



“Syria’s New Economic Overlords: an Obstacle to Agricultural Reconstruction? The Cases of Hama and Deir-Ez-Zor”

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Syria's New Economic Overlords: an Obstacle to Agricultural Reconstruction? The Cases of Hama and Deir-Ez-Zor

Agriculture has long been at the center of Syrian socio-economic and political life. As a major contributor to Syria's food consumption, the sector represented the third-largest source of GDP accounting for 20-25% of Syria's GDP until 2007¹. Over the last decade, however, the sector experienced a hard hit.

The severe drought preceding the uprising caused the loss of 80-85% of agricultural livestock between 2005 and 2011². The civil war resulted into further damage and destruction of essential agricultural facilities such as irrigation systems, grain silos and water pumping stations. According to the FAO, the loss in livestock production, crop and farming assets reached \$16 billion by the end of 2016³, and both the GDP of agriculture and the number of agricultural workers have fallen by half in 2018 in comparison to 2010⁴.

Today, caught between climate change and civilian conflict, what used to be the most productive agricultural system in the Middle East faces persisting challenges. In his last visit in Syria in October 2019, FAO's Assistant Director-General, Abdelssalam Ould Ahmed, stressed the centrality of agriculture in efforts to counter food insecurity, concerning 6.5 million Syrians today⁵, and to promote sustainable "peace and stability"⁶. He further argues that the recent security improvement of the country provides for an opportunity to review agricultural policies and invest in building farmer's resilience.

These objectives however face tremendous challenges resulting from the characteristics of Syrian war economy and the rise of a new rural business elite. These new actors essentially benefited from war dynamics by trading agricultural inputs and engaging in diverse export/import or smuggling activities. Often referred to as "war profiteers", these new businessmen have gained increasing political and economic power in agricultural areas throughout the years of the conflict.

¹ Matar, L. Degraded Capital Formation: the Achilles' Heel of Syria's Agriculture. In Zurayk, R., Woertz, E., & Bahn, R. (2019). Crisis and conflict in agriculture. *CABI*, 107.

² United Nations Office of the United Nations High Commissioner for Human Rights. (2010). UN Special Rapporteur on the Right to Food: Mission to Syria from 29 August to 7 September 2010.

https://www2.ohchr.org/english/issues/food/docs/syriamissionpreliminaryconclusions_07092010.pdf

³ Food and Agriculture Organization of the United Nations. (2017). Survey of Syria's agriculture sector reveals impact of war. <http://www.fao.org/emergencies/fao-in-action/stories/stories-detail/en/c/878242/>

⁴ Aita, S. (2019). SCPR: Food Security & Conflict in Syria. Le cercle des économistes arabes. www.economistes-arabes.org/fr/scpr-food-security-conflict-in-syria/

⁵ Food and Agriculture Organization of the United Nations. (2019). Special Report: FAO/WFP Crop and Food Security Assessment Mission to the Syrian Arab Republic.

<https://reliefweb.int/sites/reliefweb.int/files/resources/ca5934en.pdf>

⁶ Food and Agriculture Organization of the United Nations. (2019). "So much to be done" to improve agriculture in Syria. <http://www.fao.org/neareast/news/view/en/c/1240723/>

While most literature on the subject has focused on the symptoms of the war economy such as the extractive activities pursued by armed non-state actors or the rise of new personalities, this paper looks at the logics behind these trends and their impact on the rebuilding of agriculture. Thinking of the Syrian conflict in terms of networks displaying new forms of agency and interactions between actors in rural Syria constitutes a powerful approach to analyze both patterns of rural economic activity during the war as well as prospects for rebuilding the agricultural sector in Syria.

Further, I aim in this paper to contextualize the emergence of a new rural business elite and new networks within Syria's state-business landscape since the mid-1980s. Features of the patrimonial and clientelist regime in Syria have in fact remained essentially intact despite the rise of new networks and the regime's loss of authority during the conflict's years.

In order to investigate the role of this new rural business class, this paper methodologically adopts a localized approach. These war economies are in fact highly community-dependent and respond to specific stakeholders and local dynamics. The Hama region – presenting the highest proportion of agricultural workers before conflict – and Deir-Ez-Zor – a formerly prosperous agricultural area – present powerful insights on the prospective impact of the new business elite on agricultural reconstruction efforts.

I. Agriculture in Syria's political economy landscape

When the Ba'ath Party overthrew the post-independence Syrian regime in 1963, its legitimacy grew from the implementation of social reforms benefiting poor and middle classes of society. By the beginning of the 1970s, the public sector produced roughly 60% of gross fixed capital formation.⁷

Most of the private agricultural activity belonged to state-dependent cooperatives, with 85% of the small peasants operating in no less than one third of the overall cultivated land⁸. While the state oversaw most of the economy, the bourgeoisie remained confined to the periphery and enjoyed only a few capital accumulation opportunities. Focusing on the volume on production instead of profitability, the state however failed to finance major investments – notably big irrigation schemes needed for agricultural projects, which required external loans.

