SYRIA RESILIENCE CONSORTIUM

exigo Research & Communications

EXPLORING VIABLE LIVELIHOOD OPPORTUNITIES IN SYRIA

AN ASSESSMENT
JULY 2018

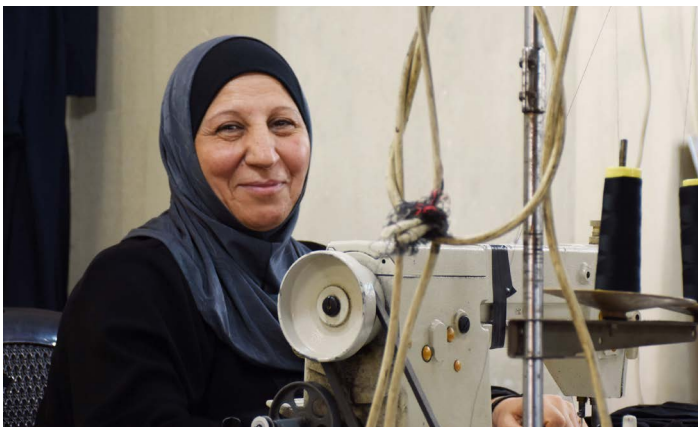

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TABLE OF CONTENTS

ABBREVIATIONS

CSO	Civil Society Organisation
EU	European Union
FAO	Food and Agriculture Organisation
FGD	Focus Group Discussion
GoS	Government of Syria
HCM	Host Community Member
HH	Household
HTS	Hay'at Tahrir al-Sham
IMF	International Monetary Fund
INGO	International Non-Governmental Organisation
KII	Key Informant Interview
KSA	Kurdish Self Administration
MSMEs	Micro, Small and Medium Enterprises
NLF	National Liberation Front
POPs	Persistent Organic Pollutants
PWD	Person(s) with Disabilities
PWI	Person(s) with Injuries
SMEs	Small and Medium Enterprises
SRC	Syria Resilience Consortium
SYP	Syrian Pound
UN	United Nations
USD	US Dollar
WoS	Whole of Syria
YPG	Yekîneyên Parastina Gel (People's Protection Units in English)

GLOSSARY

Crop
The total amount of grain, fruit or vegetable harvested.[1]

Economic inclusion
In this study, economic inclusion specifically refers to the ability of sector and subsector participants to ensure the inclusion of, and thus tangible benefits to, vulnerable populations through tailored interventions. Inclusiveness becomes a very important dimension both within analysis, design and implementation phases, therefore an increased weight has been placed upon it. For instance, an intervention aimed at improving women's livelihoods will take into account the time and resource constraints of women to ensure that technical assistance is carefully tailored to their needs. Inclusiveness supports the analysis phase of sectors and subsectors with regards to the varying needs of different target groups, including their ability to respond to labour markets.

Fodder crops
Crops that are cultivated primarily for animal feed. By extension, natural grasslands and pastures are included whether they are cultivated or not.[2]

Growth
The basis of this term lies in Porter's Five Forces Model: (1) industry competition, (2) potential of new entrants, (3) power of suppliers, (4) power of buyers and (5) threat of substitute products.

Livelihood
A livelihood comprises of the capabilities, assets (both material and social) and activities required to create a means of living. A livelihood is sustainable when it can cope with, and recover from, stresses and shocks, and maintain or enhance its capabilities and assets while not undermining the natural resource base.

Profitability
Profitability is the ratio between sales revenue and production costs. At firm level, profitability indicates a given organisation's ability to operate efficiently.

Resilience
The capacity of an individual, a household, a community, a country or a region to absorb, adapt to and quickly recover from stresses and shocks.[3]

Value chains
Value chains represent the sequence of market actors involved in producing, processing, trading and consuming a given commodity. Value chains are embedded in broader systems, called market systems, which encompass the entire market environment. Market systems include regulatory functions, business enabling or disabling, formal and informal factors, governance, and social and environmental issues which affect the way market actors interact within the value chain. They also include support operations that facilitate a functional chain.

1 Cambridge Dictionary. Accessible at: https://dictionary.cambridge.org/dictionary/english/crop

2 FAO (1994), Definition and Classification of Commodities. Accessible at: http://www.fao.org/es/faodef/fdef11e.htm

3 Syria Resilience Consortium Strategy 2017-2021

EXECUTIVE SUMMARY

As the civil war in Syria approaches its eighth year, close to half-a-million Syrians have lost their lives, with recent estimates stating that 13.1 million Syrians inside Syria continue to need humanitarian assistance. Approximately one-third of the country's housing infrastructure has been destroyed or damaged by the conflict, which has also disrupted the economic infrastructure and social networks. As a consequence of this protracted crisis, families in both rural and urban areas have suffered significant loss of assets and income-generating opportunities. This, in turn, has increased the vulnerability and poverty of the population.

This assessment explores feasible livelihood opportunities for conflict-affected populations in Syria, including women, young people, persons with disabilities (PWDs), older persons and persons with injuries (PWIs). The objective of this study is to inform the Syria Resilience Consortium's and other actors' programming in Syria with regard to three key subsectors: 1) olives, olive oil and soap, 2) livestock and dairy production and 3) textile and garment manufacturing. It focuses on these sectors in the governorates of Aleppo, Homs, Idleb, Al-Hasakah and Dar'a. Conclusions result from primary field research in these governorates, with supplementary information from an in-depth, desk-based review.

All three subsectors were found to have the potential for economic growth at local and subnational level. Key conditions included: the historical significance of these subsectors, the above-average monthly wage (40,000–80,000 SYP/92–184 USD) earned by heads of households (HHs) working in these value chains, the local, national and international demand for products from these subsectors, with food items such as olives, olive oil, livestock, dairy and their by-products consumed on a regular basis. Although manufacturers are unable to keep up with international demand for Syrian textiles and Aleppo olive soap, export to countries such as Russia and Iraq continues.

Finally, this report found that, despite a lack of strong coordination, there are existing market systems within all three sectors. Each include value chain actors such as input providers, producers, traders and retailers.

Although there are existing positive conditions, the potential for further market growth relies heavily on the cost and availability of inputs. These are sector specific, for example, fertiliser, pesticides, olive seeds, animal fodder, vaccines and medication for livestock, and cotton for the textile and garment industry. There were shortages of inputs such as electricity and fuel, which are needed to power significant stages in value chains, such as machinery for milking cows or sewing clothes.

Other growth gaps relate to building the capacity of actors across subsectors. Professional gaps exist in relation to engineers, technicians, tailors, bookkeepers and farmers with specialist knowledge of milking and animal health. Other vocational skills that show gaps include soap and textile manufacturing, packaging and marketing, languages, as well as computer literacy, particularly in the realms of online marketing, social media and communications.

The viability of livelihood opportunities in these three sectors is intrinsically linked to the political situation. Overall, the trajectory indicates that greater stability will return to Syria in the long term.

In the short-term, various governorates may benefit from increased electricity due to the power deal with Iran and the opening of the M5 Aleppo-Damascus highway. However, sanctions on the country can affect the availability of inputs such as pesticides. Areas still under opposition control may face a period of instability. Potential outcomes include moving under the sphere of influence of the Government of Syria (GoS) or Government of Turkey (GoT), or striking a semi-autonomous deal with either government. Additionally, there may be greater access to external trade routes for all governorates in this report through the opening of border crossings.

There are subsector-specific activities which vulnerable groups such as PWDs, young people, women and older people can take part in. By adopting an inclusive approach, the assessment found that older people could contribute expertise and knowledge to assist with the development of vocational training packages. Gender-segregated jobs such as women-only garment workshops and packaging companies were found to be culturally appropriate and gave women the opportunity to participate in the labour force. Those who have limited mobility and mild impairments could undertake desk-based work such as answering emails or handling online marketing, whereas those who had hearing or speech impediments could perform manual labour such as olive pickling and milking livestock. However, across all subsectors people were found to be hesitant to employ young people due to their lack of experience and necessary skills. Roles identified as areas of youth employment were limited to transportation, loading and unloading products, and business marketing using social media.

The report found that there was no consistent or standard humanitarian and livelihoods support from donors, local councils, government bodies, civil society organisations or NGOs across the board in both government, opposition and Kurdish-held areas. Actors, such as local councils, have not been able to fill the gaps left by government, for example in agricultural support. Although the government has pledged to revive the textile industry in Aleppo, little progress has been made towards this. There are also no collective cooperatives which support farmers or manufacturers in these three subsectors.

Finally, this assessment highlighted that there were cross-sectoral impacts on the environment caused by the value chains, and vice versa. Syria is a water-scarce country and livelihood activities such as growing cotton, rearing livestock and harvesting olives rely heavily on access to water. Furthermore, the lack of electricity means that actors are resorting to diesel generators, which release harmful emissions into the air. Vapors from toxic pesticides and the overuse of non-organic fertilisers could damage the ecosystem, polluting the surrounding soil, air and harming non-targeted insects and animals.

The findings of this report have led to a number of short and medium-to-long-term recommendations for viable livelihood interventions in the assessed subsectors:

1. **Short-term interventions focusing on the livelihood value chains of garment and soap manufacturers (olives, olive oil and soap, textile and garment subsectors)**, based on existing inputs such as ready-made fabric and olive oil in the internal market. Although the following recommendations have been developed for programming in Aleppo and Homs, this model can be used in other urban or rural areas of Syria where necessary inputs are available.
    - Facilitate or provide the inputs needed for garment manufacturing, such as ready-made fabric and sewing machines.

- Support the establishment of small-scale or home-based garment businesses in gender-segregated environments, complemented by vocational training and on-the-job learning provided by other garment manufacturers.
- Support the establishment of small-scale Aleppo soap businesses, including financial assistance, vocational training and on-the-job learning.
- Capacity building in online marketing, social media and communications, in order to better access external markets. Training modules could be provided remotely.
- Alternative energy sources, such as solar power, could be provided to help address energy shortages and increase self-sufficiency among manufacturers.
- All livelihood interventions should be inclusive and adaptable to the individual needs of marginalised groups such as women, young people, older people and PWDs. Tasks such as sewing and online marketing could be performed by people with specific types of learning or hearing disabilities.

2. **Medium to long-term interventions focusing on livestock and dairy, and olives and olive oil subsectors**. These sectors have the most promising prospects due to a combination of market growth, demand and sustainability. Food products such as poultry, dairy, olives and olive oil are staples in the Syrian diet. They are in heavy demand in both local and national markets, whereas the textile and garment industry relies heavily on cotton, which is in decline due to water shortages, costly inputs and an unstable buyer base.
   - Provide or facilitate access to agricultural inputs such as organic fertiliser, less-harmful pesticides, seeds, animal fodder, vaccines and veterinary medication.
   - Provide producers with primary processing equipment which may be too expensive for farmers. This might include milking machines, refrigerators for storing milk, packaging material for dairy products, tractors for harvesting olives, and appropriate storage and transport for olives and olive oil.
   - Invest in agricultural projects which encourage resource efficiency. For example, new watering methods such as drip irrigation, or a composting project which teaches farmers how to recycle organic waste, converting cow manure into fertiliser. The knock-on impact would be a reduction in production costs, leading to an increase in profit.
   - If the political and structural context allows, help farmers to organise themselves by setting up or re-establishing cooperatives and associations in the olive, olive oil, livestock and dairy sectors. This would enhance access to market information and opportunities, strengthening trade links and possible financial mechanisms.
   - All livelihood interventions should be inclusive and adaptable to the individual needs of marginalised groups such as women, young people, older people and PWDs. Physical labour such as olive picking, milking and animal care could be performed by people with specific types of learning or hearing disabilities.

INTRODUCTION

As the civil war in Syria approaches its eighth year, close to half-a-million Syrians have lost their lives.[4] Civilians are at constant risk of being injured or killed as a result of air strikes and ongoing fighting between armed groups. As of January 2018, an estimated 13.1 million Syrians inside Syria continue to need humanitarian assistance, while 6.3 million are internally displaced. Around one third of the country's housing infrastructure has been destroyed or damaged by the conflict, which has disrupted the country's economic infrastructure and social networks. As a consequence of this protracted crisis, families have suffered significant loss of assets and income-generating opportunities in both rural and urban areas, which increases the vulnerability and poverty of the Syrian population.[5]

The Syria Resilience Consortium (SRC) was established in 2016. It recognises a joint responsibility to address dire needs and rights violations in conflict-ridden Syria. SRC has a unique long-term vision focusing on:

- Resilient livelihoods in active conflict areas.
- A coordinated and collaborative approach accross the whole of Syria (WoS), working through a consortium and more than 10 Syrian NGOs.
- Gender, age and disability inclusivity through a Do No Harm approach.

The SRC commissioned this study in order to inform its programming in Syria, and to build resilience among vulnerable communities in four geographical hubs: North-west, North-east, Central and South-central. The study aims to explore the prevalence of sustainable and strategic livelihood opportunities in both urban and rural areas across the country.

OBJECTIVES AND SCOPE OF THE ASSESSMENT

The purpose of this assessment is to explore feasible livelihood opportunities for vulnerable and conflict-affected populations across Syria. This includes women, older people, young people and people with disabilities, injuries or special needs, such as the elderly. The study examines both agricultural and non-agricultural livelihoods in urban and rural areas from a value chain and social inclusion perspective. The research seeks to identify enabling factors for opportunities in labour-intensive value chains that can drive growth and sustainable development in the short, medium and long term. Gender, age, disability and the inclusion of vulnerable groups are central to the design of this research. This has ensured that findings reflect the particular needs of marginalised and vulnerable groups. The **specific objectives** of the assessment were as follows:

- To enhance the SRC's understanding of current sustainable and strategic livelihood opportunities across Syria for all aforementioned vulnerable groups.
- To identify and validate potential sectors that could be supported in order to create further livelihood opportunities with a clear assessment of how and why these sectors could be

4 The Guardian (January 9, 2018), 70,000 Syrians flee as GoS advances on last rebel-held province. Accessible at: https://www.theguardian.com/world/2018/jan/09/syrian-forces-advance-on-countrys-last-rebel-held-province

5 See for example: The World Bank (July 10, 2017), The Toll of War: The Economic and Social Consequences of the Conflict in Syria. Accessible at: http://www.worldbank.org/en/country/syria/publication/the-toll-of-war-the-economic-and-social-consequences-of-the-conflict-in-syria

relevant, sustainable and successful in terms of social inclusion and economic development in the short, medium and long term, including early recovery interventions.

- To provide actionable and evidence-based recommendations for the SRC that will, in time, result in resilient and socially-inclusive livelihood programming.

The three subsectors which were identified as most relevant and therefore included in the scope of this study were:

- Olives, olive oil and soap manufacturing
- Livestock and dairy production
- Textile and garment manufacturing

To arrive at this shortlist of subsectors, a scoring system was applied to a longer list of relevant subsectors identified during the pre-assessment phase which took into account priorities expressed by consortium members. The final three value chains were selected through a ranking exercise facilitated by Exigo at an SRC workshop in Amman in February 2018.

It is important to note that the selected subsectors are deemed to be important and relevant for short, medium and long-term investment, and for the creation of inclusive livelihood opportunities, which could potentially result in increased resilience among populations in need. While the selected three subsectors are relevant to the objectives of this assessment, the list is not exhaustive and there may be other, equally-important sectors to explore for early post-emergency interventions. These include food services and the rehabilitation of infrastructure. However, the focus of this specific study remains on the three aforementioned subsectors, due to the need to narrow down the scope of the research and to ensure a meaningful level of sampling throughout selected geographic areas.

This livelihoods assessment was undertaken between February and July 2018.

METHODOLOGY

The livelihoods assessment applied a participatory mixed approach, including both qualitative and quantitative data collection methods. A mixture of quantitative community surveys, qualitative key informant interviews (KIIs) and focus group discussions (FGDs) allowed researchers to triangulate findings from individuals in each value chain. Including community members and potential beneficiaries provided an opportunity to validate findings obtained from multiple sources.

DATA COLLECTION AND SAMPLING

The following instruments and approaches were used:

DESK REVIEW

A desk review of online resources and available literature was undertaken in order to inform the value chain analysis. This also allowed for the verification of certain primary data findings and for the historical relevance of each value chain to be documented within the Syrian context.

COMMUNITY SURVEYS

Surveys were administered face-to-face with randomly-selected residents from communities within Idleb, Dar'a and Al-Hasakah (see Figure 1). A total of 601 surveys were administered, providing a 95% confidence rate and a ±4% margin of error (see section below on survey demography for sample details). Survey participants were identified using a random walk approach (see section on geographic scope). Enumerators were instructed to approach every third house on a given street. After introducing Exigo and explaining the purpose of the study and what the findings would be used for, verbal consent was obtained from each respondent. KoBoToolbox , a mobile data collection app, was used in order to administer the surveys efficiently. Survey answers were uploaded to a server from mobile phones on a daily basis. This allowed the evaluators to track progress and check the quality of submitted data in real time.

FOCUS GROUP DISCUSSIONS

A total of 27 focus groups informed this assessment. The majority of FGDs were conducted with both men and women who were active within specific subsectors. FGDs were also conducted with male and female community members. Field researchers facilitated FGDs with adults and young people in gender-segregated groups to collect disaggregated data. Two focus groups were also conducted with PWDs, to ensure the inclusion of disability-specific needs and concerns. FGD participants were encouraged to share their individual and collective understandings, opinions and experiences. Interviews were audio recorded whenever possible, with prior consent from participants. These recordings were then transcribed in detail at a later stage. FGDs with female participants were facilitated by female field researchers to ensure cultural sensitivity. This was required because some of the areas surveyed, especially Dar'a and Idleb governorates, are culturally conservative.

SEMI-STRUCTURED KEY INFORMANT INTERVIEWS

Key informant interviews mainly consisted of open-ended why and how questions aimed at obtaining in-depth information about specific sectors. 52 interviews were conducted with key

informants across five governorates. These included livestock and dairy farmers, olive cultivators and mill owners, soap factory owners, textile and garment manufacturers, traders, vendors, retailers, local council members and civil society representatives.

Table 1: Number of KIIs and FGDs conducted per location

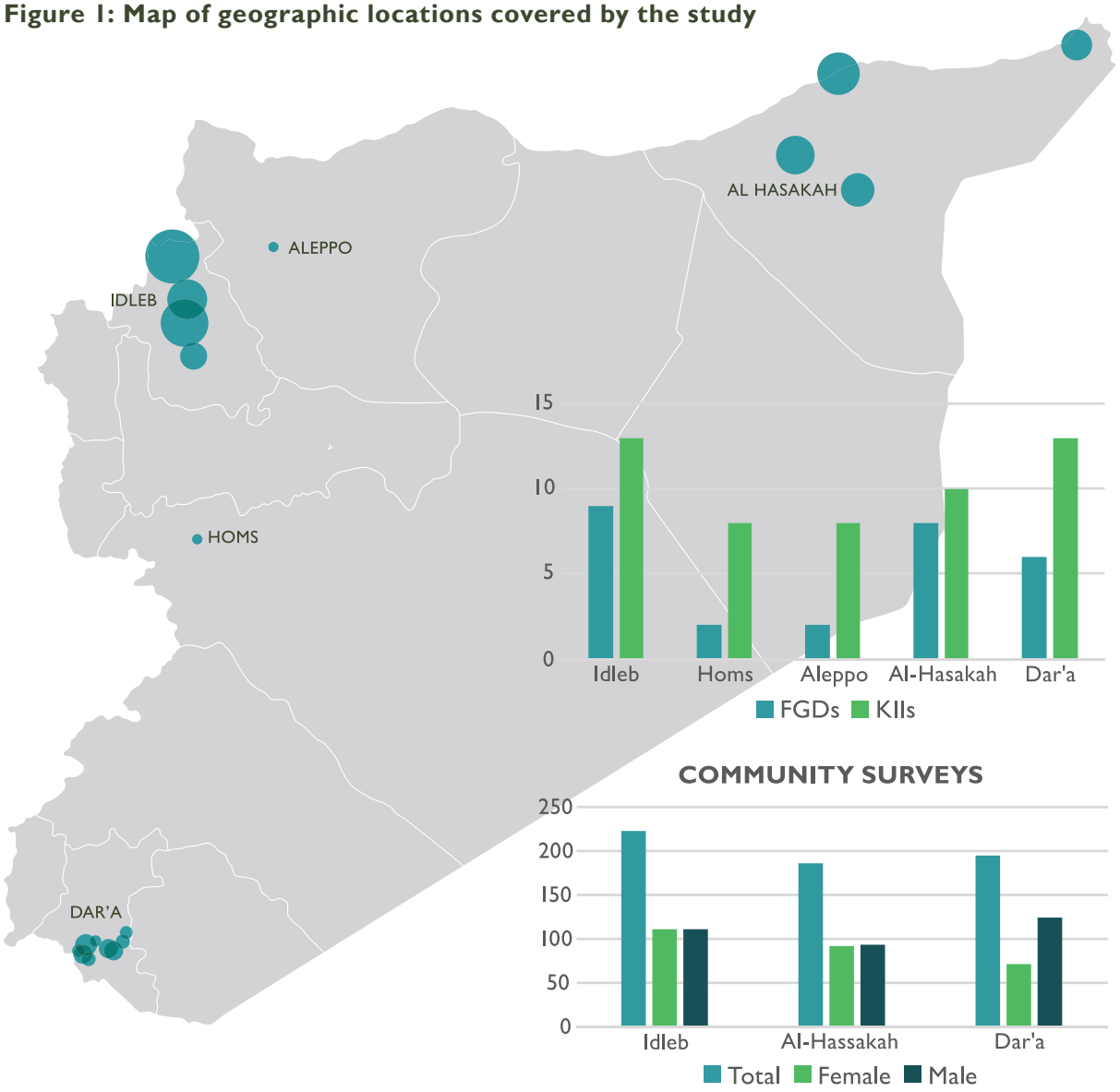
REF.	GOVERNORATE	SUB-DISTRICT	KIIS	FGDS	TYPE OF RESPONDENT
1	Aleppo	Aleppo City	8	2	Textile and garments, soap manufacturers, and traders
2	Homs	Homs City	8	2	Textile and garments, soap manufacturers, and traders
3	Idleb	Maarat An Nu'man, Ariha and Harem	13	9	Male and female community members, including PWDs, livestock and dairy value chain actors, olive and olive oil value chain actors, and traders
4	Al-Hasakah	Tell Tamer, Darbasiya, Al-Hasakah and Al-Malikiyah	10	8	Male and female community members, including livestock and dairy value chain actors, garment manufacturers, and traders
5	Dar'a	Al-Hrak, Dael and Muzayrib	13	6	Male and female community members, including PWDs, livestock and dairy value chain actors, olive and olive oil value chain actors, and traders
Total			**52**	**27**	

The geographic scope of this assessment includes five governorates located in the north-west, north-east, south-central and central Syria.

