Experiences of Economic Transition in Post-Assad Syria

Analysis | September 2026

Following the fall of the Assad regime, considerable attention has focused on sanctions relief, attracting international investment and reintegrating Syria into the global financial system after decades of isolation. While these steps are vital to rebuilding Syria's economy, their anticipated effects have so far been slow to materialise and have not necessarily translated into meaningful improvements in the day-to-day economic conditions of most Syrians. Against this backdrop, Syria entered a complex economic transition and period of restructuring. Many goods and services became more readily available, with some economic restrictions eased, particularly following the removal of most international sanctions. At the same time, the costs of food, energy, housing and transport increased, real wages continue to decline, and favouritism remains evident in the allocation of jobs, contracts and assets.

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Background

This policy note is built off focus group discussions conducted in different areas of Syria between June and July 2026. These focus groups were themselves intended as a response to, and conversation with, a previous survey conducted by ETANA in November 2025, which provided a gauge of Syrians' thinking nearly one year after the collapse of Bashar al-Assad's regime but also raised several pertinent questions about how Syrians perceived key areas of society and what policy changes could ameliorate conditions moving forward.

Notably, the discussions occurred a few months prior to the announcement raising fuel prices on 13th September, which has sparked demonstrations across the country. While the dramatic hike in fuel prices will undoubtedly have impacted the views expressed by discussion participants a few months prior, this report demonstrates that many of the protestors' grievances have been mounting for months. The surge in fuel prices marked the tipping point.

Methodology

A previous survey conducted by ETANA in November 2025 revealed sharp regional and social differences in perceptions of personal economic conditions, economic governance and service provision. These findings motivated ETANA's research team to conduct rounds of focus groups to examine how service availability, affordability and perceptions of economic decision-making interacted. The focus groups were not intended to validate the previous survey's estimates, but to identify lived experiences, perceptions and mechanisms that could help explain the patterns observed. They also examined wealth and asset redistribution and access to emerging economic opportunities as additional dimensions of the broader research.

ETANA organised focus group discussions on the economy in Syria between June and July 2026, involving more than 40 participants distributed across four provinces: Damascus, Deir Ezzor, Hasakeh, and Latakia. ETANA's research team sought a diverse group in terms of age, gender, geography, education level and socio-economic background, with participants selected in an intentioned, purposeful way to best serve the different discussions at hand. Of the total, almost half of the participants were female.

These locations were selected due to their divergent wartime experiences that had various economic impacts at the time and after-effects thereafter. Latakia experienced regime control throughout while Damascus faced a mixture of opposition and regime control during the conflict and currently serving as the hub of most of the country's economic dynamics; Hasakeh and Deir Ezzor navigated a combination of regime, opposition, Syrian Democratic Forces (SDF) and/or ISIS control. As such, the research team felt these four provinces would yield important and fruitful comparisons about the state of Syria's national economy and constituent regional economies since the fall of the Assad regime.

Participants included public sector employees, business owners, unemployed persons, and young people from diverse professional and socio-economic backgrounds. Discussions examined living conditions, economic governance and policies, shifts in wealth distribution, the factors shaping economic inclusion and people's ability to benefit from economic change—as well as the main policy priorities to address. Focus groups are not statistically representative samples; thus, their findings are treated as evidence of recurring experiences and perceptions. The following analysis is based primarily on the findings from these discussions.

Changing Living Conditions: From Scarcity to Costly Abundance

The most consistent finding across the four governorates was the distinction participants made between the availability of goods and people's ability to afford them. Under the Assad regime, access was constrained by shortages, monopolistic practices and bribery. Following the regime's fall, however, consumer choice expanded and goods and services became more readily available. However, high prices and low incomes meant that the ability to benefit from this greater availability remained deeply unequal.

In Deir Ezzor, a participant summarised this transition by stating: "What has changed, in my view, is the availability of all goods and services. What has not changed is citizens' inability to obtain these goods and products." The market may now be more open in principle, but purchasing power has become the main condition for accessing it. Another participant identified the perceived winners and losers by saying that "the winners in this equation are traders, importers and investors. The losers are farmers, employees, workers and people on limited incomes."

What has changed, in my view, is the availability of all goods and services. What has not changed is citizens' inability to obtain these goods and products.