The pervasive fiscal crisis and economic stagnation undermined the viability of the statist economic model in Syria and forced the regime to rely more on the competitive private sector. In this context, the public-sector's monopoly on most commodities progressively eroded as Assad established joint public-private

⁷ Hinnebusch, R. A. (1995). The political economy of economic liberalization in Syria. *International Journal of Middle East Studies*, 306.

⁸ *Ibid*, 308.

companies coopting the once rival bourgeoisie into the state. This “selective liberalization process” as defined by Hinnebusch features the distribution of patronage among the business community with the state remaining however in control over the economy⁹. While state-business relations remained largely informal and featured mostly back-door deals, they progressively transformed into a formalized network of patronage. Public assets increasingly transferred into the hands of crony capitalists tied to the regime.

Encouraged by the IMF, the state established public-private partnerships aimed at the private management of public infrastructure in the industrial, real estate and financial sectors. As a precondition for loans from the EU in the framework of the Barcelona Process, the process of liberalization accelerated under the leadership of Bashar Al-Assad in the 2000s¹⁰. During this period of “infithah” (opening), a new middle class of businessmen profited from the new joint public-private ventures and set in motion Syria’s import-led growth through export projects with European and Turkish groups¹¹.

The counterpart of these market-based reforms was the reduction of energy subsidies, which negatively impacted small agricultural producers. Direct agricultural liberalization also took place in the early 2000s as farms that were previously collectively owned in Northern Syria became privatized. Between 2002 and 2008, Syria lost 40% of its overall agricultural workforce which decreased from 1,4 Mio to 800.000 workers¹².

This accelerated liberalization produced a rent-based economic growth that relied on oil export revenues and capital inflows including large remittances. The share of the productive sectors of the economy however tremendously diminished, which resulted into low employment and high poverty rates as the state progressively withdraw from important areas of social welfare provision¹³. While trade, banking and real estate sectors flourished with the rise of foreign investment, the agricultural share of GDP decreased from 35 per cent in 1992 to less than 20 per cent in 2007¹⁴.

⁹ Hinnebusch, 315.

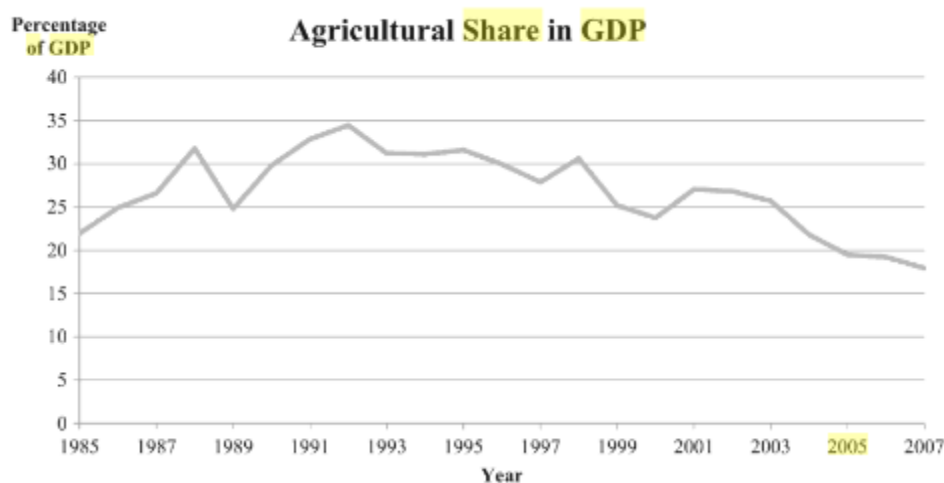
¹⁰ Perthes, Volker. (2017). *Syria under Bashar Al-Assad: Modernization and the limits of change*. Place of publication not identified: Routledge, 34.

¹¹ Syria Untold. (2016). The Syrian Business Elite: Patronage Networks and War Economy. *Syria Untold*. <https://syriauntold.com/2016/09/24/the-syrian-business-elite-patronage-networks-and-war-economy/>

¹² Ababsa, M. (2015). The End of a World : Drought and Agrarian Transformation in Northeast Syria (2007-2010). In Hinnebusch, R. A., In Zintl, T., In Salamandra, C., & In Stenberg, L. (2015). *Syria from reform to revolt*, 198.