- Aleppo (north). Urban areas such as the city of Aleppo and relevant industrial zones on the outskirts. These areas are currently under Syrian government control. Textile and garment, and soap value chains were studied.
- Idleb (north). Information was collected from Idleb City and the sub-districts of Maarat An Nu'man, Ariha and Harem, all of which are controlled by armed opposition groups. Olives and olive oil, livestock and dairy value chains were studied.
- Al-Hasakah (north-east). The sub-districts of Tell Tamer, Darbasiya, Al-Hasakah and Al-Malikiyah were sampled. All of these areas are currently under Kurdish control. Livestock and dairy, and textile and garment value chains were studied.
- Homs (centre). The city of Homs is government-held territory. Textile and garment, and soap value chains were studied.
- Dar'a (south). The sub-districts of Al-Hrak, Dael and Muzayrib were sampled. Al-Hrak and Dael have recently been captured by government forces, but Muzayrib remains an opposition area.[6] Livestock and dairy, and olives and olive oil value chains were studied.

6 In early 2018, Dar'a appears likely to come under GoS control in the near future.

Figure 1: Map of geographic locations covered by the study



CHALLENGES AND LIMITATIONS

The main difficulties encountered during the assessment were related to security in certain areas. This caused delays in compiling fieldwork and generated noticable reluctance among some people to participate. Some male community members were unwilling to allow female community members to take part in FGDs. Considering the available time and resources for completing this research, a geographical limit had to be set in order to maintain a realistic research schedule and sample size.

SECURITY CHALLENGES

As a result of the recent security deterioration in Idleb governorate, field researchers faced a great deal of difficulty collecting data and fieldwork was halted at certain periods. There were many armed clashes during the fieldwork period and roads were cut off for long periods of time. Security barriers were placed at the entrances and exits to cities and villages, limiting mobility.

The field teams were in constant communication with Exigo's Executive Director, who manages field operations and provided advice based on an evaluation of the security situation.

GEOGRAPHIC SCOPE AND LOW-VISIBILITY STRATEGY

As the study covered three comprehensive value chains and was conducted within a short time frame, the geographic scope had to be limited to ensure feasability. Five governorates were included: Al-Hasakah, Aleppo, Idleb, Homs and Dar'a.

ACCESS TO FEMALE RESPONDENTS

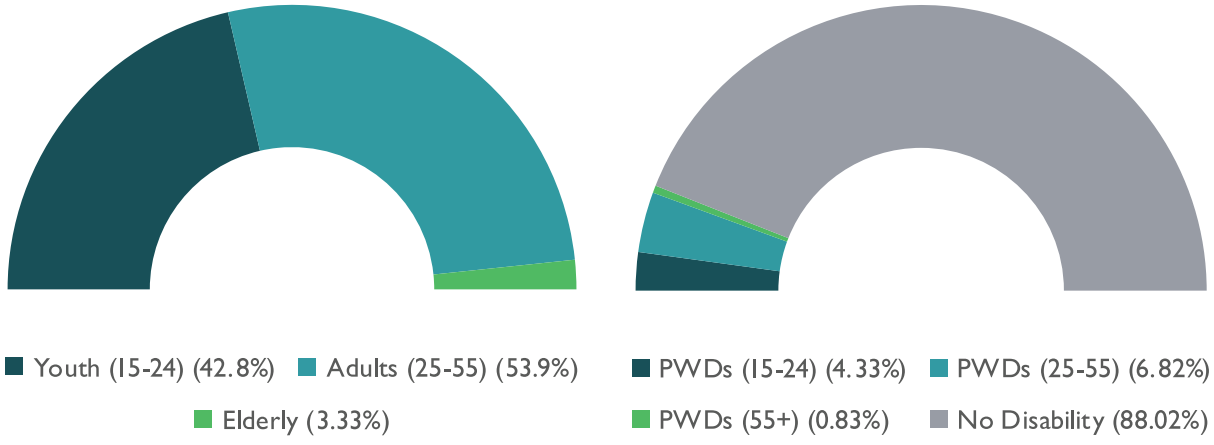
In Dar'a and Idleb, field teams faced challenges when conducting FGDs with female participants. According to information from the field, male community members did not approve of women participating in FGDs. This appears to have been because the content of female-only FGDs had been leaked on social media and deemed culturally inapropriate, although this information could not be verified.

SURVEY DEMOGRAPHICS

Out of a total of 601 surveys, adults aged 25 to 55 represented 53.9% of respondents. Youth aged 15 to 24 represented 42.8%, and elderly people aged 55+ made up the remaining 3.3%. 12% of the total sample confirmed having some form of disability, accounting for 6.8% of the adult population. 4.3% of young people and 1% of elderly reported some form of disability (see Figure 2 for a detailed breakdown).

With regard to the forms of disability, sight and mobility issues were the most recurrent. 17 out of 72 individuals (23.6%) across all age ranges, reported having two or more forms of disability.

Figure 2: Respondents by age group, and proportion of PWDs per age group

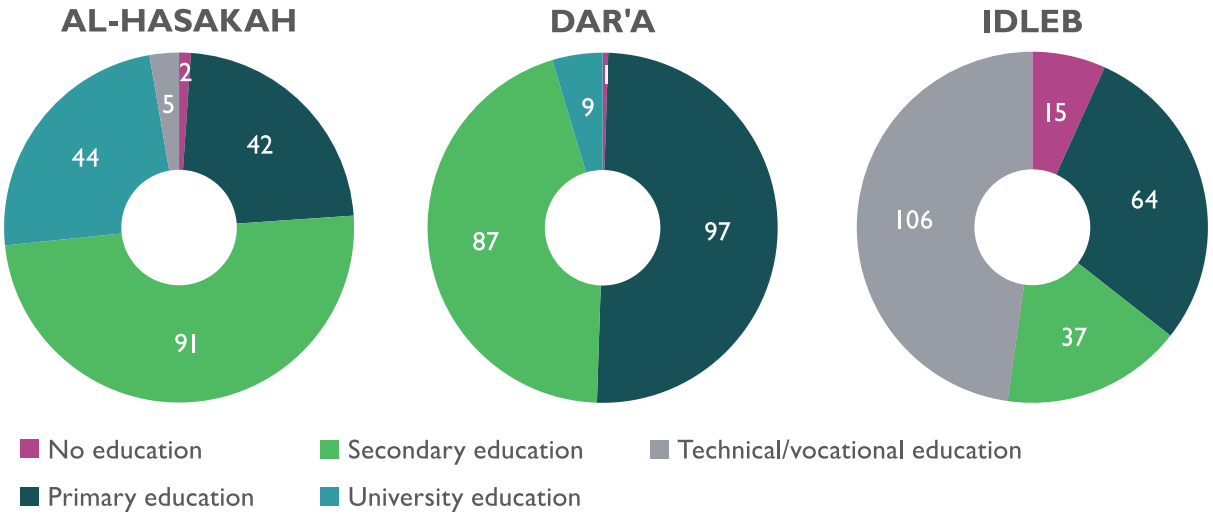


Levels of education varied between locations. A dominance of individuals with secondary education was noted among Al-Hasakah respondents (49.5%), followed by university education (23.9%), primary education (22.8%), technical/vocational education (2.7%) and no education (1.1%). Primary education was reported as the highest form of education among the majority of respondents in Dar'a (52.7%), followed by secondary education (47.3%), university education (4.9%) and no education (0.5%).

Technical/vocational education among survey respondents was found to be the highest form of education in Idleb (57.6%), followed by primary education (34.8%), secondary education (20.1%), and no education (8.2%) (see Figure 3 for detailed information on education levels).

These findings show that higher levels of education were found among individuals in Al-Hasakah, followed by Dar'a. A higher percentage of individuals that reported no education, or primary and technical/vocational education, were found in Idleb.

Figure 3: Education level of survey participants



Most vocational opportunities were found in Idleb, which mainly included tailoring, farming and hairdressing. The most common university degrees in Al-Hasakah were law (10 survey participants), Arabic literature (7 survey participants), agronomy (6 survey participants) and economy/business and administration (5 survey participants).

Survey findings suggest that host community members (HCMs) and returnees generally tend to have higher education levels than IDPs, especially at secondary and university level. In contrast, vocational training is more common among IDPs than among HCMs and returnees (see Table 2).

Table 2: Education level of survey participants by household (HH) status

REF.	HH STATUS	NO EDUCATION	PRIMARY EDUCATION	SECONDARY EDUCATION	UNIVERSITY EDUCATION	TECHNICAL/ VOCATIONAL EDUCATION	TOTAL
1	Host Community Members	2.8%	34.6%	35.8%	10.1%	16.6%	100% (n=506)
2	IDPs	5.4%	29.7%	28.4%	1.4%	35.1%	100% (n=74)
3	Returnees	0.0%	28.6%	61.9%	4.8%	4.8%	100% (n=21)

The most common types of vocational training among IDPs include hairdressing/barbering (8 out of 26 IDPs with vocational training) and tailoring (6 out of 26). HCMs reported agriculture (23 out

of 84 HCMs with vocational training), tailoring (20 out of 84) and hairdressing/barbering (17 out of 84) as some of the most common vocational training the respondents had received.

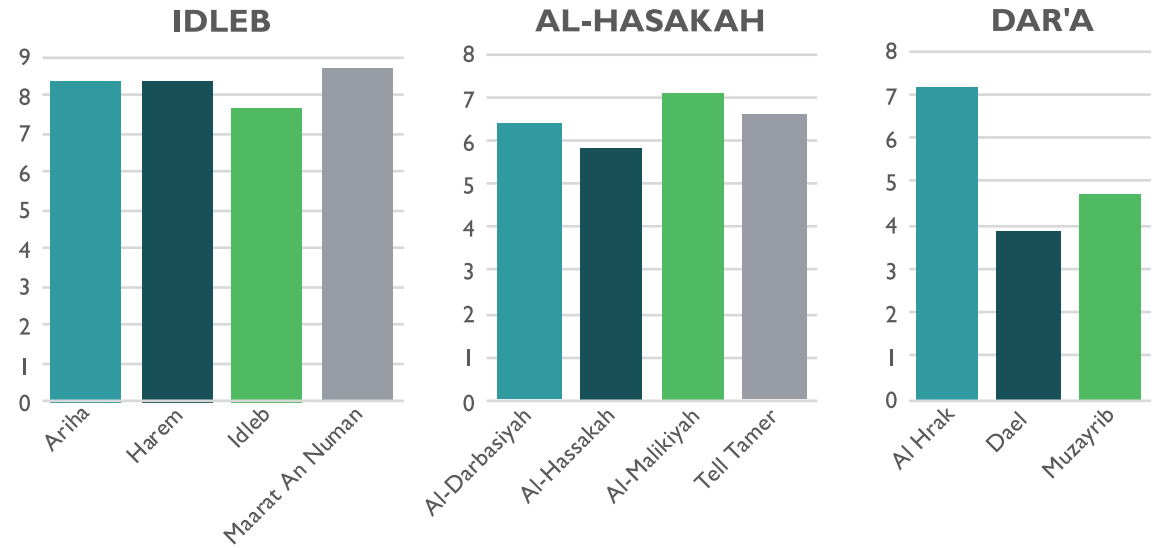
Survey findings at household level suggest that secondary and university-level education is more common among HCMs and returnees than among IDPs. As seen in Table 3, more than 43% of surveyed IDP respondents stated that primary education was the highest level of education attained by a member of their household, whereas only 17.2% of HCMs and 14.3% of returnees reported the same thing.

Table 3: Highest level of education attained by HH members by household (HH) status

EDUCATION LEVEL	HOST COMMUNITY MEMBERS (n=506)	INTERNALLY DISPLACED PERSONS (IDPs) (n=74)	RETURNEES (n=21)	TOTAL (n=601)
No education	0.2%	0.0%	0.0%	0.2%
Primary education	17.2%	43.2%	14.3%	20.3%
Secondary education	55.7%	44.6%	57.1%	54.4%
University education	25.5%	10.8%	23.8%	23.6%
Technical/vocational education	1.4%	1.4%	4.8%	1.5%
Total	**100%**	**100%**	**100%**	**100%**

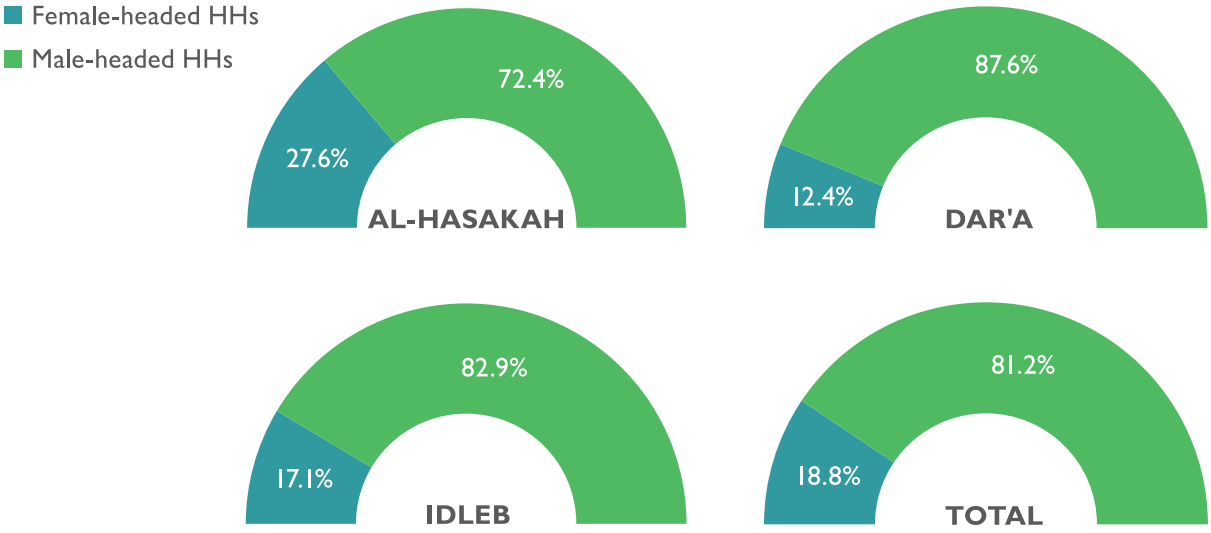
The average household size was found to differ across governorates and villages. A higher number of household members was found in Idleb (7 to 8 household members across all locations), followed by Al-Hasakah (6 to 7 household members), and finally Dar'a, where the household size ranged from a minimum of 4 in Dael, to a maximum of 7 in Al-Hrak (Figure 4 outlines detailed information relating to average household size).

Figure 4: Average number of household (HH) members



Across locations, a total of 18.8% of households were headed by women. Variances across governorates ranged from 27.6% in Al-Hasakah, the highest concentration of female-headed households, to 17.1% in Idleb and 12.4% in Dar'a (see Figure 5 below).

Figure 5: Proportion of female-headed households



The majority of households (64.4%) earned an average monthly income below 80,000 SYP (184 USD).[7] Most of these households (56.8%) derived their income from the construction sector, seasonal/daily work, humanitarian aid assistance, financial support from relatives living abroad or employment in small businesses.

Only 35.6% of households earned more than 80,000 SYP (184 USD) per month and most of these (23.5%) were in the 80,000–120,000 SYP (184–276 USD) bracket. Income from the production and sale of meat and dairy products, privately-owned businesses, the farming and sale of agricultural crops, and employment within the humanitarian and service sectors appear to account for the largest proportion of households earning above 80,000 SYP (see Figure 6 for detailed information regarding household income levels and sources of income).

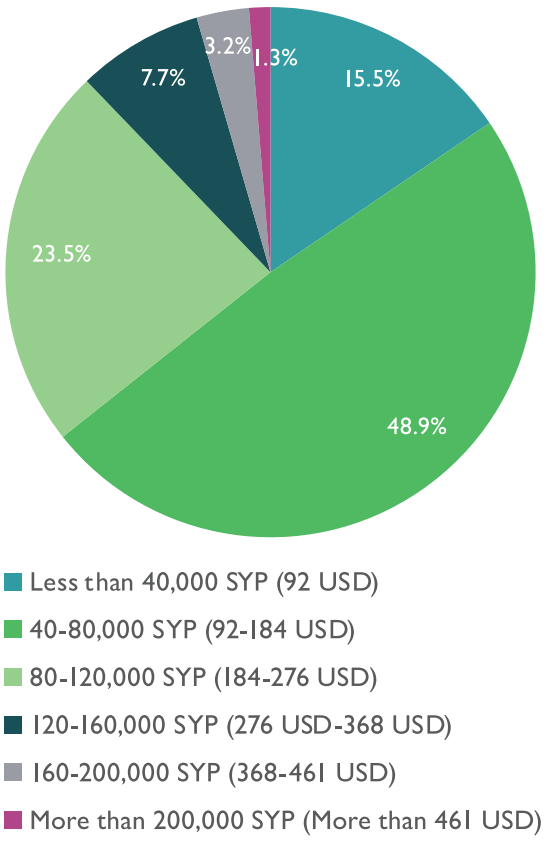
As seen in Figure 6, the three subsectors that were selected for this livelihoods assessment are among the sectors which allow families to earn an above-average income, i.e. 40,000–80,000 SYP (92–184 USD) per month. For example, olives and olive oil production are part of agricultural production, whereas soap, textile and garment industries are considered to belong to the private sector. Livestock and dairy production is specifically mentioned in Figure 6 and appears to be the most profitable sector. These findings support the study's basis that the three selected subsectors provide viable livelihood opportunities for vulnerable communities.

7 SYP translated into US dollars using the UN operational rates of exchange in effect on May 1, 2018 (1 USD = 434 SYP).

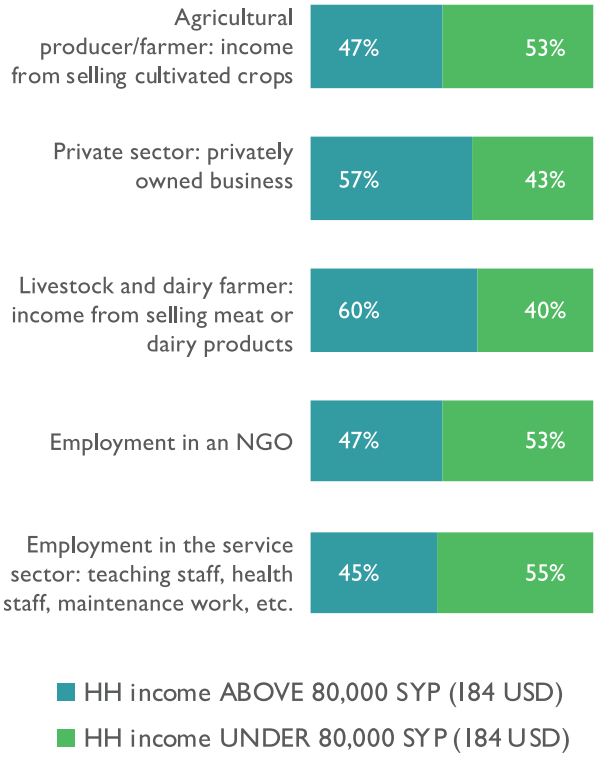
Figure 6: HH income levels and most profitable sources by percentage of HHs

Related survey question: What is your HH's average monthly income in Syrian pounds and which of the following is currently your household's main source of income?

Proportion of HHs by monthly income level - in % of total HHs



Sectors with highest proportion of HHs earning a monthly income of more than 80,000 SYP (184 USD) - in % of sector



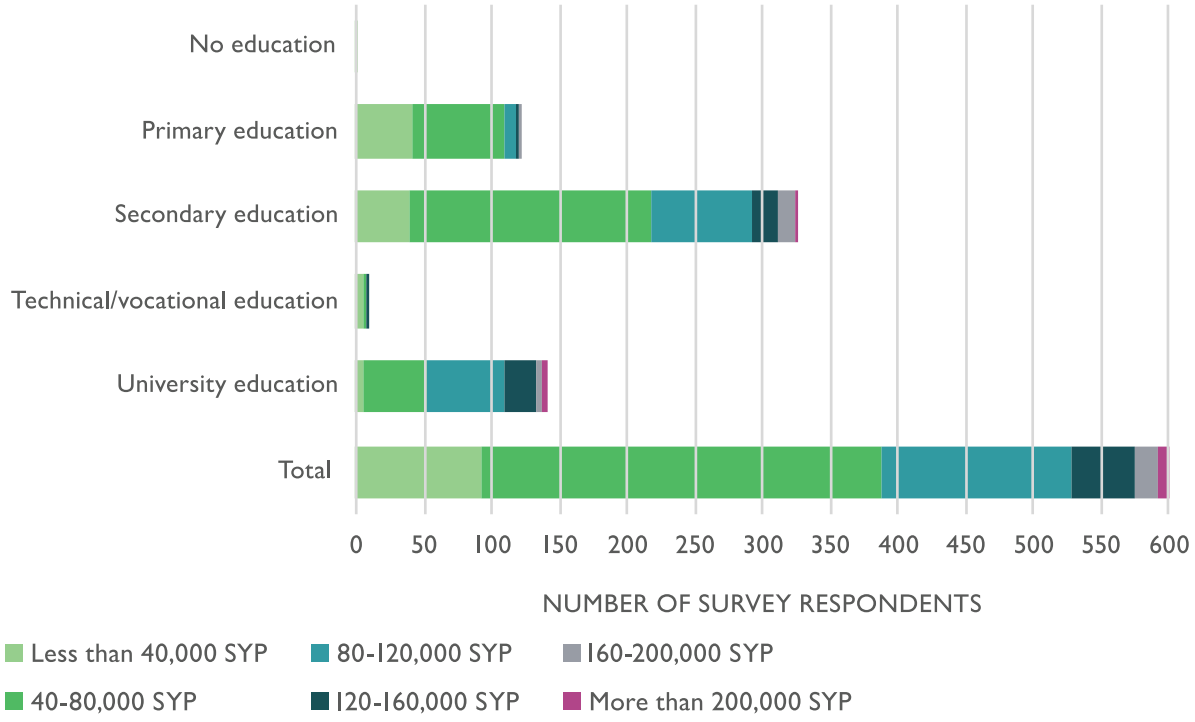
THE RELATIONSHIP BETWEEN AVERAGE HH INCOME AND EDUCATION LEVELS

Out of 111 survey respondents who mentioned vocational/technical education as their highest form of education (106 in Idleb and 5 in Al-Hasakah), 24% reported a household income below 40,000 SYP (92 USD) per month. 70% reported a household income between 40,000–80,000 SYP (92–184 USD) per month.

