countryside and led to shortage in electricity which is usually provided by generators and also to water which usually pumped from wells and other resources. The interruption of crude oil supply also affected thousands of families in the area who now make a living from transporting, refining or trading crude oil and its products and affected the little left from agricultural activities.

5 Donor strategies and Aid policies

5.1 Planning issues

In opposition-controlled Syria there is no state and no authority in charge of the public good, and it is not clear who is the current authority in each area and who should be responsible for general planning and distributing aid. When we asked interviewees about the emerging new ruling authority most of them answered that either there is no clear new authority or that the new authority consists of the actors who are benefiting financially from the crises – commanders and their business allies.

Current interventions and spending by the international community seem to be guided mainly by the humanitarian needs assessments produced by projects like SNAP (Syria Needs Analysis Project⁸⁰), which compile the numbers and location of people in need of food, shelter and other basic necessities. This is done according to the identified aims and demands of the donors or according to proposals put to the main donors either by an implementing profit-making agency, INGOs or directly by actors like LACs and active CS

⁷⁹ “ISIL, JAN and the war economy in Syria” *Supra* note 4 in page 14.

⁸⁰ For more details see SNAP web site: <http://www.acaps.org/en/pages/syria-snap-project>

organizations. Given that most of the donor countries active in this part of Syria support the opposition, the emerging actors that apply for their funding tend to be from the opposition. One problem with this is that the particular vision of these groups might not include the needs of the wider community.

In the absence of centralized Syrian strategies and the absence of unified donor strategies, and in light of the multiplicity of local actors with differing motivations it is challenging to counter the effects of war economy. A program director we interviewed who works in an organization that supports LACs in Syria told us how his organization had developed an anti-corruption course and training for the LACs. They are also developing a set of indicators for the performance of LACs, particularly with respect to corruption, and they seek to make donor funding conditional on such performance indicators. Such initiatives will only be successful if all donors adopt such policies –otherwise LACs will simply seek assistance from other donors.

Communication between the beneficiary community and the actual funder is far from direct in all phases, including the planning, implementation and the evaluation. There are many layers in between the funder and the beneficiaries, which makes it difficult to be accurately informed and to be able to adapt interventions to suit a rapidly changing environment. This is not to mention the funds that are spent across all these layers.

Most civil society organisations we interviewed expressed frustration about the distribution of donors funding. Their perception is that much of it goes to the implementing agencies, foreign staff and INGO running costs instead of actual projects on the ground. Most big donors seem to be supporting only INGOs rather than Syrian organisations; they tend to view Syrian organisations as inexperienced in spending and accounting for major grants.

In an interview with a donor body, representatives said that they would ordinarily sit with the beneficiaries and take information directly from them, but right now in Syria there are five to six layers of people between them and the person who is receiving the aid. These are:

1. Donor
2. INGO country director
3. INGO programme manager for this particular project
4. Syrian programme manager outside Syria
5. Syrian programme manager inside Syria
6. Syrian local partner
7. Beneficiary

The same donor described one of the projects they support as ‘going very well’, and when we asked them what they meant by that they said that ‘the benchmark for a “going well” project was that they were spending money’. This seems to be the only benchmark in the absence of access to the beneficiaries and of proper monitoring and evaluation.

All humanitarian agencies we interviewed also cited a lack of information that enables informed planning.

5.2 Planning for 'the day after' vs. planning for now

Support from major donors for both humanitarian and political sectors still appears to assume that the country is going to go through a time-limited conflict, the end of which starts with political change at the top level. Political support from countries backing the opposition was initially built on the “day after” scenario. This meant that rather than encouraging grassroots political movements and supporting political development, support went for the “alternative” political body that will presumably take over power from the Syrian government or negotiate power sharing with it.

Support for planning and preparing for the change in Syria also followed the same assumption. Key examples include the U.S.-supported ‘The Day After’ project which started in 2012 and the most recent Tahdeer grant scheme offered by the EU, which aim to assist with Syrian planning for the ‘day after’ period and political transition.

The reality is that the ‘day after’ started the day after the first public demonstration in Syria. From this moment the situation changed rapidly on all levels, following none of the plans proposed by the ‘day after’ style projects. Even in the areas that fell under the opposition control, no one followed the Day After published plan to set up a judicial system. Instead they used de-facto courts, many of which were Sharia courts closely linked to the armed opposition.

The change in Syria has started and is happening right now. Planning for stabilisation, governance and addressing the needs of civilians should be based on the current reality and informed by it. Taking Syria towards stability and putting it back on the track of democratic transition requires immediate action now and new flexible and adaptable strategies that are more grounded in the reality of the current dynamics in Syria.

5.3 Aid vs. development

Most donor support and INGO action in Syria is geared towards a humanitarian response, consisting mainly of food parcels, shelter and medical aid. According to the 2014 monthly reports of the Food Security and Livelihood Sector Working Group (FSLWG) of the Food and Agriculture Organization of the United Nations, in 2014 livelihood support in the form of agricultural inputs, animal feed and animals was distributed to 7,128 households to an estimated 42,7368 beneficiaries. The areas that benefited from this support are the governorate of Aleppo, rural Damascus, Idleb, Homs, Al Hasakeh, Hama Tartous, Hama and Raqqqa. According to these same reports, only 3% of support went to livelihood inputs compared with what goes to food and other types of aid.

In an interview, the FAO co-ordinator of food and security in Syria told us that ‘the reality is that nearly 95% of the funds go directly to in-kind food support, [the donors] had just started scratching the surface in terms of livelihood support. Very few of their partners moved into livelihood support.’ When asked about the reasons, his answer was;

“Impact for such projects is not immediate, the humanitarian needs are overwhelming and it is more difficult to run such projects rather than providing food. Moreover in some areas where there are agricultural products, some armed groups come around at harvest time and take it all. Also there do not seem to be agriculture entrepreneurs”

Other obstacles cited had to do with the price of the diesel, because the diesel, which is being refined locally, is being sold in Turkey. It has been suggested that one way to provide for such projects is to provide vouchers to pay for diesel and seeds, which is also good way to stimulate the local economy.

A new fund has opened to support livelihood projects called the Humanitarian Pooled Fund (HPF).⁸¹ This multi-donor country-based pooled fund has eight million dollars that are meant to be spent on livelihood projects. The fund is meant to also offer flexible and timely financial assistance that fills the funding gaps. The aims and objectives of the fund seem very relevant and beneficial in the Syrian context, but the size of the total fund is relatively small compared to the need and to the amount spent on other sectors. Also, one of the LACs that we interviewed said that they were very interested in applying for this fund but the demands for qualifying NGOs were too complex for them to meet.

