

BTI 2016 | Syria Country Report

| | scale | score | rank | trend |
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| Status Index | 1-10 | 1.80 | # 127 of 129 | |
| Political Transformation | 1-10 | 1.70 | # 128 of 129 | ➔ |
| Economic Transformation | 1-10 | 1.89 | # 126 of 129 | ➔ |
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This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2016. It covers the period from 1 February 2013 to 31 January 2015. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

| | | | | | | |
|--------------------------|--------|------|--------------------------------|-------|----------------------|-------|
| Population | M | 22.2 | HDI | 0.658 | GDP p.c., PPP \$ | - |
| Pop. growth ¹ | % p.a. | 1.7 | HDI rank of 187 | 118 | Gini Index | 35.8 |
| Life expectancy | years | 74.7 | UN Education Index | 0.553 | Poverty ³ | % - |
| Urban population | % | 57.3 | Gender inequality ² | 0.556 | Aid per capita \$ | 166.4 |

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | UNDP, Human Development Report 2014. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.10 a day at 2011 international prices.

Executive Summary

The increasingly chaotic situation in Syria inevitably means there is little reliable data on the country. Syria has become nearly inaccessible for international organizations and media, and due to its fragmentation, it is difficult even for Syrians to travel and gain an overview. The situation varies from place to place and is volatile in the most conflict-ridden parts, especially in the north and around Damascus. It is evident, however, that in recent years, the situation has been deteriorating significantly.

In January 2014, the United Nations stopped counting casualties but last estimated in August 2014 that nearly 200,000 people had died in Syria as a result of the conflict since March 2011. More than ten million Syrians have fled their homes. Of these, nearly four million had registered as refugees in neighboring countries by January 2015.

Aside from the humanitarian tragedy, the country's infrastructure has been severely affected, which has had a massive impact on the economy. Economists have shown that it has become a war economy, setting Syria back decades in its development and making it increasingly dependent on financial and material support from its allies. The government lost control of its major oil fields and refineries, which are now being exploited by the Islamic State (IS) group, from which the government buys or exchanges oil. Tourism, the second most important source of income for the state before 2011, has ceased.

The government has lost vast swaths of territory, not only in the north, but in the east and south as well. Its control is most stable in Damascus and the coastal areas but was heavily contested along the Syrian-Lebanese border where it is still being challenged. The battle for Aleppo, Syria's most important industrial city, has wrecked business there and turned whole neighborhoods into rubble.

In these circumstances, it has become more difficult for the Syrian government to follow a politically consistent course and provide citizens in its territories with basic services and goods.

The government has not been able to broaden its support base, partly also because of its negligence concerning internally displaced persons (IDPs). By focusing on dealing with the uprising as a security issue, not a political question, the military effort has left little room for the government to take care of humanitarian affairs; it has not tried to create safe zones for civilians or formulate a clear policy to protect them. Fear has become an essential tool of governance in regime-held as well as the IS-controlled territories.

Overall, in government- as well as rebel-held areas, there is a widespread frustration and exhaustion, with no prospect of a change for the better. Local initiatives for ceasefires have seldom been sustained. At the same time, the international community was unable to turn the Geneva II conference of January/February 2014 into a success by the end of the BTI review period (January 2015), and U.N. Resolution 2139, adopted in February 2014 with the aim of ending barrel bombing and other major atrocities, has not been implemented.

In all territories, there are strong efforts either by the authorities or civilians to administer their respective areas, yet the compartmentalization in ever-smaller fiefdoms and the rifts among groups theoretically fighting for the same cause haunt government- and rebel-held areas alike. For the time being, it is hard to see how the de facto division of Syria will be undone and how a leadership acceptable to the majority could be identified and empowered.

History and Characteristics of Transformation

The constraints on a liberal transformation in Syria are rooted in its recent formation as a modern state. The post-independence rise of radical nationalism and populism among the middle class and peasantry destabilized the semi-liberal oligarchic regime, deterred investment and paved the way for the Ba’thist coup of 1963. This initiated a period of “revolution from above” in which nationalization of big business and land reform demolished the economic power of the old oligarchy, and gave the Ba’th state control of the levers of the economy.

The 1970 rise of Hafiz al-Assad to power ushered in the consolidation of the regime. Assad concentrated power in a “presidential monarchy” achieved by balancing the army, the Ba’th Party, a largely Alawi-staffed security apparatus and a new state-dependent private bourgeoisie appeased by limited economic liberalization. Additionally, a combination of repression, institution building, patronage and foreign policy legitimacy consolidated the state as a whole.

Political dissent was harshly repressed, particularly at the end of the 1970s when the Islamist opposition challenged the regime not only politically, but also violently. This uprising, mainly in the cities of Hama and Aleppo, was violently crushed and any kind of political and social activism came under scrutiny.

Apart from a few “tolerated” opposition movements such as the National Democratic Rally led by Hassan Abdul Azim, the regime arrested and oppressed political opponents and largely

depoliticized the population by random persecution. This caused a long-term weakness of the opposition which is one of the main hindrances to developing an alternative governance structure.

The exhaustion of Syria's statist strategy of development forced the regime to embark on several waves of "infatih," or opening up of the economy to private investment. However, these did not achieve sustained momentum, as pressures for reform were periodically relieved by rent windfalls from oil revenues and foreign aid. Syria's first infatih in the 1970s largely helped to recycle oil money, though under the second infatih, beginning in the mid-1980s, the private sector was accepted as a partner of the public sector. The private sector's share in production output, current investment, foreign trade, employment and GDP met and then exceeded that of the public sector. Intermarriage and business partnerships between the largely Sunni bourgeoisie and the state elite, dominated by the Alawi security forces, generated a "military-mercantile complex" that served as the core of a new upper class. The state initially pursued a policy of balance between the bourgeoisie and its earlier lower- and middle-class constituencies, steering a middle course between a populist statism and a decisive turn toward market capitalism that would risk social stability.

The transition of power from Hafez al-Assad to his son Bashar al-Assad in 2000 was the beginning of a third infatih. This opened up Syrian markets for new business opportunities which were mainly used to award privileges that garnered support for the young president.

The reforms – supported by Western countries – though limited, enhanced the social divide in Syria and contributed to political tensions. The regime had reneged on the "social contract" in order to bolster its legitimacy. The regime's patronage capacity was once contingent on state provision of subsidized food, jobs and supported farm prices, but between 2001 and 2011 there was an attempt to center it on granting market monopolies instead of access to state resources. The Ba'th Party turned into a patronage network largely excluded from real policy-making power. The resulting crony capitalist class grew in strength and acted in a rent-seeking manner, exploiting state-granted import monopolies and contracts that would be threatened by competition in a more open and transparent market. However, market measures have deepened, and the needs of investors prioritized. Syria wanted to follow the Chinese model, but the influx of Gulf-State capital investment into the tertiary sector and the continuing limited capacity for industrial exports have led many to see the regime slipping instead toward the Dubai model. While the Syrian revolution erupted as a popular uprising on political grounds and with freedom as its core demand, criticism of the government's crony capitalism was raised as early as the first protests in Dara'a in 2011.

In the long term, it is perhaps still more relevant that political repression was complemented with a stronger cooptation policy. Whenever civil society organizations (CSOs) addressed a topic of social or political relevance, the government would establish an organization of its own to deal with the subject and would refuse licenses for further CSOs. By preventing any kind of self-organized sociopolitical activity, it contributed to maintaining a state in which it was impossible for any group outside the regime itself to gather organizational experience – a substantial hindrance for any political transition.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

Question
Score

Before 2011, the Syrian government enjoyed an effective monopoly on the use of force. This was mainly enforced through the Syrian Arab Army (SAA), considered one of the biggest and best-equipped armies in the Middle East, and a complex system of intelligence services competing with each other in order to ensure none of them became too powerful. The all-pervasive control of the state's security institutions ensured that conflict would erupt only in isolated incidents and on a local level.

Monopoly on the
use of force

1

Conflicts in neighboring countries did not spill over, and when after 2003 more than one million Iraqi refugees moved to Syria, this also did not alter the security situation.

The beginning of the uprising took the regime and its security institutions by surprise. The events of recent years indicate that both the regime and the international community had been lulled into a false sense of stability and control.

As of early 2015, the Syrian Arab Republic formally still exists but is de facto divided into four kinds of areas: areas controlled by the regime (Damascus, the coastal area and the corridor in between), areas controlled by IS (mainly eastern Syria, Raqqa and Deir ez-Zor), areas controlled by the Kurdish Democratic Union Party (Partiya Yekîtiya Demokrat, PYD) (north-eastern Syria around Qamishli and Hassakeh), and territories controlled by other rebel factions (north-western and southern Syria, Aleppo and the area around Dara'a and Sweida).

The fighting between regime and opposition forces seems to be at a stalemate, with occasional minor territorial gains but without major changes. On the ground, battles take place mainly between IS and other rebel groups. There is also in-fighting among rebel factions. The regime focuses on air strikes in territories outside IS control.

The strongest monopoly on the use of force seems to be in IS- and PYD-controlled territories. Territories held by other rebel groups are often either contested or broken down into small fiefdoms. The Syrian regime has given up its monopoly on the use

of force by allowing or establishing militias, now called the National Defense Forces, and relying on Lebanese Hezbollah.

The conflict has become increasingly internationalized with the heavy influx of foreign fighters. The majority of foreign Sunni fighters join IS. Most of them come from Tunisia and other Arab states, but hundreds have also travelled from Europe.

Thousands of foreign fighters, mostly from the Lebanese Hezbollah, Iran and Iraq, are fighting in support of the Syrian regime. It seems the regime is becoming more dependent on them because it is exhausting the possibilities of recruitment within Syria and there are concerns about troop morale within the SAA. The International Institute for Strategic Studies in London stated in a report in spring 2013 that the Syrian armed forces had been reduced to half their size by death and defections, and that the regime questioned the loyalty of half of those remaining.

In the Kurdish territories, a provincial government has been established with local administrations. In territories held by other rebels, local administration is mostly in place. IS has left most rebel-established administration in place and focused its own efforts on running the justice and the education system according to their own interests.