Focus group participant from Deir Ezzor

In Damascus, the widening gap between income and essential expenditure was illustrated by the rising cost of bread. One participant explained: "Bread, for example, used to cost 200 Syrian pounds [SYP] and now costs 4,000." For many families, this meant a deeper food deficit than what already existed before the regime's fall.

Assessments in Latakia were more mixed. One participant agreed that "electricity has become expensive, but it is available"; others referred to the improved availability of gas and water. Another participant considered conditions to have improved because "I no longer have to pay levies or the bribes that I used to be forced to pay." These participants assessed change not only through prices, but also through service reliability and the burden of informal payments. However, these improvements were uneven: one participant referred to rural Jableh by stating that "there were villages that were extremely, extremely poor, and they remain extremely poor."

I no longer have to pay levies or the bribes that I used to be forced to pay.

Focus group participant from Latakia

In Hasakeh, participants placed greater emphasis on rising energy costs. One explained that "fuel prices have increased to an unreasonable level. This negatively affects bread, living costs and every manufacturing process." As fuel is an input into irrigation, harvesting, transport, bakeries and electricity generation, its price affected both household expenditure and production costs. Participants also reported that the so-called "crisis traders" had been joined by new actors perceived to be raising prices for personal gain. They mentioned concerns about the erosion of the middle class, described as the group "most exposed to economic pressure."

Households continue to rely on remittances and multiple jobs, reduce expenditure on food and medicine, postpone education and enter informal work. In Damascus, one participant said that some families could not purchase medicine for sick children because “food comes first.” In Deir Ezzor, participants described growing debt, family disputes, burning furniture for heating and withdrawing children from school to work. Students in Latakia worked to cover transport costs, while small businesses closed in Hasakeh. These strategies indicate that economic pressure was extending beyond consumption to all living conditions including health and education.

In short, the availability of goods improved while their affordability did not. This resulted in differentiated access to goods, but not for all citizens, as it widened inequality. As such, the struggle for most Syrians moved from finding goods to affording them.

Economic Governance: Formal Institutions, Informal Networks & External Actors Interact Opaquely

Participants described a hybrid system of economic decision-making in which executive authority, formal institutions, business interests and external financing overlap. A participant in Damascus called it a "mixture of loyalties and interests, strategic thinking, the old mentality of managing institutions and the new mentality," adding that "there is no single mechanism for making economic decisions; there are multiple mechanisms based on all these inputs."

At the local level, this hybridity was reflected in the influence of informal networks and individual officials. In Latakia, one participant stated that there are "no formal decisions." "There are local decisions; for example, the decision concerning border crossings comes from the director of the crossings, and when the director changes, the decisions change." In Hasakeh, participants argued that decisions were often "the result of an internal network of interests" and described the minister of economy as "a façade for a larger network of interests." These statements do not establish the existence of a particular network, but they reveal weak confidence in the independence of public institutions and insufficient information about how decisions are made.

Participants in Deir Ezzor distinguished between the stated purpose of a policy and its implementation. A participant saw in the kind of policy-making decisions outlined above how "personal interests are prioritised by the active economic and service bodies and investors," and that "capital owners and connected institutions exploit legal loopholes." Another participant similarly argued that "economic decisions serve groups that have investments and are connected through interests to influential figures in the state." In Damascus, participants warned that appointing managers on the basis of loyalty could create "a new Makhlouf family."

External factors also shaped economic governance, but they did not remove domestic responsibility. In Damascus, one participant explained that "there was donor funding for four governorates to financially support bread. When the project ended, shortages occurred." (ETANA could not independently verify whether the cessation of donor programming resulted in bread shortages as described.) Participants in Deir Ezzor and Hasakeh highlighted external financing and investment, exchange-rate fluctuations, international market conditions and access to imported inputs. Nevertheless, domestic actors still determine contract terms, the timing of price increases, which groups receive protection, where investments are located and what information is disclosed.

Concerns also extended to public finances. Damascus participants cited non-unified wage systems. In Latakia, one said "where are the revenues from the oil fields that have been recovered going? I do not see the transparency they keep talking about." Participants in Deir Ezzor and Hasakeh similarly connected governance efficiency to the transparent management of revenues from oil, agriculture and border crossings and to producing regions' access to services and employment.

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>
> *Focus group participant from Latakia*

Financial opacity was compounded by unpredictable decision-making. Damascus participants cited decisions that were announced and then reversed; in Latakia, rules reportedly changed with individual officials. A Deir Ezzor participant said decisions were taken “secretly, suddenly and without adequate study,” while information gaps in Hasakeh fuelled suspicions of “hidden hands.” This uncertainty can raise risk premiums, delay investment and disrupt household planning. Many participants from different governorates also raised concerns about the limited transparency in the activities of newly established state institutions, particularly the Sovereign Fund.