The distribution of UKAID spending on Syria can be used as an example. From February 2012 up to the end of 2014, the UK committed £800 million in humanitarian assistance in response to the crisis in Syria. In this period, £378 million was allocated to projects inside Syria and £422 million to projects in neighbouring countries. From this support over 368,000 people benefited from shelter activities, over 247,600 children were provided with informal and formal education and over 462,800 people were supported through livelihood and agriculture interventions. In addition, as a result of UKAID, over 17.3 million monthly food rations and over 1.4 million medical consultations were provided. The highest number of people reached with drinking water in a given month during that period, was 1.6 million. Looking at the distribution of the £800 million across sectors we find 50.6%⁸² was spent on food security, non-food-items, shelter and WASH⁸³ programmes, 14.3% on health, 10% on protection, 8.2% on education, 7.8% on enabling activities, 2.5% on cash for multi-sector and finally 2.4% on governance. This distribution of funds appears appropriate for the

⁸¹ For further details see <http://www.humanitarianresponse.info/operations/stima/hpf>

⁸² The detailed break up of the UK spending as provided to us from DFID is 27.1% spent on Food Security, 16.3% on food-items and Shelter, 7.2% on WASH, 14.3% on health, 10% on protection, 8.2% on education, 7.8% on Enabling Activities, 2.5% on cash for multi-sector and 2.4% on governance.

⁸³ WASH stands for Water, Sanitation, and Hygiene Promotion.

humanitarian emergency that has overwhelmed all actors and donors since 2012, but the development of the crisis into a societal condition and the very damaging effect of bad governance on all sectors calls for more spending on governance, livelihood support and education.

Health sector responses suffer from similar problems of being overwhelmed with the emergency health needs, while other health problems and chronic diseases are often neglected. One donor confirmed that 12% of consultations in health centers were for chronic diseases, which these centres were not equipped to deal with. Although some organisations are now supporting both trauma care and primary health service provision, including reproductive health, the overall health services provided in this area are unable to cover the burden of chronic diseases, in particular in a middle-income context where the health system is breaking down or under attack.

Some humanitarian agencies also noted that in many of the proposals requesting support for agriculture projects, applicants asked for support in covering the cost of renting the land. One agency we interviewed thought that local authority should collaborate here and provide the land. They noted that there is a need in general for more collaboration between Syrian organisations and the local authorities, and that the LACs should be encouraged to offer land and other resources for free in support of such projects.

Most humanitarian agencies appeared to be worried about donor fatigue and many expect there will soon be a plateau in resources provided by donors.

5.4 Access to Aid

Aid agencies are often unable to access areas where needs are the highest in Syria. The two main obstacles are the Syrian government and donor policies. OCHA officials confirmed to us that out of 50 requests they put to the government since the beginning of the year for cross-line aid delivery, only four were accepted. UNSC resolutions 2165, 2139, 2191 oblige the Syrian government to grant access to aid convoys. But neither international pressure nor Security Council resolutions seem to be able to garner compliance from the Syrian government. The most affected areas are those under siege such as eastern Ghouta and the Homs northern countryside.

Because of this siege the prices are increasing dramatically, as demonstrated in Ghouta. This increase in prices is making most types of intervention in such areas inefficient, and often the provision of aid translates to further empowering war economy profiteers. One humanitarian agency we interviewed said that their local partner in Ghouta found that 90% of support goes eventually to war profiteers. This was also demonstrated in the case study of the agricultural project in Ghouta detailed in section 3.6. To start with, 10% goes for transferring the funds inside the area and second, most of the funds spent will be spent on items with inflated prices, and even salaries that are given for people working for the

project will be spent by the receivers in a similar way that benefits the war profiteers. In this context, applying pressure to oblige the Syrian government to allow aid delivery to areas like Ghouta is the most important step that needs to be taken before any other kind of support is considered. Sufficient aid delivery would help to bring prices down and counter the effect of inflation. This would also reduce the revenue made by the war-profiteers network and subsequently decrease funding of violence and reduce the mutual interest in sustaining the situation.

Ironically, it appears that it is easier for the aid agencies to access ISIL-controlled areas than opposition-controlled areas that are besieged by the government. Aid is being delivered regularly once a week to ISIL-controlled areas through Tal Abyad crossing.

The second obstacle in terms of access is donor-related. In an interview with Homs Governorate council representatives, they complained that donors are not active in their area because it is infiltrated by JAN and classified as 'difficult to access'. In order for humanitarian support to reach it, the consent of the Syrian government is needed, which is difficult to obtain. Although this is an agriculturally rich area, humanitarian needs are rising while its capacity for self-sufficiency is decreasing. To cope, the council said that they are now having to draw upon the strategic reserve of wheat; in some areas, people are reportedly eating the seeds reserve out of hunger.

5.5 Aid sources

The sourcing of aid is another issue that needs to be further explored in order to understand who is profiting from the provision of aid to Syria and whether there this factor is creating an interest for actors outside Syria in the continuation of the conflict.

In an interview with a major humanitarian agency working for Syria from Gaziantep, they said that the food products industry in Turkey is benefiting from aid flows as its products are a major source for aid for Syria. Food for aid for northern Syria is purchased mainly in Turkey unless the providers have global procurement system and are able to get better prices and quality elsewhere. Not much aid is purchased from government-controlled areas; to buy from these areas and deliver across lines is very difficult given the difficulty of obtaining government permission.

A senior manager of a Syrian NGO that is active in Daraa whom we interviewed told us that they were explicitly requested by Jordanian authorities to source all materials and equipment they need from Jordan, and not from Syria. This condition was rejected by the organisation because it meant that this would severely harm the economy in the south of Syria leading to more unemployment and economic recession.

5.6 Aid manipulation

There are many examples in the media about the way that conflict parties are manipulating aid. Aid is being manipulated and exploited for two main reasons, first to gain power and influence over the communities in need and second to make profit.

There are several examples of ISIL manipulation of international aid.⁸⁴ Similarly there are reports about aid being stacked at military sites of the Syrian government, which are currently under opposition control. One person we interviewed from Damascus told us about an established network that manipulates and sells international aid in Damascus and which involves members of the Syrian government and a newly established civil society organisation that acts as a cover for the operation.

In opposition-controlled areas, there is a competition between who receives the aid (as it arrives in large quantities) and is then responsible for distributing it in the area. This generates new disputes as was reported by an active civil society organisation in the countryside of Idlib. In the IDP camps close to the Syrian/Turkish borders, such as Atmeh camp, access to humanitarian agencies is being used as a means to market certain camps over others. These camps are established in private lands; the landowners ask for rent from people to stay in the camp, which makes running a camp a revenue raising activity. Landowners, who try to build relationships with INGOs and humanitarian agencies, then market their camp to the people in need, saying they are able to get them support and aid. There is competition between these camps now. INGOs which provide support these camps are aware of this situation.

We interviewed Syrian civil society organisations which work inside Atmeh camp. They said the situation inside the camp is extremely bad: diseases are spreading; some people there are selling their organs to survive and help their families; and that there are no signs at all of any international presence despite the fact that the camps are easily accessible through the Turkish borders and that they are not subject to bombardment.

More recently, the so-called “Islamic administration of the liberated areas” which is a form of emerging authority, held a meeting in Rehaneea. They said they were seeking to coordinate with the international aid organizations but the aid organizations refused to attend.

When we asked interviewees about salaries given to combatants in their areas the answers always cited a certain monthly figure plus a monthly food parcel.

