



THE SYRIAN ECONOMY OVER THE PERIOD (2011 – 2017), CHALLENGES AND SOLUTIONS

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Information of Article

Article history:

Received: 27 July 2018
Received in revised form:
25 August 2018
Accepted: 29 August 2018
Available online: 1 September 2018

Keywords:

Syrian economy,
Energy,
Industrial,
Agricultural,
Terrorism

ABSTRACT

The Syrian economy has been affected by this war. The numbers are evidence of the deterioration of the Syrian economy and the loss of billions of dollars since the beginning of the war, especially the energy, industrial and agricultural sectors. Syria also suffered mass exodus and emigration. Have very serious indications and indicators. However, the research shows that the Syrian economy has all the elements to return to the better than it was in the field of agriculture, it has the necessary infrastructure of dams and land and agricultural expertise acceptable but needs to develop to return to what it was. In order to achieve the best and to upgrade to better than it was in the introduction of some things that are considered sophisticated and the country needs foreign expertise to do so. It has been found that the main factor of development and reconstruction is the elimination of terrorism and internal reconciliation among the components of the Syrian people and the return of lost stability, which is necessary for any development process.

1. Introduction

The Syrian country is one of the developing countries that its economy relies more on agriculture and oil, which forms around 46% from the total GDP. The economic status in the last decade can be divided into two periods, the economic situation before 2011 and post 2011. The economic situation of the country prior 2011 was better than later the revaluation in 2011 (Mohsen and Chua, 2015). Despite the supported aid from alliances such as Russia, Iran, and China, but the internal conflicts has affected the country economy in several aspects. The Syrian economy still suffer from the successive events post the revolution until today, the public debt has increased to reach 30% from GDP, the unemployment rate has changed from 3.7% in 2010 to 47% in 2016 (Khan and Estrada, 2016). Syria's economic output has shrunk by as much as 60% since the conflict began in 2011, according to estimates in a new report released by British think-tank Chatham House. So we should to select the most important problem that Syria face in its economy. In the course of the Syrian war, the Syrian border, which was full of cars transporting fruit and vegetables to Iraq and the Gulf states, was stopped. Export stopped only rarely, and agricultural production in Syria was almost paralyzed as a result of the siege imposed by the Islamic state on the areas producing vegetables and grains. They used to burn crops every year under the policy of starvation and siege imposed on the rebellious people. The high prices of fuel, water and electricity shortages, insecurity and the devaluation of the lira were the main reasons for the farmer to leave his land and lose Syria one of its most important pillars over the centuries (Lund, 2015).

According to FAO statistics, nearly 9.8 million people in Syria face food insecurity, and 6.8 million of them live in acute food insecurity. According to FAO reports, the ongoing conflict between the parties to the conflict undermines agricultural activities and food markets on "Towards a dangerous. The crisis has brought new difficulties and complications to the Syrian textile and food industries before the crisis (De Châtel, 2014). The main impact of the crisis on the Syrian industry so far has affected a large number of industrial establishments and stopped production and export result of destruction, sabotage, theft and difficulty of access, as the number of private industrial enterprises, which have been counted so far 1548 establishments. Based on that, these sectors exists but all of them destroyed (totally or partially) and was affected

by this war, so Syria need a new strategy to fix all this issue in a flexible way. Syria has been suffering in recent years from a shortage of fuel for heating and transportation (diesel) and fuel for power plants and industrial uses (Selby et al., 2017). The importation of these materials has caused the state budget an additional burden due to the high price increases in the world. Syria generally relies on oil and gas for energy production, despite the small amount of its reserves, and has not worked seriously to develop more sustainable and sustainable sources (Burner, 2015).

2. Syria's Economy Prior 2011

In the mid-2000s, Syria set out on a progressive economic advancement to load development. The changes were propelled, partially, by the difficulties postured by the decrease in oil generation and demonstrated oil saves and the impact that had on monetary maintainability. Auxiliary changes were gone for deregulating and expanding the firmly oversaw, state-centered economy while eliminating vitality endowments and streamlining the expense administration (Tumen, 2016). In 2004, private banks were permitted to start working and in 2009 the share trading system re-opened after over 40 years. Syria asked for to wind up plainly an individual from the WTO in 2001 and consented to an unhindered commerce arrangement with Turkey in 2007. A few components of the basic change plan were bolstered through IMF specialized help, including reinforcing saving money supervision and direction, modernizing the fiscal system, building up an administration obligation market, fortifying and streamlining income organization, and enhancing open budgetary administration (Butter, 2015).