The Syrian National Coalition was recognized in 2012 by many countries as representation of the Syrian people, but has become marginalized. It does not have a power base inside Syria and has also lost the initial (limited) confidence of the international community.

Syria has often been considered an artificial state, and yet identification with Syria as a nation seems to be considerable among the country's citizens. The Syrian regime forced the image of Syrian identity as part of an Arab identity, ignoring the Kurdish population native to Syria – something that is also reflected in the official name of the “Syrian Arab Republic.”

State identity
3

Over the past four years, the social fabric in Syria has been torn apart by the war. Divisions along sectarian and ethnic lines have become more pronounced. The regime has catered to the divide with an increasingly sectarian policy, and IS has exacerbated this in its rigorous and narrow interpretation of Islam, with beheadings and draconian punishments for those who do not follow its own ideology. This has drowned out moderate and democratic voices, and many representatives of the democratic uprising have been killed or forced to leave the country.

In the Kurdish areas, the PYD has successfully established itself as the most powerful party and has set up a local government.

The fragmentation of the country means that many Syrians, inside and outside the country, are denied the ability to exercise their citizenship rights. While IS threatens

the existence of the state as such, the regime is under sustained challenge by various groups and has responded accordingly with increasing brutality.

IS has proclaimed an “Islamic State” in parts of Syria and Iraq. The organization rejects the concept of Syria as a nation state. This was underlined by IS conducting the highly symbolic act of tearing down berms on parts of the Syrian-Iraqi border. Its aim, however, is not to break away parts of Syria and Iraq, but rather to control more of both territories.

The division of Syria seems to be a reality that will not be altered significantly any time soon.

Most of Syria’s history as a state has been characterized by secularism and the co-existence of different religions. After Hafez al-Assad seized power in 1970, it was in his interest to promote these values, as he himself was a member of the previously socially and politically marginalized Alawite group.

No interference of religious dogmas

4

Hafez al-Assad tried to control Sunni religious and political activities by establishing a kind of “official” Islam in Syria, with a Grand Mufti close to the regime and several organizations like the Sheikh Ahmad Kuftaro Center or the Qubeisiyyat for women. Through these, he sought to control Islamic trends in Syria and foreigners who came to Syria to study Islam.

With the beginning of the revolution, the regime pursued a double strategy of highlighting its secular nature while dismissing the opposition as “terrorists,” and warning against Islamists.

The first Islamist group to emerge in the uprising was Jabhat al-Nusra (The Support Front for the People of Al-Sham, JaN) in November 2011. It later split, with part of the group joining al-Qaeda in Iraq (AQI), which resulted in IS and JaN becoming competitors. While JaN is affiliated with al-Qaeda, the latter has disavowed IS as “too extremist.”

The proclaimed secular nature of the state has not prevented the regime from adopting sectarian rhetoric and behavior. It has been instigating fears of extremism and revenge to garner support, particularly among Syria’s minorities. IS and (to a lesser extent) JaN’s atrocities against minorities have significantly helped in this cultivation of fear.

Given the government’s loss of territory and the country’s division into areas controlled by different groups, basic administration has also fragmented. Each area is characterized by a lack of law and order, with criminal gangs mushrooming and increasing their activities in regime- and rebel-held areas, with the exception of the Kurdish territories.

Basic administration

1

Nationwide, citizens suffer from limited services, with access to these services being dependent on loyalty to the different administrations. With over 60% of the country’s

hospitals destroyed and many others only partly operational, it has become difficult for Syrians to get treatment. This affects not only those wounded in the conflict, but particularly those suffering from chronic diseases.

Satellite images of Syria at night display the severe lack of electrical power. This is also affecting citizens' access to drinking water, since electricity is needed for the water pumps.

Some cities, such as Deir ez-Zor, Qamishli and Hassakeh, are basically cut off from the internet, which means that communication with the outside world is possible only through satellite connections.

Both IS and the regime have pursued policies of seizing opponents' properties and re-distributing houses and goods to loyalists. Looting has been epidemic in areas that have been emptied in order to "secure" them, both when Homs was re-taken by the regime and in Damascus.

IS established Raqqa as its capital and focused on controlling the administration of the city. It is particularly interested in monitoring and re-shaping the education sector. It has forbidden co-education, narrowed down the curricula – forbidding subjects including philosophy, physics and chemistry – and closed some schools altogether.

Due to checkpoints and insecurity, transportation has become increasingly difficult. The bus transfer between the two parts of the divided Aleppo, for example, goes through the province of Hama and takes 14 hours.

Devastation, sieges and the deliberate policy of starvation in Yarmouk, Ghouta and other areas in Syria have left whole villages and parts of cities largely uninhabited, with unbearable conditions for the remaining citizens.

2 | Political Participation

Syrian elections were always closely monitored and did not match the standards of free and fair elections. Presidential elections are held every seven years. According to a change in the constitution in 2012, the president can be re-elected only once.

Free and fair
elections

2

The same amendments to the constitution lifted restrictions on the participation of different political parties in the elections. Party registration remains limited to those close to the Syrian regime.

The legal changes of 2012 thus have little practical relevance. The parliament's role is to rubber stamp government policies. The next parliamentary elections are supposed to take place in 2016.

Despite the fact that in large parts of the country it was not possible to hold elections, people were called to the ballots on 3 June 2014. Unlike in previous elections, there were three candidates instead of only one; however, Bashar al-Assad's competitors expressed loyalty to the president beforehand and did not stand a chance in the elections, won by Assad at 88.7%.

Before the revolution, Syrian elections gave the authoritarian regime a democratic façade, but they are now held to conceal the disintegration of the same regime's political power.

The constitution of 1970 gives the Syrian president a powerful role, backed by a single-party system in which the Ba'th Party was meant to be the main source of recruitment of political personnel. In reality, the heads of the different intelligence agencies in Syria enjoy considerably more power than the council of ministers, the latter being officially accountable to a (formally) elected parliament.

Effective power to govern

1

Even before the constitutional reforms of 2012, which officially allowed for the establishment of different political parties, there were some smaller parties present in the leading coalition in the parliament. There were also some illegal but tolerated Kurdish parties. The elimination of the leading role of the Ba'th Party in 2012 was considered a step forward, but the de facto relevance of the party had already declined – especially since Bashar al-Assad took over from his father in 2000.

In regime territories, it can be assumed that the power to govern lies with the president and advisers hand-picked largely from the security sector. Administrative positions have very little influence on political power and decision-making.

In the Kurdish areas, the Syrian branch of the Kurdistan Workers' Party (Partiya Karkerên Kurdistanê, PKK), the PYD, is the most powerful actor and has sought to bring a local government into existence. The level of involvement of the regime in these territories is not entirely clear, but the PYD traditionally had good links with the Syrian regime.

IS has a strictly hierarchical system of governance and has eliminated any other rebel forces from its territory. In other rebel-held areas, different groups perpetually compete for dominance. As such, the country has been divided into different administrative units with various groups controlling and governing contained areas of the country.

Martial law has been in effect since 1963, officially because of the continued state of war with Israel. The law governs the freedom of association and assembly, and forbids any gathering of more than three people. In the past, this was not followed to the letter but was invoked against any assembly when convenient. In March 2011, Bashar al-Assad announced its lifting. However, harassment and prosecution of citizens has not receded but increased since then, and legal backing is even less

Association / assembly rights

2

relevant for arrests and prosecutions. The regime has tried to crush the protests and continues to target assemblies in rebel-held areas with air raids. The daily death toll has increased continually. Nonetheless, there are still regular protests, and every Friday – the traditional protest day – has a political motto for the demonstrations.

IS acts in a similarly authoritarian way and wants to control and appropriate for itself any assemblies and associations.

Before 2011, freedom of expression in Syria was strictly limited. While Bashar al-Assad issued a few licenses for private media – only government TV channels and newspapers had previously been allowed – and introduced the internet, the media was tightly controlled. Only non-political or pro-regime publications could operate.

Freedom of
expression
2

Since 2011, what activists dubbed the “wall of fear” has fallen. People raise political demands in public protests, activists have established a number of revolutionary newspapers, websites and radio stations, and for those with access to the internet, social media has become a major means of exchange. Internet penetration remains limited and has been further curbed by the damage to infrastructure and the lack of electricity; however, it is being used much more effectively as a tool for communication.

The regime is not able to monitor communications as tightly as it did prior to the revolution, because of the sheer increase in volume. However, activists are held accountable for what they have said, written or shared. Yet the regime has increasingly engaged its own media to spread its own version of events, often distorted or reported out of context. In well-orchestrated TV programs, “terrorists” have to confess and re-enact their crimes.

In the territories controlled by IS, there is the same culture of observation and denunciation, and any expression of opinions differing from those of IS can be lethal.

3 | Rule of Law

The separation of power granted in the Syrian Constitution has never been implemented. As early as 2011, the regime gave up on its monopoly on the execution of power by allowing pro-regime militias, the “shabiha,” to operate freely. The shabiha behave like criminal gangs. By 2015, most of them had been incorporated into a kind of “civil defense” group called the National Defense Forces, but without formal training or accountability.

Separation of
powers
2

In rebel-held areas, the groups in control make up their own rules. Legal structures are weak, lack checks and balances, and are thus open to any kind of abuse. There is no legal security for citizens anywhere in Syria.

The Kurdish areas have developed the closest approximation of formal political institutions and a legal system. The three main areas that make up the administrative architecture of Rojava or western Kurdistan are slowly being brought together under common rules, norms and laws, and while no intention to split from Syria has been stated, an autonomous union is planned. A document called the “Rojava Constitution,” described as a “social contract” among citizens of the Kurdish areas, outlines a parliamentary democracy with pluralism and equal rights for men and women.

The Syrian judiciary was never independent and has, with the developments of the Syrian uprising, become still more politicized, both in regime areas as well as rebel-held territory. There are committees of lawyers who attempt to uphold at least a minimal standard, but this process is restricted by the country’s division into ever smaller entities with diverse actors all interested in executing power.