Household income appears to improve among respondents with secondary education. This accounts for 215 respondents, of which 91 were in Al-Hasakah, 87 in Dar'a, and 37 in Idleb. 41% of these households earned 40,000–80,000 SYP (92–184 USD) and 37% earned 80,000–120,000 SYP (184–276 USD).

Similarly, household income reportedly improved again among 72% of those with university degrees. 60% of those with degrees had an average monthly household income of 80,000–120,000 SYP (184–276 USD) or more. These findings suggest that respondents with secondary school or university degrees tend to earn more, as their households have a higher-income than those who only have vocational or technical training.

Figure 7: Average monthly HH income by highest education level in household



AVERAGE HH INCOME BY GENDER OF HOUSEHOLD HEAD

A small variance was found between female-headed households compared to male-headed when it comes to income. On average, female-headed HHs seem to earn a similar monthly income to male-headed ones. However, differences exist when analyzing the income gap in monthly income brackets. A +4% variance exists in the "less than 40,000 SYP" monthly income bracket, displaying a higher level of socio-economic vulnerability among female-headed HHs. Similarly, 13.5% of male-headed HHs fall ithin the "120,000 to 200,000 SYP or above" income bracket compared to 7.1% of female-headed HHs. Although the majority of HHs in this survey do not earn more than 120,000 SYP per month on average, these findings suggest female-headed households are unlikely to earn more than male-headed ones.

AVERAGE HH INCOME BY HOUSEHOLD STATUS

Table 4 suggests that the number of IDP households earning below 40,000 SYP (92 USD)[8] is considerably higher than HCM and returnee groups. In addition, HCMs and returnees in the 80,000–120,000 SYP income bracket is higher than IDPs. These figures show that IDP households subsist on a visibly lower average income than host community members and returnees.

8 SYP translated into US dollars using the UN operational rates of exchange in effect on May 1, 2018 (1 USD = 434 SYP).

Table 4: Average monthly HH income by household (HH) status

Related survey question: What is your HH's average monthly income in Syrian pounds?

INCOME LEVEL	HOST COMMUNITY MEMBERS (N=506)	INTERNALLY DISPLACED PERSONS (IDPS) (N=74)	RETURNEES (N=21)	TOTAL (N=601)
Less than 40,000 SYP	12.5%	35.1%	19.0%	15.5%
40-80,000 SYP	50.0%	47.3%	28.6%	48.9%
80-120,000 SYP	25.5%	8.1%	28.6%	23.5%
120-160,000 SYP	7.7%	5.4%	14.3%	7.7%
160-200,000 SYP	3.2%	2.7%	4.8%	3.2%
More than 200,000 SYP	1.2%	1.4%	4.8%	1.3%
Total	**100%**	**100%**	**100%**	**100%**

SIGNIFICANCE FOR SRC

Key survey demographics validate the three sectors as viable livelihood investments. They allow households to earn above-average monthly income (40–80,000 SYP/92–184 USD). Livestock and dairy production is the most lucrative sector, with the private trade in soap, textiles and garments coming in second. Olives and olive oil production is the third most profitable sector. It is also important to note the difference between income for male and female-headed households. As the gap is not significant, this provides an opportunity for SRC to promote fair pay and equal opportunities for both genders. Interventions could also take into account the variable education levels across governorates.

FINDINGS

KEY ACTORS WITHIN EACH VALUE CHAIN

TEXTILE AND GARMENTS

Before the onset of the conflict, textile and garments were one of Syria's main industrial sectors. Textile factories were mainly located in the industrial zones of Aleppo, Homs and rural Damascus. Today, the main actors are identified as factory owners and textile traders who make sure the goods are supplied to market. Fabric retailers and garment producers are also actors in the value chain who earn a living from the production of textiles. All of these actors depend on the availability of raw material such as cotton and wool.

Input providers

Prior to 2011, the cultivation of cotton, including the provision of seeds, fertiliser and cotton gin machines, was heavily supported and controlled by the state. This included both domestic and export trade. Since the onset of the conflict, government support for cotton and other crops has ceased. Inputs for cotton and fibre production are now limited to the local market, to the extent that farmers can afford them.

Cotton farmers

Cotton, which is also referred to as 'white gold', was formerly considered one of the primary crops in Syrian agriculture. It provides employment to roughly 20% of the population.[9] Key governorates that cultivated cotton before 2011 included Al-Hasakah, Ar-Raqqa and Aleppo.[10]

Although cotton is a cash crop, with high potential for profit, there is currently no government support for its cultivation.[11] As cotton is the primary input in textile manufacturing, the drop in cotton production has had an adverse effect on the textile and garment industry. According to FAO, between 180,000–200,000 hectares of arable land was used for cotton production before the conflict. This has now dropped to only 43,000 hectares – a significant reduction.

The main cotton-growing districts in Al-Hashaka are Al-Malikiyah, Ras al-Ayn (including Darbasiyah), Al-Jawadiyah and Al-Yaarubiyah. Interviews with cotton farmers in Al-Hasakah suggest that farmers grow an average of one to two hectares of cotton each. The cost of producing cotton on one hectare of land ranges between 5,000–15,000 USD, depending on the market price of seeds, fertiliser, water, water trucks and the daily price of workers. These costs fluctuate frequently.

9 USDA GAIN Report (2011). Syria - Annual Cotton and Products Report. Accessible at: https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Cotton%20and%20Products%20Annual_Damascus_Syria_4-14-2011.pdf

10 Cafiero, Carlo & Atiya, Basima & Grad, Samir & Al-Ashkar, Haitham & Sadiddin, Ahmad (2009). Study on Supply and Demand Prospects for the Major Syrian Agricultural Products. Accessible at: http://wpage.unina.it/cafiero/syria/sdstudy.pdf

11 Mercy Corps (October 2015). Al-Hasakeh - Syria Agricultural Assessment. Accessible at: https://www.mercycorps.org/research-resources/al-hasakeh-syria-agricultural-assessment-0

The cost of producing cotton, as well as the ability of farmers to secure a buyer beforehand, are two key factors that influence a farmer's decision to grow cotton in the first place. Therefore, the main factors leading to the significant decrease in cotton production can be summed up as being: 1) the high cost of production inputs, 2) the inability of farmers to secure buyers beforehand, and 3) a lack of available water, as cotton is a water-intensive crop (see Environmental Factors for details on water scarcity).

Wool producers

Wool is primarily produced by rural sheep farmers. The textile industry buys wool from local markets, where the wool is brought for sale by traders who work with farmers in the countryside.[12]

Traders

Traders play an important role in the textile and garment sectors. They are responsible for the transportation and flow of produce along the value chain. Next to farmers, traders are considered to be the top value chain actors according to key stakeholders in the cotton industry in Al-Hasakah.

Although traders purchase the cotton harvest, what happens to it afterwards was unknown to farmers in our FGDs:

> *The cotton trade at this moment is a mystery. The trader buys it from the farmer, and then nobody knows what happens to it…We don't know if it's being exported or not. But there are specific private traders.*[13]

Follow-up interviews with cotton farmers revealed that, in addition to being transported to textile factories in Aleppo and Homs, cotton is also being exported to Iraq through the Faysh Khabour Crossing near Malikiyah.

This finding highlights gaps in the flow of information along the value chain, and possibly a lack of close coordination between value chain actors. Buyers are uncertain about the market channels and final destinations of their products. Prior to the crisis, the cotton sector was strongly supported by the government, but now market systems face critical changes with the private sector, traders and intermediaries playing a stronger, informal role.

> *The government used to provide the seeds and the materials with good prices, the government used to give us loans… the government used to motivate and help the farmers to grow cotton and it provided all the regions with support for transportation within the country and supported exports.*[14]

Traders also bring cotton to ginning and textile factories. Although this study was unable to obtain specific figures about the amount sold domestically versus internationally, interviews suggest that traders play a key part in the sale of textiles to both markets.

12 Key informant interview, textile manufacturer, Aleppo City, April 21, 2018

13 Focus group discussion with cotton farmers in Al-Malikiyah, Al-Hasakah, April 18, 2018

14 Focus group discussion with cotton farmers in Al-Malikiyah, Al-Hasakah, April 18, 2018

Textile factories

Before 2011, the textile and garment industry made up 25% of Syrian GDP and employed approximately 10% of the labour force, making it one of the most important economic sectors in the country. While the cotton industry was managed by the state, the textile and garment sector was mainly composed of private businesses, representing approximately 80% of the sector. As of 2009, Syria had roughly 24,000 registered textile manufacturers of different sizes, although most were small to medium-sized enterprises (SMEs).[15]

The number of textile manufacturers has decreased significantly since the start of the crisis. According to the International Monetary Fund (IMF), Syria's manufacturing capacity - which was mainly based in Aleppo, Homs and suburbs of Damascus - reduced by nearly 77%, as a result of the war.[16] Nevertheless, primary data and desk review findings suggest that the textile and garment industry did not cease production entirely. The sector is showing signs of resurgence, albeit small, with SME factory owners in Aleppo and Homs attempting to restart operations.[17] Furthermore, the export of commodities seems to have continued during the conflict, though to what extent is unclear. As a textile manufacturer in Homs explained:

> *Demand was already high before the war in Syria, but now with less factories the demand is even higher and this is an opportunity for people who want to open new factories… My factory had some problems due to the security situation, but since three years back, things are under control and I export [my goods] through the port in Tartus City.*[18]

Fabric traders

Both local and national traders are active in the textile sector. Main traders include individuals who supply local markets by transporting fabric from textile factories in Aleppo and Homs, or who import from abroad to local merchants. These traders go on to supply garment manufacturers, tailors and fabric shops.

Fabric retailers

Shops obtain their products from local fabric traders and sell the fabric to garment manufacturers, tailors and directly to consumers.

Garment manufacturers and tailors

Other important actors in this industry include garment manufacturers and tailors, who are the main purchasers of textile commodities inside Syria and operate mainly as SMEs. They purchase fabric from local traders who bring Syrian-manufactured textiles by truck or car. Garment manufacturers sell these products to both domestic and international markets:

15 Bisso, Ricardo (November 2009), Development Strategy for Three Sectors: Textile, Agro Food and Fresh Fruits and Vegetables. Accessed at: http://www.ncosyria.com/assets/files/studies/Textile,%20Agro%20Food%20and%20Fresh%20Fruits%20and%20Vegetables.pdf

16 International Monetary Fund (2016). IMF Working Paper 16/123 - Syria's Conflict Economy, Available at: https://www.imf.org/external/pubs/ft/wp/2016/wp16123.pdf

17 See for example: Gulf News (April 29, 2018). In east Aleppo, industrial zones emerge from the rubble. Accessible at: https://gulfnews.com/news/mena/syria/in-east-aleppo-industrial-zones-emerge-from-the-rubble-1.2054279, and Financial Times (August 3, 2017). Syria: a tale of three cities. Accessible at: https://www.ft.com/content/6710ab2a-7716-11e7-90c0-90a9d1bc9691

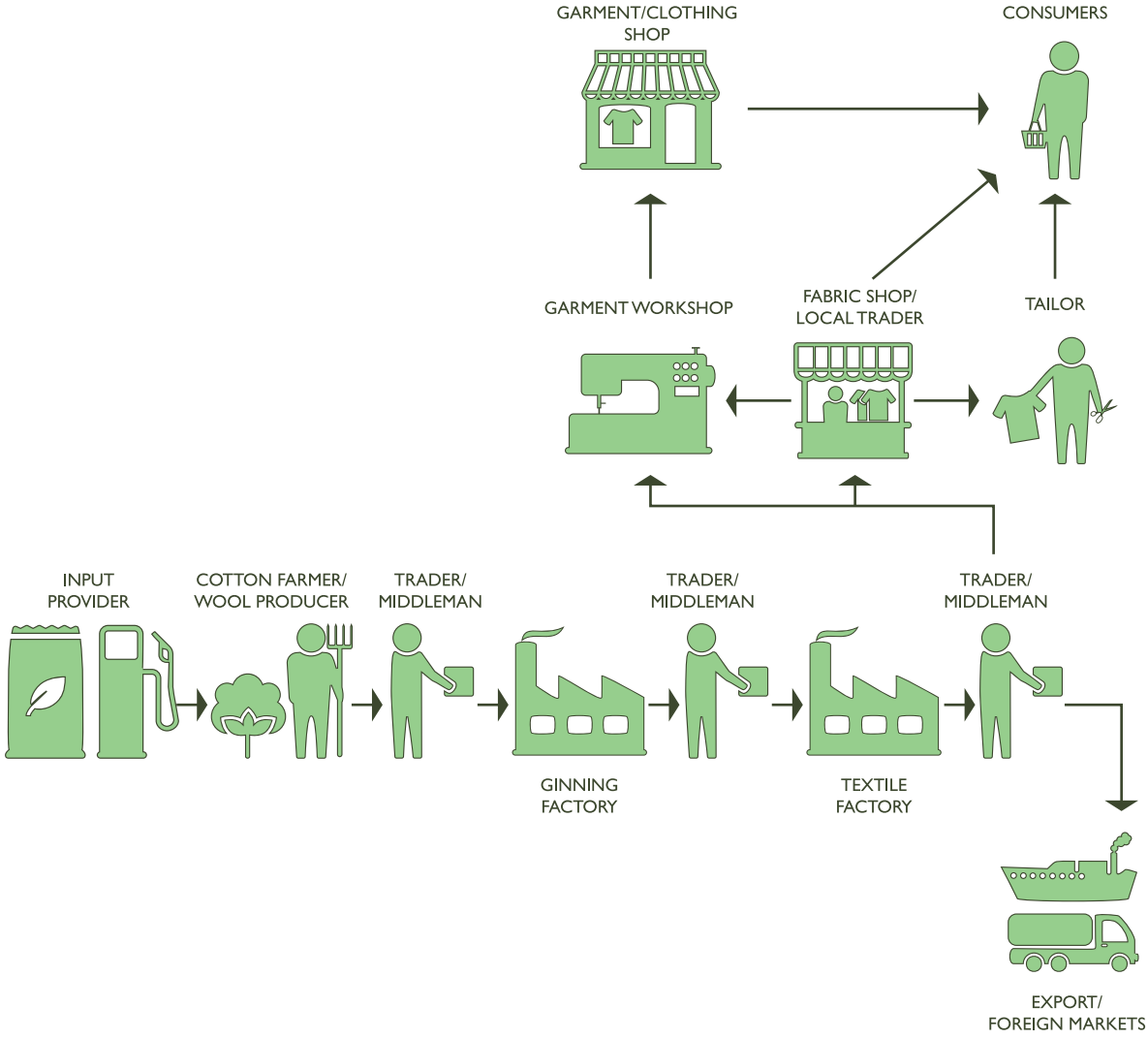
18 Key informant interview, textile manufacturer, Homs City, April 20, 2018

For a few years, and due to the security situation in Aleppo, the shelling and the gangs, I stopped working until I managed to transfer my equipment to a safe place. I was affected negatively, but now it is a little better… markets are more open and now we can produce effectively and we can have new customers… a large number of workshops export to many countries.[19]

Garment vendors

Small shops and retailers selling ready-made clothes which are produced for, and sold, directly to consumers.

Figure 8: Value chain map of textile and garments



19 Key informant interview, garment manufacturer, Aleppo City, April 19, 2018

OLIVES, OLIVE OIL AND SOAP

The production of olives, olive oil and soap holds historical significance in the Syrian economy. Prior to the conflict, Syria was ranked the fourth-largest producer of olives in the world, employing approximately 100,000 families.[20] As of 2016, olive trees are estimated to make up 65% of all fruit trees in Syria. Presently, the country is ranked third among olive-growing Arab countries, after Morocco and Tunisia.[21]

Input providers

The first actors in the olive and olive oil value chain are identified as input providers. In Dar'a, for example, olive farmers normally obtain inputs such as fertiliser and pesticides from traders who own agricultural pharmacies. These traders procure the inputs from government-controlled areas such as Damascus.

In Idleb, there is a general shortage of inputs, including fertiliser, pesticides and agrichemicals. These inputs are considered costly and therefore unaffordable for most farmers. According to FGD participants in the olive sector, some input traders are deliberately inflating prices in order to maximize profit:

> *If you need these inputs, you go to the traders. Even if they have these inputs, they exploit your need of these inputs and sell them at high prices. Sometimes we can find these inputs at some organizations, but in very small amounts. Therefore, farmers have to go and buy them from traders.*[22]

Olive farmers

Olive farmers are generally considered the most important production actors within this subsector. Although farmers decide upon and manage the quantity of olive production, it appears they make the least profit in the value chain:

> *The farmer is the person who is at most loss, nothing is left for him. He goes to the presser, he takes from him. The trader and the transportation vehicle, they all come at a cost, and so the farmer is left with small profits.*[23]

Olive mills

As in the case of olive farmers, mill owners are key actors in the value chain. Once olives have been harvested, farmers take part of their yield to local mills, where the olives are pressed into olive oil, a valuable by-product.

Traders

To access markets, producers depend on traders and wholesalers. Traders use their personal connections and business networks in other cities to market and sell products from local producers. Local producers include olive farmers, olive mills and soap factories.

20 FAO/WFP (November 14, 2016). Crop and Food Security Assessment Mission to the Syrian Arab Republic. Special Report. Accessible at: http://www.fao.org/3/a-i6445e.pdf

21 Syrian Economic Forum (January 6, 2016). Will the Syrian Olive Oil Return to Exportation Again? Accessible at: https://www.syrianef.org/assets/policy_papers/english/Olive-Oil-policy-paper-EN-1.pdf

22 Focus group discussion, olive and olive oil value chain actors, Maarat An Nu'man, Idleb, 20 April, 2018

23 Focus group discussion, olive and olive oil value chain actors, Harem, Idleb, April 20, 2018

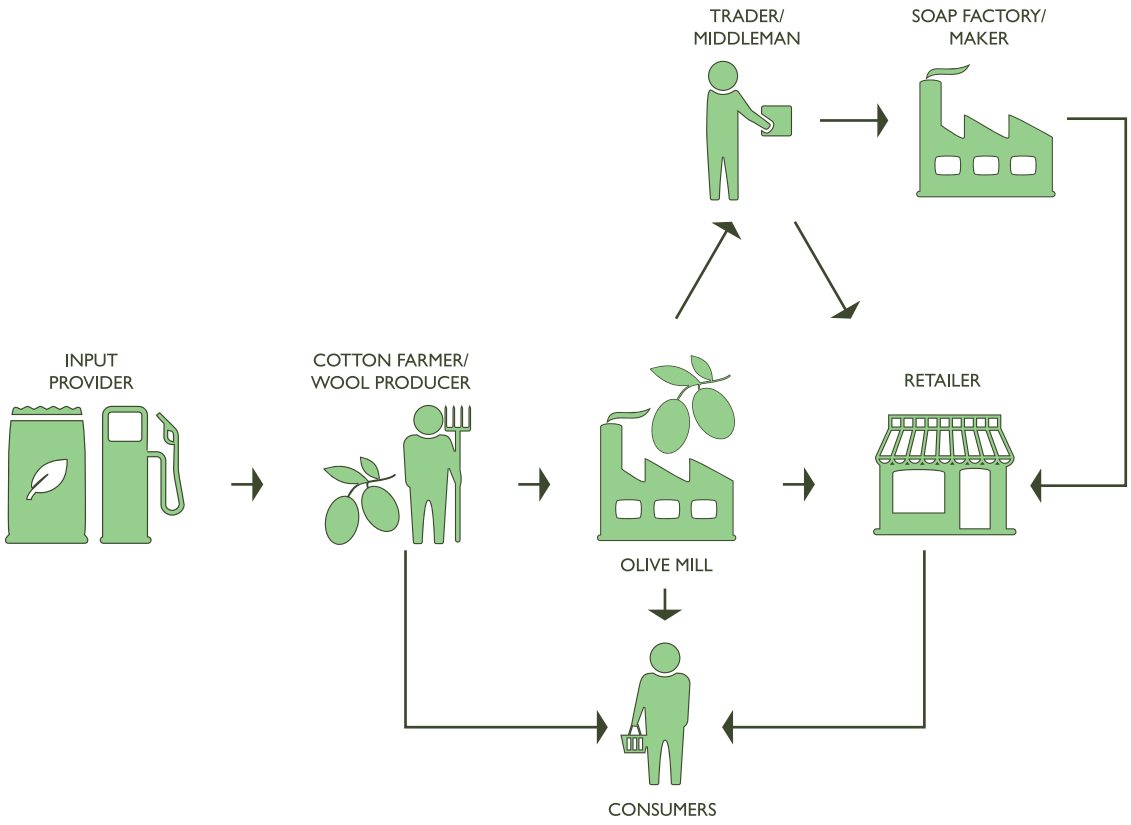
Soap producers

Owners of soap factories are the main actors in the olive soap sector. As the producers of soap, they determine the market price that traders have to pay. Although there appears to be no tension between soap producers, traders, wholesalers and retailers, some wholesalers raise market prices to try to take advantage of limited supply.[24]

Retailers

Retailers are shops that sell olives and olive by-products (oil and soap) to consumers. They not only trade directly with mills and soap factories, but also with traders who bring products to them.