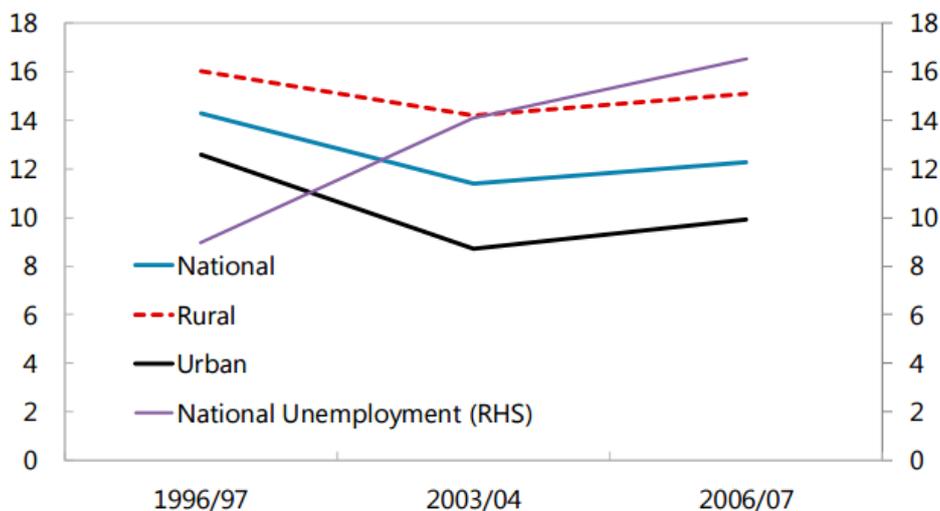


Figure 1: Syria Changes in Poverty and Unemployment Ratios: 1997 to 2010

Source: Syrian Arab Republic, Third National MDGs Progress Report and Central Bureau of Statistics

The economy was steady. An expansion was low and development vigorous (non-oil development arrived at the midpoint of 4.4% amid 2000–2009). While people in general division stayed overwhelming, monetary shortfalls were reasonable with open obligation remaining at 31% of GDP toward the finish of 2009. The present record was evaluated to be to a great extent in adjusting, and worldwide stores were agreeable at over nine months of imports of products and enterprises toward the finish of 2010. Outside direct speculation at around 1.3% of GDP by and large amid 2000–09, concentrated on pharmaceuticals, sustenance preparing, and materials.

Additionally, destitution and unemployment were on the ascent. The 2010 Millennium Development Goals (MDGs) Nation report found that Syria was gaining ground toward a few of the MDGs, including accomplishing access to widespread essential instruction, decreasing gender inconsistencies in training, bringing down youngster mortality, and

enhancing vaccination scope of kids. In any case, in the wake of falling in the vicinity of 1997 and 2004, destitution ascended in the second 50% of the 2000s. There were significant local aberrations. Rustic destitution markers were substantially higher than urban and national pointers as the provincial populace did not profit by the economic advancement changes, and agriculturists specifically were influenced by a multi-year dry season (Arvis et al., 2016). The upper east locale had the most noteworthy destitution proportion at around 15% in 2007 and represented the greater part of the poor in Syria. In the second 50% of the 2000s, numerous rustic agriculturists moved to the urban south or seaside districts, which turned into a portion of the poorest territories in the nation. In the meantime, work openings did not develop by many years of fast populace development, and unemployment practically multiplied inside ten years to more than 16 percent in 2006/2007. The unemployment rate was most elevated among the adolescent (age amass 15–24), at 22% in 2006/2007 (Brakel et al., 2017).