Independent
judiciary

2

Vast numbers of arrests have led to overcrowded prisons. Many detainees are kept for considerable periods of time in detention centers where access to lawyers and contact with their families is rarely possible. There is no clear time frame for trials, which makes defense and appeal extremely difficult. Torture has become much more widespread, especially since 2012, more often with lethal consequences. The independence of the judiciary is growing ever weaker because of increasing corruption. IS claims to practice Shariah law in its territories, yet there are no transparent procedures and courts. Jurisdiction is therefore politicized and its execution arbitrary. This increases the overall level of violence in Syria and is an obstacle to the establishment of rule of law.

Officeholders who break the law are prosecuted only for political reasons, if at all. Abuse of office was always common in Syria; citizens were aware that privileges and access to services was dependent on loyalty to the regime, and they were aware that for most official business they needed to have “wasta” – connections – or to bribe the respective officials.

Prosecution of
office abuse

1

Bashar al-Assad’s partial opening of the Syrian market generated new businesses. The most lucrative possibilities were reserved for those close to the president, who used them as a tool of patronage. The socioeconomic cleavage between the Syrian political elite and the average citizen became ever more visible. Politics and economics merged closer together, which also opened the system up to more abuse of office.

The initial demands of the protesters – long before they demanded the fall of the regime – were therefore accountability and an end to corruption, particularly the endemic corruption of the president’s cousin Rami Makhlof. People called for a “revolution of dignity” because of the blatant violations of citizens’ rights.

As a consequence of the war, both economic needs and opportunities for corruption have increased. One of the most lucrative sidelines for members of the security apparatus is accepting money from young men seeking to avoid military service, and taking bribes to set prisoners free on an unofficial bail – the latter often amounting to several thousand dollars for one detainee, who afterward runs the risk of arrest by any other security branch.

Civil rights, always limited by the authoritarian nature of the state, came under severe pressure after March 2011. Random detentions and harassment by ethnic or religious background, or supposed political sympathies, became endemic. The government enacted anti-terrorism laws (Laws 19, 20 and 21) on 2 July 2012 that make giving medical support to regime-critical persons a criminal offense. According to the U.N. Human Rights Council, these laws “contravene the customary international humanitarian law rule that under no circumstances shall any person be punished for carrying out medical activities compatible with medical ethics, regardless of the person benefiting therefrom.”

Civil rights

1

The level of violence in detention centers and prisons has increased. Tens of thousands have “disappeared” at the hands of the security services. At the beginning of 2013, the bodies of hundreds who had been executed in a prison outside Aleppo could be seen in the waters of the river Queik as it flowed through the city.

In early 2014, a former employee at a regime prison who chose the pseudonym Caesar smuggled out more than 50,000 photos he had taken on behalf of the regime at the military security branch. The pictures showed around 11,000 people tortured to death by the Syrian intelligence services, who sought to catalogue the crime meticulously. International criminal prosecutors who analyzed the material and confirmed its authenticity spoke of “killing on an industrial scale” taking place in Syrian detention centers and prisons.

The regime stated it “had implemented a series of measures aimed at holding accountable those involved in war crimes and had taken legal action against them.” It was not obvious, however, whether it meant to address the crimes of officeholders.

Russia and China vetoed a referral of Syria to the International Criminal Court in the U.N. Security Council in May 2014.

A number of gruesome videos released by IS documented the execution of hundreds of regime soldiers, of prisoners and opponents. IS openly persecutes religious minorities, most prominently the Yazidis and Shi’ites; however IS’s narrow interpretation of Islam also excludes most Sunnis.

IS has also released pictures of what it claims are executions of homosexuals.

There are many reports of sexual abuse of men and women in regime prisons and of sexual violence being used as a weapon of war. IS enforces marriages, frequently with underage girls, as a “reward” for fighters and in order to foster its local position. Children are also abused as soldiers.

4 | Stability of Democratic Institutions

Formerly, Syria had all the institutions necessary for a democratic state. The authoritarian and corrupt system has prevented them from functioning in a democratic and transparent way. The parliament does not hold real powers. Most of its seats are reserved for the coalition of parties surrounding the Ba’th Party, and the parliamentary opposition hardly differentiates itself from that coalition. The parliament has long had a rubber-stamp function, with parliamentary elections being held to give Syria the appearance of a democracy. During the crisis, this function has changed slightly: the 2012 elections reiterated the government’s narrative of normalcy in Syria, and the parliament has also been used as a forum for the president’s speeches to demonstrate the level of support he enjoys.

Performance of democratic institutions

1

After March 2011, Bashar al-Assad initiated minor reforms. His inner decision-making circle was severely affected by the “crisis room bombing” in July 2012, which killed some core members. Still, the heads of the security services and the military are the key domestic players under Assad, and both are increasingly dependent on external support and advice.

The only entity to have created a similar institutional structure are the Kurdish areas which, in the provinces in the north, are least affected by the conflict. IS relies more on administration and a hierarchic rule, and in other rebel areas, the units are mostly too small for institutions other than local councils.

On coming to power, Bashar al-Assad signaled an openness to democratic transition that failed to materialize. Reforms took place instead in the economic rather than the political sector. His reconsideration of political reforms in 2011 had no significant effect on political power or the autonomy of state institutions. The commitment to democratic institutions is therefore low in Syria.

Commitment to democratic institutions

1

The opposition has not managed either to establish democratic institutions on a larger scale. CSOs and activists keep pushing for democratic procedures and have succeeded on the local level. However, they are disillusioned by the proceedings within the National Syrian Coalition, which was supposed to be the representative body of the Syrian opposition but lacks credibility, internal backing and external support.

5 | Political and Social Integration

Even after the tacit opening up of the party system, intended to steer Syrian politics away from the single-party system provided for in the 1970 constitution, all parties registered in Syria are loyal to the regime as well as the Ba'th Party.

Party system
2

The 2012 elections, which happened after the constitutional changes induced by the Arab Spring, resulted in 134 seats for Ba'th, 34 seats for the other parties cooperating under the umbrella of the National Progressive Front (NPF), 77 for independents and only five for the new opposition parties, the Syrian Social Nationalist Party (SSNP) and the People's Will Party, which were both united in the joint Popular Front for Change and Liberation (PFCL) under Jamil Qadri.

In the Kurdish-controlled Rojava areas, two main political parties dominate the picture, the powerful PYD, which also resorts to militancy, and the Kurdish National Council (KNC), a conglomerate of several smaller Kurdish parties.

In the rebel-held areas, no party has traction, which is partly due to the different militias controlling the scene. The continued reality of war against IS as well as among rebel groups, and the air raids of the Syrian regime have not allowed the development of fruitful political processes.

Before 2011, the government strategy for aggregating interests was to forbid CSOs or to coopt them. It established the Syria Trust, run by the first lady Asma al-Akhras.

Interest groups
2

Since the beginning of the Syrian revolution, many CSOs have emerged. A 2015 study by the Friedrich Ebert Foundation and Badael mapped 94 CSOs in northern Syria, which, given the circumstances under which they are operating, is a considerable number. However, their radius of action is limited and so is their constituency. CSOs are also hampered by a lack of financial resources and other institutional capacities.

The dire socioeconomic conditions are a hindrance to civil society activism, but at the same time, CSOs take on many tasks that would normally be dealt with by the government. Therefore, the organizations are particularly relevant in this situation.

Prior to 2011, no opinion surveys were available for Syria. Given the de facto division of the country and the state of outright war as a major hindrance to polling, there is still no data to assess the commitment to democratic values.

Approval of
democracy
n/a

It is remarkable, however, that four years into a violent crackdown there are still regular protests, activists and organizations continue their activities, and, for example, in the city of Kafranbel – known for its witty internet commenters – connection to the outside world.

2011 and 2012 were characterized by a new level of trust among citizens of a similar outlook. People dared to speak their mind more freely and with the increasingly difficult situation in 2012, many citizens were also involved in support networks for the provision of food, underground hospitals and schooling where government services ceased.

Social capital
2

This changed with the further militarization of the conflict, when militias on the rebel side as well as the regime side kidnapped co-citizens for ransom, and the social fabric weakened following massive migration. Sectarianism has further eroded trust among Syrians.

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

During the last two years, the deterioration of the socioeconomic situation in Syria has drastically accelerated. According to the Damascus-based Syrian Center for Policy Research (SCPR), the total economic loss (composed of the total GDP loss, the damage to capital stock and the increase in military expenditure) attributable to the conflict amounts to \$143.8 billion. This equals 276% of the Syrian GDP in 2010. The economic loss which occurred in the last quarter of 2013 alone amounts to roughly \$15 billion – which is almost as much as the economic loss for the entirety of 2011 (\$16.8 billion).

Socioeconomic
barriers
1

As the SCPR calculates in its Socioeconomic Monitoring Report, Syria has now joined the countries of “low human development” in the HDI, scoring a meager 0.472. This assumption is built on the latest ranking in the original 2013 Human Development Report, which ranked Syria’s HDI at 0.658, putting it at rank 118 in the group of countries with a “medium human development.”

In any case, the Syrian economy is undergoing a fundamental restructuring as a result of the persistent conflict and the destruction of both productive capital and infrastructure it engenders. Thus, the agricultural sector is becoming increasingly important in generating wealth. Elevated by the seasonal peak in the second quarter of 2013, agriculture accounted for some 40% of GDP. This share decreased again to no more than 17% of GDP in the subsequent quarter, but it nevertheless illustrates the extent to which the conflict has altered the pattern of economic activity in Syria.

Additionally, the SCPR states that up to 90% of industrial enterprises have closed down in the main conflict areas such as Aleppo, while the remaining industrial enterprises operate at 30% capacity. This constitutes an important factor in the decline

of supply of domestically produced goods and the associated drastic increase in prices for basic commodities.

Accumulative inflation is estimated at 173% according to an article published by the Syrian Economic Forum, and the Consumer Prices Indices issued by the Syrian Central Bureau of Statistics (SCBS) in May 2014 show that the overall price level has increased threefold since 2010.