5.7 Measures to mitigate aid manipulation

To counter issues like aid manipulation, the humanitarian community working in opposition-controlled areas agreed together on joint operating principles. They outlined a protocol for the ‘Engagement with Parties to the Conflict to deliver Humanitarian Assistance

⁸⁴ “*ISIL, JAN and the war economy in Syria*” *Supra* note 4.

in northern Syria' confirming the principles of humanity, neutrality, impartiality and operational independence. According to the protocol: 'Humanitarian activities must be autonomous from the political, economic, military or other objectives that any actor may hold with regard to areas where humanitarian activities are being implemented.' The protocol also declares that humanitarian organisations will not accede to requests by parties to the conflict to deliver humanitarian assistance to these parties or to allow them to take control of humanitarian stores, or to pay taxes or duties on aid deliveries or humanitarian services to beneficiaries.

In return and to secure the commitment of armed actors a 'Declaration of commitment' was drafted and around 30 armed actors in northern Syrian were signatories. The declaration is 'intended as an affirmation, on the part of all parties to the conflict, of their core responsibilities under IHL and of their commitment to facilitate action to meet the needs of civilians on the basis of need alone'. Signatories to the declaration commit to;

"Distinguish at all times between the civilian population and combatants and between civilian objects and military objectives, and direct attacks solely against military objectives, Refrain from the use of heavy weapons in population centres, respect and protect relief workers, allow and facilitate the rapid and unimpeded passage of relief including medical and surgical equipment, and grant authorized relief personnel freedom of movement to reach to people in need on the basis of need alone and to Work immediately and in good faith with representatives of humanitarian agencies to agree practical arrangements for the provision of assistance to meet the needs of all civilians, including through the rapid authorization of humanitarian convoys, and the implementation of regular humanitarian pauses, local deconfliction arrangements and days of tranquility"

The main problem with the joint operation principles is the limited presence of international humanitarian agencies in the conflict area and the reliance primarily on the local actors for the distribution of aid. This makes the commitment of the international humanitarian community to these principles less relevant. The most important step is to get the commitment of the Syrian partners, to monitor this commitment and to make this commitment a condition of further collaboration.

Humanitarian agencies that we interviewed regarding the 'Declaration of commitment' reported that one of the biggest obstacles was the fact that the armed actors kept changing or reappearing under different names or coalitions. They also felt that those who signed the declaration were not very committed to it, and there were no clear processes for monitoring and evaluating their compliance.

5.8 Community Driven Approaches

An alternative approach to an internationally-driven aid effort is community led forms of assistance. However there are significant challenges to the community-driven approach in the context of a conflict. The community itself is continuously changing as a result of the conflict; some people leave and others arrive as IDPs. The community is divided because of the conflict and most of the dominant actors gain their power through the conflict. Finally, the lines are blurred between the various actors (armed, LACs and CSO).

The environment in opposition-controlled areas is still dominated by violence and by actors associated with the armed groups. The need for funding and support is high but there is an absence of mechanisms to monitor how the support is being channeled and spent. This environment allows for, and to some extent encourages corruption. In many of the areas we studied aid was being used by the armed opposition to buy influence, though it is not clear though how they initially gained control of aid. The LACs are more impartial than armed actors on the issue of aid, but other issues emerged with respect to LAC-administered aid such as LACs receiving aid through a political actor (Syrian National Coalition associated Aid coordination unit) and, as seen in Daraa, an inability to handle impartially the IDP community.

It is important to experiment with different approaches and to facilitate more direct communication between the beneficiary and the funder. This gives the beneficiary more control in deciding their needs and finding the solutions to their problems. There is also a need to support projects that foster reconciliation between those on either side of societal divisions. No one model fits all and it is of crucial importance to understand the specific dynamics of local areas in each case. We have found that local civil society organisations tend to be the most capable in reaching out to the wider community in regard to aid distribution, in being able to impartially address the humanitarian needs in particular areas, and the most innovative in exploring new solutions together with the local community.

One of the examples we studied was Madad NGO, which is active in Golan area. To address the needs of every village in their area and in order to prevent disputes arising from aid distributions, they formed local committees in each village. The members of each committee include: original inhabitants of the village who have become activists, activists from the IDP community in the village, a female representative, dignitaries from the area and finally one member of Madad organisation. The committee elects its main coordinator and it has clear tasks in evaluating the needs in the area including resources and actor mapping, the water and electricity service needs, humanitarian needs and other issues identified by the committee. The committee also communicates with all actors, including armed actors, to ensure the safety of activists and the aid and materials they distribute, and to facilitate its delivery to the areas in need. The committee is asked to sign a statement concerning 'operational principles' in which it declares its commitment to impartiality and

the humanitarian principles and its commitment to not using the aid to support a particular political or religious position. In addition they commit not to become a tool for the policies of any government, and that they would only accept certain policies if they overlap with the NGO's own policies. They also commit to respecting the local culture where they operate. This procedure was by far the best locally-developed and successfully implemented measure that we have come across to combat the obstacles of operating in a conflict environment. Moreover, being directly led by local ideas, this NGO has now decided to move into agricultural projects and has carried out the required assessment to begin agriculture-related activities.

6 Comparing the dynamics in the three different locations

Although the dynamics differ between the three areas, there are some generalizable overarching themes that we will discuss here.

6.1 Impact of the nature of borders

The main difference between the three areas we focused on in this paper is the nature of the borders. Border control is a significant factor in controlling the war economy in Syria, not only for the reasons described above but also because it affects the Syrian national economy, especially in the areas close to these borders:

1. The nature of armed groups: The nature of the border affects the nature of the armed groups. In Idleb, Turkey has permitted the movement of ISIL and JAN fighters across its border with Syria. Because Ghouta is under quasi-siege there are few, if any, foreign fighters and the armed groups tend to be local and less extreme in their violence. In Daraa the armed groups are controlled and regulated from Jordan; the presence of JAN is much less significant than in Idleb.
2. The economy: The border affects the economy of the area and particularly the combat economy. Ghouta is a siege economy where there is little production and the main local source of income for the armed groups is extracting fees from food and other goods entering Ghouta. In Daraa, where the Jordanian government controls the border and does not allow trade movement across borders with opposition-controlled areas, the local sources of income for the armed groups and their business allies are antiquities, trading and smuggling (mainly of diesel from government-controlled areas), the production and trade of locally-produced diesel, and fees for money. Cement is also not allowed in through any of the borders of the area, and therefore there are no new construction activities.

In Idleb, trade continued across the borders. This, combined with the absence of state or other regulations, led to the development of a cruel combination of the war economy mixed with the worst aspects of the free market economy. As war profiteers benefitted, and the underprivileged became further impoverished. Areas near the border benefitted from the booming unregulated trade which led to increased economic activity and in particular activity in construction. According to participants, these areas were dominated by the 'worst brigades' because of their relation to the variety of revenue-raising activities there. Some of the trucks crossing from Bab al Hawa and Bab Al Salameh crossings head directly to ISIL areas through the countryside of Idleb and Aleppo-all for a price. It is in Idleb that the war economy is most intense and where armed groups are able to some extent to survive without external funding, although this would become difficult for them in the event of more controlled or closed borders with Turkey. A further example of the effect of the unregulated environment is the lack of quality control over goods. Out-of-date food and medicine are being supplied to northern Syria through these crossings. In all the three areas, materials needed to revive the agricultural sector is not allowed in, especially diesel.