Figure 9: Value chain map of olives, olive oil and soap



LIVESTOCK AND DAIRY

The agricultural sector has always been an essential part of the Syrian economy. It provides a living for roughly half the population and contributed approximately 20% of GDP before the war.[25] As a subsector of agriculture, livestock, meat and dairy accounted for 40% of production and employed 20% of the rural labour force prior to 2011.[26] These figures highlight the pre-conflict contextual relevance of the sector, as well as its importance to agriculture and livestock production at both

24 Key informant interview, soap manufacturer, Aleppo City, 20 April, 2018

25 See for example: IFAD, Near East and Africa Divisions, Syrian Arab Republic Integrated Livestock Development Project, Final Project Design Report. Accessible at: https://www.ifad.org/documents/10180/25921e19-b4e6-47be-8482-9ec291e06e1b and Butter, David (June 2015). Syria's Economy, Picking up the pieces, Research Paper, Chatham House. Accessible at: https://www.chathamhouse.org/sites/files/chathamhouse/field/field_document/20150623SyriaEconomyButter.pdf

26 FAO (2017). Counting the cost, Agriculture in Syria after six years of crisis. Accessible at: http://www.fao.org/emergencies/resources/documents/resources-detail/en/c/878213/

national and household level. Livestock and dairy activity has declined substantially since the conflict began, mainly due to the sale of animals for income, an inability of farmers to maintain animals, and the lack of proper veterinary care and vaccinations, leading to diseases and higher death rates.[27]

Prior to the crisis, the key value and supply chain actors in the dairy subsector included: 1) milk producers, who were farmers themselves, 2) middlemen, who were also cheese makers and controlled dairy trade through their connections with traders in big cities, 3) dairy traders, who supplied retailers and consumers, and 4) retailers and vendors.

Cheese makers normally acted as intermediaries between milk producers and traders, putting them in a position of power to access market information over producers.[28]

The findings of this study suggest that, in the current context, livestock and dairy value chain actors now consist of input providers, livestock farmers, traders, dairy producers, butchers, vendors and retailers, and consumers (see Figure 10).

Input providers

Private businesses supplying farmers with essential materials that enable production, such as animal feed and vaccines.

Livestock farmers

The main actors in rural communities were identified as breeders and livestock farmers. They produce meat, milk and dairy products and sell their surplus directly to neighbours and members of their communities. Due to the lack of refrigerated storage facilities and cold chains to larger cities, farmers are unable to reach markets outside their local areas. At present, there is low local demand for meat and dairy products due to high prices:

> *There are no production facilities, meaning the families are the ones who produce their own dairy… There used to be production facilities, but they closed [down] because there are no longer any consumers to sell the products [to]… There are no active factories to pasteurize the milk, so it is being sold raw… There [is] no equipment to store the meat.*[29]

Traders

Traders play an important role in the value chain of livestock and dairy production. In more populated urban areas, such as the cities of Al-Hasakah and Al-Malikiyah, dairy and meat traders are able to export their products to northern Iraq, where purchasing power is higher and there is a demand for products from the Al-Hasakah governorate.

According to dairy producers and livestock farmers, traders are the value chain actors with most

27 See for example: FAO/WFP (July 18, 2017). Crop and Food Security Assessment Mission to the Syrian Arab Republic. Special Report. Accessible at: http://www.fao.org/3/a-i7578e.pdf and FAO (May 2014). Resilient Livelihoods for Agriculture and Food and Nutrition Security in Areas Affected by the Syria Crisis. Accessible at: http://www.fao.org/emergencies/resources/documents/resources-detail/en/c/232478/

28 M. Abdelali-Martini, B. Dhehibi, and A. Aw-Hassan (2013). *Determinants of Small Scale Dairy Sheep Producers' Decisions to Use Middlemen for Accessing Markets and Getting Loans in Dry Marginal Areas in Syria.* Expl Agric, volume 50 (3), pp. 438–457. Cambridge University Press. Accessible at: https://www.cambridge.org/core/journals/experimental-agriculture/article/determinants-of-small-scale-dairy-sheep-producers-decisions-to-use-middlemen-for-accessing-markets-and-getting-loans-in-dry-marginal-areas-in-syria/1EF52EDFE8D13E160496B138F2A38D14

29 Focus group discussion, male livestock and dairy value chain actors, Al-Malikiyah, al-Hasakah, April 21, 2018

power. They are the ones controlling and defining the market price of products. Findings also suggest there is tension between traders and producers, as a result of the traders' control of market and prices:

> *When the season is not that good, [the traders] have more power over others, because they can control the pricing. When the government used to support us, no one could control pricing. But now, there's no support from the state.*[30]

Dairy producers

Dairy producers obtain milk from livestock farmers or from local traders who act as middlemen. They are normally located in more populated communities where there is higher demand, as most farmers in rural areas only produce dairy products for household consumption.

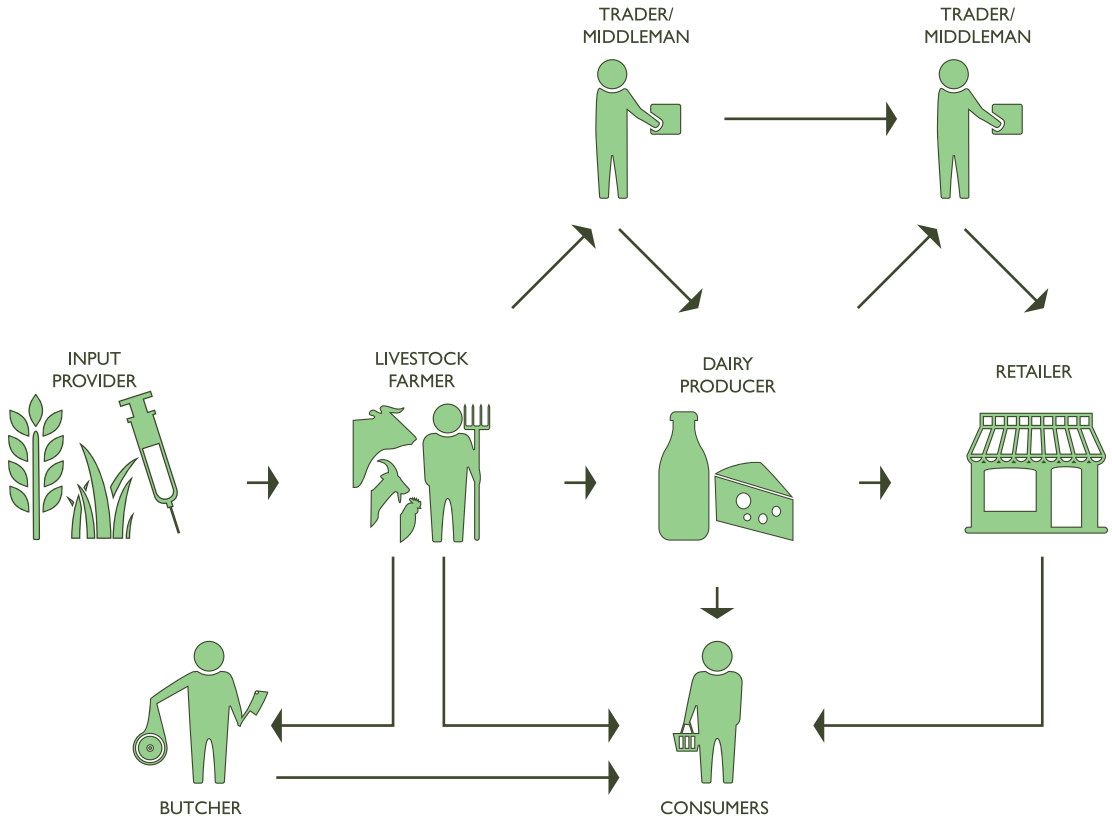
Butchers

Butchers procure animals from livestock breeders or traders who act as middlemen. After slaughtering the animals and preparing the meat, they sell their wares directly to local consumers.

Retailers

Food retailers buy dairy products such as cheese and yoghurt either directly from the producer or from traders. These dairy products are then sold to consumers.

Figure 10: Value chain map of livestock and dairy



30 Key informant interview, male livestock and poultry farmer, Al-Hasakah, April 21, 2018

GROWTH POTENTIAL AND MARKET DEMAND

TEXTILE AND GARMENTS

Potential for growth

There is high demand for locally-produced fabrics, and textile factories are struggling to meet this demand. A limited number of textile factories have remained operational or resumed activities since stability was established in the government-controlled areas of Aleppo and Homs. Most factories that were open before the war have either been destroyed, looted or relocated to other parts of the country. Some have moved to Damascus, or to neighbouring countries such as Egypt and Turkey. Another reason for reduced industry productivity is the cost and scarcity of inputs such as cotton and wool. Simply put, an increase in the availability of inputs could potentially boost the production of textiles. This would increase market availability, which would then reduce the cost of materials:

> *Demand increased due to the lack of factories, especially in Aleppo. [Existing] factories are now under pressure to catch up with the demand and none of these factories have stopped producing.*[31]

Cotton production volumes have drastically decreased since the war started. In Al-Hasakah, production volumes were reported to have dropped by 20%.[32] The main challenges impeding growth are: 1) the high cost of fuel for running generators and machinery, as electric grids are not functional, 2) water scarcity (see Environmental Factors), 3) a lack of warehouses which previously used to exist, and 4) insecurity on the roads and the additional costs incurred by this, making it challenging to access inputs and to trade goods between local markets in different governorates.

As well as providing cotton and wool supplies, local garment producers in Al-Hasakah say they can be further supported by:

> *Providing fabrics in good quantities… the more fabrics we receive, the cheaper the prices will become. We need electricity and generators to operate the machines… we need sewing and stitching machines, in addition to jean [manufacturing] machines.*[33]

Market demand

Producers in Aleppo and Homs state there is a high demand for Syrian-produced textiles and clothing across both national and international markets. This is due to the sector's reputation for quality and affordability, resulting from its cheap labour force. However, it should also be noted that there are reports of cheap, imported materials circulating on the internal market which could create competition for local producers.

The largest national markets were identified as Aleppo, Damascus, and rural areas in southern Syria. However, interviews with small-scale garment producers and traders in Al-Hasakah suggest there is also an unmet local demand for textiles in that governorate. As regards export, foreign

31 Key informant interview, textile factory owner, Homs City, April 15, 2018

32 Focus group discussion, cotton production, Al-Malikiyah, Al-Hasakah, April 18, 2018

33 Key informant interview, small scale garment producer, Darbasiyah, Al-Hasakah, April 2018

textile markets mentioned by multiple sources include Russia, Japan, Algeria, Sudan, Lebanon, Iraq and Gulf countries:

> *Providing fabrics in good quantities… the more fabrics we receive, the cheaper the prices will become. We need electricity and generators to operate the machines… we need sewing and stitching machines, in addition to jean [manufacturing] machines.*[34]

The textile and garment industry appears to have realistic growth prospects thanks to both national and international demand. Cotton and textile production could be increased by supporting access to affordable raw materials, electricity and fuel.

Significance for SRC

Thanks to the demand for Syrian textiles both nationally and internationally, this sector has room for growth. It would benefit from inputs such as cotton, wool, ready-made fabric and machinery for manufacturing clothing. Support for Al-Hasakah cotton producers could include facilitating access to seeds, fertiliser and pesticides. Reducing fuel-dependency and adopting alternative, renewable energy sources could benefit both textile and garment manufacturers, as well as cotton farmers (see Environmental Factors).

OLIVES, OLIVE OIL AND SOAP

Potential for growth

Olive production is considered an important source of income for local people in the Dar'a and Idleb governorates. In Dar'a, approximately one quarter of arable land reportedly consists of olive groves.[35] Yet, interviewed farmers in Dar'a and Idleb felt that the production of olives had decreased compared to pre-conflict times. In Idleb, olive cultivators who participated in the study explained that they currently use an average of one hectare of land each to produce olives. In the Dar'a governorate, however, farmers in Al-Hrak mentioned that they cultivate olives on anywhere between two to four hectares. Those in Tafs use even more land, ranging from five to 15 hectares. The number of olive trees varies significantly depending on the cultivator and the size of the land. In Idleb, for example, the average number of olive trees owned by cultivators is between 250 and 280 trees. In Dar'a, the average is notably higher, with cultivators owning between 600 and 800 trees.

The productivity of olive groves varies considerably from farm to farm and area to area. In Dar'a's Al-Hrak region, the average yield per tree is roughly 20 kg per 50 trees, whereas in Idleb's Harem and Ariha districts, the average yield per tree is around five to seven kilograms.

Similar to the textile and garment industry, productivity and growth potential is highly dependent on the availability of inputs. These inputs include fertiliser, pesticides, fuel for pumps in order to water the olive trees, and tractors to plough the groves. According to KIIs with olive farmers in Dar'a, fertiliser is much scarcer than pesticides and other agrichemicals.

34 Key informant interview, textile trader, Homs City, April 16, 2018

35 Focus group discussion, male olive farmers, Dar'a, April 2018

According to feedback gathered from FGDs, farmers reduced the amount of inputs used or stopped using them altogether, due to scarcity and cost. This led to a reduction in tree yields. The expense of inputs also affects the profitability of harvesting olives. Both female and male farmers in Idleb and Dar'a confirm this:

> *The profits are currently very low because the agricultural materials and fertiliser have gotten very expensive, and there is a shortage of pesticides.*[33] *There are not a lot of organisations which support this field, even though this sector is one of the most important sectors that should have more interest… Syria is well known for its production of olives and olive oil.*[37]

In addition, olive farmers in Idleb explained that trees in their area have been damaged in the conflict. While some trees were cut down by farmers for firewood during the winter months, other trees were damaged by chemicals, gas and shrapnel from bombs during the shelling. If conditions for the maintenance of olive groves could be met, farmers would benefit from distributing seeds to increase the number of olive trees. This, in turn, would increase the overall production of olives.

Soap producers in Aleppo and Homs highlight a need for olive oil, laurel oil, sodium hydroxide, fuel, electricity and perfumes, which are easily procured through local traders. Production challenges mainly centre on transporting soap to market.

Market demand

Most olive farmers appear to use their yields in multiple ways. Some of the olives are used for household consumption, either pickled or pressed into oil. Some are sold to local market traders. Almost all cultivators surveyed in Idleb and Dar'a (46/50) stated that they sold part of their pressed oil in the market to generate additional household income.

The main market for olives and olive oil is domestic. Olive products are widely consumed by households, and farmers who grow olives are able to sell their products to consumers in other governorates through local traders:

> *For olive oil, there is a demand because there is not a single household in Syria that does not consume olive oil… Even if a family cannot afford ten gallons of olive oil annually, they use five gallons of olive oil and mix it with another five gallons of vegetable oil.*[38]

Survey findings regarding the household consumption of olives and olive oil indicates that the majority (approximately 86%) of households in the three governorates (Dar'a, Idleb and Al-Hasakah) consume olives at least three days a week (see Figure 11, which provides information on the consumption of olives and olive oil). Similarly, more than half of the surveyed households (55%) consume olive oil at least three days a week. These findings suggest that there is local demand for these products, despite olive oil being more expensive than vegetable oil.

36 Focus group discussion, female olive farmers, Dar'a, April 2018

37 Focus group discussion, male olive farmers and traders, Maarat An Nu'man, Idleb, April 18, 2018

38 Key informant interview, olive mill technician, Dar'a, April 2018

Figure 11: Consumption of olives and olive oil products by % of respondents

Relevant survey question: In the past 7 days, how many days did you and your household consume the following products?

NUMBER OF DAYS CONSUMED IN A WEEK								
	0 Days	1 Day	2 Days	3 Days	4 Days	5 Days	6 Days	7 Days
 OLIVES	5.8%	2.8%	5.5%	8.0%	14.0%	**19.1%**	7.2%	**37.6%**
 OLIVE OIL	**18.6%**	10.6%	15.6%	**19.3%**	15.0%	8.5%	4.2%	8.2%

According to price estimations made by survey participants, one litre of olive oil costs between 1,250–1,800 SYP (3–4 USD), depending on the governorate and area. Monitoring data from secondary sources shows that, as of January 2018, one litre of vegetable oil held a median price of approximately 500 SYP (1 USD).[39]

Table 5: Average estimated price of olives and olive by-products by % of respondents

Relevant survey question: What is the current average price of the following products in the local market/shops of your community in Syrian pounds (SYP) and can your household afford them given your present household income?

GEOGRAPHIC LOCATION	AVERAGE ESTIMATED PRICE IN SYP	AVERAGE ESTIMATED PRICE IN USD[37]
Olives - 1kg		
Idleb	790	1.8
Al-Hasakah	795	1.8
Dar'a	450	1.0
General	680	1.6
Olive Soap - 1 piece		
Idleb	210	0.5
Al-Hasakah	200	0.5
Dar'a	180	0.4
General	200	0.5
Olive Oil - 1 litre		
Idleb	1.690	3.9
Al-Hasakah	1.250	2.9
Dar'a	1.,830	4.2
General	1.600	3.7

39 REACH (January 2018). Syria Market Monitoring Exercise. Accessible at: http://www.reachresourcecentre.info/system/files/resource-documents/syr_situation_overview_market_monitoring_exercise_january_2018_0.pdf

40 SYP translated into US dollars using the UN operational rates of exchange in effect on May 1, 2018 (1 USD = 434 SYP).

Soap producers in Aleppo and Homs confirm that there is currently a significantly greater demand for Aleppo soap than supply. Demand is seen in all governorates,[41] yet producers are unable to meet demand due to there being a low number of soap makers active in Syria. Many producers have either left the country, left Aleppo, or stopped their operations altogether as a result of the conflict.

> *The war affected this sector a lot. The destruction of big factories affected [the sector] negatively. At one stage, we suspended the work for a long time… things are now better due to the lack of factories and high demand [for soap].*[42]

> *I have distributors in many places in Syria and they promote my products, yet I haven't tried other countries because I can't produce more currently… There is a lot of demand for the Aleppo soap, some producers even export outside of Syria by sea.*[43]

In addition to local and national markets, findings suggest there is also a demand for domestically produced soap outside of Syria. This demand mainly comes through the ports of Lattakia and Tartus. Primary international soap markets include countries such as Russia, Lebanon, Jordan, Iraq, Iran and other Gulf countries.[44]

Overall, the olive and olive oil subsector has good growth potential. The sector engages multiple actors within its value chain, such as olive mills, traders and soap factories. It is capable of producing multiple by-products. There is strong market demand for these products as they are staple ingredients for cooking and food consumption in Syria. The soap subsector also has good growth potential, mainly thanks to relatively low production costs and high demand, both at home and internationally.

Significance for SRC

The olive sector and its by-products have great potential for growth due to high internal market demand for food staples such as olives and olive oil, and a national and international market for olive Aleppo soap. Support for olive cultivators could come in the form of inputs such as seeds, fertiliser, pesticides and fuel (see Environmental Factors).

LIVESTOCK AND DAIRY

Potential for growth

Livestock and dairy is an agricultural subsector with huge potential for growth. It has the potential to produce a wide range of regularly consumed by-products, such as milk, yoghurt, eggs, cheese, and poultry. These are essential food commodities in most households across Syria. One key challenge to this sector is the cost and availability of veterinary medicines and vaccines, which prevent the spread of disease among farm animals.

Farmers who engage in animal husbandry in Dar'a governorate are able to obtain vaccines from Damascus. However, this option is considered expensive due to the so called "customs fees"

41 Key informant interview, soap producer, Aleppo City, April 20, 2018

42 Ibid

43 Key informant interview, soap producer, Homs City, April 10, 2018

44 Key informant interviews with soap producers and traders in Aleppo and Homs, April 2018

demanded by armed groups when crossing territorial lines. In addition to the high cost of vaccines in Al-Hasakah, livestock farmers face vaccine management challenges. Vaccines are often spoiled due to a lack of cold storage facilities. A few vaccines and medications are available on the local market in Idleb.

In addition to vaccines and veterinary medicines, animal feed is another essential input required by this sector. Prior to the conflict, farmers used to receive support from the government in the form of veterinary services, vaccines and feed. However, in the current context, farmers report receiving no support from any agency or actor.

Most of the financial gains made from milk production come through selling milk to dairy producers. Milking is done by hand as milking machines are not available. Even if machines were available, a lack of electricity and high fuel costs would discourage farmers from using them without an affordable source of energy.

Farmers, dairy producers and vendors participated in focus group discussions and key informant interviews. They identified primary support opportunities for the sector. These included reducing the cost of production by increasing access to inputs which are either not available or unaffordable to most livestock and dairy farmers. In the case of livestock owners and farmers in Dar'a, Idleb and Al-Hasakah, animal feed, vaccines and veterinary medicines were identified as primary requirements. Fuel for generators and refrigerators to cool and preserve dairy products were considered essential to dairy producers. It was also suggested by some FGD participants in Dar'a, that solar energy could be a more affordable alternative for running refrigerators than generators.

> *Shop owners pay a lot of money just to get a source of energy for the refrigerators. We hope an organisation or association can support vendors by [providing] generators that work on solar energy. This way, the expenses will decrease and the prices of the goods will be lowered. For example, instead of selling one litre of milk for 220 lira, the vendor can sell it for 200 lira or even less. Whereas, with the absence of such help, all the profit of the vendor goes to buying fuel for the generator.*[45]

A further 33% of the sample population in Idleb and Dar'a confirmed they had household access to electricity using solar panels. This proves that solar energy equipment is available on the local markets in those regions. Providing this equipment would allow dairy farmers to run their refrigerators in a more cost-efficient and sustainable manner. This would reduce fuel costs, increase profitability and possibly even make dairy products cheaper for local consumers.