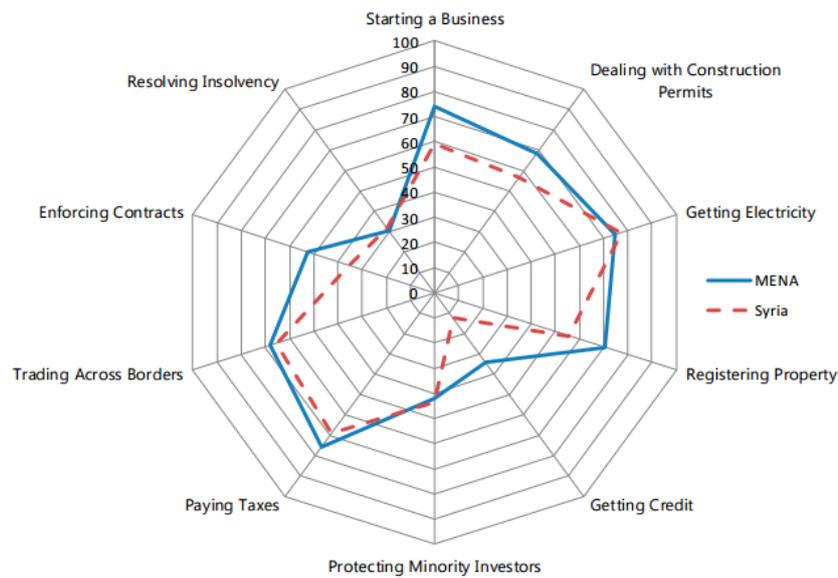


Figure 2: Syria 2010 Doing Business Indicators

(100=Most Favorable, 0=Least Favorable)

Source: The World Bank 2010

Syria likewise did not toll well on most business condition and run of law pointers. In the 2009 Doing Business Indicators, Syria positioned 137 out of 181 nations, performing ineffectively on access to fund, contract authorization, and enlisting property, while gaining ground on the time expected to begin a business. As indicated by the last Enterprise Surveys (2009), the main three obstructions to firms putting resources into Syria included defilement, a deficiently instructed workforce, and power (Cassidy, 2015). More than 80% of firms demonstrated at the time that they were required to offer blessings to open authorities to contrast with a local normal of 37%. In the Heritage Index of Economic Freedom, Syria was positioned as "quelled" or "for the most part un-free" from 2006 to 2009; it likewise had the fourth-least positioning in the area regarding the administering of law. As indicated by the Heritage Index, Syria's administration establishments needed open responsibility and were tormented by debasement, while the legal was seen as neither straightforward nor free. In the meantime, political changes were restricted. President Bashar al-Assad at first upheld political changes when he assumed control over the administration in 2000. In any case, the pace of change was moderate, and erosions emerged between those requesting changes and those unified to the norm (Dionigi, 2016).

3. Syria's Economy Post 2011

The situation post 2011 is very sad, a huge number of individuals have been sunk into unemployment and destitution. The Syrian Center for Policy Research (SCPR) gauges that more than 60% of the provided jobs (around 3.5 million) is unemployed, with somewhere in the range of 3 million have lost their occupations thus of the contention. SCPR likewise evaluated the general destitution rate in 2014 to be 83% (contrasted with 12.4% in 2007). Numerous Syrians, including youngsters, have needed to discover occupations in the casual division to counterbalance the loss of wage. More than 66% of Syrians are living in extraordinary neediness, not able to meet essential nourishment and non-sustenance needs. The primary purposes behind neediness are the loss of property, employments, and access to open administrations, including wellbeing and clean water, and additionally rising nourishment costs (Hokayem, 2013). Neediness rates are most elevated in governorates that have been most influenced by the contention and that were the poorest in the nation. Youngsters have been significantly influenced by the war. An employments evaluation led by Save the Children in northeastern Syria found that following quite a while of contention, families are attempting to meet their fundamental needs and are progressively dependent on negative adapting works on, giving kids out something to do, entering little girls into early wedlock, and enabling youngsters to wind up noticeably required with furnished gatherings. School participation has dropped by the greater part, with more than 2 million kids in Syria out of school (Yazigi, 2014). As per UNICEF, kid work is the overwhelming purpose behind the withdrawal of kids from schools. Access to training is additionally influenced by different components: one-fourth of schools are not operational, and there is a huge lack of educators. Thus, more than 700,000 offspring of Syrian exiles are out of school. A current UNICEF report found that 10 percent of the 3.7 million Syrian youngsters that have been conceived since the contention started in 2011 are conceived as evacuees.