3. Diesel: Border control also affects the availability and the price of diesel- a crucial requirement for most economic activities especially agriculture. This aspect is explored more in section 6.2.
4. Coping economy and survival mechanisms: In terms of the coping economy, the inability to receive through the borders of these areas what is needed to revive the local economy led to the development of various coping mechanisms. In Ghouta, there is very little apart from receiving remittances, producing diesel and gas from plastic, selling assets and relying on externally-supported projects. In Daraa there is a limited level of economic activity and some civilians are also involved in smuggling activities, especially of goods to and from government-controlled areas, but they remain heavily dependent on aid arriving through Jordan. Trade is limited mainly to what can be sold on stalls, which is often materials smuggled from government controlled areas under the monopoly of a few profiteers. In Idleb, we were told of four emerging classes: the new rich war profiteers; those who live on the spoils of war-mainly the armed actors and their associates; those who receive remittances from abroad; and the most vulnerable and needy who seem to be the most susceptible to combat recruitment.
5. Taxes: Understanding who benefits from taxing flows of goods across the border of any area is key to making sense of war economy dynamics. Jordan refuses to deal with the armed groups as legitimate actors who can handle customs duties on the other side of its borders with Syria, and thus prevents armed opposition groups from

accessing large-scale resources. On the other hand, Turkey treats certain armed groups at the borders as legitimate state actors and it plays a role in deciding who controls these crossings; this allows certain armed actors to access lucrative sources of revenue in the area (estimated to be USD 660,000 a day). In Ghouta, there appears to be a set of mutually agreed arrangements for the operation of the checkpoints controlling the only point of exit and entry in Ghouta. A well-established network of businessmen, generals, and commanders on both sides control what goes in as well as the distribution of revenue from the crossing. The government is aware that a large portion of this revenue funds the armed groups it claims to be fighting, but there appears to be a mutual interest that has sustained this quasi-siege situation for so long.

6.2 The Diesel Domino Effect

Most opposition-controlled areas are rural areas. Before 2011 their economy was centred around agriculture and animal farming, trade and industry in these areas are also centred around agriculture. The availability and the price of diesel is crucial to the economy of these areas since most agricultural activities depend on diesel which is used for operating machinery (ploughing, harvesting, pumping water, transport).

Fuel in general and diesel in particular are not allowed in any legitimate way to any of the three areas we studied and not to any other opposition controlled area. The only source of fuel is the black market where fuel is sourced either from either the government-controlled areas or ISIL controlled areas.

In Ghouta, diesel is smuggled in from government-controlled areas and sold for an extremely inflated price (13 to 21 times its price in Damascus). In Daraa, it is smuggled from government-controlled areas and sold at 3.5 to 5 times its price in Damascus. The countryside areas of Idleb and Aleppo have borders with ISIL-controlled areas. Crude oil arrives from ISIL-controlled oil wells to be refined at new small privately owned refineries. It is then either sold locally at 2.5 times the price in Damascus, or smuggled to Turkey where it can be sold for an even higher price. Even home-use gas like butane cylinders are only available on the black market-which means that, even when people cook their food or warm their houses in the freezing winters, civilians have to indirectly pay armed actors and war profiteers through the inflated prices of the fuel they use.

In the winter months one INGO wanted to provide fuel for heating. They ended up providing charcoal because diesel and petrol were not allowed in from Turkey. We were also told that it was not possible to provide diesel for the northern area from Turkey and that seeds for agricultural use were not allowed into the area from Turkey in large quantities.

The high unstable price of fuel, in addition to the security situation and the lack of other important inputs such as fertilisers, has contributed to the decline in agriculture and

consequently agriculture -related industry and trade. This domino effect can only be reversed by beginning to provide fuel, particularly diesel for the use of agriculture in these areas. It is important to note that the liberalisation of energy prices in Syria since 2005, which led to a big increase in the cost of production and primarily affected farmers and lower income households, is often cited as one of the important economic roots of the public unrest in Syria.⁸⁵

Many of the projects funded by international donors and INGOs in Syria, such as field hospitals and civic defence, all of which require fuel either for machineries or for the generation of electricity, are not provided with a source of legitimate fuel as part of the project support. Instead they are offered funds to cover the cost of the fuel. Unless the fuel problem is solved part of these funds are going to the hands of ISIL and war profiteers from armed actors and associated traders on all sides including the Syrian government.

6.3 A new societal condition

What we have observed in these three areas is a profound reordering of economic, social and political relations. The main sources of revenue and employment before the war began (agriculture, the public sector, small-scale trade and industry, tourism) have shrunk dramatically. New sources of revenue are directly linked to violence, the management of internal and external borders and checkpoints, and the absence of any regulation. These new sources include bribery and extortion, looting, unregulated trade, refining and building, and the smuggling of people, fuel and antiquities. This reordered economic profile is associated with the emergence of a new wealthy class of leaders of armed groups and associated businessmen, an impoverished middle class dependent on remittances from abroad, and an underclass that is without means of sustenance and is subject to continuous violence of various kinds. In these areas, where the government has largely withdrawn, there are some nascent political arrangements –the LACs – but they lack regulatory and service capacity, and their political power depends to a large degree on the armed groups and on external funders.

We describe this combination of changes as a societal condition. By this we mean that the war economy is not just specific to a particular phase of war that can be ended when the war ends. Rather, the war economy is a new way of organizing society that constitutes a vested interest in the continuation of war; it explains the persistence of conflict. We would argue that this condition affects not just the areas studied but most of Syria, even though the ways in which they have adapted to the new situation varies greatly in different areas. These changes have given rise to a new set of social dynamics, in which the emerging

⁸⁵ See for example “*Socioeconomic Roots and Impact of the Syrian Crisis*”, Naser et al. Syrian Center for Policy Research, January 2013.

political class can only survive economically (and perhaps politically) in conditions of violence and disorder, which, in turn is promoted by their economic activities.

The war economy depends on violence directed against civilians and battles between armed groups. Both sorts of violence are motivated both by political and economic interests. Thus battles may be fought to control a particular crossing that facilitates the capture of territory for political reasons and generates new sources of revenue. Violence against civilians may be the consequence of the need to control territory politically, the need to maintain instability, to force the displacement of civilians or may be motivated by loot and pillage. But by the same token violence is financed by these same economic activities.

At the same time, in our research we have observed the way the various armed groups, including on the government side, both compete and cooperate in order to manage their revenue-raising activities. We have encountered examples of co-dependency where agreements among armed groups or between armed groups and the government, or with neighbouring states, are reached concerning the provision of services, the exchange of water for electricity, or access for transport and trade.