Market demand

Demand for red meat is low due to the cost of production. People in Syria prefer to consume dairy products such as yoghurt, eggs and poultry, which are more affordable. Over 85% of surveyed households confirmed they consumed chicken at least once a week, and close to 90% consumed eggs two to three times a week (see Figure 12, which details the consumption of meat and dairy products). These products are produced and traded locally, rather than nationally or regionally, due to the prevalence of this trade in rural areas across each governorate.[46]

45 Focus group discussion, livestock farmers, Izraa, Dar'a, April 14, 2018

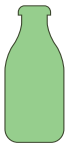
46 Focus group discussion, livestock farmers, Tell Tamer, Al-Hasakah, May 1, 2018

Dairy vendors report that there is always a demand for their products no matter what the economic situation is. These foods are considered essential, staple foods. However, the rate of consumption depends on price fluctuations and household income levels. One dairy trader in Idleb stated:

> *[The] food market is always in demand. Even if you don't work you will buy food, but instead of buying 10 kg you will buy ½ kg.*[47]

Figure 12: Consumption of meat and dairy products by % of respondents

Relevant survey question: In the past seven days, how many days did you and your household consume the following products?

NUMBER OF DAYS CONSUMED IN A WEEK								
	0 Days	1 Day	2 Days	3 Days	4 Days	5 Days	6 Days	7 Days
 MEAT (RED)	**24.5%**	**35.1%**	15.5%	16.1%	7.0%	1.3%	0.2%	0.3%
 POULTRY	13.8%	**54.1%**	**21.5%**	6.8%	3.2%	0.2%	0.3%	0.2%
 EGGS	3.3%	7.7%	**21.5%**	**21.3%**	13.3%	5.8%	1.7%	**25.5%**
 MILK	**23.6%**	10.1%	16.87%	17.1%	8.3%	4.5%	0.8%	**18.6%**
 CHEESE	**30.14%**	15.0%	17.3%	6.7%	3.2%	2.0%	0.8%	**25.0%**
 YOGURT	4.7%	8.7%	**17.3%**	15.6%	13.5%	10.0%	3.0%	**27.3%**

47 Key informant interview, dairy vendor, Idleb, April 2018

Although there is a demand for poultry and dairy products, due to their affordability over red meat, many families still struggle to make ends meet. Instead, households adopt negative coping strategies such as cutting back on the variety and amount of food they consume:

> *Bread, we buy it every day and sometimes it's only enough for breakfast. Eggs, sometimes it's enough for a whole week and sometimes only four to five days. Yoghurt, and that's it… Everything is expensive compared to what we're able to earn…*[48]

Despite the cost of inputs and production, there is potential for market growth in this sector, focused primarily on dairy products, eggs and poultry, which are dietary staples. The demand for red meat is limited due to the cost. By increasing access to affordable production inputs, the market price of products should decrease. It can generally be assumed that this will result in increased affordability, demand and consumption among local people.

Significance for SRC

Poultry, eggs, and dairy products have the potential for market growth as they are both affordable and important for sustenance. The focus of support should lie within local communities and markets, due to the prevalence of this sector countrywide. The provision of inputs such as vaccines, veterinary medicine and animal feed would help farmers. Programming could give increased attention to renewable energy sources, such as solar power, in order to operate machinery and refrigerators (see Environmental Factors). Power is intrinsic to livestock and dairy production processes.

Investment

Support could be offered to small businesses through the provision of small grants and skill development opportunities. Survey participants in the governorates of Idleb, Al-Hasakah and Dar'a would choose to invest in several subsectors if they had the money to do so. Almost half of survey respondents chose the option 'other' when asked about which subsectors they would like to invest in. 20% of these specified opening a sewing workshop or clothing shop with a small grant. Others favored investing in agriculture (16%), selling goods and services (14%), and animal husbandry including dairy production (12%).

Significance for SRC

SRC could provide microgrants or financial schemes to support private sector initiatives and start-ups, with a focus on soap making, garments and dairy.

SKILL DEMAND AND AVAILABILITY

TEXTILE AND GARMENTS

Owners of textile factories agree that there is a need for skilled staff. This includes technicians to manage large industrial textile machines:

> *We are looking for technicians to deal with the factory machines… it is very difficult [to find them] because most traveled or fled the country, or some of them were conscripted to military service.*[49]

48 Focus group discussion, female community members (PWDs), Izraa, Dar'a, April 2018

49 Key informant interview, textile factory owner, Aleppo City, April 21, 2018

In addition to technical skills, factory owners also identified online marketing skills as essential for reaching external markets. Key informants believed that online marketing skills were more readily available among young people. Manufacturers expressed an interest in working with young people in order to promote their products online, especially through social media.

Findings suggest that women are also able to participate in marketing products, and that they can perform clerical and administrative tasks.

Survey findings highlight that individuals with mechanical skills are rare within the Syrian labour market. Between 2¬–3% of men surveyed in Al-Hasakah and Dar'a reported possessing fair to strong skills in mechanical engineering. No women reported these skills. In Idleb, four individuals reported having weak mechanical skills. These skills were obtained through formal education, apprenticeships and professional on-the-job practice. Two respondents stated that they acquired their skills through vocational training.

In the garment industry, people with sewing, ironing, packaging, design and marketing skills are especially sought after in the private sector. Workshop owners tend to favour female workers as they are considered to perform better work for lower wages:

> *Women have [an] important role in this sector. Many workshops prefer to hire women for their good-quality work and lower wages.*[50]

Survey findings confirm that tailoring and sewing skills are notably more common among women than men across all three governorates. Idleb has the highest proportion of women (30%) with fair to strong tailoring skills, whereas 21% of the women in Al-Hasakah had the same level of skill. In Dar'a, 15% of women possessed fair to strong tailoring skills. The percentage for men with strong tailoring skills is as follows: 2–3% in Al-Hasakah and Dar'a, and 8% in Idleb. The most common method of acquiring sewing skills was through apprenticeships and professional on-the-job practice.

With regard to marketing, IT skills and bookkeeping, 23¬–24% of women classed themselves as computer literate, with the highest concentration in Al-Hasakah. Bookkeeping skills predominantly bellonged to men in Dar'a and Idleb governorates. 53% of men and 35% of women surveyed - mainly in Idleb - claimed to have marketing skills, gaining them through professional practice or apprenticeships.

Significance for SRC

There are a number of capacity-building opportunities that could be provided to actors in this sector. For example, training technicians and engineers to build, operate and modify industrial machinery. Other possible skills-training areas include tailoring, sewing, bookkeeping, textile packaging and design, and computer literacy. Those who are already computer literate could receive further training in online marketing and social media promotion. Training could be provided remotely through online learning modules, or in person through on-the-job training, apprenticeships and internships. SRC should be mindful of the gender wage gap and promote equal opportunities and fair pay for both genders.

50 Key informant interview, garment manufacturer, Aleppo City, April 19, 2018

OLIVES, OLIVE OIL AND SOAP

There are a number of technical skills required in this sector. These include deepening the understanding of olive and olive oil processing, developing experienced farmers with a high level of crop-growing knowledge and the physical strength to pick the olives during harvest and to load both fruit and oil onto trucks for transport.

In Dar'a, female olive farmers stated that they also look for people who have studied agriculture, such as agricultural engineers:

> *I look for agricultural experience and skills, which is easy to find because a lot of workers are present in this area, like agricultural engineers who can't go to work in GoS-controlled areas.*[51]

It appears to be relatively easy to find people with agricultural skills among the sample populations in Idleb, Dar'a and Al-Hasakah. 23% of women and 37% of men reported having fair to strong agricultural skills. Most had obtained them through professional experience or apprenticeships. None reported having any formal education in agriculture.

In the soap-making industry, the most in-demand skills include soap mixing, cutting and packaging, which require manual labour.[52] Other sought after skills include marketing and communication, including social media and the internet, and people who have higher education. A knowledge of foreign languages was also considered crucial in the private sector.[53]

Significance for SRC

There could be an opportunity to upskill farmers. This would involve training them in olive and olive oil production and processing through vocational training. Training women in the soap value chain how to make and package soap would be especially beneficial. Similarly, training people in the garment industry in online marketing, communication, social media and foreign languages would be useful for both male and female members, especially young people who have an aptitude for working with computers. Training could take the form of on-the-job experience, apprenticeships and online training modules.

LIVESTOCK AND DAIRY

In Idleb, there seems to be a shortage of skilled and experienced livestock and dairy producers. This is a result of conflict displacement. According to livestock and dairy farmers in Ariha and Harem, experienced workers in the agriculture and livestock sector are difficult to find:

> *The skills needed are mainly previous experience in this field, about how to milk cows and work with milk to produce different products. However, currently most of the workers are poor people only [without past experience].*[54]

Specific skills in demand among livestock and dairy actors include machine operators, people to feed,

51 Focus group discussion, female olive farmers, Dar'a, April 2018

52 Focus group discussion, soap manufacturers, Aleppo City, April 17, 2018

53 Focus group discussion, Soap factory owners/small-scale soap makers/soap traders and vendors, Homs, April 19, 2018

54 Focus group discussion, male livestock and dairy farmers, Ariha, Idleb, April 20, 2018

vaccinate and care for animals, and people to produce dairy products such as cheese and yoghurt.

Around 20% of the sample population reported fair to strong livestock management and dairy production skills. The majority gained their skills through professional experience or apprenticeships. In Al-Hasakah, the proportion of women with dairy production skills is close to 45%. Abattoir skills are less available, with only two women (in Al-Hasakah) and 30 men (across Idleb, Dar'a and Al-Hasakah) reporting fair to strong experience.

Significance for SRC

There are a number of skill gaps in this sector. Actors would benefit from training in livestock and dairy management, including an increase in technicians who can operate and maintain machinery. The production and processing of dairy products, and animal management (including milking and animal health) are also sought after. Training could take place through on-the-job learning and apprenticeships.

VOCATIONAL TRAINING AND SKILL DEVELOPMENT OPPORTUNITIES

Female youth who participated in an FGD in Darbasiyah suggested many opportunities for vocational training and skill development in their area. These included computer and language courses, electronics, car repair, tailoring, hairdressing, metalwork and carpentry. According to survey findings, vocational training and skill development opportunities are most common in the Al-Hasakah governorate. Close to half the sample population, including both genders and young people, reported having heard of the following skill development classes provided by organisations: computers, foreign languages, hairdressing, tailoring, telecommunications, construction work and craftsmanship. In Idleb, none of the participants could confirm the availability of vocational training or skill-building opportunities. In Dar'a, only three participants knew of existing opportunities.

SIGNIFICANCE FOR SRC

Findings suggest that vocational training and skill-development opportunities that are currently provided by NGOs in Syria are concentrated in Al-Hasakah. Host community members and IDPs in other governorates, including Dar'a and Idleb, could benefit from such opportunities.

THE POLITICAL CONTEXT AND ITS IMPLICATIONS FOR TRADE

The political situation is inherently intertwined with the success of these three sectors, including the extent to which SRC programming addresses gaps in developing these livelihoods. This section explores the impact of international sanctions on Syria as a whole. It focuses on access to internal markets and trade routes, and external markets in relation to the current and predicted security situation in each of the five governorates.

SANCTIONS

Sanctions imposed on Syria by the European Union (EU) have had an impact on the supply of crucial inputs to each of the sectors in this report. The USA, Arab League and a number of other countries have also placed sanctions on Syria, however, for this report, the EU sanctions had greater tangible impact to the sectors assessed.

EU sanctions have focused primarily on the oil, gas and electricity sectors, prohibiting "technical and financial assistance; construction/investment in new electricity power plants in Syria; and

the export of key equipment and technology for the oil and gas industry".[55] Electricity grids are currently in dire need of maintenance as they have not been updated or serviced since the start of the war. This has led to a shortage of power across the country, forcing farmers and textile manufacturers to use expensive diesel generators.[56] One textile manufacturer in Aleppo stated that he spent 480 USD a week on powering five cotton-spinning machines. Even then, he was only able to produce two tons of baled cotton per day instead of 18.[57] These sanctions were placed on the whole of Syria with no differentiation between government and opposition-held areas.

Chemicals prohibited by the EU include those which may have a 'dual-use' in chemical attacks,[58] including pesticides[59] and livestock vaccines.[60] These are both crucial inputs for the olive and livestock sectors as they prevent the spread of pests, parasites and disease.

Forecast

In the short term, there are no signs that EU sanctions will be lifted. An extension has been granted until June 2019. Unless radical changes occur within Syria, it is highly likely that further extensions will be made in the future.[61]

A deal was recently struck between the GoS and the Islamic Republic of Iran which will see increased energy resources available in government-held areas. In this deal, Iran has pledged to repair and restore Syria's main electrical power grids, as well as develop power stations with a focus on Damascus, Lattakia, Deir ez-Zor and Aleppo. Furthermore, a refinery will be built near Homs which will increase the production of Syrian oil to 140,000 barrels per day.[62]

Significance for SRC

SRC should bear in mind that electricity and fuel are scarce across all three subsectors in each of the five governorates. However, the upcoming agreement with Iran makes it likely that more electricity and gas will become available in Homs, Aleppo and Dar'a, as opposed to the opposition and Kurdish-held areas of Idleb and Al-Hasakah. Additionally, EU and other country sanctions should be consulted before providing inputs such as pesticides or livestock vaccines.

HOMS AND ALEPPO

A key component missing from the textile and olive sectors in Homs and Aleppo is factories. There are not enough in operation to match the demand for clothing and soap. The shortage of

55 UN ESCWA & the University of St. Andrews (2017), *Syria at war: Five years on*. Accessible at: https://www.unescwa.org/publications/syria-war-five-years

56 Al-Khalidi, Suleiman & Angus McDowall (October 2, 2017). "Hard choices for Syrian industrialists in ruins of Aleppo." *Reuters*. Accessible at: https://www.reuters.com/article/us-mideast-crisis-syria-economy-insight/hard-choices-for-syrian-industrialists-in-ruins-of-aleppo-idUSKCN1C71B8

57 Ibid

58 European Commission. "EU Restrictive Measures in Syria – FAQs." http://ec.europa.eu/dgs/fpi/what-we-do/sanctions_faqs_en.htm (accessed: July 10, 2018)

59 FAO/WFP (July 5, 2013). *FAO/WFP Crop and Food Security Assessment Mission to The Syrian Arab Republic*, page 16. Accessible at: https://reliefweb.int/sites/reliefweb.int/files/resources/Crop%20and%20Food%20Security%20Assessment%20Mission%20to%20the%20Syrian%20Arab%20Republic.pdf

60 ACAPS (July 2013). *Impact of the conflict on Syrian economy and livelihoods*, page 8. Accessible at: https://www.acaps.org/sites/acaps/files/products/files/23_impact_of_the_conflict_on_syrian_economy_and_livelihoods_july_2013.pdf

61 European Council. "Syria: EU extends sanctions against the GoS by one year." http://www.consilium.europa.eu/en/press/press-releases/2018/05/28/syria-eu-extends-sanctions-against-the-GoS-by-one-year/ (accessed: July 10, 2018)

62 Reuters (September 26, 2017). "Iran to build oil refinery in Syria - Fars news agency". Accessible at: https://af.reuters.com/article/africaTech/idAFL8N1M747A

electricity is a main factor preventing factories from functioning.[63] This lack of factories has had a knock-on effect on the production of other inputs, such as spun cotton.

Forecast

Since coming under GoS control in 2016 and 2017 respectively, Homs and Aleppo have experienced increasing stability. This has resulted in factory numbers slowly creeping up. According to one trader, there were 65,000 factories in Aleppo before the war. At the end of the fighting in 2016, this had plummeted to 4,000, yet rose to 6,000 only nine months later.[64]

Two recent developments are forecast to have a positive economic impact on GoS areas. The first is an increase in electricity and fuel due to the Iran deal, as well as the Ministry of Industry's pledge to provide electrical support to textile and garment factories within government-held areas.[65] The second is the opening of the M5 Aleppo–Damascus highway and its offshoots. This is an initiative led by Turkey and Russia as part of the plan to stabilize north-western Syria.[66] The Homs–Hama, Homs, Houla and Maysaf highways have already opened.[67] These two initiatives may also lead to the establishment of more factories.

The Aleppo–Damascus highway spans both government and opposition-held areas, in a deliberate move to ease the flow of goods, including oil, across lines. According to a report, "the limited local market of the regime no longer meets the supply rates of the Syrian economy, and these business transactions ultimately raise the price of the Syrian pound compared to the US dollar".[68] As such, opening the highway could lead to a reduction in prices, such as the cost of fuel and other inputs, between Aleppo, Homs and other cities on the Aleppo–Damascus highway.

Significance for SRC

Homs and Aleppo are in a strong position to access new internal trade markets and electricity in the near future. As a result, it is likely that more industrial factories will open, which should increase the production of Aleppo soap and textiles enought to keep up with both national and international demand. Since conditions for the soap and textile value chains are positive, SRC might have greater impact if their assistance is focused on smaller factories and individual soap and cotton manufacturers. SRC members who are not currently active in Aleppo or Homs would need to register with, and obtain permission through, official GoS channels in order to operate in these governorates.

AL-HASAKAH

The Syrian government was instrumental in supporting the farming sector prior to the conflict. After the onset of the civil war, the State's role in agriculture ceased in areas such as Al-Hasakah. Internal value chains were partially disrupted as a result, which adversely impacted livestock and

63 Al-Khalidi, Suleiman & Angus McDowall (October 2, 2017). "Hard choices for Syrian industrialists in ruins of Aleppo." *Reuters*. Accessible at: https://www.reuters.com/article/us-mideast-crisis-syria-economy-insight/hard-choices-for-syrian-industrialists-in-ruins-of-aleppo-idUSKCN1C71B8

64 Ibid

65 Syrian Ministry of Industries. "Minister of Industry: Focus on the final stages in the production of textile industries." http://www.industrysy.com/index.php?page=5&id=134&lang=en (accessed July 11, 2018)

66 Macaron, Joe (June 7, 2018). "The Damascus-Aleppo Highway and Stabilizing Northwest Syria." *Arab Center Washington DC*. Accessible at: http://arabcenterdc.org/policy_analyses/the-damascus-aleppo-highway-and-stabilizing-northwest-syria/

67 Humanitarian Access Team (HAT). Weekly Report June 28-July 4, 2018

68 Macaron, Joe (June 7, 2018).

cotton industries.[69] Key inputs were not replaced as no parties within Al-Hasakah - including the Kurdish government - took control after the government withdrew.[70] Limited access to fuel for water-pumps irrigation, fertiliser and pesticides has "led to the near-collapse of cotton in the governorate".[71]

Trade from Al-Hasakah to other areas of Syria is restricted. Goods only flow through Manbij, which is an Arab-majority town.[72] From there, goods cross into Aleppo and finally on to Afrin,[73] Damascus or the ports of Tartus and Lattakia.[74] These journeys are not without difficulty due to instability on the roads and the cost of paying bribes at checkpoints.[75] During May 2018, all possible routes between Manbij and Aleppo were described as "passable with checkpoints", "passable with dangerous situations", "impassable" or "no information".[76] To mitigate risk, Kurdish merchants are handing over their goods to Arab merchants who transport them in and out of Syria, but this can be financially costly.[77]

Forecast

In the short term, there may be instability in Al-Hasakah due to the dual interests of GoT and Government of Syria.

At the beginning of July, a 'roadmap' was agreed upon between Turkey and the USA. It included plans for the withdrawal of the YPG from Menbij and "other areas along the Turkey-Syria border".[78] Both countries disagree on the role of the YPG, with Turkey considering the group a terrorist organisation and the USA viewing them as an ally in the fight against ISIS. As such, there could be possible confrontation between Turkey, US troops and the YPG as the withdrawal unfolds.[79]

There have also been unconfirmed reports of negotiations between the government, YPG and Syrian Democratic Forces (SDF) regarding the handing over of SDF-held areas of north-eastern Syria.[80] In Al-Hasakah, an agreement for Kurdish semi-autonomy could be reached.[81] During this period, tensions and conflict between Kurdish and Arab groups can be expected.

Significance for SRC

In the short term, violence may escalate in Al-Hasakah. This depends on the trajectory of negotiations between Turkey, the USA, the YPG and the Government of Syria. As such, SRC

69 Mercy Corps (October 2015). *Al Hasakah, Syria Agricultural Assessment*, page 6. Accessible at: https://www.mercycorps.org/sites/default/files/Al-Hasakeh%20Syria%20Agricultural%20Assessment.pdf

70 Ibid., page 7, 22

71 Ibid., page 6

72 TRANSTEC, AKTIS, RM Team & iMMAP (January 2018). *Understanding Market Drivers inside Syria*, page 15. Accessible at: https://reliefweb.int/report/syrian-arab-republic/understanding-market-drivers-inside-syria-january-2018

73 Afrin has been under the control of Turkish backed Free Syrian Army and Turkish forces since March 2018

74 TRANSTEC, AKTIS, RM Team & iMMAP (January 2018). *Understanding Market Drivers inside Syria*, page 15

75 Ibid., page 33

76 Assistance Coordination Unit. "Syrian Roads and Cross Border Status Interactive Map". https://www.acu-sy.org/en/roads-and-border-crossings-status-interactive-map/ (accessed on July 10, 2018).