¹³ Daher, J. (2018). The political economic context of Syria’s reconstruction: a prospective in might of a legacy of unequal development. Middle East Directions (MED), Wartime and Post-Conflict in Syria, 7. <http://hdl.handle.net/1814/60112>

¹⁴ Daoudy, M. (2020). The origins of the Syrian conflict: Climate change and human security. 187.



Source: Daoudy, M. (2020). *The origins of the Syrian conflict: Climate change and human security*. 187.

Further, Syria’s new rent-based economy also resulted into a problem of bureaucratic abuse of power in Syria’s public sector, which deeply impacted the agricultural sector. For instance, the subsidy system on diesel as well as import-export activities largely passed through personal relations and bribery. In order to overcome this “bureaucratic bottleneck”, farmers increasingly engaged into informal markets¹⁵.

While the drought between 2006 and 2010 undeniably posed a major blow to Syria’s agricultural sector, the large-scale agricultural development projects emerging from the privatization strategy of the state also contributed to the depletion of land and water resources essential to agricultural activity in the Northern and Eastern regions¹⁶.

These neo-liberalizing policies have thus negatively impacted the agriculture and rural areas in Syria. In this context, it comes as no surprise that the 2011 protests started in the agricultural region of Daraa and spread to the other farming areas “where displaced farmers had settled”¹⁷.

¹⁵ Madi, N. (2019). Cultivating a Crisis: The Political Decline of Agriculture in Syria. Middle East Direction, Wartime and Post-Conflict in Syria (WPCS), 15.

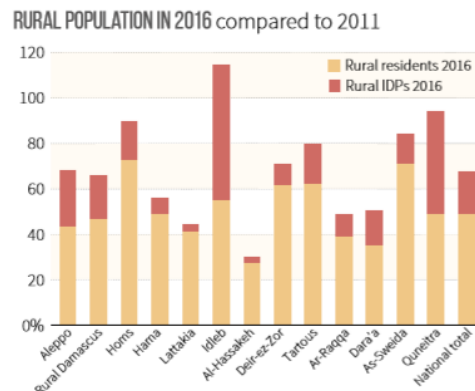
https://cadmus.eui.eu/bitstream/handle/1814/65465/MED_WPCS_2019_17.pdf?sequence=1&isAllowed=y

¹⁶ Food and Agriculture Organization of the United Nations (2017). *Near East and North Africa regional overview of food insecurity 2016: Sustainable agriculture water management is key to ending hunger and to climate change adaptation*. 17.

¹⁷ The Syria Report (2013). Syrian Agriculture – A Sector Profile. <https://www.syria-report.com/library/reports-surveys/syrian-agriculture-sector-profile>

The conflict caused further damage on the agricultural sector of the economy of Syria. The agriculture GDP has contracted by 41% in 2015 compared to the pre-conflict 2010 rate¹⁸, which was already negatively impacted by the drought. The violence of the conflict manifested led to the destruction of essential crops and the targeting of water supplies. However, despite the high costs of agricultural inputs during the conflict, agriculture continued playing a crucial role in providing a minimum basis for food security – sustaining 50% percent of the food supply - as well as a limited income for rural households¹⁹. Pervasive insecurity impacted trade and supply flows which in turn caused shortages in electricity, fertilizer and rural labor.

While food insecurity penetrated both rural and urban areas, its impact remained the most important in agricultural areas due to the high concentration of IDPs and the loss of direct access to agricultural resources on which they previously almost entirely relied. This resulted into further migration from rural areas to cities and the abandonment of fertile lands.



Source: FAO²⁰.

While in Hama the rural population dropped by half between 2011 and 2016, the rural population of Deir-ez-Zor in 2016 represented 60% of the one of 2011.

¹⁸ Alloush, B. (2018). The importance of the agricultural sector for Syria’s stability. Chatham House.

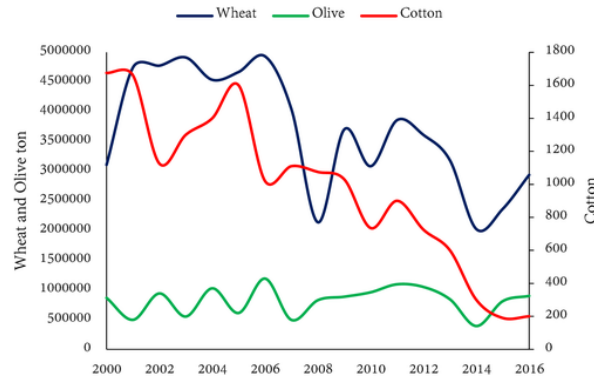
<https://syria.chathamhouse.org/research/the-importance-of-the-agricultural-sector-for-syrias-stability>

¹⁹ Food and Agriculture Organization of the United Nations. (2016). Syrian Arab Republic: Situation Report – September 2016.

http://www.fao.org/fileadmin/user_upload/emergencies/docs/Sitrep%20Syria%20-%20September_FINAL.pdf

²⁰ Food and Agriculture Organization of the United Nations. (2017). Counting the cost: agriculture in Syria after six years of crisis. 4. <http://www.fao.org/3/b-i7081e.pdf>

Further, several factors ranging from the scarcity of fuel, the lack of electricity distribution, the destruction of necessary infrastructure and the fluctuation of exchange rates has led to sharp decline of agricultural production in absolute terms.