Thus one could posit a kind of mutual enterprise in which the various armed groups and their external backers share an interest in continuing disorder.

6.4 The collapse of state structure

In all the areas we studied, there is an almost complete collapse of the structures required for state-building, and the new structures emerging are still dominated by the de-facto rule of multiple armed actors and by the war economy which is channelling public resources into the funding of violence and disorder.

6.4.1 Absence of legal structure

In all the three areas we studied the rule of law is absent. Institutions and structures in opposition-controlled Syria are predominantly designed around Syrian law. This is the law in which existing Syrian lawyers and judges are trained and accordingly it remains the best-suited framework. For the moment, the Syrian Interim Government adopts Syrian law but its ability to enforce it inside Syria is questionable. However, armed groups are creating their own de-facto courts in the areas they control and often adopting their own interpretations of Sharia law. Sharia and other de-facto courts deal mainly with criminal cases, which leave out all other regulatory requirements including that of market prices and border crossings.

The absence of the rule of law is worst in Idlib and Aleppo countryside; the multiplicity of armed actors and the frequent changes in control between different armed groups exacerbates the situation. The fact that there are relatively more market transactions and building activities in Idlib than the other areas make the need for the rule of law even more important, and its absence is a key reason for the growing war economy.

In Daraa the situation is somewhat better because all the armed actors agreed to accept the rule of one judiciary body. In Eastern Ghouta there is a central judiciary body as well, but it is not clear whether it is accepted by all armed actors and it is clearly unable to resist the pressures of war profiteers.

6.4.2 Violence financed by public money

In a normal functioning state, the public resources of the state are used to finance public goods and public services. In all the areas we studied this cycle has been broken. Instead, what should be public money, such as custom fees and oil, is going directly to finance violence. Trade and building activities are also taking place without any state regulations, and either there is no taxation or taxation, such as that levied at checkpoints, is extracted by different armed actors rather than being used, as in a normal situation for financing public services. In none of the cases did we observe public money being used to finance public goods. Very few of the LACs, and then only in very limited cases, are able to charge people for services they provide. Instead, LACs and civil society organisations are working on running schools and hospitals and providing public services with the support of mainly external donors, INGOs and to a limited extent funds from Syrian expatriates. (Figure 14 illustrates this process).

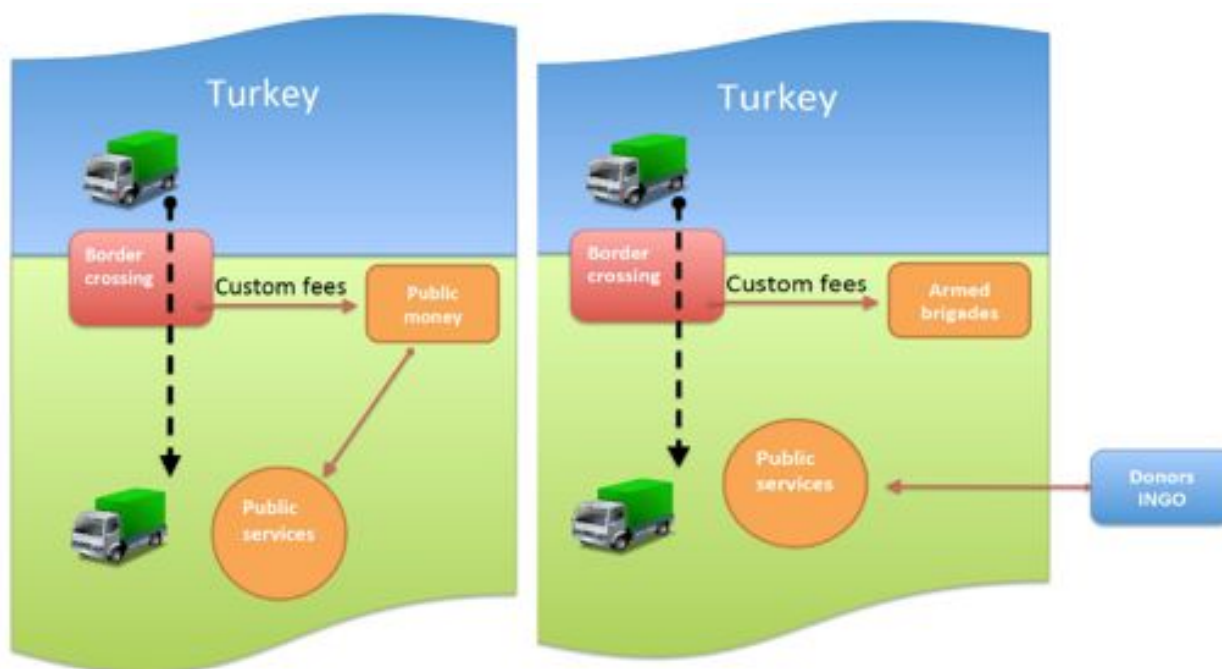


Figure 14 The spending of public money. On the left, the situation as it should be in a normal functioning state, public resources such as custom fees go back to finance public services. On the right, the situation in Syria now; public money from resources such as custom fees is directly financing armed actors, and public services are supported mainly by international donors in opposition-controlled areas.

This heavy dependency on external funding is contributing to the loss of legitimacy by many of the LACs. Research on Syrian LACs told us that even the LACs which manage to have

fully elected membership, struggle to maintain their legitimacy when donors suddenly decide to drop the funding or if the LAC fails in attracting donor funding.

It is essential for the building of any legitimacy and sustainability for LACs that they start acquiring funds from public resources and by providing paid services that contribute positively to the economic revival of their area and thus benefiting the public. We came across a few such examples in our study. For example the LAC in Atareb charges for water and electricity, and they take measures to provide essential goods at a reasonably stable price for the people. For example, they buy certain food items in large quantities and make them available for a fair price, and they have created a cooperative-like initiatives. They also regulate the income from the two checkpoints on both sides of the strategically located town and share it with the armed groups controlling the town as explained in section 4.2.4.

6.5 External vs. Internal funding of violence

The political economy of war in all these areas is enabled and accelerated by a combination of factors from inside and outside the country. The internal reasons have to do with the armed conflicts, and the absence of a state and any uniform legal framework. The collapse of pre-war economic activities resulted from a combination of physical destruction, especially of infrastructure, sanctions, lack of access to inputs and markets due to border and checkpoint restrictions, as well as the lack of government support, particularly salaries, in addition to availability and price of fuel. As a consequence, many people, especially young men, have no choice but to join an armed group or engage in illegal activities.

The external factors enabling the political economy of war include:

1. The absence of a uniform border control system. Rules that determine what and who can cross the borders to Syria are now determined by armed non-state actors and neighbouring states with nefarious policies that sustain a flow of arms and combatants into Syria with socio-economic implications for areas adjacent to international borders.
2. The sanctions and the termination of many trade relationships and agreements.
3. The extremely light footprint of the international community inside Syria.
4. The aid policies of outside donors. The model of response is still for that of responding to emergency and this encourages dependency on aid and strengthens the position of those who distribute the aid, often linked to armed groups. It also removes incentives to revive the local economy. In addition, the LACs and CSOs receive funding that is highly politicised.
5. The continued external funding of armed actors, particularly from regional countries engaged in conflict with each other and which use Syria as an arena for a proxy war. This is for example the case with Iran's support for pro-government paramilitary groups and Saudi Arabia's funding of armed opposition to the Syrian government.