77 Mercy Corps (October 2015). *Al Hasakah, Syria Agricultural Assessment*, page 7

78 Humanitarian Access Team (HAT). Daily Update July 6, 2018

79 Gumrukcu, Tuvan & Ece Toksabay (June 4, 2018). "Turkey, U.S. agree roadmap to avert crisis in Syria's Manbij, few details." *Reuters*. Accessible at: https://www.reuters.com/article/us-usa-turkey/turkey-us-agree-roadmap-to-avert-crisis-in-syrias-manbij-few-details-idUSKCN1J01ZC

80 Ibid

81 Humanitarian Access Team (HAT). Weekly Report June 28-July 4, 2018

should follow the political situation closely. For instance, if the Turks attempt to move further east to remove the YPG or other Kurdish groups, cities in Al-Hasakah could come under fire. All programming should contain contingency plans for rapid downscaling. In the long term, it is likely that the Government of Syria will regain control over parts of Al-Hasakah. This will make inputs more easily accessible for livestock and cotton producers. It should also lead to a resumption of services such as pest control. As the government may recognise areas of Kurdish governance, it can be assumed that those areas would maintain positive trade links with government-held territory.

IDLEB

Similar to Kurdish-controlled Al-Hasakah, the opposition governorate of Idleb has trouble accessing major markets at Aleppo and Damascus. It is currently landlocked, caught between government-controlled areas such as Lattakia, Homs and Aleppo, Turkish-controlled northern Syria, and Turkey itself. This situation stifles Idleb's access to internal trade markets, limiting the flow of inputs and goods between government and opposition-controlled territories due to customs fees imposed by armed groups at checkpoints:

> *For example, it is easier to move a truck from the government-controlled area in Aleppo City to [another] government-controlled area in the Aleppo countryside, but to move it to an opposition-controlled area in Aleppo countryside would cost a lot because of all the different military groups looking for financial gains.*[83]

Idleb has restricted access to fertiliser from Syria's only fertiliser plant, based in Homs,[83] seeds and veterinary support to livestock.[84] Prior to the conflict, the government was the main distribution channel for these inputs. As with the rest of the country, Idleb suffers from a lack of electricity and fuel. This makes it difficult for milking machines, refrigerators and generators to function.

Forecast

Access to olive and livestock sector inputs might ease up in the near future thanks to the imminent re-opening of the Aleppo–Damascus highway.[85] This will benefit Idleb and its sub-districts, providing a cheaper and safer route to Syria's largest cities and sea ports. As such, there will only be two government checkpoints at the Murak Crossing on the Hama–Idleb stretch, which is the busiest crossing for the transportation of goods on that highway.[86] The Hama-Idleb section of the Aleppo-Damascus highway is largely used for commodities such as gas and fuel.[87] Reports state "unofficial coordination" between opposition groups and the Syrian government, in order to safeguard traders when they enter opposing territory. This is done through the payment

82 Key informant interview, garment manufacturer, Aleppo City, April 18, 2018.

83 ACAPS (July 2018). *Impact of the conflict on Syrian economy and livelihoods*, page. 6. Accessible at: https://www.acaps.org/sites/acaps/files/products/files/23_impact_of_the_conflict_on_syrian_economy_and_livelihoods_july_2013.pdf

84 FAO/WFP (July 5, 2013). *FAO/WFP Crop and Food Security Assessment Mission to The Syrian Arab Republic*, page 10

85 The Aleppo-Damascus highway is also known as the M5 highway

86 Macaron, Joe (June 7, 2018). "The Damascus-Aleppo Highway and Stabilizing Northwest Syria." *Arab Center Washington DC*

87 Humanitarian Access Team (HAT). Weekly Report June 28-July 4, 2018

of fees based on the "nature of the goods and their weight".[88]

Although this is a positive step for Idleb, there are other potential concerns relating to the stability of the area, caused by the increasing presence of Turkey. As part of a de-escalation process, Turkey established 12 observation points within Idleb, encompassing the whole of the opposition area. Alongside these, there are 10 Russian and seven Iranian observation areas. The purpose of these 29 observation points - comprised of both pro- and anti-Syrian government allies – is to "detect violations and prevent hostilities".[89]

As part of Turkey's increased control over north-western Syria, they have been directly funding the National Liberation Front (NLF) which is comprised of 50,000 soldiers from multiple armed groups.[90] This might pave the way for a possible escalation in tension which could result in intense fighting within Idleb City, aggravated by the pressure Turkey exerts on jihadi group Hay'at Tahrir al-Sham (HTS) to disarm.[91]

If Turkey is successful in extending their reach to Idleb, humanitarian organisations may have to go through Ankara to get permission to enter north-western Syria. Reports state that the more control the Government of Turkey gains over north-western Syria, there will be a "reduction of certain I/NGO funding for local humanitarian organisations, close scrutiny of money transfers, and the application of pressure on local governance bodies and local humanitarian organizations to increase coordination with Turkish humanitarian and development agencies such as AFAD".[92]

Significance for SRC

In the short term, the opening of trade routes out of Idleb will benefit actors in the livestock and olive value chains. It is useful for SRC to take this into consideration. Access to inputs, and both the internal and external markets, will ensure that livelihood programming has greater tangible impact for key actors. However, it should also be noted that there may be conflict between the Turkish-supported NLF and jihadi group HTS in the near future. A timescale for this is not clear. This would have an impact on any SRC activities in the area, so any programming should contain contingency plans for rapid downscaling. Finally, if Turkey is able to exert their presence over Idleb, SRC partners may only gain access by permission of the Turkish government.

DAR'A

During data collection, the three sub-districts of Dar'a (Muzayrib, Al-Hrak and Dael) were under opposition control. While it was possible to cross into government-held areas[93] to obtain inputs such as livestock vaccines, there were government-imposed tariffs at checkpoints. This made the journey very costly. In addition to the difficulties farmers faced when accessing the internal market, revenue from dairy production did not cover the cost of expensive inputs such as cattle feed, veterinary services and vaccines, which have seen a ten-fold inflation in Dar'a.[94]

88 Macaron, Joe (June 7, 2018). "The Damascus-Aleppo Highway and Stabilizing Northwest Syria." *Arab Center Washington DC*

89 Ibid

90 Humanitarian Access Team (May 31, 2018). Situation Report: Changing Dynamics in Northwestern Syria

91 Ibid

92 Ibid

93 Humanitarian Access Team (June 11, 2018). *Situation Report: Offensive and Reconciliation in Southern Syria*

94 Al-Hourani, Abdul Rahman & Avery Edelman. "Livestock production in Daraa province declined "50 percent" since start of conflict." *Syrian Voice*. http://syrianvoice.org/en/archives/2593 (accessed on July 11, 2018)

Prior to the conflict, Jordan was the leading cross-border agricultural exporter to Syria. Agricultural exports such as fertiliser accounted for an average of 62% of Jordan's total trade with Syria between 2011–2014.[95] After the onset of the crisis, between 2011 and 2014, imports from Jordan decreased by 45%. Since then, imports from Jordan via the Nassib Crossing have completely ground to a halt. This is because the border was closed in 2015 after it was captured by opposition groups.

Forecast

The Government of Syria and its allies sought to recover Dar'a region in July 2018. This move comes after months of buildup, resulting in the government recapturing the sub-districts of Dael and nearby Al-Hrak on 5th July 2018. Nassib Crossing was also targeted, and the government now control it in partnership with the Jordanian government.[96]

The short-term implication for Dar'a is political instability. Lack of inputs, scarcity of resources, and damage sustained has resulted in losses in excess of 1 billion USD to the olive and livestock sectors between 2011–2016. This includes the destruction of olive groves and the theft or death of cattle due to a lack of access to safe water and grazing pastures.[97] There has been a loss of between 300-400 million USD for livestock over the same period.[98] Indiscriminate attacks on livestock facilities, farms and fields in Dar'a have left breeders open to further loss and damages.[99]

Significance for SRC

Due to current instability in the governorate, it may not be possible for SRC to implement any programming in the short term. However, if the government succeeds in its campaign to unify the south in the long term, Dar'a will have greater access to inputs, including internal and external markets and a possible return to subsidised farming. Securing the Nassib Crossing indicates a willingness between Syria and Jordan to resume cross-border trade. This would be beneficial to the economy of Dar'a in the long term. Once stability returns to the governorate, conditions for market growth in the olive and livestock sectors will prove promising for SRC livelihood interventions.

ACCESS TO EXTERNAL TRADE MARKETS

Prior to the start of the war, Syria's main trading partners were Germany, Italy and Iraq.[100] Due to partial sanctions imposed by the EU and other countries, such as the USA, Syria's main trading partners have shifted. In 2017, the top three countries exporting to Syria were Turkey, Russia and Egypt. The top three countries importing from Syria were Egypt, Turkey and Jordan.[101]

95 Regional Food Security Analysis Network (February 25, 2016). *Syria Agricultural Production and Cross-Border Trade Study Roundtable Policy Discussions Report*, page 6. Accessible at: http://rfsan.info/storage/app/uploads/public/595/759/732/5957597327dbd895910217.pdf

96 Humanitarian Access Team (June 11, 2018). *Situation Report: Offensive and Reconciliation in Southern Syria*

97 FAO/WFP (November 2016). "Syria food production at all-time low." http://www.fao.org/news/story/en/item/452217/icode/ (accessed on July 10).

98 FAO (2017). *Counting the cost - Agriculture in Syria after six years of crisis*. Accessible at: http://www.fao.org/fileadmin/user_upload/emergencies/docs/FAO_SYRIADamageandLossReport.pdf

99 Al-Hourani, Abdul Rahman & Avery Edelman. "Livestock production in Daraa province declined "50 percent" since start of conflict." *Syrian Voice*. http://syrianvoice.org/en/archives/2593 (accessed on July 11, 2018)

100 UN ESCWA & the University of St. Andrews (2017), *Syria at war: Five years on*. Accessible at: https://www.unescwa.org/publications/syria-war-five-years

101 UN Comtrade Database. https://comtrade.un.org/data/ (accessed on July 10, 2018)

Turkey and Iran are the main trading partners exporting goods to north-eastern Syria, which includes governorates such as Idleb, Aleppo and Al-Hasakah.[102] Although Turkey is one of the top importers of Syrian goods, Turkey is technically banned from accepting imports from Syria, and according to a report, the flow of goods through border crossings at Bab Al Halwa and Bab Es Salam are one-sided with Turkey exporting to Syria only.[103] Both of these border crossings are under HTS control on the Syrian side. Those who want to cross from Turkey into Syria require permission from the GoT.[104]

From Iraq, the Faysh Khabour Border (also known as Semalka) is the only open crossing for the trade of goods into Syria. It lies within the Al-Hasakah governorate, meaning that it is likely that most trade is between Iraq and Kurdish-controlled areas of Syria, with restricted access to opposition and government territory.[105] According to government sources, there has been a push to establish two Syrian export centres in Baghdad, Iraq and Benghazi, Libya. These would be for the export of food and textiles.[106] The centres are due to open in 2019 and will provide an outlet for government exports to these countries. In the south of Syria, the Nassib Crossing is expected to open if the government maintains control, which will establish overland trade links between Syria and Jordan.

Producers of textiles, garments and soap based in Homs and Aleppo are able to ship their goods to other countries through the ports of Tartus and Lattakia. The primary international soap markets are Russia, Lebanon, Jordan, Iraq, Iran and other Gulf countries. Soap producers also note that there are ongoing exports to Japan, South Korea, and some EU countries, such as France.[107] Once the Aleppo-Damascus highway is operational, governorates such as Idleb and Dar'a may also have access to Syria's coastal trade.

Significance for SRC

The Aleppo–Damascus highway will connect areas of northern and southern Syria to ports in Lattakia and Tartus.[108] In addition to easing internal trade routes from Al-Hasakah, Idleb and Dar'a, it is predicted that access to external trade from Syrian ports will open up to merchants from across the country. Overland border trade between Syria, Jordan and Iraq provides the opportunity for trade from Dar'a and Al-Hasakah to reach other Arab countries. The opening of two government-backed export centres in Iraq and Libya supports a large and already identified market for textile exports from Aleppo and Homs. This would have a direct impact on the olive, olive oil, soap, textile and garment sectors, as these goods can be easily transported without refrigeration or fear of short-term expiry, which hinders meat and dairy.

102 TRANSTEC, AKTIS, RM Team & iMMAP (January 2018). *Understanding Market Drivers inside Syria*, page 15. Accessible at: https://reliefweb.int/report/syrian-arab-republic/understanding-market-drivers-inside-syria-january-2018

103 Ibid., page 11

104 Humanitarian Access Team (May 31, 2018). *Situation Report: Changing Dynamics in Northwestern Syria*

105 Arafat, Hisham. "Business booming in Rojava after outlet opened with Kurdistan Region." *Kurdistan 24*. http://www.kurdistan24.net/en/news/1b332ce0-5791-4ca1-9bc1-1603fb830879/Business-booming-in-Rojava-after-outlet-opened-with-Kurdistan-Region (accessed on July 10, 2018)

106 SANA (April 2, 2018). "Two centers for Syrian exports to be opened in Baghdad and Benghazi soon." https://sana.sy/en/?p=132777 (accessed on July 10)

107 Focus group discussion, Soap factory owners / small-scale soap makers / soap traders and vendors, Homs, April 19 2018

108 Humanitarian Access Team (HAT). Weekly Report June 28-July 4, 2018

INCLUSION OF VULNERABLE GROUPS: OLDER PERSONS, WOMEN, YOUTH, PERSONS WITH DISABILITIES AND PERSONS WITH INJURIES

OLDER PERSONS

Older people are exposed to a range of potential adverse consequences during a crisis, such as their invisibility to humanitarian actors, their isolation due to the fragmentation and dissolution of their families and communities, difficulties in physically reaching food distribution points or markets, their inability to earn a living as a result of old age, reduced mobility and physical strength.[109] Producing an income can be exceedingly difficult in crisis situations and few countries affected by humanitarian crises have old-age pension schemes. Syria's pension scheme covers employees in the public and private sectors but it is unclear how many people are presently able to receive these benefits. The pension scheme is financed through employee contributions at 7% of earnings and 14% of earnings for employers. Pension age is 60 for men and 55 for women. Problems obtaining pensions have been reported. These include elderly people from rural areas not being able to travel to governorate capitals to withdraw their retirement benefits.[110]

FGDs and KIIs highlight the potential role of older people throughout all sectors. They are able to share experience, know-how and expertise in relevant subsectors, including networking, which has an important impact on decision-making:

> *I gained my experience from [my father]… [He] taught us and gave us the experience about trading and how to sell fabrics and deal with customers. So [elderly people] have an important role. We learned it all from our fathers and grandfathers… Originally, they [were] the decision-makers, then they taught us and we inherited the profession.*[112]

Key informants also reported that older people were mostly working in accounting and office work, tasks that do not require physical effort:

> *My father sometimes helps me in the shop. He supervises the accounting work, organising the bills...*[113]

Physical effort is the main barrier to engaging older people in all sectors:

> *Because of their age and the requirements of the [textile] job, it needs more young people.*[114]

Significance for SRC

There are work opportunities for older people across all three sector value chains. These jobs do not require physical effort. Accepting community members' recognition of older people's knowledge and experience, SRC could consider including older people as speakers and trainers

109 HelpAge International, *Older people in emergencies identifying and reducing risks*, 2012

110 SNAP (July 2013), Impact of the conflict on Syrian economy and livelihoods; ILO, Social Security Programs - Old age, disability and survivor pensions. Accessible at: http://www.social-protection.org/gimi/ShowWiki.action?wiki.wikiId=707#ancre2

111 Key Informant Interview, Fabric Merchant, Darbasiyah, Al-Hasakah, April 2018

112 Key Informant Interview, Fabric Merchant, Darbasiyah, Al-Hasakah, April 2018

113 Key Informant Interview, Olive Trader, Idleb, Harem, April 2018

during vocational training for youth. SRC could also support and advocate for the inclusion of older persons in cooperatives. They could be given tasks that do not require physical effort, where other cooperative members could benefit from their experience.

WOMEN

The level of female participation in the Syrian labour market is historically low. It rested at 22% in 2010.[114] Barriers to women's employment include illiteracy, social norms, inadequate access to financial resources, and limited land rights. Over 40% of respondents in a 2008 survey were generally against women's employment,[115] yet female-headed households are on the increase in Syria, representing 20% of the sample population. This is a direct result of the crisis.

Some of the main barriers to livelihood opportunities for women are listed by respondents as: customs and traditional social gender norms, a lack of skills relating to sales and marketing, as well as a very limited role in decision-making:[116]

> *Women can't participate in [textile and garment] work because of the customs and traditions and the common tribal society in our city, so no, that's difficult… women do not participate in decision-making. They may help in a few simple task, but not decision-making.*[118]

With regard to soap production, interviewees highlighted the limited engagement of women because:

> *Women don't want to have contact with men in work and they can't work for long hours due to house responsibilities.*[119]

Another important barrier across all subsectors and geographic areas relates to women's responsibilities within the home. They care for children and older members of the family. Some jobs are deemed more appropriate for women than others. Examples of income-generating activities that are considered appropriate for women were identified as:

- Garment manufacturing, predominantly sewing, in workshops or from home
- Packaging soap and garments
- Milking and feeding livestock
- Preparing animal fodder
- Dairy production
- Cotton harvesting and olive picking

Key informants in the textile and garment sector also identified tasks such as accounting, cleaning, arranging fabrics and dealing with customers in fabric shops as potential work opportunities for women.

114 Global Gender Gap Report 2010, World Economic Forum, p. 284

115 SNAP (July 2013), Impact of the conflict on Syrian economy and livelihoods

116 These findings are in line with CARE's recent research study: *Women, work & war: Syrian women and the struggle to survive five years of conflict* (2016), which highlights that the limited access to independent livelihoods for Syrian women is caused by a number of factors, including gender-blind development policies and research, traditions and attitudes, and lack of access to decision-making

117 Key informant interview, fabric merchant, Darbasiyah, Al-Hasakah, April 2018

118 Focus group discussion, Soap factory owners / small-scale soap makers / soap traders and vendors, Homs, April 19 2018

Significance for SRC

All three sectors offer potential work opportunities for women, both inside and outside the home. SRC should encourage women to play an active role in society while engaging – where possible and appropriate – in a dialogue about stretching the room for women's employment. In so doing, it should take into consideration conservative norms and security implications outside of the home. This includes creating external opportunities for women in gender-sensitive environments and encouraging equal opportunities and fair pay for both genders. This would require awareness raising and advocacy among potential employers.

YOUTH

Young people engaging in labour face a lack of safe and appropriate economic opportunities. This includes a lack of access to skills training and flexible learning programs. Education in Syria was gravely disrupted due to the ongoing conflict, leaving many children and young people without an education. Boys aged 12–18, in need of safe and appropriate livelihood opportunities, are among the most critically at risk in Syria.[119]

These findings identify a lack of experience and a skills gap as the main barriers to youth inclusion in certain subsector value chains. Dairy sector workers need specific technical skills and experience. According to some dairy producers, these skills may be difficult to find among young people:

> *Any mistake in the processing steps may cause toxicity and rottenness… they don't have enough knowledge about the [dairy] sector to be able to participate.*[121]

Similar views were expressed by interviewees with regards to cotton and olive harvesting, and olive oil, soap and textile manufacturing. Potential employers remain hesitant about hiring young people due to their lack of experience:

> *Youth can't tolerate the physical effort and they don't have the experience in this field.*[122] *I don't employ youth between the ages of 15–24 because they don't have good experience in harvesting olives… they may damage the crops.*[123]

As a consequence, young people are generally excluded from roles that involve decision-making. The most common roles assigned to young people across these value chains include transport, loading and unloading products, selling products, and marketing:

> *I have 2-3 vehicles and trucks which we load the products on, and the youth take the responsibility of driving around and marketing these products.*[124]

Significance for SRC

All three sectors have the potential to offer work opportunities to young people. SRC could support young people's inclusion through the provision of vocational training and apprenticeships.

119 Global protection cluster (March 2014), *Mapping of Vulnerabilities Unmasking the Syrian Population.* Accessible at: http://cpwg.net/wp-content/uploads/sites/2/2014/04/Vulnerabilities-Syria-Crisis-HelpAge-and-CPWG.pdf

120 Key informant interview, dairy producer, Darbasiyah, Al-Hasakah, April 2018

121 Focus group discussion, cotton production, Al-Malikiyah, Al-Hasakah, April 18, 2018

122 Focus group discussion, olive farmers, olive producers and oil traders, Idleb, April 18, 2018

123 Key informant interview, livestock farmer, Idleb, April 2018

This training could focus on specific skills and knowledge required for these value chains. If SRC considers including older people as trainers in vocational training, they could become mentors to younger people, providing supervision until trainees develop the skills required by employers. SRC could also advocate between young people and potential employers for greater youth inclusion.

PERSONS WITH DISABILITIES AND INJURIES

The Syrian crisis is leaving an increasing number of people disabled, with a large number of amputees and a higher number of spinal cord injuries than previously seen in other crises. It has also left many people with visual and hearing impairments, as well as psychosocial difficulties. Many treatable injuries have turned into permanent impairments, needing long-term rehabilitation and care. This is due to a lack of available healthcare and medication.[124]

There appears to be limited understanding of PWD issues among respondants. Many group PWDs together in the same category regardless of their level or type of disability. Interviewees consider the inclusion of PWDs to be limited due to percieved barriers caused by disability. Since unemployment is already high, some respondents stressed that they would rather employ a person with no disabilities than a person with disabilities.

Nevertheless, the study has found that there are some opportunities for disability inclusion. For example, people with limited mobility could perform certain clerical tasks such as responding to emails, answering phones and handling online marketing. It was also noted by some private business owners and manufacturers that it would be possible to recruit people with certain types of disabilities. They did not feel that hearing or speech impediments would prevent employees from performing manual labour.

Significance for SRC

There are opportunities within all three subsectors for people with certain types of disabilities. People with hearing impairments could work as olive pickers or olive oil processors. People with physical injuries, especially of the lower limbs, could work as tailors, whereas people with learning disabilities could undertake dairy farming work. Since there is an overall misperception of PWDs among potential employers, which means a lack of work opportunities, SRC could raise awareness on disability issues and advocate for the inclusion of PWDs in the workforce. SRC could also support the inclusion of PWDs through collective action and cooperatives, in which they could be given tasks matching their abilities. This would help to ensure that their strengths and weaknesses are accomodated as full members of a team.