Production of wheat, olive and cotton in Syria from 2000 to 2016²¹

The sector however remains a key part of the economy during the conflict. Estimates show that the agriculture still accounts for 26 percent of Syria’s GDP today. It thus represents a critical protection network for the 6.7 million Syrians who relied on agricultural production for job and food sources in rural areas²².

However, not only destruction and insecurity have caused the decline of Syria’s agriculture. New governance systems that include a new business elite profiteering from the conflict also account for the significant deterioration of agriculture in Syria.

II. The rise of new economic masters in rural Syria

Diverse dynamics have reshaped the political economy of the country and repatterned the business elite stratification both in urban and rural areas during the conflict. First, the contraction of production and capital flight from Syria increased Syria’s dependence on food imports, which fueled the emergence of war economies for the provision of food. Second, the sanctions regime led to the formation of new informal business networks. Lastly, territorial fragmentation resulted in the formation of new forms of taxation, control as well as new networks within the supply chain²³.

²¹ Mohammed, S. A., Nagy, J., Harsanyi, E., & Alkerdi, A. (2019). Syrian crisis repercussions on the agricultural sector: Case study of wheat, cotton and olives. *Regional Science Policy and Practice*, 10.

²² Food and Agriculture Organization of the United Nations (2017). Counting the cost: agriculture in Syria after six years of crisis. 1. <http://www.fao.org/3/b-i7081e.pdf>

²³ Abboud, S. (2013). Syria’s Business Elite: Between Political Alignment and Hedging their Bets. *Stiftung Wissenschaft und Politik*, 6. <https://production-tcf.imgix.net/app/uploads/2017/01/31110253/the-economics-of-war-and-peace-in-syria.pdf>

In other words, these dynamics created new demands in the context of the war economy and opportunities for new actors to emerge as autonomous actors, resulting into a new elite fractionalization.

In the context of the conflict, the “pre-war elite” that in the past accumulated wealth through their trade with Turkey or Lebanon had moved their businesses from Syria to these countries. Sacrificing their proximity to the regime, this “expatriate elite” often aligned with the opposition in the framework of the “Syrian Business Forum”²⁴. It often conducted business activities in Southern Turkey in cities such as Gaziantep – a connecting hub between Turkey and the wider region- and engaged in smuggling activities with Syrian opposition across the border.

The departure of this business elite however created a gap in regime areas that the new elite of crony businessmen was eager to fill. This new group of “conflict elites” played an intermediary role between different actors within supply chains and managed the distribution of goods in regime areas. They essentially facilitated smuggling activities, transactions as well as human and goods movements including the brokering of oil deals, the funding of pro-regime militias and trade.

While these new businessmen do not rely on formal political alignment, they only seek to advance their economic interests during the conflict. They are hence not directly connected to the regime through social links but are engaged in an interdependent relation with it since the beginning of the conflict. Prior to the war, they had accumulated some degree of economic power but essentially developed their activities outside of the dependent business elite networks.

Reflecting the view of the old business elite, a member of an old industrial family explained to the Financial Times: “There is a new class of wealthy war traders.”; “We don’t know how they make money.”; “Sometimes we ask ourselves if we’re in the wrong business.”²⁵. However, some members of the old dependent business elite also invested in new business opportunities during the war – such as Rami Makhlouf, the cousin of Bashar Al-Assad and symbol of corruption in Syria. However, like other members of the old business elite, his activities were to some extent limited during the war due sanctions from the EU and the US freezing some of his assets. The international sanctions hence empowered the new unknown conflict elite at the expense of the old business class.

²⁴ Abboud, 7.

²⁵ Cornish, C. (2019). The men making a fortune from Syria’s war. The Financial Times. <https://www.ft.com/content/525ec4e4-e4a3-11e9-9743-db5a370481bc>

This new business elite benefiting from Syria's crony capitalist dynamics during the conflict was active in both urban and rural areas²⁶.