These factors explain the main war economy activities. For example, control of the crossings between Syria and Turkey by armed opposition groups is possible because of the absence of the Syrian state, the decision by Turkey to treat specific opposition groups as legitimate actors, and the income generated by these crossings, estimated at USD 660,000 a day directly funds the continuation of violence in Syria. Much of the revenue-raising activities that we observed were either dependent on violence or on the continued lack of state regulations of construction and cross-border trade. To a limited extent, the absence of a state is compensated for by regulations from neighbouring countries that share borders with the area and by the policies and priorities of the donors and the humanitarian community.

Overall, the sale of arms does not appear to be a very big internal factor in prolonging the war; it is limited to the smuggling, sale and exchange of a certain level of arms and accessories. There seems to be control over this aspect by larger actors connected with regional and international funding.

6.6 The war economy as an obstacle to peace

One of the most dangerous aspects about the war economy is that it makes actors, and the society, to some extent, resist peace. This is central to understanding the dynamics of the societal condition described above. The actors and the people who profitably adapted their incomes and revenues to the new conflict situation have an economic interest in maintaining this situation, and oppose efforts to counter it. The war economy was cited as one of the important reasons why some local ceasefire arrangements were not successful in Syria;⁸⁶ those benefiting from controlling a checkpoint of besieged areas for example or smuggling networks were the first to attempt to spoil truces. Similarly, no ceasefire and lifting of the siege in Eastern Ghouta could be imagined without dismantling first the network that profits from the siege.

Even ordinary people, who are now dependent on aid and have lost their legitimate means of living such as their farms or shops, are concerned that the end of the conflict situation will lead to the termination of aid.

Because of this, addressing the war economy is not only an economic or humanitarian issue; it is a vital step towards peace and stability. It is not simply an economic challenge for the post-conflict phase – no post-conflict phase can be reached unless the war economy is transformed.

⁸⁶ *"Hungry for peace", supra note 63.*

6.7 Impact on business

The level of violence in all these areas has impacted trade and business. For example, the unstable environment in the countryside of Idleb favours larger business actors able to cope with the high risk of operating in a conflict zone. Small businesses are unable to run this risk. In the business of importing tyres for example, those who can only afford to import the load of one truck could not risk losing all their goods, should the truck be attacked or looted. Larger traders with many trucks were able to risk such conditions. In Idleb countryside some areas are much safer than others: relatively stable economic activities still take place and some businesses and small industries have relocated to these areas. In Daraa people seem to have utilised the safer areas in order to start schooling and agricultural projects there.

7 Recommendations

At all levels, from international to local, the Syrian conflict can be reconceptualised as a societal condition characterised by vested interests in the continuation of the conflict – a sort of mutual enterprise. This is not a sustainable situation and the consequences are tremendous humanitarian suffering and the continued spread of instability well beyond Syria and the region. Indeed, despite very large amounts of humanitarian assistance from the international community, the humanitarian situation is getting worse. The core paradigm on which our recommendations are based, is the idea of transforming the societal condition from one typified by the existing private and/or identity-based mutuality, in which the different actors have a shared interest in continuing the conflict, to a different kind of mutuality that is centred on stability and aimed at the public interest.

The economic co-dependency in the region, and between different areas in Syria itself creates an opportunity for such mutual enterprise. Our research shows that there is already a trend in conducting talks and reaching agreements among conflict actors motivated by economic aims and service provision. What we are proposing is that this positive trend should be channelled into deals that help to alleviate individual suffering and that create spaces where a legitimate economy can be promoted.

We put forward here a set of general and more focused recommendations which aim to reverse the societal condition and counter the dynamic of the war economy in Syria. More investigations are needed to further understand the dynamics in other parts of the country and to develop more specific recommendations for these parts. Here we focus on the overall steps needed for countering the war economy in Syria in general, and give more specific recommendations that best suited for opposition controlled areas.

Also, further investigations are needed to understand the financial system and the flow of cash in and out of the country and the impact of the collapse of the formal financial system on the continuation of war economy activities.

7.1 Aligning the Political Level with Efforts to Reverse the Societal Condition

Talks about ending the conflict, at all levels - international, regional and local - should focus on ways to change the situation on the ground so as to create the conditions for peace. The peace process needs to be understood as a multi-level process rather than a set of high-level talks leading to an overall solution. If we start from the assumption that the conflict is indeed a societal condition, any high level talks limited to those actors who have a vested interest in the mutual enterprise, even if they were to succeed, would entrench the problematic societal condition.⁸⁷ Rather we should think about the peace process as a combination of talks at different levels that focus on the situation in specific areas. This would include concrete measures to counter the war economy and improve daily life alongside more traditional political discussions aimed at reaching a political settlement and cease-fires.

At all levels, talks need to be more inclusive. The risk of only engaging with armed actors and war profiteers is that it generates a solution for ending the war in which the war economy continues but without the war. It also empowers those actors at the very moment when the humanitarian community is looking for ways to limit their interference with efforts to enhance the humanitarian situation. Moreover, inclusive talks which include actors such as civil society actors has the added advantage of increasing the knowledge available to mediators and ensuring that negotiators are less vulnerable to manipulation by armed actors. In our research the lens of civil society has proved invaluable in understanding the dynamics on the ground.

The recommendations below suggest some of the components of this multilevel peace process.

1. At an international level:
 - 1.1. **Discussions about the general economic recovery strategy for Syria should start now.** The aim should be to establish a framework that could make possible a legitimate local economy and foster mutual economic benefits for all the society, and to explore the possible role of international bodies.
 - 1.2. **Negotiations for restoring control of Syria's international borders should start now** and should include all relevant actors. If needed, the UN could be given a role in

⁸⁷ Failing to do this in other conflicts like Bosnia and Lebanon led to semi-permanent failures in the functioning of state and economy in these countries.

controlling the contested borders until a full solution is reached. Borders open to arms and combatants promote the continuation of violence.