OVERVIEW OF AVAILABLE INSTITUTIONS AND SERVICES

THE AVAILABILITY OF DONORS AND SUPPORTING STRUCTURES IN IDLEB, DAR'A AND AL-HASAKAH

There was reportedly little support from local councils and other public institutions, including donors, humanitarian and civil society organisations, for value chain actors in the governorates of

124 Global protection cluster (March 2014), *Mapping of Vulnerabilities Unmasking the Syrian Population*

125 Key informant interview, fabric merchant, Darbasiyah, Al-Hasakah, April 2018

Idleb, Dar'a and Al-Hasakah.[126,127]

Although no key informants confirmed receiving financial support from institutions in Dar'a, one key informant mentioned that there were some affluent individuals who offered loans to people in the olive sector:

> *There is support from some individuals who have money. They help us by giving loans to people when needed.*[129]

Livestock farmers also stated that they had received a small number of resources and animals from humanitarian organisations:

> *Civil society organisations sometimes support the livestock sector, but in limited ways. For example, there was an organisation that provided us with sheep, goats, fodder, and medicine but in low quantities that were not sufficient for the whole area.*[130]

In Al-Hasakah, 73% of participants confirmed their local administration provided communities with agricultural support. Similarly, 61% of Al-Hasakah respondents said that NGOs and other civil society actors provided farmers with agricultural support. One key informant explained:

> *… there is Khayr Organisation and other organisations that operate in Al-Hasakah by distributing seeds and fertilisers to farmers or [teach] modern agricultural methods.*[131]

In Idleb, it appears livestock and dairy farmers have received some level of support from civil society. However, the scope of this support is limited compared to the level of need, and is not sufficient to achieve significant impact:

> *If they support us, they support us with modest [financial] sums only.*[132]

However, 20 out of 222 respondents in Idleb said that they received advisory support from local councils in their district.

Local council Administration in each of the sub-districts is reported as follows:

- Al-Hasakah Governorate: Darbasiyah, Tell Tamer, Al-Hasakah and Al Malikiyah
- Idleb Governorate: Ariha, Harem, Idleb, and Maarat An Nu'man
- Dar'a Governorate: Al-Hrak, Dael and Muzayrib[132]

Local councils exist outside the Syrian government. They are supported by external, international

126 As mentioned under the "Limitations and Challenges" section of this report, the community surveys were administered only in Idleb, Al-Hasakah, and in Dar'a due to challenges with obtaining permissions to conduct data collection in the governorates of Aleppo and Homs.

127 Finding concerns the following areas: Aleppo City, Homs City, Harem, Ariha and Maarat An Nu'man in Idleb and rural Dar'a

128 Key informant interview, olive oil producer, mill owner, Dar'a, April 2018

129 Key informant interview, livestock farmer, Dar'a, April 2018

130 Key informant interview, CSO representative, Rojava Organization for Relief and Development, Darbasiyah, Al-Hasakah, April 2018

131 Key informant interview, dairy vendor, Idleb, April 2018

132 At the time of data collection, these sub-districts of Dar'a were under opposition control

donors.[133] In governorates such as Idleb, local councils may also be affiliated with groups such as the Syrian Interim Government (supported by Turkey), or the armed group Hayat Tahrir Al-Sham. These groups may seek to influence beneficiary selection or distribution lists.[134] Local councils consist of departments that deal with specific sectors such as agriculture, health, and education. According to survey respondents, local councils provide services such as rebuilding infrastructure, including sewage systems, water and electricity supplies, garbage collectionand humanitarian relief distribution.

There are also civil society organisations and NGOs operating in these districts. While service provision varies, it has been suggested that no provision is being made for the three subsectors in this assessment. NGO support appears to focus primarily on health, education and garbage collection in Idleb, and humanitarian relief and rebuilding infrastructure in Dar'a and Al-Hasakah.

Significance for SRC

The lack of uniform support across the three sectors in Idleb, Dar'a and A-Hasakah, highlights the significant need for intervention from SRC. There is no consistent provision from donors, local councils, civil society organisations or NGOs. This could be due to a lack of financial or structural means to do so. SRC could support farming and manufacturing cooperatives to become advice-sharing spaces in place of official advisory committees.

THE AVAILABILITY OF DONORS AND SUPPORTING STRUCTURES IN ALEPPO AND HOMS

Due to a limited ability to collect detailed information from Aleppo and Homs, the research was unable to obtain primary data on the extent of financial and institutional assistance received by the textile, garment and soap sectors.

Desk-based research showed that technical directorates, such as the Aleppo Industry Directorate, provides support to factories and professional workshops instead of local councils. They supply the local market with inputs, such as electricity.[135] The Ministry of Industry has recently pledged to boost the textile industry to help it meet the needs of the local market. This will be done through the provision of "electrical energy, raw materials and transportation of products".[136]

Despite this, traders within the soap and textile industry have stated that reality is different on the ground. They face difficulty registering their businesses with the Ministry of Industry due to costly, lengthy processes. They also report a lack of support from the government in terms of operational resources.[137]

Significance for SRC

Despite the lack of information on financial and resource prospects, it is clear that the government is keen to revive the textile industry in Aleppo and Homs. by providing inputs such as electricity and raw materials. However, the reality on the ground is slightly different, with

133 UN ESCWA (2017), *The Strategic Policy Alternatives Framework (SPAF) - Syria Post Conflict*, page 20. Accessible at: https://www.unescwa.org/sites/www.unescwa.org/files/events/files/spaf_synopsis.pdf

134 Humanitarian Access Team (May 31, 2018). *Situation Report: Changing Dynamics in Northwestern Syria*

135 SANA (July 27, 2015). https://sana.sy/en/?p=49538 (accessed on July 10, 2018)

136 Syrian Ministry of Industries. "Minister of Industry: Focus on the final stages in the production of textile industries"

137 Enab Baladi (June 2017). https://www.enabbaladi.net/archives/156753#ixzz5KqofyBKR (accessed on July 10, 2018)

businesses still struggling to establish themselves. There is a need within Aleppo and Homs for support within the textile, garment and soap industries.

COOPERATIVES

Findings suggest there are no cooperatives or collectives for olive farmers and olive producers in Idleb and Dar'a governorates. The same is true for cotton farmers in Al-Hasakah. It is not known whether there are textile, garment or soap cooperatives operating in Aleppo or Homs.

Depending on structural viability, establishing local cooperatives could increase production and growth in these three sectors. An example would be helping farmers to access information about markets, and offering affordable inputs and financial opportunities where possible. Cooperatives could also be useful in increasing bargaining power and reducing production costs by pooling assets and resources. PWD, older persons and women are often discriminated against when applying for loans. Helping them to form microgroups of two to three people could potentially increase their accountability and therefore their chances of getting a loan.

Significance for SRC

If the political and structural context allows, SRC could support collective action for cotton farmers, olive farmers and dairy producers who struggle to get a fair price for their produce and incur high input costs. Cooperatives could provide spaces where advice is shared between members, acting in place of official advisory committees. Cooperatives could also be spaces for inclusivity, allowing the most disadvantaged members of society to access better opportunities.

ENVIRONMENTAL FACTORS

WATER

From 1900 to 2005, Syria faced six significant droughts. The average monthly winter precipitation level dropped to around one-third its usual amount. Starting in 2006, Syria experienced a multi-season and multi-year period of extreme drought that contributed to agricultural failures and population displacement. A 2012 food needs assessment conducted by the FAO identified three million people in urgent need of food assistance. It concluded that "agricultural water use is unsustainable".[138] In 2017 however, there was an "improvement in vegetation conditions" across Syria, with Al-Hasakah witnessing below-average rainfall, as opposed to Dar'a which witnessed "relatively moderate rains" at the end of 2016, leading to healthy crop growth in January 2017.[139]

Syria is currently below the water-scarcity line due to drought and unpredictable rainfall.[140] This has caused a negative impact on the agricultural production of multiple value chains, such as cotton production for the textile and garment sector, livestock breeding and olive harvesting. For instance, olive farmers reported that i they used to water their olive trees four to five time a year, whereas now, they are only able to water the trees once a year. The lack of rain has reduced olive

138 American Meteorology Society (2014). *Water, Drought, Climate Change, and Conflict in Syria*. Accessible at: https://journals.ametsoc.org/doi/full/10.1175/WCAS-D-13-00059.1

139 FAO GIEWS (April 2017). *Global Information and Early Warning System*. Agrometeorological Monitoring Bulletin in Syria. Accessible at: https://reliefweb.int/map/syrian-arab-republic/agrometeorological-monitoring-bulletin-syria-april-2017

140 FAO (April 2017). *Counting the Cost: Agriculture in Syria after six years of crisis*, page 12. Accessible at: http://www.fao.org/3/b-i7081e.pdf

tree yields and led to an increase in crop prices, which in turn affects the food market:

> *[The] lack of rain causes an increase in feed prices… cows may not have enough feed, and if they do not, they will not produce enough milk.*[142]
>
> *[If] water or rain is not enough, the amount of crops will decrease, which will affect our ability to provide fodder for the livestock.*[143]

Alternative irrigation sources, such as "groundwater and surface water,"[143] including rivers, are used throughout Syria, but they vary between governorates.[144] Al-Hasakah and Aleppo depend heavily on these alternate sources. According to the FAO, it has become increasingly hard for Syrians to access irrigation systems for crops. Infrastructure, such as irrigation wells and canals, have suffered damage totalling more than 500 million USD in the governorates of Aleppo and Al-Hasakah, up to 50 million USD in Homs and Idleb, and between 50–100 million USD in Dar'a, since the start of the crisis.[145] As of 2017, 20% of households across Syria "lost access to irrigation entirely, while 40% of households still have access to irrigation but face higher costs due to increased prices and lower quantities of fuel, resulting in the use of a smaller amount of water".[146]

Syria might benefit from new, water-efficient technology such as drip irrigation systems which are suited to drier climates. This involves dripping water through plastic tubes very close to the roots of individual plants. This ensures that water is conserved, as only the area surrounding the plant receives water.[147] Drip irrigation is suitable for both row crops, such as cotton, and trees.[148]

Significance for SRC

Water is an important input for all three sectors. It is needed for growing cotton, rearing livestock and harvesting olives. Programming should take into consideration longstanding water insecurity in Syria and support sector assistance accordingly. Expert assistance and technology provided by SRC could focus on water-efficient techniques and new methods of watering, such as drip irrigation.

PESTICIDES

Pesticides were cited by the farmers as being an important, yet scarce, input for maintaining crops. They kill off pests and weeds which affect cotton and olive crop yields. Prior to the conflict, pesticides were heavily employed. Apart from fertiliser, 95% of chemicals used in cotton production were herbicides.[149] 75% of all insecticides were imported into Syria from abroad.[150] In 2010, a joint FAO-Government of Syria project was initiated to improve the environmental impact

141 Key Informant Interview, dairy producer, Dara, April 2018

142 Key informant interview, livestock farmer, Idleb, April 2018

143 ACU https://www.acu-sy.org/en/wp-content/uploads/2017/04/ACU-IMU-DYNAMO-6-Eng.pdf page 34

144 Tull, K. (2017). *Agriculture in Syria. K4D Helpdesk Report*. Brighton, UK: Institute of Development Studies. Accessible at: http://opendocs.ids.ac.uk/opendocs/handle/123456789/13081

145 FAO (2017). Counting the cost, Agriculture in Syria after six years of crisis. Accessible at: http://www.fao.org/emergencies/resources/documents/resources-detail/en/c/878213/

146 Ibid

147 FAO http://www.fao.org/docrep/s8684e/s8684e00.htm#Contents.Irrigation Water Management: Irrigation Methods chapter 6

148 Ibid

149 Chaudhry, M. Rafiq. *Trends in Agrochemicals Used To Grow Cotton*. International Cotton Advisory Committee. Accessible at: https://www.icac.org/cotton_info/speeches/Chaudhry/rcnetherlands96.PDF

150 Ibid

of pesticides through the "elimination of POP's (Persistent Organic Pollutants) and other obsolete pesticide stockpiles".[151] There is limited information on the success of the project because it was stopped in 2012, even though it was supposed to continue until 2017.

Pesticides, such as insecticides and herbicides, may negatively affect human health and non-targeted species. This means that the chemicals affect the diversity of other plants and animals that are not considered to be pests.[152] Chemical vapors in the air impact upon beneficial insects and birds. Water-soluble pesticides can pollute water sources.[153] Increased use of pesticides can lead to chemically resistant "superbugs" or "superweeds", which, in turn, lead farmers to use increasingly toxic pesticides to counteract them.[154] Not only does this have a negative environmental impact, but also a financial one for the farmers.

In recent years, there has been a global move to restrict the use of harmful pesticides. The 2017 Rainforest Alliance pesticide management concept comprises 152 prohibited and highly hazardous pesticides identified by WHO and FAO. This brings the total number of regulated pesticide ingredients to 320.[155] The aim of this framework is to mitigate the health and environmental impact of these chemicals, protecting fish, wildlife, and pollinators, such as honey bees. It also seeks to reduce the inhalation risk by humans.[156]

Significance for SRC

The EU ban on dual-use pesticides, combined with the input need for pesticides by the assessed sectors, may present an opportunity for humanitarian provision of less-harmful pesticides. Regulated pesticides listed in the Rainforest Alliance Pesticide Management Concept could be used as a basis from which to identify appropriate products.

CARBON FOOTPRINT

The rearing of livestock for beef carries environmental implications. Greenhouse gases are produced at all stages of beef production, starting from the release of methane gas by cows during digestion, through to the storage of manure, the production of fertiliser and agrochemicals and, finally, gas emissions from dairy and factory electrical equipment.[157] Although this is negative on a global scale, a key informant reports no major environmental impact from Syria, due to the small scale of livestock production.[158]

FERTILISERS

As an input, fertiliser is considered a barrier to olive and cotton-sector growth. There are environmental risks from excessive use of non-organic fertilisers, predominantly linked to nitrogen. If applied excessively,

151 Project Identification form. Accessible at: http://www.fao.org/gef/projects/detail/en/c/1057016/

152 Mahmood, Isra & Imadi, Sameen & Shazadi, Kanwal & Gul, Alvina & Hakeem, Khalid (2015). *Effects of Pesticides on Environment*. Accessible at: https://www.researchgate.net/publication/286042190_Effects_of_Pesticides_on_Environment

153 Ibid

154 Pesticides Action Network. "Pesticides 101". http://www.panna.org/pesticides-big-picture/pesticides-101 (accessed on July 11, 2018)

155 Rainforest Alliance (July 2017). *Lists for Pesticide Management*. Accessible at: https://www.rainforest-alliance.org/business/sas/wp-content/uploads/2017/11/02_lists-pesticides-management_en.pdf

156 Ibid

157 Desjardins, Raymond L., Devon E. Worth, Xavier P. C. Vergé, Dominique Maxime, Jim Dyer & Darrel Cerkowniak (December 2012). *Carbon Footprint of Beef Cattle*. Accessible at: www.mdpi.com/2071-1050/4/12/3279/pdf

158 Key informant interview, Environment Expert, Gavriel Langford, Food Economy Group (FEG), June 6, 2018

nitrogen from synthetic fertilisers can vaporise, causing acid rain. They can also contaminate water sources through the soil.[159] This risk can be decreased by using organic fertilisers. Research has shown that "the release of nitrogen in organic fertilisers is slower than that in inorganic fertilisers since organic fertilisation typically does not provide nitrogen in a readily accessible form".[160] In addition to this, chemical fertilisers are not as nutritious as organic fertilisers, as they do not provide food for earthworms or other organisms. This will have a long-term impact on the quality of soil over time.[161]

Unlike the use of non-organic fertilisers, using manure has a positive environmental impact:

Animal manure contains important nutrients such as nitrogen, potassium and phosphorus

> *Cattle gives fertiliser to the land, this is something positive for the agricultural lands.*[163]
>
> *Animal manure is used as fertiliser in the agricultural sector, as it is nutritious to soil and crop.*[164]

which have beneficial properties for soil. They can improve "crop yields… reduce soil loss from both wind and water erosion, and protect water quality by reducing contaminated runoff".[164] Additionally, organic fertiliser produces a substance called humus, which "improves soil structure so that plant roots can easily reach down into the soil". It also improves the moisture-holding capacity of soil and helps to control weeds, pests and disease.[165]

Significance for SRC

If fertiliser is provided to farmers as part of programme activities, organic fertiliser should be prioritised over synthetic. Organic fertilisers have multiple benefits for farmers, including improving the quality of soil and increasing moisture absorption. This is important considering Syria's water scarcity issues. This would also reduce farmers' costs over time as they would have to invest less in chemical fertilisers and would not suffer from resistant insects or weeds. Additionally, farmers could be trained to provide their own organic fertiliser through composting.

FUEL

Due to the electricity shortages in Syria, livelihood actors are turning towards diesel generators to operate vehicles and machinery, including water pumps, cotton spinning equipment and sewing machines.[166] Diesel has a wide-ranging impact on the environment, polluting the entire ecosystem

159 Liu CW, et al. (April 2014). *Effects of Nitrogen Fertilizers on the Growth and Nitrate Content of Lettuce (lactuca sativa l.).* Int J Environ Res Public Health. Accessible at: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4025000/

160 Ibid

161 FAO. "Organic fertilizers (including manure and compost)." http://www.fao.org/tc/exact/sustainable-agriculture-platform-pilot-website/nutrients-and-soil-fertility-management/organic-fertilizers-including-manure-and-compost/en/ (accessed on July 11, 2018)

162 Focus group discussion, livestock farmers and dairy producers, Idleb, April 2018

163 Key informant interview, Agricultural Directorate, Dar'a, April 2018

164 US Environmental Protection Agency (August 2015). *Beneficial Uses of Manure and Environmental Protection.* Accessible at: https://www.epa.gov/sites/production/files/2015-08/documents/beneficial_uses_of_manure_final_aug2015_1.pdf

165 Edwards, Sue & Hailu Araya. How to Make and Use Compost, page 390. Accessible at: http://www.fao.org/docrep/014/i2230e/i2230e14.pdf

166 Al-Khalidi, Suleiman & Angus McDowall (October 2, 2017). "Hard choices for Syrian industrialists in ruins of Aleppo." *Reuters*. Accessible at: https://www.reuters.com/article/us-mideast-crisis-syria-economy-insight/hard-choices-for-syrian-industrialists-in-ruins-of-aleppo-idUSKCN1C71B8 and al-Khatieb, Mohammad & Karen Leigh (April 3, 2014). "Facing Electricity Cuts, Aleppo Creates a Generator Economy." *News Deeply.* https://www.newsdeeply.com/syria/articles/2014/04/03/facing-electricity-cuts-aleppo-creates-a-generator-economy (accessed on July 11, 2018)

from forests and water bodies to the soil and air.[167] According to one key informant, the scale of diesel currently used in the olive, textile and garment industries in Syria is not at a worrying level and should be viewed as a necessary trade-off for the development of people's livelihoods.[168]

Olive mill pomace was mentioned during interviews as a potential alternative heating system in the winter.[169] Biomass fuel could be produced as a by-product of harvesting and pruning olive trees, and during olive oil extraction.[170] Solar energy is another clean power alternative, and panels or lanterns could be supplied as inputs. This would cut emissions from diesel generators and allow farmers and producers to be more self-sufficient.

Significance for SRC

The need for power is one of the main concerns across all three subsectors. As such, investment in alternative energy solutions for farmers and manufacturers would have a positive impact, speeding up processes such as cotton spinning, milking and olive pressing. Solar panels or lanterns, along with supplementary skills training on their use and maintenance, would ensure the longevity of this intervention.

167 Alan C. Lloyd & Thomas A. Cackette (2001) Diesel Engines: Environmental Impact and Control, page 824, Journal of the Air & Waste Management Association. Accessible at: https://www.ncbi.nlm.nih.gov/pubmed/11417675

168 Key informant interview, Environment Expert, Gavriel Langford, Food Economy Group (FEG), June 6, 2018

169 Key informant interview, civil society representative, Sanabel Alamal Association, Dar'a, April 2018

170 Institute of Agriculture and Tourism Poreč (December 2008). Market of Olive Residues for Energy. Accessible at: https://ec.europa.eu/energy/intelligent/projects/sites/iee-projects/files/projects/documents/report_on_best_practices_m.o.r.e._en.pdf

CONCLUSION

This livelihood assessment found that support to all three subsectors is necessary for the implementation of inclusive value chain interventions and for improving livelihood opportunities for vulnerable people. All three subsectors showed potential for economic growth in the current Syrian context, especially at local and subnational levels.

There is a lot of evidence supporting the need to improve livelihood opportunities for vulnerable people. All three subsectors hold **historical significance** for the local and national economies in Syria. The textile and garment industry was known to make up 25% of the country's GDP before the conflict, employing 10% of the national labour force. Both of the other subsectors studied hold similar importance. Value chain interventions in support of these three subsectors could potentially restore livelihood opportunities that have been significantly reduced, especially between production and consumption stages.

Survey demographic findings confirm livelihood investment in these three subsectors allow households to earn an above-average monthly income (40,000–80,000 SYP/92–184 USD). The highest earnings are seen in livestock and dairy, followed by textile, garments and soap, then olive and olive oil. Additionally, that disparity in earnings between male and female-headed households was not significant. This means that SRC programming has the opportunity to promote equal opportunities and fair pay for both genders.

There is a local, national and international demand for the products from these three subsectors. Commodities such as garments, olives and olive oil are in demand on a national level, whereas dairy, eggs and poultry mainly circulate on the local market. All of these products are staple dietary requirements and demand is robust. The increased market availability of important and nutritious foods, such as dairy, poultry, meat, olives and olive oil could potentially decrease in market price, making it more affordable for low-income and conflict-affected households, many of which find such products unaffordable and struggle to meet their nutritional needs. Market distortions have emerged due to the conflict situation, rendering basic foods unaffordable to economically-vulnerable households. Many of these households implement negative coping strategies, for instance drastic reductions in food consumption and reductions in thel variety of food consumed. Some of the products cut back on are part of the standard Syrian diet and are essential for childhood growth and development. These include milk, eggs and meat.