In the rural region of Hama, the new conflict elite played a central role in the distribution of fuel rations. As a crossing point between different regime and opposition-held areas, the region became a key smuggling route for fuel, fodder and fertilizer necessary for agricultural activities in the region. This configuration translated into new opportunities for the new conflict businessmen, who smuggled products into and out of the region, or alternatively, installed checkpoints to tax cargos transporting these resources. These businessmen then reinvested their accumulated funds by granting loans to agricultural producers with high interest rates²⁷. As farmers faced loan restrictions from the Agricultural Cooperative Bank, they sought more loans from the new business elite despite the high risks and became increasingly indebted. The new business elite in Hama also invested in legitimate agricultural businesses from which they could profit at the end of the conflict. However, having no interest in agricultural production per se, they instead invested in low risk profitable businesses such as processing and storage facilities of agricultural products²⁸.

This phenomenon is also observable in the rural region of Deir-ez-Zor, whose population is highly dependent on agricultural outputs and most specifically wheat and cotton. Before the conflict, local production processing facilities located in Deir-ez Zor city processed raw agricultural products coming from throughout the region. When ISIS took the control of the city in mid-2014 and destroyed these facilities, local producers and traders needed to find new ways to process these products. The Sarraj Company filled this gap by creating new networks linking agricultural producers to processing facilities in Damascus. This transportation network became a very profitable business during the war, and the Sarraj Company became one of the most important economic actors in the region and gained considerable political influence throughout the conflict. Further, by negotiating access at checkpoints, the company emerged as an important mediator between ISIS and the regime.²⁹

Another example in the Deir ez Zor and Raqqa regions are the trading activities of the Qaterji Brothers, who transported wheat bought from farmers located in areas held by the Islamic State to Damascus while

²⁶ The new urban business includes personalities such as Wassim Qattan, Mohammad Hamcho and Samer Foz.

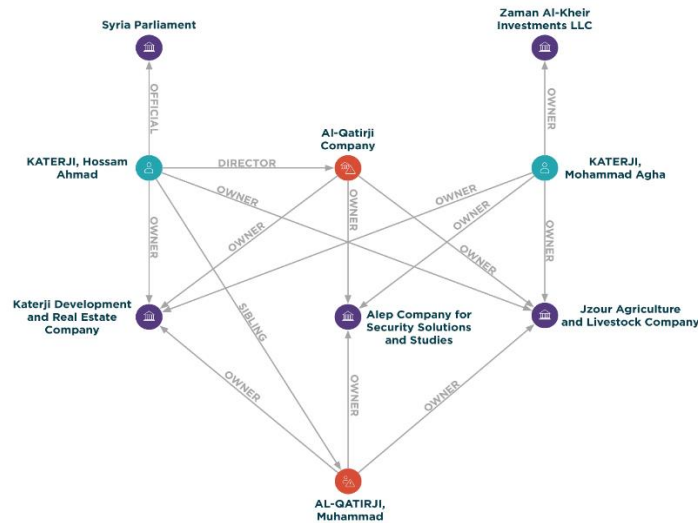
²⁷ These interest rates have reached up to 30% with collateral.

²⁸ Madi, 18.

²⁹ Center for Operational Analysis and Research. (2019). Beyond Checkpoints: Local economic Goals and the Political Economy of Syria's Business Community. <https://coar-global.org/2019/03/15/beyond-checkpoints-local-economic-gaps-and-the-political-economy-of-syrias-business-community/>

passing through areas under Kurdish YPG control³⁰. By facilitating the crossline trade of agricultural products and oil to Damascus-held areas, the Qaterji brothers thus became very useful to the regime. The growing interdependence between this new business elite and the regime became clear as Bashar Al-Assad issued three contracts granting the Qaterjis’ oil refineries a strategic role in the oil distribution sector last January³¹. The interests of the regime and the new business elite became hence increasingly entangled.

Further, these new networks enabled these rural businessmen to accumulate political and economic power in rural areas, similarly to former Hafez Al-Assad’s clan members who helped him establishing his authority in return for profitable private enterprises. This new landscape of state-business relations allowed the new business elite to capture key positions granting them political prestige. Hussam Ahmad Qaterji became for instance a member of the Workers and Farmers’ section of the Syrian People’s Assembly and represents the Aleppo Governate in the Second Legislative Session from 2016 until 2020³². The transformation of economic capital into political power is observable through Qaterji’s network of companies and influence across diverse sectors of the economic field and politics.



Qaterji’s network in the economic and political spheres³³

³⁰ Georgy, M & El Dahan, M. (2017). How a businessman struck a deal with Islamic State to help Assad feed Syrians. Reuters. <https://www.reuters.com/article/us-mideast-crisis-syria-wheat-islamic-st/how-a-businessman-struck-a-deal-with-islamic-state-to-help-assad-feed-syrians-idUSKBN1CG0EL>

³¹ The Syria Report (2020). Assad Ratifies Laws Related to Katerji-Owned Oil Refineries – Report. <https://www.syria-report.com/news/oil-gas-mining/assad-ratifies-laws-related-katerji-owned-oil-refineries-report>.