- 1.3. **Pressure needs to be applied at the international level, on all the regional actors that are financing violence in Syria or enabling their logistical support.**
- 1.4. **Certain economic offences, such as looting and smuggling antiquities, that are central to the commission of international crimes and that are not currently proscribed under international law should be considered by the UN** in order to determine the most effective way for suppressing and criminalizing these offences under international law.
- 1.5. **Lifting the unilateral coercive economic measures⁸⁸ could be an important tool in a negotiation framework.** This could have the triple benefits of: a) legalising the formal economy, which is a crucial step to combat the war economy, b) enhancing the humanitarian and economic situation of the Syrian people who are hit hardest by these measures, and c) lifting these measures as an incentive for the Syrian government to comply with specific human rights measures, such as ending the shelling of civilian areas and releasing detainees.
- 1.6. The UN classification different areas in Syria in terms of its accessibility to aid delivery needs to be re-visited. Currently many of the besieged areas are labelled as difficult to access areas. Preventing humanitarian aid from accessing besieged areas should also be identified as war crime, and the consequences of this prevention should be outlined clearly in UNSC resolutions.
2. **In parallel, there need to be talks at the regional level that focus on the mutual economic interests between these states and Syria** starting with the most pressing issues such as cross-border trade. This could then lead to discussions about wider common economic interests creating incentives for all parties. Soft diplomacy could play a major role at this level; a good example is the on-going talks regarding the Nasib crossing.
3. **There should also be negotiations between the actors that control the different parts of Syria based on mutual economic interests.** The different geographies of Syria which have become fragmented through violence are still largely independent in terms of their economy and infrastructure. There is a joint interest, for example, in restoring certain parts of the infrastructure, in the continued provision of basic services, and in transport arrangements across these different areas, especially commercial trade.

7.2 Supporting state building structures

The collapse of the state in opposition-controlled areas is one main reason behind the restructuring of the economic activities around violence. Countering this dynamic is key to

⁸⁸ Usually referred to as ‘the sanctions’

combating the war economy. Here we outline specific steps which we think will be conducive to restoring state-like structures in opposition-controlled areas.

1. **Public money should be channelled to fund public services, not violence.** Income generated from public resources, such as fees at border crossings and income from oil, should be channelled to finance public services and governance structures in these areas, rather than financing armed actors, as is currently the case. For example pressure should be applied to move the control of the crossings between Syria and Turkey to a civic authority that adopts Syrian law and revenues should support public services in Idleb, Aleppo and other areas of Syria.
2. **Syrian law needs to be adopted as the main framework in opposition-controlled areas with amendments where needed.** This should be particularly emphasized with regards to governance and trade regulations.
3. **Strengthening governance** and legitimate representation in LACs. Such legitimate representation should also be included in political talks. LACs could also be helped to increase their capacity in reviving the legitimate economy of their area, protecting the prices of basic commodities and regulating their markets so as to undercut the monopoly of the war-profiteers.

7.3 Reviving the legitimate economy is vital for reducing both poverty and violence

The implication of our analysis is that a humanitarian response is no longer appropriate. If we understand what is going on in Syria as a societal condition rather than a short-term humanitarian disaster, we can appreciate that a different kind of assessment and response is required. At the same time, a classical development response will not necessarily be effective because conditions are not conducive to standard developmental recipes. Instead of thinking about categories of aid (humanitarian, development, food support and so on), we need to analyse the specific combination of support required in each local context.

Needs assessment in Syria should shift from the needs of individuals towards the need to revive the legitimate economy in the areas where they live. When we asked participants what they needed to enhance the situation in their areas they all pointed towards agriculture, economic development, and education. Not a single person asked for food aid. In the rural opposition-controlled areas, the needs to revive the economy in the area are often agriculture-related such as restoring water infrastructure and providing diesel, seeds, fungicides, herbicides and insecticides.

The aim of area-based support and humanitarian or developmental intervention should be to:

1. **Promote a local economic cycle.**

2. **Reduce unemployment**, particularly among young men.
3. **Increase stability** by promoting legitimate livelihoods and encouraging people themselves to create and defend the peace which such projects require.
4. **Encourage and promote public mutuality** by giving the local communities the opportunity to discuss and decide their public needs in an inclusive way and to promote community driven methods of creating livelihoods.
5. Increase food security in the area.
6. Help unlock the creative potential of the society and its ability to innovate with its own ideas and solutions.

Any such approach has to be based on a proper understanding of local dynamics so as to make sure that support given does promote public mutuality and is not hijacked by private interests. Our research has shown that in all the areas we have studied there are active actors that are concerned with the public good. In some cases this is the LAC and in some cases it may be one or more CSO or even traditional actors such as tribal leaderships and dignitaries. Every case is different and context-specific background knowledge is a prerequisite for community-driven approaches.

Also, supporting such transformations cannot be achieved without addressing the needs of the wider area as a whole and making the necessary resources for this transformation available.

7.3.1 Providing fuel in a legitimate way

Providing fuel, particularly diesel, in a legitimate way and at a reasonable price is one key element that has the potential to combat the war economy and revive a local legitimate economy. It can facilitate the restoration of agricultural production which in its turn can revive the food industry and trade that is linked to it. Furthermore, this will prevent ISIL from profiting from selling oil to opposition-controlled areas and it will undermine the war profiteers' networks which are engaged in smuggling fuel, including government-related actors. Civilians who relied on refining oil and selling diesel on stalls as coping mechanisms would benefit from the legitimate opportunities that will open up with providing legitimate fuels.

Giving people fuel vouchers or cash to buy fuel as a means to support livelihoods will not alleviate the problem as the money could still be spent on black market fuel, which would benefit war-profiteers.

7.4 Donor specific recommendations

1. **There needs to be a stronger presence for INGOs, humanitarian and UN agencies inside Syria**, especially in safe zones in opposition-controlled areas. This could allow for

more direct and fair distribution of different types of support so as to reduce the role of subcontractors and increase the direct knowledge of local context and needs. This would also have the added value of 'protection by presence'. Much could be done to increase the safety of international and Syrian personnel through outside pressure, for example, to shut down kidnap exchange markets.

2. **Humanitarian and basic services support should not be terminated from an area on the basis of extreme actors moving to it.** Such exclusion could empower the extreme actors over civilians in these areas and disempower the more independent actors like LACs and civil society. But by the same token, it is important not to neglect areas that seem relatively stable since stability is always fragile and these areas need to be strengthened to increase their resilience to armed threats.
3. **There is a need for a more co-ordinated strategy for the donor community** in Syria.
4. There needs to be more direct forms of communication between beneficiaries and donors. Obstacles to implementation need to be directly fed back to the donors.
5. It is crucial to deal with the most independent actors in regard to aid distribution on the ground. The most efficient and fair appear to be civil society and then elected LACs. The worst situations occur when armed actors control the distribution of aid, often in return for favours.
6. Measures taken to tackle the challenges of working in conflict environments such as the 'joint operating principles' and the 'Declaration of commitment' need to be supported. More actors have to be encouraged to sign up to them and comply with their principles. The fact that some of the signatories to the 'Declaration of commitment' were named in the Secretary General reports on Syria (e.g. SG Report S/2014/696) put these signatories under further pressure to commit to their obligations and it had a positive impact on their commitment. There is also a need to link the measures taken to tackle the challenges of working in a conflict environment that are taken by the international humanitarian community with similar measures taken by the Syrian local civil society organisations and LACs. The local groups and organisations are more able to adapt to local conditions while the international organisations has more power and authority to enforce the implementation of humanitarian principles.

7.5 Area focused recommendations:

The type and methods of intervention in any area should be context-driven and cannot be separated from political intervention. We give separate examples here with respect the three different areas we studied.