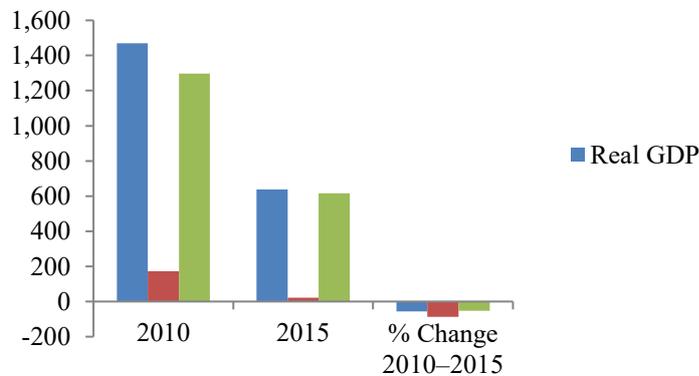


Figure 3: Syrian Arab Republic: Real GDP and Composition

Source: International Monetary Fund (2016)

The contention has crushed the economy. Comprehensively by evaluations from the Economist Intelligence Unit (EIU) and the SCPR, figure 3 reveals that the economy has contracted in genuine terms by 57 percent since 2010. Non-oil genuine GDP declined all things considered by 14 percent in the vicinity of 2011 and 2015, while oil and gas GDP both fell by a normal of 28 percent amid a similar period. Yield misfortunes and physical foundation devastation are specially packed in the oil, assembling, transportation, and development segments. That said there is impressive vulnerability around the appraisals and revealed information given the conceivable prospering of the casual economy in the midst of the breakdown of the manager of law. Moreover, economic information gathering and detailing by the administration has separated, and the nation has deteriorated into various war economies (Butter, 2016).

4. Literature Review

Various potential growth determinants have been recognized throughout the years, however mapping solid channels of growth have been an outstanding issue for examination. Economic results are regularly perplexed by many causes, and more clarifications have been offered for per capita wage as a result than there are financial analysts, sociologists, and political researchers, also government officials and policymakers. Does popular government advance economic, social, and political advance? Or, then again is the vote based system a definitive extravagance great, wanted by the individuals who can manage the cost of it? What additionally bewilders the scan for channels of growth is that what makes a difference for growth contrasts after some time. In the sixteenth century, topography likely assumed a basic part (Burmeister et al., 1970).

For instance, regions with access to the ocean fared superior to anything landlocked ranges, as did those in a Mediterranean, horticulture benevolent atmosphere. In the nineteenth century, the most grounded determinant turned into the capacity to benefit from mechanical change that is, the ability to share in and benefit from the Industrial Revolution. After World War II, recreation and American guide likely gave the essential stimulus to growth. What's more, since 1980, the rough begin of the period of globalization, getting up to speed with the mechanical outskirts is likely the significant reason creating economies have developed at rates of more than 5% (Lewis, 2013). The hopelessness over an absence of growth in Africa in the postcolonial period (after around 1960) prompted the speculation that "topography is fate." This proposition fights that nations near the equator are at a characteristic impediment contrasted and nations facilitate away, which are bound to be wealthier because they have a more calm atmosphere and better soil, which prompts higher profitability and along these lines to higher growth. The tropical atmosphere is more ideal to sickness and less helpful for work and along these lines moderates the potential pace of economic advancement. At the end of the day, these economies acquire a deck that is stacked against them, which is an extra critical purpose behind the moderate verifiable growth in sub-Saharan Africa. Variations on this hypothesis utilize different intermediaries for geology, including scope, the number of days with the tropical climate, number of days in ice, least temperature, last month to month precipitation, and most extreme temperature. Such geographic factors have a tendency to be the most "surly" experimentally implying that they are in some cases noteworthy, however, are not regularly important (Moral-Benito, 2012).

The most widely recognized variable is scope, and there are sufficient cases of high-growth economies or more quickly developing economies close to the equator to toss the whole hypothesis into question. Singapore, which is for all intents and purposes on the equator, has had one of the world's speediest growth rates. Kerala, the southernmost state in India, is its most created state and has social pointers, (for example, newborn child mortality) similar to those of economies in the West. In Africa itself, Ghana and Uganda performed much superior to anything Lesotho or Mali, however, are nearer to the equator. The rundown goes on, and the outcomes verify that scope is not under any condition essential in clarifying growth contrasts, over the long haul (1960–2011) or the shorter term (1980–2011). None of a few other topographical factors including temperature and precipitation demonstrated tremendous in clarifying growth execution (Cingano, 2014).