Poverty now affects 75% of the population and unemployment has risen to an overall rate of around 54%.

The continuing violence is considerably changing the structure of the political economy in Syria as the remainders of capital and productive capacities are often used to further conflict-related economic activities. This has led to the development of what the Syrian economist Jihad Yazigi calls a “war economy,” with the newly developing socioeconomic structures creating incentives for some individuals and groups to prolong the conflict.

Apart from the devastating economic impact, the protracted conflict has led to an aggravation of the socioeconomic divide between regime-controlled areas and the regions held by the various opposition forces. By thus undermining both the capacities of economic recovery and societal cohesion, the four years of Syrian crisis have cost the country four decades of human development.

| Economic indicators | | 2005 | 2010 | 2013 | 2014 |
|---------------------------|----------|---------|--------|--------|------|
| GDP | \$ M | 28859.0 | - | - | - |
| GDP growth | % | 6.2 | - | - | - |
| Inflation (CPI) | % | 7.2 | 4.4 | - | - |
| Unemployment | % | 9.2 | 8.4 | 10.8 | - |
| Foreign direct investment | % of GDP | 1.7 | - | - | - |
| Export growth | % | -1.5 | - | - | - |
| Import growth | % | 26.0 | - | - | - |
| Current account balance | \$ M | 299.0 | -367.4 | - | - |
| Public debt | % of GDP | 50.7 | 30.0 | - | - |
| External debt | \$ M | 5582.8 | 5263.1 | 4752.9 | - |
| Total debt service | \$ M | 566.5 | 626.3 | 0.9 | - |

| Economic indicators | | 2005 | 2010 | 2013 | 2014 |
|----------------------------|----------|------|------|------|------|
| Cash surplus or deficit | % of GDP | -5.0 | - | - | - |
| Tax revenue | % of GDP | 13.8 | - | - | - |
| Government consumption | % of GDP | 13.7 | - | - | - |
| Public expnd. on education | % of GDP | - | - | - | - |
| Public expnd. on health | % of GDP | 2.1 | 1.5 | 1.5 | - |
| R&D expenditure | % of GDP | - | - | - | - |
| Military expenditure | % of GDP | 5.0 | - | - | - |

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | International Monetary Fund (IMF), World Economic Outlook, October 2015 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2015.

7 | Organization of the Market and Competition

Three years of conflict have left the Syrian economy in a state of devastation, and the protracted conflict and deteriorating security situation place a strain on private business activities. The erosion of the middle class in particular will have a serious impact on the country's capacity to recover from the conflict. As a result, the Syrian economy is undergoing fundamental structural changes which are taking the form of a veritable "war economy" according to Syrian economist Jihad Yazigi. Wealth is accumulated by individuals and groups via informal, and often illegal, economic activities such as smuggling, looting and kidnapping. This entails a shift of both economic and political power, which in turn renders the solution of the conflict more difficult since these groups and individuals have an interest in prolonging it. In this respect, the protracted conflict has not only impeded, but even reversed the trend towards marketization which had marked the decade since 2005.

Especially in regime-controlled areas, the last two years have seen an increase in state intervention pursuing a double objective: on the one hand, the interventions aim to mitigate the country's economic decay, and on the other hand, they serve as a source of political legitimization for the regime. The government is maintaining its efforts to provide the market with goods and supplies, financed to a large extent by the extension of external credit lines from Iran and Russia.

Moreover, with state revenues continuously declining after the loss of oil wells to IS and other rebel groups, the regime has growing difficulties in funding the war it wages. Thus, it maintains a policy of raising prices, in particular for oil and fuel products. In October 2014, the price for a liter of petrol was raised from SYP 120 to

Market-based
competition
2

SYP 140, whereas oil for agriculture, transport and domestic heating increased from SYP 60 to SYP 80. This has placed enormous stress on national reserves.

At the tenth conference of the Ba’th Party in 2005, the Syrian government published a series of recommendations on the future of the country’s economy, which also included initiatives on liberalization. According to Samer Abboud, “a series of policy and institutional shifts initiated since 2000 suggest that Syria has committed to initiating a structural transition away from a centrally planned to a market oriented economy.”

Anti-monopoly
policy
2

Legislative initiatives such as the establishment of Law No. 7 (2008) concerning the Act of Competition Protection and of the Syria Competition Commission can be regarded as elements of this gradual policy shift.

However, these initiatives show very little actual effect. Syria’s economy is still marked by state interference in pricing, preferential treatment of public companies and a restrictive environment for the creation of new businesses. Especially since the beginning of the conflict, the central government has tried to stabilize prices by directly interfering with economic activities.

This has mainly led to an immense increase in consumer prices, worsening the situation for the population. This is most tellingly illustrated by the fact that the central government even prohibited the sale of subsidized bread in Damascus restaurants at the beginning of 2014. In this context, economic expert Nidal Taleb argues that “the Syrian markets are witnessing a state of monopoly due to the crisis on one hand, and the absent role of control institutions involved in customer’s protection on the other.”

Moreover, public financial support for business initiatives follows a highly selective pattern. According to The Syria Report, for example, the Syrian Investment Agency licensed an average of five new projects every month until September 2014, most of which involved manufacturing in “safe areas” of the country.

The share of subsidies and transfers in the central government’s expenditure also increased to 72% of GDP in 2013 as compared to 3.5% of GDP in 2010, according to the SCPR.

The nepotistic character of the country’s economy is another obstacle to free and fair competition. Business tycoon and cousin of President Bashar al-Assad, Rami Makhlouf, owns 40% of the state mobile company Syriatel and holds important shares in companies such as Cham Capital, Syria’s largest holding.

An evaluation of Syria's foreign trade relations has become increasingly difficult given that the majority of institutions issuing data on trade – such as the WTO, the World Bank, and the World Economic Forum – do not include any information about Syria in their publications.

Liberalization of
foreign trade
2

According to the 2015 Index of Economic Freedom published by the Heritage Foundation and the Wall Street Journal, the overall tariff rate imposed on imported goods and services amounts to 6.1%. If non-tariff barriers are taken into consideration, the simple average of most-favored nation (MFN) applied tariff rates on all products must be estimated at 16.5% of the import value, as stated by World Tariff Profiles 2014, issued by the WTO, the International Trade Center and the U.N. Conference on Trade and Development.

For the first time since the outbreak of the conflict in 2011, Syria resumed the export of goods and services in 2014. Exports have increased by 1.8% according to estimates of the Economist Intelligence Unit (EIU), and are even forecast to reach 3.1% in 2017. The central government further tries to revive international trade by actively pushing for membership in the customs union between Russia, Kazakhstan and Belarus.

The slight upturn in the country's international trade activities parallels information issued by the central government concerning legislative efforts to facilitate international trade by opening up e-commerce: in March 2014, the government issued a law allowing business agreements to be concluded through electronic transactions. Considering, however, that the extensive system of international sanctions which have been imposed on the regime also include the prohibition of financial transactions, it is highly questionable whether the above-mentioned initiative will contribute to the economy's upturn.

Additionally, Syrian exports still have a rather narrow geographical extension. According to the Syrian Arab News Agency (SANA), 69% of Syrian exports go to Arab countries (in particular Egypt, Jordan and Lebanon). These figures are, however, broken down by the EIU, which states that almost 60% of Syrian exports go to Iraq alone, while a more accurate total of 82% go to Arab countries (including the United Arab Emirates, Saudi Arabia and Kuwait). Syrian export goods mainly comprise textiles, food products and olive oil.

These restrained steps toward trade liberalization, however, are taken in a tense overall economic context showing a total trade deficit reaching 47% of GDP in 2013, according to the SCPR. SCPR figures, however, are in sharp contrast to those issued by the EIU, which estimate the deficit in Syria's current-account balance at only 12.2% of GDP in 2014.

As a consequence of the leveling-out of Syria's economic downturn, it seems that the resumption of international trade relations is a reaction to explicit foreign interests in

the country's reconstruction, so the past two years have witnessed the development of new economic alliances. For example, a \$90 million deal over the exploration and production of oil in the Mediterranean Sea was concluded between the Russian company Soyuzneftegaz and the Syrian Oil Ministry in December 2013. In December 2014, the cabinet also ratified a cooperation agreement on customs with Russia which had been signed in October of the same year. These new economic alliances also include business activities between Syria and Latin American countries, with Venezuela playing an important role in providing the central government with crude oil supplies.

Syria's banking system can generally be described as closed. There are currently 21 banks operating in the country, 11 of which are privately owned.

Banking system
3

Since the authorization of private banking in 2004, the sector has grown significantly. The share of private banks' assets in the overall banking sector increased from 13.0% at the end of 2006 to 30.4% in 2010.

However, the government retains a comparatively high control over private banks given that foreign ownership of private financial institutions may not exceed 60% of the bank's capital. The Syrian banking sector is controlled by the Credit and Monetary Council which was established in 2002, and which enjoys extensive supervisory prerogatives in cooperation with the Central Bank of Syria (CBS). Nonetheless, 2014 has seen efforts to restructure state-owned banks. The government is exploring the possibility of transforming these banks into joint stock companies owned by the state, ultimately seeking to ensure a better supervision of both public and private banks by the CBS, and to attract domestic and foreign investment.

The four years of conflict have put the banking sector under immense pressure. According to a report published by the Carnegie Middle East Center in early 2015, customer deposits in Syrian private banks decreased by 73% to \$3.0 billion between the end of 2010 and September 2013. In parallel, total assets of public banks were at approximately \$31.6 billion in 2010, and have dropped to probably less than \$4 billion as a mere result of the depreciation of the Syrian pound. An assessment of the crisis' impact on public banks is, however, difficult since public banks do not disclose their financial results. According to the same report, Syrian public banks are most likely undercapitalized by international standards, since the capital does not include the foreign currency buffer to which private banks have access.

However, CBS imposes a minimum capitalization of SYP 10 billion on conventional banks and SYP 15 billion on Islamic banks. Setting absolute amounts regarding minimum capitalization inhibits competition in the banking sector and does not correspond to international Basel standards, which calculate minimum capital requirements on the basis of risk.