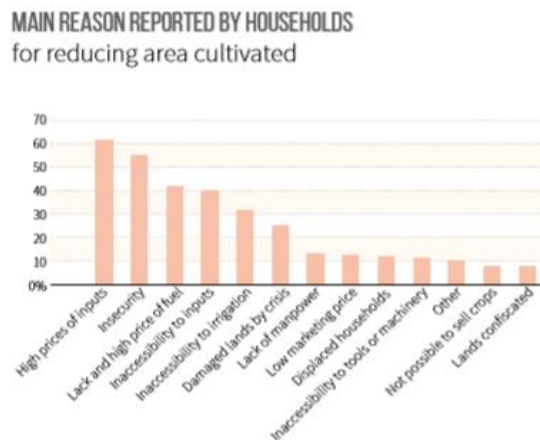
³² The European Union (2019). Council Implementing Decision (CFSP) 2019/87 of January 2019 implementing Decision 2013/255/CFSP concerning restrictive measures against Syria. Official Journal of the European Union. <https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:32019D0087&from=EN>

³³ Staff, K. (2018). Commercial Holdings of Syrian Government’s Key ISIS Middlemen. Kharon. URL: <https://brief.kharon.com/updates/commercial-holdings-of-syrian-government-s-key-isis-middlemen/>

Similarly, the Sarraj family gained considerable political influence at the local level and was able to heavily lobby the newly elected Deir-ez-Zor City to maintain its economic interests³⁴. The same dynamic is observable at the urban level with the new business elite capturing opportunities in the Chambers of Industry and Commerce.

III. Implications on the prospects for agricultural reconstruction

First, the transformation of the political economy of rural areas proved highly detrimental to agricultural production, as most farmers lost part of their capital investments to repay their debts to the new business rural class – such as in the case of Hama. Further, the monopolistic position gained by the new business elite contributed to the increased cost of fertilizer, improved seeds or even generators for electricity – making agricultural production largely unprofitable³⁵. According to the FAO, 60% of rural households reported that the high prices of inputs was an important constraint to agricultural production, while 40% listed the high price (or lack) of fuel³⁶.



Source: FAO³⁷

Further, as mentioned, the new business elite mostly invested during the conflict in non-productive activities such as processing and smuggling activities. Some have participated in imports of food supplies, such as Samir Hassan, who widely invested in wheat, rice, sugar, and tea imports and became the

³⁴ Center for Operational Analysis and Research. (2020). Arrested Development: Rethinking Local Development in Syria. <https://coar-global.org/2020/03/31/arrested-development-rethinking-local-development-in-syria/>

³⁵ Madi, 19.

³⁶ Food and Agriculture Organization of the United Nations. Counting the cost: Agriculture in Syria after six years of crisis, 3. <http://www.fao.org/3/b-i7081e.pdf>

³⁷ Ibid, 4.

Chairman of the Syrian-Russian Business Council - granting him a prestigious political position in light of the special relation between Russia and Syria³⁸.

In this context, it would come as no surprise that government measures aimed towards promoting the agricultural sector of the economy would be in direct contradiction with the interests of the new crony capitalists, who rely on the smuggling of products and imports. The new business class in fact vividly opposed the government's attempts to limit imports of food products in order to boost the agricultural and manufacturing sectors³⁹. In this new framework, tackling the political domination of this new elite related to trading activities should be the basis of any efforts to rebuild Syrian agriculture.

Further, the Syrian regime has over the last two years directed its efforts towards mobilizing the new business elite for reconstruction projects. In the current context where the capital of the old business elite has become increasingly more embedded outside of Syria, the new business elite saw an opportunity to reap new economic opportunities associated with the reconstruction of the economy⁴⁰. These projects would enable them to consolidate their political and economic power within Syria based on their capital holdings acquired throughout the conflict.

The new Private-Public Partnership policies implemented by the regime since 2016 have intended to allow the private sector to develop state assets in nearly all sectors of the economy including those previously owned by the state (except oil). Specifically, law No. 5 of 2016 authorizes the private sector to invest in "public utilities, infrastructure or projects owned by the government ... in order to provide a public service"⁴¹. These PPPs provided the new class of crony capitalists with an unprecedented opportunity to accumulate capital through high-margin government contracts and new import deals as well as to consolidate their hold on sectors abandoned by the old business class.