It is imperative to break down the commitment to the growth of arrangement changes. There is general assertion that terrible arrangement results, for example, large swelling, are a noteworthy cripple for higher growth. Another most loved arrangement suggestion for both created and creating economies one that is practically synonymous with the Washington Consensus is to decrease the financial shortage. The guaranteed advantages are complex, incorporating more prominent productivity underway, fewer misfortunes in government endeavors, and less swarming out of the private venture. Government shortages matter and their lessening are important for macroeconomic dependability and supported growth. For sure, the European Union was established to a limited extent on the thought that administration shortages matter a great deal. A related thought is that financing costs matter. High monetary deficiencies, financed by higher government acquiring, convert into higher genuine loan fees, which may swarm out private financial specialists (Dell et al., 2012)

5. Research Methodology

The target population is the Syrian population living inside Syria. A study by the United Nations found that 83.4% of the population of Syria live on the poverty line currently due to the war in the country for seven years, 80 per cent below the poverty line and 70 per cent of those below the poverty line have lost their homes and jobs completely. The study, entitled "Syria, five years in the middle of the war" and co-authored by the United Nations Economic and Social Commission for Western Asia (ESCWA) and the University of St. Andrews, said that 13.5 million people - including 6 million children - In Syria, according to the statistics of the end of 2016. This research is concerned with those who live below the poverty line and below the poverty line of about 13 million people living in different parts of Syria. Compared the data issued by the Syrian government with the statements of more reliable institutions such as the UN institutions and non-governmental organizations interested in the Syrian cause and with very high reliability

6. Findings and Discussion

The relationship between the affected economy and ISIS is a positive and that told us that if ISIS still strong the effects on economy will be strong.

Correlations

		War has affected the Syrian economy	isis is the main reason for this impact
War has affected the Syrian economy	Pearson Correlation	1	.496**
	Sig. (2-tailed)		.000
	N	64	64
isis is the main reason for this impact	Pearson Correlation	.496**	1
	Sig. (2-tailed)	.000	
	N	64	64

** . Correlation is significant at the 0.01 level (2-tailed).

The relationship between the affected economy and neoliberal and liberal is a positive and that told us that if liberal still strong the effects on economy will be strong.

Correlations

		War has affected the Syrian economy	neoliberal and liberal has a bad effect on economy
War has affected the Syrian economy	Pearson Correlation	1	.549**
	Sig. (2-tailed)		.000
	N	64	64
neoliberal and liberal has a bad effect on economy	Pearson Correlation	.549**	1
	Sig. (2-tailed)	.000	
	N	64	64

** . Correlation is significant at the 0.01 level (2-tailed).

Syria faces the major imbalances in the Syrian economy and accumulated over the past several years, and in the face of rapid changes in the global economic and political system. In order for Syria to take advantage of the opportunities and mitigate future threats, Syria needs a new vision of its economic and political future in the region. A comprehensive, multifaceted reform process accompanied by a comprehensive development plan, in order for Syria to live up to its internal challenge and external challenge. The need for a comprehensive and comprehensive reform stems from the fact

that Syria, in the negotiations on the EU's partnership agreement, which was completed on 9 December 2003, made commitments to liberalize its foreign trade by 2012, which cannot bear its economic or social consequences if it does not undertake internal liberalization and by strengthening their own local capacities very quickly. So, the reform Syria needs is not the reform of its "development and modernization", but the reform of the Great Leap Forward, adopted by China in the late 1960s and adopted today. "Development and modernization" mean a step-by-step way. This road does not live up to the challenges. It may be more threatening to social stability than the danger of jumping forward, especially since Syria was delayed by at least 15 years from its neighbors for the required reform. The 1990s, rich in oil resources, are now facing economic and social threats because of that. The rising tide of globalization and global progress in information and information technology threatens those who cannot cope with marginalization. The experiences of Malaysia, China and the experiences of the countries of Eastern and Central Europe have taught us that accelerating reform, with fortification, preparedness and coping with its social consequences, is the best method. As we have seen, the European Union has absorbed in its ranks since 1 May this year the reformed Eastern and Central European countries such as Poland, Hungary and Slovenia, but left Bulgaria and Romania, which are unable to move from their former legacy to a later stage.

