

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

Countering the logic of the war economy in Syria

Website (Opinion piece)

Original citation:

Turkmani, Rim, Ali, Ali A.K., Kaldor, Mary and Bojicic-Dzelilovic, Vesna (2015) *Countering the logic of the war economy in Syria*. openDemocracy (19 Nov 2015) Opinion Piece.

Reuse of this item is permitted through licensing under the Creative Commons:

© 2015 The Authors

CC BY-NC-ND

This version available at: <http://eprints.lse.ac.uk/64574/>

Available in LSE Research Online: December 2015

LSE has developed LSE Research Online so that users may access research output of the School. Copyright © and Moral Rights for the papers on this site are retained by the individual authors and/or other copyright owners. You may freely distribute the URL

(<http://eprints.lse.ac.uk>) of the LSE Research Online website.

Countering the logic of the war economy in Syria

 www.opendemocracy.net/arab-awakening/rim-turkmani/countering-logic-of-war-economy-in-syria

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

The country has entered a vicious circle where Syria's own resources are being used to destroy it, and where ordinary people have no choice but to rearrange their lives around the conflict and either join or pay armed actors to meet everyday needs.

Excerpted from 'Countering the logic of the war economy in Syria; evidence from three local areas' by Rim Turkmani with Ali A. K. Ali, Mary Kaldor and Vesna Bojicic-Dzelilovic (LSE 2015), which is based on empirical research in three areas of Syria: eastern Ghouta, Daraa countryside, and Idleb and part of Aleppo countryside.

Flickr/Ali Almazawi. Some rights reserved.

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

New societal condition

In eastern Ghouta, Daraa countryside, and Idleb and part of Aleppo countryside, the main sources of revenue and employment before the war began (agriculture, the public sector, small-scale trade and industry, tourism) have shrunk dramatically. New sources of revenue are directly linked to violence, the management of internal and external borders, the extraction of local resources, and the absence of any regulation. They include bribery and extortion; loot and pillage; unregulated trade, refining and building; smuggling of people, human organs, fuel and antiquities and forging documents.

It is necessary to understand why those actors who have adapted their incomes to the new conflict situation have an interest in resisting any efforts to counter it.

This reordered economic profile is associated with the emergence of a new rich class of leaders of armed groups and associated businessmen, an impoverished middle-class dependent on remittances from abroad, and an underclass, without means of sustenance, subject to continuous violence of various kinds. Unemployment ranges from 60 percent to 90 percent, making people vulnerable to combat recruitment.

In these areas, from which the government has largely withdrawn, there are some nascent public arrangements such as the Local Administrative Councils, but these bodies lack regulatory and service capacity and their political power is dependent on the armed groups and on external funders. In order to make sense of the dynamics of the current societal condition, it is necessary to understand why those actors who have adapted their incomes and revenues to the new conflict situation have an interest in ensuring this situation is maintained and in resisting any efforts to counter it.

Control of borders

The main parameter, which explains the respective dynamics in the three areas, is the borders; the way they are controlled, what and who is allowed to cross and the fees imposed. Ghouta is completely surrounded under quasi-siege by government forces, humanitarian aid is not allowed in and the flow of goods is benefiting armed actors and war profiteers on both sides.

Daraa has a border with Jordan which is strictly controlled by the Jordanian authorities: they only permit cash and humanitarian aid and not commercial goods to enter opposition-controlled areas, and they control the movement of arms and fighters. Checkpoints at the borders with government-controlled areas extract fees for the benefit of a network of war profiteers mainly on the government side.

Idleb and Aleppo countryside has a border with four different areas (Turkey, Government, Syrian Kurdish forces and ISIL controlled areas) each with different security controls: Turkey imposes few restrictions on what or who can enter the country, allowing the entry of commercial and transit goods; fuel arrives from ISIL controlled areas; and checkpoints at the borders with government-controlled areas extract fees. The one policy that seems to be shared by the Turkish, Jordanian and Syrian governments is the prohibition on the legitimate delivery of fuel into any of these three areas.

Demotix/GroundMediaTeam. All rights reserved.

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

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

In terms of the local economy and coping and survival mechanisms residents of Ghouta are forced to rely on receiving remittances, producing diesel and gas from plastic or accessing assistance from externally-supported projects and a few other limited opportunities. Residents of Daraa also remain heavily dependent on remittances arriving through Jordan, with some civilians engaging in smuggling activities. Trade is limited mainly to what can be sold in stalls. In Idleb, there are more trade and construction activities; some towns like Sarmada have benefited from trade across the borders and the lack of regulation, some areas are relatively secure and agricultural activities continue, and other areas, especially those close to borders with government-controlled areas are severely impacted by violence—political violence as well as violence associated with the war economy.

The diesel domino effect

Most of the opposition-controlled areas in Ghouta, Daraa and Idleb are rural areas which are heavily dependent on agriculture. In the past, trade and industry in these areas have had a strong agricultural link. Because there is no legitimate delivery of fuel in these areas, the only source of fuel is the black market where fuel is sourced either from either the government or ISIL controlled areas. Fuel prices are seriously

inflated as a result, with diesel 2.5 times higher in price in Idleb, 3.4 in Daraa and up to 20 times in Ghouta. Because the agricultural sector is very dependent on diesel for pumping water and ploughing, inflation in diesel prices has made farming unprofitable. This, in addition to the security situation and the lack of other important inputs such as fertilisers, has contributed to the decline in agriculture and consequently agriculture -related industry and trade.

Absence of state

What is going on in Syria is a societal condition rather than a short-term humanitarian disaster; a different kind of assessment and response is required.

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

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

Recommendations

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

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

To achieve this, talks about ending the conflict, at all levels—international, regional and local—should focus on ways to change the situation on the ground so as to create the conditions for stability. Talks should also be much more inclusive at all levels and include civilian actors. Even if they were to succeed, any high level talks limited to those with a vested interest in the mutual war enterprise would entrench the societal condition and lead to the persistence of war economy even in the absence of war.

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

Demotix/Tharwa_Foundation. All rights reserved.

At the international and regional level, discussions should start now regarding the general economic recovery strategy for Syria and establishing a framework that could make possible a legitimate local

economy and foster mutual economic benefits for the broader society. Lifting the economic sanctions could be an important tool in a negotiation framework. Negotiations for restoring control of Syria's international borders are also essential for ending the conflict and reversing the war economy. Further, pressure needs to be applied at the international level, on all the regional actors that continue to finance and support violence in Syria. In addition, economic offences committed within Syria, such as the loot and pillage of antiquities should be criminalised under International Law.

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

Addressing the collapse of the state is key to countering the war economy.

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

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

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