Findings also suggest that **there is significant international demand for Syrian textiles and olive soap**, also known as Aleppo soap, which are primarily exported through the ports of Tartus and Lattakia to countries such as Russia, Lebanon and Iraq. Textile manufacturers and olive soap makers highlighted their inability to meet demand, mainly because there are only a few manufacturers remaining. In light of the attention the Syrian crisis is getting internationally, PWDs, older people, young people and women could potentially help boost sales if products are branded as manufactured by vulnerable groups in need of support.

Finally, there are already **market systems and value chain actors** supplying inputs, producing items, trading, retailing and interacting with ongoing livelihood activities, though some level of informality exists which hinders trust among value chain stakeholders and reduces the flow of information along the chains. Such findings suggest that interventions could be put in place

to strengthen coordination across value chain actors, enhancing trade links and capacity. The existence of such commercial links could also enhance intervention readiness.

Potential for market growth relies heavily on the cost and availability of inputs. Inputs unique to each sector were cited as some of the main challenges to growth. In-kind or financial support would aid struggling producers. In the case of olive farmers, inputs such as fertiliser, pesticides and seeds are much needed, whereas the main challenge for livestock producers seems to be access to animal vaccines. The textile and garment industries are dependent on cotton, of which there is a shortage impeding their ability to meet market demand. Another major barrier to effective production and growth is the lack of electricity and a dependence on generator fuel to produce outputs. The shortage and high cost of fuel was frequently mentioned. Increasing supplies of these inputs would have a positive impact on production costs in all three subsectors. In turn, this would reduce commodity market prices and increase consumption and trade, resulting in sustainable economic development over time.

This report found that close to half of survey participants across Idleb, Al-Hasakah and Dar'a would **invest in a small business** such as a garment or sewing workshop, livestock and dairy production, or the retail of goods and services if they were to receive a grant. SRC could provide micro-grants to support private sector initiatives within these subsectors.

Despite internal displacement, and the exodus of civilians fleeing fighting in Syria's civil war, relevant local knowledge, expertise and skills have remained available throughout the crisis. However, **there are still a number of capacity and skill gaps which respondents cite as barriers to growth across the three sectors**. For the textile and garment industry, these include technicians and engineers who can operate industrial machinery, tailoring, sewing, bookkeeping, textile packaging and design. For soap making, packaging was a significant requirement. Additionally, within the two subsectors of soap and textiles, marketing, communication and social media skills were considered useful areas requiring further knowledge to access external markets. Within the olive, olive oil and dairy sectors, production and processing knowledge were needed, as well as milking and knowledge of animal health. SRC interventions could include vocational training or remote training using online modules to address computer literacy. Support packages should be as accessible as possible, bearing in mind the mix of educational levels and vulnerabilities, such as the disabled and older populations.

The **success of the three sectors are intrinsically linked to the political situation in Syria**. Sanctions imposed by other nations limit the import of pesticides, and services for the fuel industry. However, alternative solutions are being offered by government allies and are being implemented over time. The trajectory indicates that greater stability will return to the country as it comes under government control. In the short term, however, the government-held governorates of Aleppo and Homs (and increasingly, Dar'a), will benefit from events contributing towards the market growth of the textile, garment, and soap industries. These include the Iran deal, which promises to reconstruct Syria's power infrastructure. This makes it likely that Aleppo and Homs will gain increased access to electricity and fuel in the near future. The second is the opening of the M5 Aleppo-Damascus highway, connecting south and north Syria to the ports of Lattakia and Tartus, providing greater opportunities for internal and external trade.

In contrast, a period of instability is likely to occur in the governorates of Idleb, Al-Hasakah,

and Dar'a. In the medium to long term, the government is likely to recover Dar'a and parts of Al-Hasakah, with a deal ensuring Kurdish semi-autonomy over some parts of the north-eastern territory. For Dar'a and Al-Hasakah, this will mean greater access to inputs for the livestock, cotton and olive growing value chains as well as an ease in formerly restricted internal and external trade. Additionally, borders such as the southern Nassib Crossing and the north-eastern Faysh Khabour Crossing, as well as the two projected export hubs in Iraq and Libya, will ensure that Dar'a, Al-Hasakah, Aleppo and Homs have access to external trade routes with neighboring Arab countries. In the medium term, it is projected that Idleb could fall under Turkish control. It is unknown to what extent Idleb will benefit from friendly relations with the Government of Syria and Kurdish-held areas, but with the opening of the M5 highway, it is likely that accessible trade will be maintained in the future.

Mainstreaming a tailored, inclusive approach adapted to the specific needs of individuals within marginalised groups, such as PWDs, young people, women and older people, would allow SRC to ensure sustainable inclusiveness in its resilience-building efforts. For example, **with the right type of support and incentives, the inclusiveness of the textile and garment, olive, and livestock and dairy subsectors could be ensured**. Older people who are still capable of participating in the labour force could undertake roles related to experience sharing, know-how and expertise. This would have an important impact on decision-making and effective business management. Similarly, findings suggest that there are certain roles within some of the subsectors which are considered culturally more appropriate for women. Examples include garment manufacturing in women-only workshops, dairy production and packaging items such as soap and garments. There are also possible work opportunities for people with disabilities, depending on their individual circumstances. For instance, if people have limited mobility or mild impairments, clerical tasks, such as responding to emails, answering phones, and handling online marketing might be suitable. Manual tasks were deemed possible for people with hearing and speech impediments by private business owners who were open to hiring PWDs.

Key informants and informed individuals across all subsectors expressed hesitancy in employing young people for sector-specific tasks, believing they lacked skills and experience. Building the capacity of young people through reinforced supervision would be a prerequisite to involving them further in the workforce. Roles that are generally deemed appropriate for young people include physically-demanding jobs such as transporting, loading and unloading products. Marketing and social media were also deemed to be areas where young people could support businesses.

There is **no consistent or uniform assistance from donors or entities such as** local councils, government bodies, civil society organisations or NGOs in government, opposition or Kurdish-held areas. Other actors have not been able to fill gaps in place of the government. This validates the need for humanitarian intervention to boost the livelihoods in the olive, textile and livestock sectors. If the political and structural context allows, this could also be an opportunity for SRC to support the organisation of farming and manufacturing cooperatives. These cooperatives could operate as advice-sharing spaces, helping actors to gain information about the internal market and affordable inputs, as well as encouraging asset and resource sharing. Cooperatives could also be a space for inclusivity, providing even the most disadvantaged actors with access to better opportunities.

This assessment found that there were **cross-sectoral value chain impacts on the environment and vice versa**. Syria is a water-scarce country and cotton growing, livestock

rearing and olive harvesting rely heavily on this input. These sectors would benefit from water-efficient interventions as well as new technology such as drip irrigation, which has been developed as a way to water crops in drier climates. Lack of fuel and electricity has led to the use of diesel generators which release greenhouse gases into the atmosphere. Green energy sources such as solar panels and lanterns could be provided as an alternative solution. These would not only reduce harmful emissions in the long term, but also increased the self-sustainability of farmers and manufacturers. Levels of red meat production are deemed too low to create a significant greenhouse impact. Synthetic pesticides and fertilisers have been shown to have an environmental impact, polluting soil, water and air with toxins, as well as killing off non-targeted insects and animals. SRC should consider providing less-harmful pesticides using helpful frameworks such as the Rainforest Alliance's pesticide management concept as a guide. Training farmers in composting techniques would also enable them to recycle cow manure from livestock and turn it into organic fertiliser.

RECOMMENDATIONS

The findings of this report have led to a number of recommendations for viable SRC livelihood interventions. Corresponding recommendations have been organised into two scenarios. The first includes recommended interventions in the short term. The second deals with medium to long-term interventions.

SCENARIO ONE: SHORT-TERM INTERVENTIONS

SRC programming across the five governorates needs to take into account the political context. The short-term forecast is divided into more stable areas of government control, such as Aleppo and Homs, and unstable opposition and Kurdish-held territories such as Idleb, Dar'a and Al-Hasakah.

In the short term, there may be instability in Al-Hasakah, Dar'a and Idleb. It is recommended that SRC programming in Dar'a should take place once the security situation becomes clear. In Al-Hasakah and Idleb, it is recommended that contingency plans be put in place to rapidly downscale activities in the event of escelating conflict.

The textile and garments, and olive subsectors could be supported through the establishment of small-scale garment and Aleppo soap workshops. Despite the government's will to support the reestablishment of the textile industry, there has been little change on the ground. Businesses are still suffering from a shortage of inputs, such as electricity, or face arduous registration processes. SRC could assist garment manufacturers and tailors by, for example, providing the needed inputs. Alongside this, small-scale soap makers could also be supported, as the demand for Aleppo soap persists and there are not enough manufacturers to meet demand.

Although the assessment has focused on these two subsectors in Aleppo and Homs, the following recommendations could be applied to other urban and rural areas within Syria where there is an availability of ready-made fabrics for clothing, and olive oil and other ingredients for soap making:

- Where possible, provide or facilitate access to **inputs for garment manufacturers and tailors**, including ready-made fabrics from the local market and sewing machines.
- Support the establishment of **small-scale or home-based garment businesses in gender-segregated environments**, especially for interventions aimed at promoting women and PWDs. These could be supported with SRC grants as well as vocational training in textile packaging and design, sewing skills and ironing lessons. SRC could facilitate on-the-job learning through apprenticeship or internship opportunities with existing garment manufacturers.
- **Support the establishment of small-scale soap businesses**, including financial assistance. Similar to garment workshops, these could focus on the inclusion of women and PWDs. Supplementary vocational training in soap making and packaging could be provided and SRC could connect prospective business owners with existing soap manufacturers for on-the-job learning through apprenticeships and internships.
- **Capacity development should be provided to both garment and soap-making**

businesses on the topics of online marketing, social media and communications, in order to reach a wider external audience. This should be aimed at computer literate people and could provide an opportunity to involve young people. Training modules could be provided remotely by SRC actors.

- Consider supplying value chain actors with **cost-efficient renewable energy technologies (including solar panels)**. Such interventions result in economic and positive environmental benefits, reducing production costs, maximising profit margins, and helping to stabilise market prices for local consumers.
- **Mainstream a tailored and case-by-case approach to inclusiveness by adapting interventions to the specific needs of individuals within marginalised groups**, such as PWDs, young people, women and older people. Private sector actors could be offered incentives to recruit individuals with disabilities that do not prevent them from performing certain tasks, such as sewing or online marketing. Incentives could include training through on-the-job learning, covering beneficiary stipends, or other items suggested by garment manufacturers. A case-by-case approach would allow SRC to ensure inclusiveness within its livelihood interventions.

SCENARIO TWO: MEDIUM TO LONG-TERM INTERVENTIONS

The livelihood subsectors of livestock and dairy, and olives and olive oil have the most promising prospects in the medium to long-term, due to a combination of market growth, demand and sustainability.

Despite current political insecurity in the governorates of Idleb, Al-Hasakah and Dar'a, it is likely that the situation will stabilise in the future. Dar'a is expected to return to government control, with Al-Hasakah shared between government and Kurdish control, and Idleb coming under the influence of Turkey. It is forecast that trade links between all three governorates and government-controlled territory will become more accessible, ensuring easier flow of inputs and tradeable goods. These trade links include the main hubs of Damascus and Aleppo, the ports of Tartus and Lattakia, and the overland crossings of Nassib and Faysh Khabour. Furthermore, the opening of the Aleppo–Damascus highway, with limited government checkpoints, has also opened up trade from Idleb.

The main issue with regards to the expansion of the textile and garment industry is the availability and sustainability of cotton growth. Not only has the cotton industry been drastically reduced since the start of the war, its trajectory is in decline. This is due to multiple factors, including limited water supply for crop irrigation. As this assessment highlights, Syria is a water-scarce country and cotton fields need a lot of water, which is not sustainable in the long run. In Al-Hasakah, farmers grow cotton on one to two hectares of land, but the cost of cotton production for one hectare of land can range between 5,000–15,000 USD, depending on the cost of water, water trucks and the daily working wage. Thus, cotton farmers are only incentivised to cultivate cotton once a buyer has already been found. This limits the overall supply of cotton to the textile and garment industry.

Olive harvesting and livestock rearing also face challenges due to lack of inputs and water scarcity, but consumer demand means there will always be a consistent market for these goods. Olives, olive oil, poultry, dairy and eggs are everyday staples in the Syrian diet. 86% of households surveyed in Idleb, Dar'a and Al-Hasakah consumed olives and olive oil at least three times a week, and an average of 24.1%

consumed dairy and eggs every day. As such, products from both of these subsectors are regularly in demand on both the local and national markets. Unlike cotton production, farmers do not need to wait until they have found a secure buyer before producing these goods.

It is within this context that the following recommendations have been formulated. They outline the most viable programme activities for SRC to help encouraging the growth and sustainability of the livestock and dairy, and olives and olive oil subsectors

- The livelihood subsectors of olives and olive oil, and livestock and dairy should be supported as a priority in rural areas of Idleb, Dar'a and Al-Hasakah, using a holistic approach.
- SRC should **facilitate access to agricultural inputs relating to olives, olive oil, livestock and dairy**. This can be done through providing inputs, or by facilitating the supply of inputs from national providers. Inputs such as organic fertiliser, less-harmful pesticides, seeds, animal feed, vaccines and veterinary medication are much needed for the development of these value chains.
- **Provide subsistence and semi-subsistence farmers with primary processing equipment** which they may otherwise be unable to afford. Such equipment might include milking machines, harvesting tractors, refrigerators and storage facilities, transport and packaging materials, to name but a few.
- Invest in **agricultural projects encouraging resource efficacy**, for instance, new methods of watering crops, such as drip irrigation technology. Couple this with skills training so that farmers are able to use and maintain these systems. A second project would be to focus on composting, capacity building farmers so that they have the knowledge and ability to recycle cow manure into organic fertiliser. Efficient use of resources has a positive environmental impact and encourages self-sustainability which in turn could reduce production costs and raise profits.
- Consider supplying value chain actors with **cost-efficient renewable energy technology, including solar panels**. Such intervention results in economic and environmentally positive benefits, allowing actors to reduce production costs, maximise profit, and possibly ensure stabile market prices for local consumers.
- If the **political and structural context allows, help farmers to organise themselves to set up or re-establish cooperatives** and associations in the olive, livestock and cotton sectors. This could increase their production and profit by increasing access to information, marketing opportunities and trade links, strengthening their position within their respective value chains and enhancing producers' bargaining power. Such organisations may also play an important role in accessing appropriate financial mechanisms, such as revolving funds.
- **Mainstream a tailored and case-by-case approach to inclusiveness** within livelihood interventions supported by SRC. **Adapt interventions to the specific needs of individuals within marginalised groups**, such as PWDs, young people, women and older people. This could be done by providing various incentives to private sector actors to recruit, for example, people with hearing or learning disabilities that don't prevent them from performing certain tasks. These tasks might include physical labour, such as olive picking and pickling, milking, producing cheese, and taking care of animals. Incentives could be offered in the form of on-the-job learning, covering beneficiary stipends, or through other means identified by livestock and olive farmers. A case-by-case approach would allow SRC to ensure inclusiveness throughout its livelihood interventions.

LIST OF QUALITATIVE INTERVIEWS

Focus Group Discussions

FGD#	GOVERNORATE	DISTRICT	GENDER OF FGD	RESPONDENT CATEGORY	AGE GROUP:
1	Dar'a	Izraa	Female	Community Members (PWDs)	Adult (25+)
2	Dar'a	Izraa	Male	Community Members	Adult (25+)
3	Dar'a	Dar'a	Male	Olive and olive oil producers, Traders	Adult (25+)
4	Dar'a	Dar'a	Female	Olive Farmers	Adult (25+)
5	Dar'a	Dar'a	Female	Livestock and Dairy Producers, Traders	Adult (25+)
6	Dar'a	Dar'a	Male	Livestock and Dairy Producers, Traders	Adult (25+)
7	Idleb	Idleb	Male	Community Members	Youth (15-24)
8	Idleb	Ariha	Female	Community Members (PWDs)	Youth (15-24)
9	Idleb	Harem	Male	Community Members (PWDs)	Adult (25+)
10	Idleb	Maarat An Nu'man	Female	Community members	Adult (25+)
11	Idleb	Ariha	Male	Livestock and Dairy Producers, Traders	Adult (25+)
12	Idleb	Harem	Male	Livestock and Dairy Producers, Traders	Adult (25+)
13	Idleb	Harem	Male	Olive and Olive Oil Producers, Traders	Adult (25+)
14	Idleb	Maarat An Nu'man	Male	Livestock and Dairy Producers, Traders	Adult (25+)
15	Idleb	Maarat An Nu'man	Male	Olive and Olive Oil Producers, Traders	Adult (25+)
16	Al-Hasakah	Al-Malikiyah	Male	Cotton Producers	Adult (25+)
17	Al-Hasakah	Al-Hasakah	Female	Community Members	Adult (25+)
18	Al-Hasakah	Al-Malikiyah	Female	Community Members	Adult (25+)
19	Al-Hasakah	Darbasiyah	Female	Community Members	Youth (15-24)
20	Al-Hasakah	Tell Tamer	Mixed (male/ female)	Community Members	Adult (+25)
21	Al-Hasakah	Tell Tamer	Male	Livestock and Dairy Producers, Traders	Adult (+25)
22	Al-Hasakah	Al-Malikiyah	Male	Livestock and Dairy Producers, Traders	Adult (+25)
23	Al-Hasakah	Tell Tamer	Mixed (male/ female)	Livestock and Dairy Producers, Traders	Adult (+25)
24	Aleppo	Aleppo	Male	Textile and Garment Manufacturers, Traders	Adult (+25)
25	Aleppo	Aleppo	Male	Soap Producers, Traders	Adult (+25)
26	Homs	Homs	Male	Textile and Garment Manufacturers, Traders	Adult (+25)
27	Homs	Homs	Male	Soap Producers, Traders	Adult (+25)

Key Informant Interviews

KII#	GOVERNORATE	DISTRICT	GENDER OF FGD	RESPONDENT CATEGORY
1	Dar'a	Izraa	Male	Local Council Member
2	Dar'a	Izraa	Male	Local Council Member
3	Dar'a	Dar'a	Male	Local Council Member
4	Dar'a	Dar'a	Male	Civil Society Representative
5	Dar'a	Dar'a	Male	Civil Society Representative
6	Dar'a	Dar'a	Male	Civil Society Representative
7	Dar'a	Izraa	Male	Milk and Dairy Trader
8	Dar'a	Dar'a	Male	Dairy Producer and Vendor
9	Dar'a	Izraa	Male	Livestock Farmer
10	Dar'a	Dar'a	Male	Olive Farmer
11	Dar'a	Dar'a	Male	Olive Farmer
12	Dar'a	Dar'a	Male	Olive Pickle Maker
13	Dar'a	Dar'a	Male	Olive Oil Mill, Producer
14	Idleb	Idleb	Male	Local Council Member
15	Idleb	Idleb	Male	Local Council Member
16	Idleb	Idleb	Male	Local Council Member
17	Idleb	Ariha	Male	Civil Society Representative
18	Idleb	Idleb City	Male	Civil Society Representative
19	Idleb	Idleb City	Male	Livestock Farmer
20	Idleb	Harem	Male	Livestock Farmer
21	Idleb	Harem	Male	Dairy Producer
22	Idleb	Idleb City	Male	Dairy Vendor, trader
23	Idleb	Harem	Male	Olive Trader
24	Idleb	Idleb City	Male	Olive Farmer
25	Idleb	Ariha	Male	Olive Farmer
26	Idleb	Maarat An Nu'man	Male	Olive Oil Mill, Producer
27	Al-Hasakah	Derbasiyah	Male	Civil Society Representative
28	Al-Hasakah	Derbasiyah	Female	Civil Society Representative
29	Al-Hasakah	Derbasiyah	Female	Derbasiyah Small Scale Garment Manufacturer
30	Al-Hasakah	Derbasiyah	Male	Derbasiyah Small Scale Garment Manufacturer
31	Al-Hasakah	Derbasiyah	Male	Fabric Merchant
32	Al-Hasakah	Al-Hasakah	Male	Livestock Farmer
33	Al-Hasakah	Al-Hasakah	Male	Livestock Farmer
34	Al-Hasakah	Derbasiyah	Male	Dairy Producer
35	Al-Hasakah	Al-Malikiyah	Male	Livestock Farmer
36	Al-Hasakah	Al-Malikiyah	Male	Dairy Producer
37	Aleppo	Aleppo (City)	Male	Garment Manufacturer
38	Aleppo	Aleppo (City)	Male	Garment Manufacturer
39	Aleppo	Aleppo (City)	Male	Textile Factory Owner
40	Aleppo	Aleppo (City)	Male	Textile Factory Owner
41	Aleppo	Aleppo (City)	Male	Textile Trader
42	Aleppo	Aleppo (City)	Male	Soap Producer
43	Aleppo	Aleppo (City)	Male	Soap Producer
44	Aleppo	Aleppo (City)	Male	Soap Trader

KII#	GOVERNORATE	DISTRICT	GENDER OF FGD	RESPONDENT CATEGORY
45	Homs	Homs (City)	Male	Garment Manufacturer
46	Homs	Homs (City)	Male	Garment Manufacturer
47	Homs	Homs (City)	Male	Textile Factory Owner
48	Homs	Homs (City)	Male	Textile Factory Owner
49	Homs	Homs (City)	Male	Textile Trader, Retailer
50	Homs	Homs (City)	Male	Soap Producer
51	Homs	Homs (City)	Male	Soap Producer
52	Homs	Homs (City)	Male	Soap Trader

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