Economic Policies & Economic Justice

Participants assessed the fairness of economic policies by their combined effects on wages, prices and fees. In Deir Ezzor, one participant observed that "whenever salaries increase, prices, taxes and fees rise with them, weakening people's purchasing power." Participants in Hasakeh also argued that price increases following rises in wages could disadvantage households dependent on agriculture, self-employment or informal work. Therefore, a public wage increase policy was not considered equitable when absorbed by subsequent increases in prices, as it then fails to improve purchasing power and would shift costs onto households whose incomes did not rise.

In Damascus, participants linked worsening conditions to subsidy removal, higher prices and public sector restructuring. In Latakia, improved access to electricity, water and gas was offset by concerns about the government's pricing policies. In Hasakeh, energy costs affected households and businesses, while transport costs and fees restricted some students' access to education. In Deir Ezzor, rising costs of bread, transport and services similarly affected poorer families' ability to keep their children in school.

Some participants considered public electricity more reliable and potentially cheaper than private generators. As one participant in Latakia stated, "if the service costs 10 SYP, charging 11 SYP so that it can continue is reasonable. What is not reasonable is imposing this when we are just emerging from a crisis." The concern was not cost recovery itself, but its timing, pace and distributional effects—particularly in the absence of protection for households unable to pay.

The discussions also showed that economic justice has a clear regional dimension. Uniform national policies may produce unequal outcomes when regions differ in infrastructure, resources, transport costs and destruction during the conflict. A participant in Hasakeh argued that "laws issued by the central government do not correspond to the community, its needs or its available resources, and they negatively affect people." Participants in Latakia similarly highlighted inequalities between urban and rural areas.

Trade policy raised the same distributional question. Although imports reduced shortages, participants argued that economic openness had favoured consumption over production.

In Damascus, they believed that the government's economic policies have encouraged imported consumer goods much more than domestic productive activity. In Latakia, concerns were raised about the extensive vehicle imports and their use of scarce foreign currency. In Hasakeh, meanwhile, imported products were perceived to have weakened small factories due to weak competitiveness of locally produced goods. Participants in Deir Ezzor called for a better balance between imports and exports and lower duties on machinery and raw materials for production.

Overall, participants did not necessarily reject recent economic reforms, the opening of markets or the costs of recovery. Instead, they raised question marks about their pace, timing, sequencing and distribution when the country is still recovering from over a decade of brutal conflict, destruction, trauma and impoverishment. Thus, economic justice extends beyond the reforms introduced to their mechanisms and protection to those least able to absorb the costs.

Contested HLP Rights and Asset Recovery & Reallocation: Complex Claims, Weak Oversight & Dispossession

The redistribution of wealth and assets did not begin with the fall of the Assad regime. Participants traced current disputes to agrarian reform, expropriation, forced sales, long leases, displacement, militia control and weak property records under the former regime. A Latakia participant described ownership as "extremely complex," extending from agrarian reform to properties recovered "by force of arms without recourse to state decisions." In Deir Ezzor, it was described as a "complex legal legacy left by the former regime and compounded by influential figures' control over public and private property."

The Assad regime's fall brought renewed claims from owners, heirs and displaced people, but also created opportunities for new seizures. A participant in Deir Ezzor reported "the occupation of private and public properties after the fall of the regime, taking advantage of the chaos and lack of oversight." In Latakia, a participant recalled intervening when armed men attempted to evict long-term tenants saying that "young men came down from the mountains and began removing a tenant who had been there since the 1990s."

De facto redistribution of HLP access and rights can occur without formally changing the registered owner. Control, use or economic benefits may be transferred through occupation, compulsory leasing, administrative seizure, management arrangements or the transfer of use and revenue rights to investors. In Hasakeh, one participant described local authorities' attempts to open an empty family home to accommodate displaced people: "They told my relative either to rent out the house or they would place displaced people in it, so he was forced to rent it." The housing needs of displaced families cannot fairly be transferred to an individual owner through coercion.