In order to buffer the consequences of the financial decline on consumer prices and enterprise, the CBS seeks to directly interfere in business activities via its monetary policies. Central Bank Governor Adib Mayyaleh “asked businessmen to resort to licensed banks to procure their funding needs” in September 2014, as reported by SANA. These banks issue foreign currency at the price fixed by the CBS, which is usually lower than that in unofficial markets.

8 | Currency and Price Stability

The Syrian government has shown an interventionist stance not only in the domain of monetary policy, but also to curb and contain inflation. It maintains subsidies for fuel derivatives, thus seeking to stabilize prices and enhance the purchasing power of households. During the nadir of economic contraction in 2013, the government opened certain outlets which directly sell a range of imported commodities at their actual import price so as to alleviate the effects of inflation on the population. A closer look at the budget for 2015 reveals that the state’s intervention in the economy will not end: according to research by the EIU, the central government has allocated \$5.8 billion in subsidies on fuel and foodstuffs.

Moreover, foreign exchange policy is often used as a political instrument. The state-owned Tishreen newspaper reported the sale of EUR 3.6 million to the price of SYP 135 to \$1 in May 2013. The CBS explicitly declared this to be “a part of a strategy to interrupt foreign currency prices and to keep the price of the Syrian pound stable.”

Taking the official figures issued by the SCBS as a reference point, the Syrian Economic Forum states that the accumulative inflation rate reached 173% between 2010 (i.e., before the outbreak of the crisis) and 2013. Another report by the American economist Steve E. Hanke from the CATO Institute even estimates the country’s inflation rate to have reached 200%. According to the SCBS, the CPI for all commodities reached 308 in May 2014 (compared to 2010). Here as well, the regions held by the different rebel groups and especially those where fighting continues unabated (Aleppo, Dara’a, Deir-ez-Zor) are even more significantly hit. The fact that the most basic living necessities are most affected by the general increase in the costs of living poses a supplementary strain on the population. The CPI for bread and cereals reached 364 in May 2014, while that for eggs, yoghurt and cheese even climbed to 500 in the same month, meaning that the prices for these commodities had increased five-fold since 2010. Electricity, oil and gas have also become considerably more expensive, with a CPI at 387 in May 2014.

This drastic inflation has incited the CBS to adopt an interventionist stance in order to stabilize the Syrian pound. This was further corroborated by a Legislative Decree

Anti-inflation /
forex policy

1

issued in 2013, which declares the Syrian pound to be the only legal currency for economic transactions.

The EIU, however, paints a slightly less drastic picture. After an inflation peak of 139% in May 2013, the EIU expects the inflation rate to have dropped to an average of 26% in 2014, and to level out to an average of about 17% in 2015. The fact that overall inflation will probably remain high is a combined result of the Syrian government's reduction in fuel subsidies, persistent shortages in the supply of basic commodities and the weakness of the Syrian pound.

Regarding the overall stability of Syria's economy, the protracted conflict seriously impedes the country's economic performance as well as the prospect of economic recovery.

Macrostability
2

Public debt reached 126% of GDP in the last quarter of 2013 according to research carried out by the SCPR. Even though this debt is still mainly domestic, the state budget shows a growing share of foreign debt due to the necessity of importing basic goods. These imports are mostly financed through credits from Iran. Government expenditure has also significantly risen, reaching 40.3% of GDP in the last quarter of 2013. As a consequence, the central government's budget deficit amounted to 30.7% in the last quarter of 2013 as compared to 2.2% in 2010. This means that in the four years of conflict, the government's budget deficit has increased fifteen-fold.

However, subsequent to a recent decline in government expenditure – which is supposed to decrease from an average of 17.5% of GDP in 2013 to an average of 13.7% of GDP in 2015 according to the EIU – the central government is expected to reduce its budget deficit from 12.9% of GDP in 2013 to 9% of GDP in 2015. Despite these efforts to achieve fiscal consolidation, net public debt reached 62.2% of GDP in 2014, and will further increase to attain 74.7% of GDP in 2016. The growing debt burden also adversely affects Syria's long-term interest rates, which are expected to increase from an average of 16.0% in 2013 to an average of 18.0% in 2016, according to the EIU. This reflects both the erosion of trust in the Syrian economy as well as the dismal outlook for economic recovery.

9 | Private Property

According to the SCPR, the last two years of conflict have seen massive destruction of private and commercial property, especially in the real estate sector. Moreover, the destruction of property documents constitutes a further threat to the protection and maintenance of private property.

Property rights
3

On the 2013 Index of Economic Freedom issued by the Heritage Foundation and the Wall Street Journal, Syria obtained a score of 20 out of 100 in the field of property rights, rating the protection of these rights as well as law enforcement among the

worst in the world. According to the Index, “the legal framework to date has been inefficient, and protections for private property rights have not been strongly enforced.”

This is illustrated by reports on opposition websites such as All4Syria, according to which the regime has resorted to confiscating private property as a means of covering its budget deficit.

Moreover, as Fayeza Sara argues in an article for al-Sharq al-Awsat, the confiscation of property has equally been a method for excluding certain opposition individuals or groups from the Syrian society as a whole, thus exercising political pressure by economic means.

Private enterprise in Syria was mainly organized in small-sized enterprises which developed out of and evolved around family structures.

Private enterprise
3

Even though government officials underline the importance of the private sector as “complementary” to the government’s role in developing the Syrian economy, the general entrepreneurial environment remains highly restricted. The Doing Business 2015 report issued by the World Bank Group, ranks Syria 175 out of 189 economies in terms of business environment, highlighting the extremely low density of new businesses as a result of the overall imposed restrictions.

The protracted conflict has seriously impeded the development of private enterprise, mainly due to the continuous strains on the banking sector, the destruction of capital stock and productive capacities as well as the endangerment of private property as a consequence of the emerging war economy.

In this respect, the banking sector struggles to cope with the losses incurred by the divestment of assets and capital flight. The interplay of two mutually reinforcing developments – a decaying environment for private business on the one hand and an eroding financial sector on the other – constitute the basis of a broader, more fundamental transformation of the country’s socioeconomic structure, since many businesspersons who succeeded in re-organizing their activities outside Syria may not return after the end of the conflict.

10 | Welfare Regime

The protracted conflict has had disastrous impacts on both social security and social cohesion. According to the Syrian Ministry of Social Affairs, the number of IDPs reached 5.7 million at the beginning of 2013. This corresponds to around 23% of the country’s population. Other sources such as the U.N. Office for the Coordination of Humanitarian Affairs (UNOCHA) and the Syrian Arab Red Crescent estimate the number of IDPs between 6.4 and seven million. On a long-term scale, this internal

Social safety nets
1

displacement poses a significant threat to social cohesion since it is likely to aggravate existing divisions between economically rather well-performing centers and the comparatively poor rural periphery, as well as potentially generating new center-periphery fault lines.

Even though health expenditure by the central government has increased to 3.4% of GDP in 2012 according to the World Health Organization (WHO), access to health care services and medical treatment has become extremely difficult. According to estimations by the SCPR, around 90% of the pharmaceutical manufacturing industry has been disrupted and 45% of public hospitals are out of service. In its 2015 Syria Response Plan, the WHO estimates a financial requirement of over \$116 million to continue to provide medical treatments and improve access to health services across the country. Frontline areas of the country, especially in the north, have been most affected by the health crisis. The disastrous medical situation is further aggravated by the regime preventing the treatment of dissidents in hospitals. In addition to that, it has become a criminal offense to work as a doctor or nurse in field hospitals.

The disastrous medical situation aligns with the overall drastic increase in poverty. The SCPR states that 75% of the Syrian population lived in poverty as of the end of 2013, with 54.3% living in extreme poverty. The impact of this development on social cohesion is all the more worrying given the uneven distribution of that poverty, with the middle and southern regions being more severely hit.

This increase in poverty could not be mitigated even in the light of an increase in international aid. The financial volume of emergency response funds (ERF) disbursed inside Syria has increased from approximately \$5 million in 2012 to \$12.5 million in 2014 according to UNOCHA. However, aid delivery is still extremely difficult and its distribution throughout the country remains disproportional among regions, with more than 85% of food aid and more than 70% of medicine supply reaching the government areas, according to the United Nations. The uneven distribution of international aid risks further aggravation of the socioeconomic divide of the country. Thus, in his Report on Security Council Resolution 2139, U.N. Secretary General Ban Ki Moon urged the U.N. Security Council to enable a delivery of humanitarian aid even without the regime's consent in May 2014. Resolution 2165 was passed in July 2014, and the first U.N. aid convoy reached Syria in the same month.

In addition to this, more than half of the Syrian population has become unemployed. According to the SCPR, the unemployment rate reached 54.3% at the end of 2013. Here too, the distribution of unemployment throughout the different governorates reflects the intensity of the conflict in the different regions of the country: the regions who suffer most from the conflict are also the most severely affected by the rise in unemployment, a development which further aggravates the discrepancies between center and periphery and undermines societal cohesion.

Equal opportunities for citizens have not improved. Even though the population growth rate has seriously declined as a result of the conflict, reaching -5.2% at the beginning of 2013 according to the SCPR, the increase of poverty and unemployment will adversely affect social equality.

Equal opportunity
2

Employees in the public sector are still privileged over those working in the private sector. Even though there have been continued reports of cuts and shortfalls in salary payments for public employees, the central government issued a decree in June 2013 that increased the monthly salaries of state, civil and military employees. This is critically important because the state sector remains one of two essential pillars of the economy (along with agriculture) and underpins the regime's social control.

Historically, Syria's demographic-political map is divided between various groups: Alawites, Sunni, Druze, Christians and Kurds. The last 50 years have to a considerable extent been marked by sectarian discrimination, with the central government nevertheless being able to maintain overall peace.

However, given that social cohesion among these groups has gradually eroded over decades, a dialogue on how power will be divided and shared among these civil groups in the future will be crucial for Syria's social recovery.