However, I argue that the major challenge to the reconstruction of Syria's economy lies in the "greed of the war lords and profiteers who emerge from the war economy". As international examples have shown,

³⁸ Rabat, L. (2019). Who Will Rebuild Syria: Extremely Loud & Incredibly Close. *The Russian Council*. <https://russiancouncil.ru/en/analytics-and-comments/analytics/who-will-rebuild-syria-extremely-loud-incredibly-close/>

³⁹ Daher, J. Syria's manufacturing sector: the model of economic recovery in question. *Middle East Directions, Wartime and Post-Conflict in Syria (WPCS)*, 15-16. https://cadmus.eui.eu/bitstream/handle/1814/62927/MED_2019_08.pdf?sequence=2&isAllowed=y

⁴⁰ Abboud, 7.

⁴¹ Ahmed, M. E., & Massoudi, A. H. (2018). Reconstructing Syrian Economy through Public and Private Sectors Partnership. *Cihan University-Erbil Scientific Journal*, 2, 39.

the adequate management of the post-war situation requires the assessment of “how these actors are to be engaged in the process in order to ensure quick recovery and avoid the return of war or instability”⁴².

However, in Syria, the new business elite has sought to maintain its monopolistic dominance over the economy instead of contributing to its sustainability. For instance, in the case of Deir-ez-Zor, the Sarraj Company resorted to its political influence at the local level to lobby the new council of Deir-ez Zor City to postpone the rehabilitation of the textile cotton production plants in order to maintain its business interests. Today, there seems to be no plan to rehabilitate cotton factories.⁴³

By deepening private capital accumulation, the new “National Partnership” reinforced the general political economy dynamics prevailing before the war that favored short profit-seeking rentier activities as well as real estate, trade and service instead of long-lasting investments in the agricultural or manufacturing sectors⁴⁴. Examples include the Bassateen Al-Razi project to reconstruct rural Damascus by replacing informal urban housing with speculative real estate projects under the leadership of the Aman group owned by Samer Foz, a figure of the new business elite⁴⁵. In Hama, other crony companies have engaged in similar real estate projects such as the project under the 2016 PPP law to rebuild the neighborhood of Wadi Al-Jouz⁴⁶. As The Syria Report points out: “When Syria begins to reconstruct, there is a risk that funding will be focused on rebuilding urban centers at the expense of the rural population that largely provided the momentum for the uprising.”⁴⁷

The economic and business interests of these new actors hence often contrast with the rebuilding of a resilient agricultural sector. Public-Private projects in the sectors of electricity and oil could cause

⁴² Aita, S (2019). Reconstruction as a political-economy issue: The case of Syria. The Cairo Review of Global Affairs. <https://www.thecairereview.com/tahrir-forum/reconstruction-as-a-political-economy-issue-the-case-of-syria/>

⁴³ Center for Operational Analysis and Research. (2019). Beyond Checkpoints: Local Economic Goals and the Political Economy of Syria’s Business Community. URL: <https://coar-global.org/2019/03/15/beyond-checkpoints-local-economic-gaps-and-the-political-economy-of-syrias-business-community/>.

⁴⁴ Daher, J. (2019). Syria’s manufacturing sector: the model of economic recovery in question. *Middle East Directions (MED), Wartime and Post-Conflict in Syria, Research Project Report*, 18.