It is also better for Syria to take advantage of the oil resources available now and before they run out, to make difficult (and painful) reform decisions. We all know that there is no reform without a price, and the longer the reform is delayed the higher the price and the more difficult and complex. In order to deepen the effectiveness of the reform program and alleviate its difficulties, civil society institutions must be involved in the preparation of the program, as in its implementation, and should play the role of the participant, the censor, the questions and the accountant. It must be stressed that Syria's delay in reform will be forced to deal in a single step with three generations of reforms, passed by neighboring countries and the developing world over the past 25 years. The first generation of these reforms is the adoption of the market system and the priority of the private sector in productive work and the maintenance of a sound macroeconomic framework. The second generation emphasizes institutional reform and reform of education, focusing on human development and combating poverty. The third generation of reform is focused on innovation, innovation, Reform of the judiciary, transparency and good governance, and the strengthening of civil society institutions. Dealing with these three generations at the same time will make the reform process in Syria difficult.

It should also be noted that when we had time, in the late 1980s, we were saying of economic reform with administrative reform, leaving political reform for a later period. As we have been late and too late, and the economic and political world has changed around us a lot, the economic reform with the administrative with the political has become inevitable. Economic and administrative reform is now required in depth, which requires rapid accountability and accountability, because the available space of error is limited, and political reform can no longer be left to follow as a result of economic reform. In fact, economic reform and development cannot be achieved in such a way as to make Syria able to raise the standard of living of citizens and be able to catch up with others and to introduce Syria into the global economic system if thought remains monopolized, decision is monopolized, and civil society is absent. Syria adopts comprehensive reform in its three dimensions: economic, administrative and political. Reform depends on the method of "leap forward" rather than "development and modernization". It adopts a new economic thought based on the market system and the priority of the private sector in the production process. In the reform of the economy with development, Syria adopts the three-pronged system of market and social justice and human and technological upgrading.

7. Conclusion and Recommendations

This study, being of an exploratory and interpretive nature, raises a number of opportunities for future research, both in terms of theory development and concept validation. More research will in fact be necessary to refine and further elaborate our novel findings. This study offers the opportunity to refine and validate the concepts and constructs that emerged from our inductive analysis. For example, the idea of an alternative energy ability infrastructure will need further refinement and elaboration, in terms of both its component elements and its internal dynamics. One could also ask whether and to what extent it is possible to identify different ideal types of solution for Syrian economic, so that a typology of managerial forms of knowledge ability can be constructed. The technology in the agricultural sector is also very important and should be researched in depth, especially in countries with desert areas or semi desert, It provides many solutions to the problems experienced by many regions and countries in the world and any researcher can dig deeper into this subject and explore many creative solutions to develop the agricultural sector and increase agricultural productivity, especially in developing countries. The emergence of some results takes time away from talking about plans to build destroyed shops, agricultural development programs or a road map to organize the return of part of the refugees, the organization of well-defined plans, and appropriate economic laws. . The beginning of 2018 is also the subject of controversy, especially in the light of expectations of the issuance of new laws suitable for the stage. Some say here that Syria is still waiting for the "big project" to attract the forefront of investors and others. However, although such a presumption is likely to be true, we must not forget the most important: that the "big" dimension here may not be of magnitude, but also of the general vision of Syria itself. For this reason, there can be a simple combination of transparency in the investment environment, utilities and clarifications of laws, in addition to actual government guarantees and other structural improvements, more important than anything else. Similarly, we should not forget that the economy is not a competition between the less talented and the most talented (as students compete in school), but a delicate system of relationships, which aims first of all to help individuals less competitive within social situations.

At the same time, the long-term coherence of the economy is a measure of society's cohesion as a whole. Simply put, the more jobs are guaranteed to people, the more people secure jobs for themselves and others, the more resources will be spent. Therefore, for the economy and society, certain limits can be measured by the individual's ability to produce what he needs. Poor purchasing power of individuals has very bad consequences. The private sector seems to be aware of the current challenges. Textile, cement, automotive industry, food industries. All create jobs and help to strengthen the economy as much as conditions allow. The government sector, which still performs the hidden part of its mission to maintain infrastructure (including schools and hospitals) and during its years of conflict, will not need much to contribute to. Money and supporting laws, in addition to the new takeoff of the economy, all will start to work. However, there is still a fundamental dimension in the whole subject that we should not forget.

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