In an article written for the Syrian Observer, Yahya Alaous states that during the first two years of the conflict, the regime actively pushed minorities to adopt its official discourse so as to represent itself as the defender of their cause. However, it has not succeeded in transforming them into active militias.

In consequence, the regime shifted its strategy toward winning the support of armed groups such as Hezbollah and Iraqi Shi'ite militiamen. According to reports by the Syrian Observer, the regime has granted Syrian nationality to members of these groups, thereby seeking to change demographics to the detriment of Sunnis.

Regarding the socioeconomic status and opportunities of women, Syria was classified as a country with a "very high" discrimination against women. It reached a score of 0.42 in the 2014 Social Institutions and Gender Index (SIGI), meaning that women are exposed to considerable restrictions in the domains of employment opportunities and civil liberties, as well as subject to discriminatory legislative framework.

Moreover, in December 2014, the U.N. Population Fund (UNFPA) stated that "women have become more vulnerable to exploitation as they are socially, psychologically and economically insecure."

As a result, women are also marginalized in political life. According to the Inter-Parliamentary Union, women's parliamentary participation stood at 12% in 2011, compared to an average of 14.9% in the Arab world.

Women have nevertheless played an important role throughout the political uprising, especially by working as nurses in underground hospitals. This work has, according to individual testimonies, often fostered exchange of ideas and, by consequence, political sensitization and empowerment of women.

In addition to this, even though women have been among the most prominent actors of political contestation since 2011, they are also facing exclusion by the different opposition forces. Only three women were selected to serve on the National Coalition, the biggest opposition umbrella group, according to the news website Syria Deeply.

However, following the initiative and support of the United Nations, women try to remain active in the political process, as shown by the “Syrian Women’s Joint statement on the Engagement in the Syrian Political Process” which was published in January 2014.

11 | Economic Performance

It is important to understand that the majority of available data about the Syrian economy’s overall output strength is issued by the regime. As a result, it has to be read with utmost critical distance and only applies to regime-controlled areas, with no reliable data available for regions under opposition control.

Output strength

2

The value of the Syrian pound has continuously depreciated throughout the last two years. In this general context of currency instability, the CBS has maintained its policy of direct interventions in order to stabilize the Syrian pound. The most telling instance was the issuing of Legislative Decree No. 54 (2013), which states that the Syrian pound is the only legal currency for economic transactions with Syria. This was meant to prevent dollarization of the economy and a collapse of the Syrian pound. In addition to this, the central government in March 2014 also moved to stop banks in Syria from issuing loans so as to preserve cash liquidity.

Moreover, deposits have stopped in almost all banks, and losses are severe for private financial institutions in particular. According to Adnan Abdulrazzak of the Syrian Observer, during the last three months of 2013, Jordan-Syria Bank losses reached SYP 850 million. Similarly, the Bank of Syria and Overseas losses reached SYP 400 million.

On 20 January 2015, \$1 cost SYP 215, while the black market rate amounted to SYP 214 for one dollar, as reported by the opposition website Siraj Press. In comparison, the official rate fixed by the CBS was at SYP 184 for \$1.

Furthermore, with oil exports having come to an almost complete halt according to the EIU, Syria has lost its main source of income. Before the outbreak of the conflict,

oil sales accounted for around 25% of state revenues. In addition to this, the Syrian economy loses approximately \$2 million per day because the majority of the country's oil wells are controlled by IS. The SCPR states that non-oil tax revenues had shrunk to 7.9% of GDP at the end of 2013, as compared to 9.4% in 2010.

State revenues are now mainly generated by the two major mobile phone companies. In order to procure supplementary income, the government has also started to collect overdue tax receipts and increased the fees for school exams, as the EIU reports. Moreover, there have been no inflows in FDI to the Syrian Arab Republic since the first year of the crisis (2011). No FDI outflows have been tracked, either. Syria's outward FDI stock amounted to \$420.6 million in 2012 according to the International Trade Center, with no further information available for the years 2013 and 2014.

The central government is increasingly dependent on external financial support, which is mainly provided by Iran and Russia. A \$7 billion credit line has been granted by Tehran to finance the government's reconstruction plans, and Russia has issued \$1 billion for development and budgetary support. Syria had relatively little foreign debt and enjoyed strong currency reserves prior to the revolution, but this situation has since been reversed.

However, the EIU states that due to the hardening of frontlines in the political conflict and the relative "stability" linked to the political deadlock, Syria's economic decay has reached its nadir in 2013. As a result, economic activity is slowly regaining momentum in the regime-controlled areas, with an estimated growth of 1.6% in 2014 and a forecast growth of 1.9% in 2015. Together with overall economic growth, private consumption is also expected to regain momentum and to increase by 2.4% in 2015 and 2016 respectively.

12 | Sustainability

Syria faces severe environmental problems. The most pressing include water scarcity and contamination, soil degradation and air pollution as well as increasing drought resulting from climate change. According to the Country Environmental Profile of the Syrian Arab Republic published by the European Commission in 2009, the cost of environmental degradation was estimated at 2.3% of GDP. In general, environmental considerations play only a minor role in long-term state planning.

In 2002, the central government established the Council for Environmental Protection and Sustainable Development, which is the supreme authority regarding environmental questions and is responsible for setting the national environmental policy. Given the otherwise high number of state authorities which are associated with or responsible for environmental questions – such as the Ministry of Local

Administration and Environment and the Ministry of Irrigation – the general institutional framework remains fragmented.

Syria has a number of laws intended to protect the environment, and has also established a National Environmental Strategy accompanied by an Action Plan. Recently, government initiatives have concentrated on funding biosafety projects through grants from the U.N. Environment Program (UNEP). Also, pesticide regulations as well as the access to sanitation have been ameliorated. Regarding the last point, it must however be questioned whether this improvement results from government activities or from the various humanitarian assistance projects implemented by international organizations.

Another major environmental issue which Syria faces is deforestation. Even before the conflict, only 1.4% of its territory was covered with woodland according to estimates by the U.N. Food and Agricultural Organization. Due to the severe shortages in basic commodities, Syrians have begun to cut down trees in order to provide themselves with firewood and to ensure their families' survival, thus aggravating the ecological impact of deforestation. According to an article published by al-Arabiya in early 2013, \$5 was paid for one chopped tree.

In a broader context, environmental degradation and the impact of drought on the livelihood of farmers in particular, has led many to believe that ecological factors were drivers behind the outbreak of the conflict.

According to the UNDP's 2013 Human Development Report, Syria shows a generally high literacy rate of 84% among adults aged over 15. Education expenditure accounts for 5.13% of GDP, and the expected duration of schooling is quite high at 12 years on average. The literacy rate stands at 85.1%, with a better level for men (90.8%) than for women (79.2%).

Nonetheless, the years of conflict have had a devastating effect on the level of education in Syria. According to the SCPR, the school dropout rate has attained 51.8% in total, and reached over 90% in direct conflict areas such as Aleppo or al-Raqqa. In addition to this, 4,000 schools were out of service due to destruction, damage or because they were used as IDP shelters. Given the deteriorating security situation, many parents have also resolved to keep their children at home and not send them to school anymore. Therefore, official gross enrollment rates of 122.3% (primary education), 74.4% (secondary education), and 25.6% (tertiary education) must be read with caution, similarly to the almost equal female-to-male enrollment ratios of 96.8% (primary), 100.4% (secondary), and 101.0% (tertiary education; World Bank 2014).

In February 2014, the Syrian National Coalition announced the establishment of the Syrian Higher Educational Council, an institution based outside Syrian territory and intended to re-organize the educational process. There have also been efforts by CSOs

to alleviate the situation and to ensure education services, especially in those regions most affected by the conflict.

Nonetheless, it should be noted that this has led to the fragmentation of curricula and instruction in general, with educational contents varying to an enormous extent throughout the country. Education continues almost normally in some FSA/opposition-controlled areas, whereas secular education has almost been eradicated in the regions controlled by IS.

Occasional initiatives have also been taken by the regime. At the beginning of January 2015, the pro-government Tishreen newspaper reported that the Syrian president had issued a decree establishing a new university in the city of Tartous.

Transformation Management

I. Level of Difficulty

Syria always faced challenges to its governance because of its geography. A large part of Syria's territory consists of desert, and a drought covering the past one and a half decades has caused migration from rural to urban areas.

Structural
constraints
10

For most of the time, Syria has been politically at odds with at least one of its neighbors. Instability in Iraq and Lebanon was problematic for Syria, which has now become a liability for its neighbors.

Other constraints, such as a job market not offering enough opportunities for the growing number of Syrian youth, were less a structural constraint than a problem resulting from governance. Polio, eradicated from Syria in the 1990s, has started to return. The regime, which had as early as 2010 stopped vaccination campaigns in eastern Syria, where it was not entirely sure about the loyalty of the population, blocked the identification of polio cases and hindered the already-challenging vaccination programs outside its own territories.

However, with the war and the fragmentation of the country, governance has become decentralized. There are parallel state institutions (functional to different degrees) in the IS area and the Kurdish territories, and at the very local level in other territories in the north. This itself has become a structural constraint.

The war and devastation have caused massive migration since 2012. As of early 2015, more than ten million Syrians – half the Syrian population – have been displaced, with roughly 3.7 million registered refugees abroad and 6.8 million IDPs. The war has also caused tremendous infrastructure losses and has severely impacted the state's ability to provide basic services, such as electricity and water provision.

Prior to 2011, the Syrian regime closely monitored civil society activity, repressing or co-opting emerging civil society groups. It controlled professional and social organizations, syndicates as well as youth or women rights organizations, and it established an "official" civil society to absorb and control those interested in these topics.

Civil society
traditions
7

Since 2011, many CSOs have seen the light, and they continue to operate under the most difficult conditions, both in regime- and rebel-held areas. Cultural activism (newspapers, arts, film) has blossomed. Political activists formed organizations, and citizens organizing medical aid have become increasingly important because from the beginning of the revolution on, the regime prevented treatment of dissidents in hospitals. It is a criminal offence to work as doctor or nurse in a field hospital.