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Should the money return to the state? Yes

Focus group participant from Damascus

Fraud, damaged records and weak rule of law further complicate ownership claims. In Hasakeh, a participant reported that occupants "refused to return the house and produced forged documents proving that they owned it." In Deir Ezzor, extensive damage to land registries threatened the wider system of property documentation. Participants in Damascus focused on administrative seizure, expropriation and the allocation of assets to investors, while those in Latakia highlighted forced sales, inadequate compensation and historical tenancy disputes.

Changes in political authority did not automatically end earlier expropriation. A Damascus participant stated that "expropriation decisions taken by the former regime, including for political reasons, are still being implemented by the new authorities." Discussions of Decree 66/2012 showed how reconstruction could transfer rising land values to investors while preventing residents from remaining or returning.[1] Similar risks

[1] Decree 66/2012 was passed by the former regime in the early stages of the uprising/conflict with the aim of "regularizing" informal settlements in areas to the south-west of central Damascus—including Basateen al-Razi, Kafr Souseh and Al-Mezzeh—that had been the site of early protests. While occupants and owners were, on paper at least, offered different modes of compensation, the decree disproportionately affected displaced residents and anyone under suspicion from the security apparatus by cementing displacement and preventing returns. This legislation effectively became the blueprint for Law 10/2018, which replicated most of the central tenets of Decree 66 on a national scale.

were shaped by agrarian disputes in Latakia, displacement and multiple *de facto* authorities in Hasakeh as well as damaged records in Deir Ezzor.

Participants generally supported recovering assets obtained through corruption during the Assad era. As one participant asked: “Is it reasonable to confiscate the money of the former regime and its figures? Yes. Should the money return to the state? Yes.” However, a legitimate objective does not make the process accountable. Participants described confiscation decisions passing between the Illicit Gains Commission, the Sovereign Fund, the Central Bank and municipalities without clarity over valuation, management, revenue or dispute resolution. They also warned that “these settlements are directed towards large capital,” raising concerns about wealth reallocation to large investors through state entities.

The Sovereign Fund was a repeated convergence of these concerns: in Hasakeh, participants questioned where its assets and revenues were going; in Latakia, they feared that powerful networks and foreign investors could reacquire confiscated assets; and in Deir Ezzor, damaged records and difficulties proving ownership increased the risk of rights violations, even by the new formal entities such as the Sovereign Fund.

Integration into the New Economy: Connections, Capital & Skills

Participants mentioned that connections, proximity to authority and wealth often determined who obtained a job, contract or financing, while skills, education and experience shaped the ability to remain productive. Thus, skills mattered but qualified people could remain excluded if they lacked finance or influential networks.

In Damascus, one participant described the continuation of *wasta* ("connections") under a new name by saying "endorsements remain; the name has changed from *wasta* to endorsement, and key state positions are given to loyal people with a narrow outlook." In Latakia, a participant asked if "someone without skills but with connections gets through. How are we different from before?" Another noted that many qualified people remained "at home, where nobody knows about them," while those with connections advanced without the necessary skills. In Deir Ezzor, participants associated access to contracts with kinship and institutional connections. One reported that investors and contractors received more projects because of "family relationships and personal connections with administrative figures in government institutions."

In Hasakeh, participants described a reinforcing cycle in which "money brings you closer to authority," while "proximity to authority creates money." Wealthy actors were considered better able to adapt to changing authorities and use political connections to protect or expand their resources. However, money alone did not guarantee sustainable integration, according to some participants. One in Latakia explained that "money alone is not enough. It may get me there, but how long will I remain? Tomorrow, someone with more money may take my place." Syria's especial financial context—in which bank lending is poor, micro-finance limited, liquidity freezes applied, the workforce unprotected and poverty rampant—only reinforces this cycle.

Money brings you closer to authority… Proximity to authority creates money.

Focus group participant from Hasakeh

For those without capital, financing was often the barrier preventing skills from becoming productive activity. An unemployed participant in Deir Ezzor stated that "If we had money, we would be among the most successful people in society. We do not lack experience or competence; the lack of finance prevents us from opening our own businesses." In Damascus, participants mentioned the importance of the business environment, stating that "money alone is not enough as investors needed political stability, legal protection and predictable rules."

Education and continuous learning were viewed as important for longer-term integration, particularly in Latakia, where one participant advocated "investing in human capacity, developing skills and preparing for the next stage." Yet participants also identified a mismatch between curricula and labour market needs, alongside exploitation and corruption in the education sector. Migration further complicated this picture by generating capital, networks and remittances but at the same time depleting the domestic economy of qualified workers. As one Latakia participant observed: "A large proportion of the young people who migrated have not returned, and they are the ones with experience and competence." Return depends on legal protection, essential services, professional opportunities and living standards comparable to those abroad. Many participants questioned if the current institutional environment could provide these conditions.