7.5.1 Eastern Ghouta:

The delivery of humanitarian aid and fuel in sufficient quantities to civilians in Eastern Ghouta is a priority. Not only is it much needed, but also it will help to curb the extreme

inflation resulting from the siege. This requires political pressure on the Syrian government to facilitate UN aid delivery to Ghouta. To minimise the chance of exploitation, the delivery and distribution ought to be through civic actors in Ghouta, and the existing branch of SARC in Douma.

Once inflation is controlled, there needs to be a move towards supporting livelihoods in Ghouta through income generating projects and agriculture and animal farming.

7.5.2 Daraa:

Daraa needs to be steered towards less aid and more development through a plan that phases the area gradually out of aid dependency, with civil society and LACs as the main partners. This requires supporting more livelihood projects, especially agriculture and animal farming, in safer areas as well as assistance for public services such as health and education. Measures need to be taken to provide diesel for this area in a legitimate way and at a reasonable price for the exclusive use of the legitimate local economy.

Also, the transfer of funds into Daraa from Jordan needs to be controlled and monitored with the help of legitimate money exchange agencies.

7.5.3 Idleb:

The priority in Idleb should be for negotiating for better regulation of the border crossings with Turkey, and for exploring ways of channelling the income of the crossings to fund projects that are in the public interest.

The flow of crude oil from ISIL areas, its refining and sale, should be replaced by a legitimate way of providing diesel and other types of fuel for the area.

Similarly to Daraa, the area needs to be steered towards less aid and more development through a plan that phases the area gradually out of this dependency. Such an approach needs to be examined carefully in each different corner of this area according to the local context, which varies a lot from one village to another.

The international community needs to increase its presence in Idleb, particularly in relatively safe areas adjacent to the Syrian-Turkish border, such as by the IDP camps like Atmeh.

Appendix I, The Questionnaire

Information about the research

- The research is academic research conducted by LSE, the aim is to understand the drivers of war economy in Syria and the role war economy is playing in prolonging the conflict and to explore ways of transforming this economy from war into peace economy.
- Questions in this questionnaire do not aim to obtain exact and specific information as much as understanding the general dynamics of economy in the area.
- Please do not provide any information that could potential pose security threat on you or anyone else.

Questions about the interviewee

1. Are you going to speak as an individual or as representative of an organisation?
2. Questions about the person's occupation, whether they live in the area, how well he knows it etc.
3. Description of the organisation (if relevant), its size, the area it is active in, its funders, what it does etc.
4. Have the individuals/organisation been directly affected by the war economy? How?

Questions about the area concerned

5. How would you describe the area and its geography? What is the relationship between the area's geography and location to the 'free economy'? For example, is it an important smuggling point, or a place where drugs are grown?
6. If there were smugglers networks in the area before 2011, then are they the same as the current smugglers networks or did new networks emerge?
7. What distance is this area from the border? Is it a secure border? Approximately how many people cross it in both directions?
8. What kind of agricultural/pastoral activity was present before 2011 and how has it been affected?
9. What industrial activities took place before 2011 and how have they been affected?
10. What trade activities were taking place before 2011? What other types of revenues were coming into the area and how have they been affected?

11. What important infrastructure exists in the area? e.g. dams, power stations, roads and bridges. Has any fighting taken place to control this infrastructure?
12. What natural resources are present in the area, such as oil, water, rivers, metals? Has there been competition to control them?
13. What is the social composition of the area? Does it have a relationship to the conflict? For example the situation of social classes, wealth, levels of education, religious, clan, or party affiliation?
14. What is the rate of unemployment in the area?

Questions about actors in the area:

15. How is this area governed and its affairs run?
16. Who are the active non-military groups in this area (local administrative councils, civil society organisations) and what is their relationship to the military groups?
17. What military groups are present in the area and what are their sources of funding? What is their relationship to the societal environment of the area? Have these groups started to play the role of the state? (we do not want exact detailed names of brigades and their funders, what is needed is just a general description to the type of armed actors present and whether they rely on external funding or local extortion of resources)
2. Is it possible to give an idea of the average salaries they pay for fighters?
18. Has a new political ruling class emerged as a result of the crisis? Is it composed from the people of the area itself? Is it political, civic, military or a combination of those?

Questions about the war economy activities in the area

19. Are there any checkpoints in the area? Who controls them? What fees are charged for passing them? Is it possible to estimate how much income is generated through the control of checkpoints?
20. Are there crossings on the borders of the area (either with neighbouring countries or crossings between the different areas)? Who controls the crossings? What are the fees that are levied? Is there an estimate of the revenue that is collected at these barriers?
21. Regarding financial support for military activities, civil society or service provision, does this support come with conditions? What is the nature of these conditions? Please give an example of the conditions, if any.

22. With regards to the economy of coping and adaptation – what economic activities of survival which are present in the area. How do people generate income now? Who ensures livelihoods and food for ordinary people? What are peoples' survival strategies?
23. What is the relationship between the armed actors and those who profit from the crisis in this region?
24. Are there instances where some of the beneficiaries of the crisis intervene or obstruct a solution that can contribute to calm things down and improve the security and humanitarian situation? Is it possible to give examples of such incidents?
25. Is it possible to determine the cycle of aid that reaches the region? For example, the source of aid in kind, its estimated cost before distribution, the distribution mechanism? Are any charges levied during the distribution? And where? Is aid distributed for free and without bias? Are there sales of aid or other kinds of commercial benefits from aid? Are those profiting from the sale of aid members of armed groups?
26. Is there any funding in the area for public service projects? How are these projects funded? How are the funds transferred and how are they spent and distributed? Has competition for funding led to further fighting? Have projects led to further conflict? For example, if the project was related to digging a well, was there competition to control this well after it was dug?
27. Is some of the funding for projects or services in the region channelled through a political actor? Or by an LAC that is linked to a political-party? Did funding lead to problems and divisions in the area because of this?
28. Is there a spread of stalls in the area? What do they sell? Is there is a large dealer who supplied the materials for the stalls?
29. Has there been any activity relating to the forging of documents and issuing passports etc.? Who is thought to be behind these activities? What is the estimated revenue generated by such activities?
30. Have any organizations requested detailed information in exchange for aid or funding for a particular project?
31. How would you describe any antiquities smuggling activities?
32. Can you talk about house thefts?
33. What are the activities that relate to trade in electric generators or alternative energy, such as solar energy?
34. Are there organized kidnapping operations? Are they for money? What is the value of the ransom being requested?

35. Is there a network that handles the transfer of money? What is the commission that these networks receive in exchange for converting a certain amount?
36. Are there tunnels in the area? What fees are being charged for sending goods or people through these tunnels?
37. If we assume that someone wants to provide support to revive the area and its people and get them out of aid dependency cycle, what are the kinds of support, projects or actions you propose to achieve this goal?
38. Are there other activities that are not mentioned here?
39. Can you please fill the table bellow about prices in your area (please specify the currency you use)

Material	Current price	Price before the crisis	Price in nearby area in Syria under different security control	The name of the nearby area
1 Litre of diesel				
1 Litre of petrol				
Bag of bread				
1 kilo of sugar				