Many democratic activists have fled the violence and repression of the regime and the extremists and tried to continue their efforts from outside Syria. Thousands of them have been captured, killed or disappeared.

The Kurdish areas are a special case because they are not subject to violence and bombardments to the same extent: this has allowed a more structured kind of activism, directed less at urgent humanitarian needs but instead toward more structural and service-oriented tasks. However, the PYD is closely monitoring civil activism.

There has been an awakening since 2011: people dare to take affairs into their own hands and engage in many different forms, whether in organizing medical aid or providing governance in non-regime areas. Given the amount of violence and the lack of civil society tradition, the level of civil engagement is impressive.

There are several wars being fought in Syria simultaneously: the regime's war; the IS war against the Syrian population and the moderate opposition; the war between rebels and the Syrian regime; a war between moderate rebels and IS; in-fighting between different rebel groups; and airstrikes against IS carried out by the international coalition since September 2014.

In January 2014, the United Nations stopped counting the casualties in the conflict because of difficulties with confirming sources, but it can be assumed that by 2015, more than 200,000 people had lost their life as a consequence of the conflict. Aside from the armed warfare, starvation is being used as a weapon of war, and there are countless victims who die because chronic illnesses cannot be treated appropriately and general health care has been severely affected by the war. In the ill-equipped refugee camps, dozens of children are reported to have frozen to death during winters.

Not only has the level of violence increased but the method of dealing it out has also become more blunt. The air force continues to barrel-bomb residential areas, which has had a devastating impact on Homs and Aleppo in particular. Even after turning over most of its chemical weapons arsenal to the international community, the regime has continued to use chlorine bombs. IS has released scores of gruesome videos showing executions of dissidents.

Conflict intensity
10

Occasionally, Israel has bombarded targets in Syria as well, and as of early 2015, there were reports about clashes between Kurdish and regime forces.

The divide between groups of different sectarian or ethnic affiliations has grown, and IS in particular engages in sectarian violence. Many formerly mixed areas have become virtually cleansed of different ethnic or sectarian groups.

There are Alawites and Christians in the opposition, but the Alawites in particular are often perceived as supporting the regime as their community. The regime has built on Alawite and Christian fears of sectarian violence, and is catering to them.

It is important to remember that despite its sectarian expressions, this is a mostly political conflict about social inequalities, political exclusion and authoritarian dominance.

II. Management Performance

14 | Steering Capability

The Syrian regime faces challenges in developing a long-term strategic vision for the country. It has countered the protesters' political demands with a security strategy and sticks to this. Cosmetic political reforms initiated after 2011 have not changed the nature of political power within the country.

Negotiations between the Syrian regime and the opposition have not led to viable results at national level. Few of the local ceasefires have succeeded. It is questionable whether these are the silver lining the 2014 appointed U.N. special envoy Staffan de Mistura hopes them to be, or whether in the end they are only meant to be temporary, giving the regime the chance to strike elsewhere and regroup its troops.

The regime's strategy seems to focus on its own survival. It has predicted from the beginning of the Syrian revolution that extremists will enter into the conflict, and it is benefiting from their presence, which is weakening the moderate opposition forces and engaging them in fights. The fragmentation of the political and military opposition has allowed the regime to endure throughout the revolution.

Bashar al-Assad also benefits from the reality that the international community is more concerned by the rise of Islamist extremism than by the atrocities and instability caused by his Syrian regime.

Given the level of turmoil and its regional repercussions and entanglements, with Iranian and Saudi interests at stake, it will be difficult to reach any sustainable

Question
Score

Prioritization
1

settlement. Iran is interested in more control in the region. It has firmly established its influence in Iraq after 2003, and Syria serves mainly as a connection to Lebanon, where Iran is heavily involved. Apart from these interests, extremism as represented by IS is considered an existential threat by Iran, which feeds into the fervor with which Iran is supporting its partners in Iraq and Syria. Iran and Saudi Arabia have long been competitors for influence in the Middle East. Saudi Arabia has, through official and unofficial channels, sought to support allies and proxies in Syria, which has to be viewed as part of Riyadh's regional interests.

In recent years, the Syrian regime has mainly tried to keep the administration in its territories functional in routine roles. There is no space for long-term policy planning or budget deliberation.

Implementation
1

It has performed several re-arrangements of the cabinet, and it has taken initiatives to generate more revenues. For example, it has become mandatory to issue new car licensing plates. The impact of these steps has remained limited, though.

Conscription to the army has become a major problem, and on multiple occasions, a policy of forced conscriptions has been declared. This would, however, alienate regime supporters who have previously had arrangements to keep their sons out of the military, and therefore nothing of the sort has been implemented.

Since 2012, a number of amnesties have been announced. In each of them, only a few dozens or hundreds of prisoners have been released.

All efforts are currently dedicated to regime survival and keeping the capital and core areas under control.

The Syrian leadership has not learned in a constructive way throughout the crisis. It has not explored ways to end the conflict through negotiations and compromise, nor has it attempted to win support from any sides other than its existing allies.

Policy learning
1

International cooperation remains limited to states friendly to the regime, with sanctions from Europe, the League of Arab States, and the United States in place.

One of the main necessities for any improvement of the situation would be confidence-building measures and a reliable policy. Local ceasefires have often resembled nothing but the capitulation of besieged areas and the regime has not stuck to guarantees it previously gave to its counterparts.

The only international agreements reached in recent years were the Geneva I document, but Bashar al-Assad and Russia do not seem committed to the transition they formulated in 2012, and the agreement for turning over the regime's stockpiles of chemical weapons. The fact that the Syrian authorities failed to declare all its chemical weapon facilities has, however, cast doubt on the sincerity of its intentions. More recently, Russia has attempted to undermine the Geneva process by initiating

its own peace process. To date, the regime has supported the initiative while many opposition groups have rejected it.

Cynically speaking, however, the Syrian government is aware that Western countries are neither interested in intervening in Syria – at least not with ground forces – nor willing to curb the intervention of the regime’s allies. The policy learning from this angle would mean that the Syrian regime is aware that it can cross the various “red lines” drawn by the international community without major consequences.

15 | Resource Efficiency

Four years after the onset of the Syrian revolution, hardly anything remains of the tacit policy of reform the regime pursued between 2001 and 2011. When Bashar al-Assad came to office in 2000, there were high hopes that he would be a reformer, and he brought some economic experts of Syrian origin back to Syria to work on reforms.

The reforms did not make the system more efficient and less corrupt. In the course of the war, transparency, accountability and an efficient administration organization have become unattainable.

The Syrian system always had strong clientelistic features, with recruitment into public administration more loyalty- than merit-based. In early 2015, SANA stated that 50% of all open posts in public administration would henceforth be filled with family members of soldiers who died in the conflict.

Planning procedures and budget issues are even less transparent than before, which is reflected in the unavailability of reliable up-to-date economic and financial data.

The displacement of millions, killing and arrest of hundreds of thousands of citizens and the alienation of large segments of the Syrian population not only from the regime, but from politics and the hope of a better future has meant a huge waste of human resources.

The Syrian regime invests heavily in security, and it also spends money to keep up basic services in its territories in order to manage discontent. This policy is becoming increasingly untenable as financial reserves dwindle.

Even high-ranking advisers in Iran, Syria’s staunchest ally in the region, such as the former ambassador to Syria, Hossein Sheikholeslam, have asked for political reforms as the only way out of the current situation in Syria.

Efficient use of
assets

2

There have been some defections from the regime but their number has remained limited and the power elite has demonstrated considerable cohesion.

Policy
coordination

3

Since March 2011, Bashar al-Assad has performed reshuffles and replacements in the cabinet on at least nine occasions. This has not meant a policy change: the Syrian intelligence services and army have always been more powerful in policy formulation than the council of ministers, and have increased that influence during the war.

The Syrian army has weakened because of defections in the lower ranks, losses on the battleground and an inability to make up for both through recruitment.

In the security sector, the emergence of large paramilitary units has meant a heterogenization of the armed forces. It is more difficult to control these groups: not all of their members have a military background, and there has been tension and friction between these groups and the regular forces as well as between Hezbollah and the National Defense Forces.

Before Bashar al-Assad came to office in 2000, he signaled that he would fight corruption. When two parliamentarians criticized corruption in the mobile phone sector, however, their immunity was lifted and they became prominent political prisoners.

Anti-corruption
policy

1

Corruption became ever more obvious, and the president's cousin, Rami Makhlouf, was the most prominent figure associated with it. The growing social division within Syrian society made this an explosive issue, which explains why at the beginning of the protests in March 2011, the demand to end corruption and to hold Makhlouf accountable was one of the core demands of the protesters.

There is no area in Syria in which there is transparency and a declared anti-corruption policy. While supporters of Islamic and Islamist movements portray themselves as less corrupt, there is no indication that this is the case. On the contrary, militias of all sides are engaged in looting possessions without a transparent re-distribution.

16 | Consensus-Building

When Bashar al-Assad took office, there seemed to be different views in the leadership about reforms for a more democratic Syria. While it seemed that the president himself was to a certain extent willing to allow more openness, this was not backed up by a strategy and seemed to lack support among his proxies.

Consensus on goals

1

The regime made announcements calling for intellectuals and citizens to share their criticisms and give input on necessary reforms but soon started arresting those who engaged in open debate.

After 2002, there seemed to be a consensus to focus on economic, not democratic reforms. Since 2011, it has been obvious that the leadership is not willing to make any political reforms. It has not, even on the local level, initiated a meaningful dialogue with its opponents, but instead talks to the “tolerated” internal opposition only. The cosmetic political reforms were, importantly, meant to placate and suppress democratic demands.

Apparently, the majority of Syria’s leading circles agreed with the need to undergo economic reform. This opened new business opportunities and granted the state support from the European Union as well as other international actors.

However, the intention was not a liberalization in which everybody would have been able to compete in the market; instead, a chosen few benefited, while state subsidies for the products of daily life were decreased and the job market became increasingly difficult for the growing young generation to access.