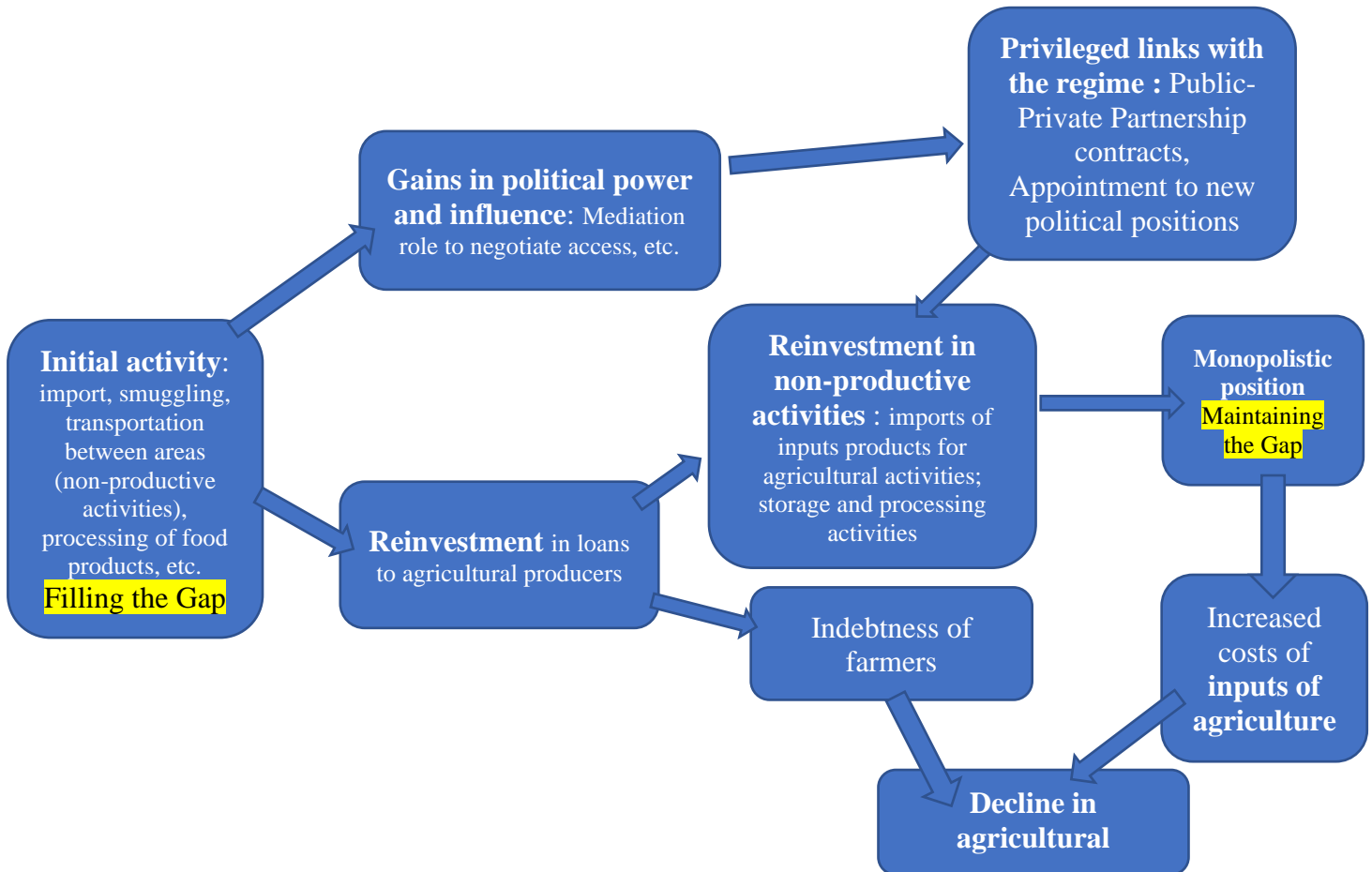
⁴⁵ The Syria Report (2017). Samer Foz Acquires Rights over Hundreds of Millions of Dollars in Basateen al-Razi Project. URL: <https://www.syria-report.com/news/real-estate-construction/samer-foz-acquires-rights-over-hundreds-millions-dollars-basatin-al-ra>.

⁴⁶ Daher, J. Beyond Physical Reconstruction: Planning a Stable and Prosperous Post-War Syria. In Dacrema E. & Talbot V. Rebuilding Syria: The Middle East’s Next Power Game? ISPI. 40. URL: https://reliefweb.int/sites/reliefweb.int/files/resources/ispi_report_rebuilding_syria_2019_0.pdf.

⁴⁷ The Syria Report (2013). Syrian Agriculture – A Sector Profile. URL: <https://www.syria-report.com/library/reports-surveys/syrian-agriculture-sector-profile>.

potentially high difficulties for the agricultural sector – especially small farmers, who might not be able to sustain their activities as their energy bill increases⁴⁸.

To conclude on this part, this paper’s analysis can be modelled as follow:



Map of the new business elite’s impact on agricultural production

Conclusion

This paper observes that “rebuilding the resilience of the agricultural sector” as advocated by international organizations and NGOs faces structural barriers formed by the well-entrenched interests of new rural classes that are now embedded in networks with the regime. The new legal framework for economic relations established through public-private partnership laws by the regime further institutionalized the war-time wealth accumulation patterns – themselves reinforcing pre-war crony dynamics - while marginalizing the traditional rural class who would instead benefit from agricultural protection policies.

⁴⁸ Sottimano, A. (2016). The Syrian Business Elite: Patronage Networks and War Economy. Syria Untold. URL: <https://syriauntold.com/2016/09/24/the-syrian-business-elite-patronage-networks-and-war-economy/>.

At the heart of Syria's challenge to develop a resilient agricultural sector lies the provision of incentives for productive activities by focusing on rural populations themselves. Further, I argue that building trust and reconciliation among individuals is essential to adequately address the deeply entrenched structural hurdles faced by agriculture in Syria since the start of the 2000s after decades of state-mismanagement. Rebuilding the country's agriculture sustainably and fairly is at the core of general efforts towards ensuring justice and reconciliation in Syria's fragmented society.

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