Young people and women faced additional barriers. Graduates encountered the familiar experience trap. A young participant stated that "when you graduate, they ask for experience. Where am I supposed to get experience if you do not employ us?"

Women running businesses faced constraints in accessing finance and equipment, alongside a difficult business environment and limited access to influential actors. A participant in Deir Ezzor explained that she had the skills to establish a handicraft business but “could not obtain the required tools, even on credit.”

A prioritisation exercise in Hasakeh suggested that women placed greater emphasis on finance and education, while most men prioritised proximity to authority. The small group does not support wider gender generalisations, but it indicates that different groups may focus on different tools to integrate into the economy.

Recommendations for Syrian Authorities

The following recommendations and priorities, emerging from the discussion participants, are interlinked, and their implementation should be context-specific, considering the differences in resources, infrastructure and needs between regions and communities.

Improving living conditions & access to essential services:

- Adopt a sequenced, integrated approach to economic reforms, with monitoring disaggregated by income, gender and region;
- Provide temporary household cash assistance according to specific criteria.

Improving economic governance & policymaking:

- Ensure equitable participation in the economy, including its decision-making;
- Establish price monitoring mechanisms to reduce monopolistic practices alongside measures that reduce production costs rather than replace them;
- Center regional equity as a guiding principle of economic policymaking.

Ensuring accountable asset recovery & redistribution:

- Develop a clear legal and institutional framework for recovering assets obtained through corruption that clarifies who authorises confiscation, how assets are valued/managed, and how revenues are recorded;
- Prevent recovered assets from returning to former beneficiaries or new crony networks;
- Use recovered assets and their revenues for public purposes, including housing, essential services, productive enterprises and employment.

Restoring domestic production & generating inclusive employment:

- Develop an economic policy that balances openness with the protection of local productive capacity;
- Support for micro and small enterprises should focus not only on establishing new businesses but also on helping viable existing enterprises survive and expand;
- Encourage direct investment in sectors that generate value and employment at the local level;
- Ensure that women can participate fully in productive economic activity.

Ensuring fair access to employment, finance & skills:

- Address patronage in how economic opportunity is distributed by adopting transparent criteria;
- Expand youth pathways into employment, including by linking skills development to actual opportunities;
- Broaden access to finance, not just to those who already possess capital and influential networks;
- Reform labour market laws and regulations, including the establishment of minimum standards for wages and working hours.

Conclusion

Syria's political economy is being restructured, although evidence here shows that it has yet to benefit ordinary Syrians. As certain pre-existing forms of corruption and extraction change, new channels of privilege are emerging through investment, contracting, asset recovery, access to finance and institutional connections. This deepens existing inequalities, albeit with new winners and losers. As such, the nascent post-Assad economy risks producing uneven benefits, with big investors and well-connected actors perceived to be better placed to capture new opportunities than workers, farmers and poorer households. Meanwhile, weak institutional transparency, unpredictable policymaking and the continued influence of informal networks further undermine confidence in the fairness and sustainability of the economic transition. The persistence of nepotism (through cronyism as well as *wasta/*connections) and proximity to authority as determinants of economic opportunity risks reinforcing exclusion and undermining confidence in the possibility of an inclusive economic future. While it is still too early to tell, there are concerns that the emerging exclusionary practices in the country's economic transition may bring in a new era of entrenched cronyism.

Looking ahead, the central challenge will be to convert increased market openness into productive, inclusive development rather than simply greater consumption and asset redistribution. If governance and property rights remain uncertain, investment is likely to favour the politically connected or short-term opportunities, while skilled Syrians facing limited opportunities and financial pressures may continue to leave and domestic productive capacity weaken. Such unequal development could also weaken the longer-term incentives for Syrians to remain or return, limiting the human capital needed for reconstruction and potentially contributing to wider instability. Conversely, greater transparency, robust accountability mechanisms, predictable rules and targeted support for agriculture, manufacturing, SMEs, skills and employment could begin to widen participation in the new economy. The trajectory of Syria's economic transition will depend not only on growth and investment, but on whether institutions can distribute its emerging gains credibly and inclusively enough to underpin longer-term stability.