In the end, this consensus did not help to develop the country and improve its economic performance, but mainly led to further divides and social injustice.

In the current situation, Syria is surviving economically thanks to the support it gets from its external allies Russia, China and Iran. The economy is severely affected by the war and massive investments will be required to make the country self-sustaining.

Democratic reformers have been sidelined in Syria. Since 2011, the regime has become even less tolerant of dissent. It has muted members of the regime who were accepted by and could deal with the opposition, such as Vice President Farouk al-Sharaa or government adviser and former minister Bouthaina Shaaban.

Anti-democratic
actors

1

Many members of the democratic opposition and civil society fled from Syria because of regime violence and harassment, or the threats and harassment of other rebel groups.

The militarization of the conflict has strengthened anti-democratic actors by giving militias predominance over political actors.

The Syrian regime is tolerating only a small domestic opposition which it is carefully monitoring. It has arrested and exiled members of this tolerated opposition whenever they have talked to regime allies.

During the conflict, social and political divisions along cleavages of ethnicity and faith have become more pronounced. The regime has not tried to moderate these, but on the contrary sought to exacerbate them for its own purposes. It has fearmongered among minorities, particularly the Alawites and the Christians in Syria, to garner support. The regime has also used the threat of Islamic extremism to generate support among Sunnis.

Cleavage /
conflict
management

1

Regime troops have alienated Sunnis by religious insults, such as alcohol bottles left in mosques, or insults at the prophet and the religion as such in interrogations.

After decades of repressing the Kurdish population, the Syrian regime first took a conciliatory course, promising citizenship to those who had lost theirs in a debatable census in 1962. While many Kurds did not trust these announcements, the Kurdish PYD largely cooperated with the regime, quelling protests in the northeast. By 2015, the PYD had set up the northeast as a quasi-autonomous area.

IS's discriminatory and violent approach to members of minorities, particularly the Yazidis, has also contributed to a more sectarian conflict; IS scarcely acts less ruthlessly against dissident Sunnis, however.

The Syrian leadership did not appreciate the participation of civil society in social affairs and even less so in political affairs. Bashar al-Assad asked for ideas generated from civil society when he started his presidency, but soon reversed that policy and shut down – with one exception – all the civil society forums that had quickly emerged in Damascus and Aleppo.

Civil society
participation
1

Since 2011, a huge number of civil society activists have become active. They engage in regime- and rebel-held territories, mostly against the will of militant actors. Civil society actors have initiated local councils and networks, they have established different organizations in human rights, humanitarian affairs, media, support and urban farming and are mostly loosely affiliated.

They operate under difficult circumstances and often risk their lives. Due to the increasingly dire situation in which daily life in many areas has become a question of survival, many activists have given up more political tasks in order to provide humanitarian aid.

The political leadership in Syria has not addressed historical acts of injustice and fails to deal with those that are being committed on a daily basis.

Reconciliation
1

Victims and their families cannot seek justice, and with the growing level of violence, reconciliation will be increasingly difficult.

Since 2011, the regime has announced several amnesties, the most recent of which was a general amnesty following the 2014 presidential elections. None of these included political prisoners, however. It denies the rebels political legitimacy and mostly labels them as “terrorists” and foreign agents, which makes any reconciliation difficult.

Among rebel groups, there are more acts of revenge, and IS in particular has engaged in the public humiliation and execution of regime soldiers – acts that will need to be subject to accountability and justice.

17 | International Cooperation

Syria opened up to more cooperation on the international level and was close to signing an Association Agreement with the European Union. However, this process was not finalized. Since 2011, Western and Arab sanctions have prevented the Syrian regime from benefiting from international cooperation other than from its allies, which are mainly Russia, Iran and China.

Effective use of support
1

With a few exceptions, most Western countries have closed their embassies in Syria and frozen their development cooperation at government level.

U.N. aid has become a significant source of income in regime territories as well, with all aid being coordinated through Syrian government and non-government institutions.

The Syrian regime has long pressured the United Nations not to deliver any aid to rebel-held territories and thus it politicized the aid until 2014, when the United Nations took the decision to supply these territories against the regime's wishes.

The Syrian government has tried to present itself as partner of the West, pointing to a shared interest in the fight against terrorism. However, past experience of attempted cooperation has made the international community hesitant to trust the Syrian side. Despite paying lip service to fighting terrorism after 9/11, the Syrian regime recruited jihadists to fight American troops in Iraq after 2003.

Credibility
1

On 4 August 2013, more than 1,000 people were killed by chemical weapons, and the international community subsequently struck a deal requiring the Syrian regime to hand over its hitherto unacknowledged stockpiles and join the chemical weapons convention.

The Syrian regime failed to declare all its facilities, however, and in violation of the convention, its air force continued to drop chlorine gas on civilians.

International organizations are mostly partnering with the regime to ensure delivery of humanitarian aid. However, the distribution of aid is tightly controlled by the regime and rarely reaches the areas most in need.

Syria's relationship with its neighbors has always been complicated. It continues to be officially at war with Israel, even though the Syrian border for a long time has been the quietest of all for Israel.

Regional cooperation
1

Until 2003, the two rival Ba'th regimes in Iraq and Syria were generally at odds with each other, and relations with Jordan were shaped by mistrust.

Syria intervened in the Lebanese civil war and maintained its troops in Lebanon as a de facto occupation until it was forced out after the assassination of the former Lebanese Prime Minister Rafik al-Hariri in 2005.

Relations with Turkey were strained by Syria's support for the PKK. In 1998, Turkey massed its troops at the border and threatened to intervene if Syria did not hand over Abdullah Öcalan. Faced with this credible threat – particularly at a time when Turkey was on good terms with Israel – Hafez al-Assad decided to change course. Between 1998 and 2011, relations consistently improved, as demonstrated by enhanced tourism and business relations as well as official visits. Turkey offered itself as mediator between the Syrian regime and the opposition in early 2011, but soon lost trust in the Syrian regime's willingness to solve the issue. Ever since, Turkey has been adamant about the need for Assad to step down.

In November 2011, the League of Arab States (LAS) imposed sanctions which are carried out half-heartedly by Syria's neighbors. Most important among the LAS sanctions is a ban on transfers from the central bank as well as an end to all commerce and trade with Syria. LAS also froze Syria's membership.

While relations with its direct neighbors are mostly difficult, Iran and Syria have long been allies. Ideologically, the theocracy and the self-declared secular state could not be more different, but they shared regional interests. Over the course of the conflict, Syria has become increasingly dependent on Iran.

Syria's neighbors, in former times afraid of the country's strength, are now concerned because of its weakness. All suffer to varying degrees from large numbers of refugees due to the impact of Syria's disintegration, and are afraid of extremist or Kurdish-nationalist groups permanently taking over parts of Syrian territory.

The Lebanese Hezbollah as well as Iraqi Shi'ite fighters are engaged in Syria supporting the regime in a large part because of these fears. The Syrian regime's cooperation is these days exclusively focused on perpetuating its own survival.

Strategic Outlook

The situation in Syria deteriorated significantly between 2013 and 2015. There seems to be a military stalemate, and the division of the country into four larger areas as well as a number of smaller areas that are contested or broken down into even smaller units has led to a situation perceived by many as chaos. There are different wars and conflicts being fought at the same time. With the rise of IS and a conflict increasingly being fought along sectarian lines, some of the worst case scenarios seem to have been realized.

Four years into the conflict, the Syrian regime has not developed any different strategies internally. It prioritizes military over political means and has used any negotiations as tactical maneuvers rather than as a step toward a political resolution of the conflict. Externally it benefits from the Western unwillingness to be dragged into the conflict and from the focus of the international community on IS as a threat. Both have helped the Syrian regime to survive, and it is well aware of the fact that it is more or less free to do whatever it wants internally.

While it would still be highly desirable for the U.N. Security Council to overcome its own stalemate, this has become even more unlikely after the additional Western-Russian conflict over Ukraine. The international community would need to address the Syrian crisis on two levels: the political and the humanitarian. Efforts to assist neighboring countries in dealing with millions of Syrian refugees are still lagging behind the sheer demand. In January 2015, Lebanon, which was for a long time the only neighboring state to keep its borders open, made it nearly impossible for refugees to enter. In order to avoid further regional destabilization, the refugee situation should be a priority. However, the flow of refugees will not stop until there is a political solution.

A no-fly zone would be a major factor in lowering the death toll, with about half the conflict deaths in Syria being due to the continued air raids on liberated territories. Given the ever more difficult situation inside Syria and the closed borders that surround it, humanitarian corridors would also be highly desirable. The initiative of U.N. Special Envoy Staffan de Mistura regarding local ceasefires is another option that might help, as would the establishment of buffer zones for the protection of civilians. The most problematic issue with all the initiatives is, however, the question of monitoring and/or enforcing them. As long as there is no international willingness to engage further, this will be difficult. Given the level of distrust and the traumatic experiences many Syrians have gone through, confidence-building measures will be of utmost importance in any process of settlement.

To buffer the economic impact of the conflict, the international community needs to begin work on plans and be ready to support Syrian reconstruction once it becomes possible. Stability will be a precondition for investments, and this still seems to lie in a rather distant future. Another necessity to be addressed now and for the long-term is the support of education for Syrian children. Aid currently focuses mostly on humanitarian needs, not developmental ones.

One of the worst prospects is nearly an entire generation receiving no education. This, in the long run, would be a major hindrance to the economic prosperity and recovery of Syria. Efforts are being made to address this question: inside Syria, CSOs are trying to provide underground schools in rebel-held areas. Outside, UNESCO supports schooling in refugee camps, the British government is heavily supporting the Lebanese public education sector to enable it to include more Syrian pupils, and organizations like the German Academic Exchange Service (DAAD) have composed programs specifically addressing Syrian students. A number of scholarships, particularly in United Kingdom and Sweden, have been introduced. However, given the number of children, teenagers and young adults who are in need of education and training, the gap between what is needed and what is being offered remains large. There is both an urgency and an opportunity to increase the number and outreach of these programs.