

INFORMAL LABOR

SYRIA

Syrian Center for Policy Studies

The armed conflict in Syria has led to a reverse development. The country's human capital was wasted through assassinations, abductions, torture, injuries, malnutrition, and lack of health services, deteriorating education and formation, leading to a loss of formal labor, and increasing involvement in illegal activities, exploitation and acts of violence. Large parts of the infrastructure, as well as public and personal wealth accumulated through time, were destroyed. Rights were infringed, especially the right to live, in addition to the absence of the rule of law and accountability. The remaining wealth was redistributed for the benefit of traders and warlords. The ruling violent institutions, through the development of the economic violence's tools, started exploiting the financial and human abilities and expanding the informal and criminal labor in all sectors, to the extent that it has become very complicated to dismantle them.

INFORMAL LABOR IN PRE-CRISIS SYRIA

The participation in an economic activity demonstrates the economy's capacity to absorb the available human capacity and transform it into a productive energy, which achieves prosperity and social wellbeing, and promotes equality and individuals' capacity through lifelong education operations leading to the accumulation of expertise. Participation rates in the labor force in Syria plunged in both rural and urban areas, for women and men, from 52% in 2001 to 42.7% in 2010. This demonstrates the exclusion of large categories from participating in the economic life, and the national economy's incapacity to achieve an inclusive growth, generating real job opportunities.

This drop in participation rates was correlated with an increase of informal workers. Data indicate that 65.6% of workers in 2010 were informal, of which 89% were in the private sector; a high percentage which also includes most of the private sector. Informal workers represent around 52% of workers in the formal private sector, 96% of workers in the informal private sector, and around 33% of workers in the common, cooperative and family sector.

Before the crisis, informal labor was concentrated in Aleppo, Idlib, Raqqa, Hasakah, Deir Al-Zor, and Damascus' rural areas, i.e. the provinces suffering more from poverty, with pronounced reliance on the agricultural sector in the rural areas. However, informal labor was present as well in urban areas in Aleppo, Damascus, Damascus Rural Areas, Homs and Latakia, which indicates a constructed structure of informal labor, distributed between the rural areas and centers of major provinces and small cities, reflecting the regional development inequality. The percentages of women working in the informal sector are lower than their male peers, a result of the preference to work in the governmental sector or the sector that guarantees the bare minimum of adequate work conditions, in addition to a compliance with societal norms and traditions. The participation of married women recedes, especially in the informal sector, while men's participation in the informal sector rises after marriage. Data from 2010 indicate that the informal labor force is less educated and that the informal labor absorbs the majority of holders of primary education certificates and less. The percentage of formal labor is high among holders of middle school certificates and university diplomas. The informal labor has larger numbers of younger age categories between 15 and 29 years old and workers over the age of 60, both critical age categories. Accordingly, as they grow older, workers tend to have a formal job.

The informal sector was concentrated in internal trade, restaurants, hotels, construction, real estate, agriculture, and manufacturing, while the formal labor was concentrated in the services and industrial sectors and, to a lesser degree, in storage and telecommunications. The majority of the formal labor was registered in the public sector. As for occupations, the informal labor was clearly dominant in crafts, services, trade, agriculture, operating factories, and primary occupations. It should be noted that the hour pay in the formal sector is higher than in the informal sector and the gap at the level of women's hour pay widens between the formal and informal labor.

Before the crisis, 33% of workers and their families would have suffered from dire poverty in case they relied on the income generated through their primary and secondary jobs. This percentage reaches 37.6% for informal workers and 24.2% for formal workers, which indicates the suffering of the workers and the tremendous gap between wages and the minimum of acceptable living standards, which worsens in the case of informal labor. The percentage of the workers in dire poverty in the public sector reaches 23.2%, while it scores 27.9% for workers in the formal private sector and 38% in the informal private sector.

Prior to the outbreak of the crisis, the government attempted to tackle the challenge of the informal sector and adopted a program under the supervision of Hernando De Soto, a prominent neoliberal in the field of informal sector, who believes that the initiative takers in the private sector and the young categories chose the informal sector because it is the real market that unleashes their creativity and capabilities. In fact, the project on the informal sector focused on the importance of real estate investment and the project of investing in slums as opportunities for economic growth in Syria, however it failed to tackle work conditions that respect human rights and dignity. In addition, a set of decrees, laws and programs pertaining to the reality of the informal sector were issued, but the needed institutional reforms to implement them efficiently and effectively while guaranteeing the unbiased right to decent labor were overlooked.

Civil society associations did not play a noticeable role in combatting the phenomenon of informal labor by pushing public policies and practices in the public and private sectors towards providing decent jobs. Their role was limited to shedding light on phenomena related to informal labor such as child labor. It should be noted that the crisis diverted the interest of the associations, whether already established or new, to providing humanitarian aid to overcome the crisis' impacts; no margin existed for issues pertaining to informal labor. Moreover, due to their structure and full dependence on public authorities, workers' trade unions and professional unions were incapable of setting their own programs independently from governmental tendencies and focused on the public sector, since workers in said sector constitute the major share of their members.

INFORMAL LABOR IN SYRIA DURING THE CRISIS

The March 2011 social movement burst in Syria first called for basic freedoms, and was an expression of society reaching unacceptable stages of development in its institutional, economic, social, and political aspects, and a sharp contradiction between the established institutions and society's aspirations and will. The oppressing forces embodied in political tyranny, fanaticism, and local and external extremism played a critical role in the conflict's militarization and the use of bloodstained violence and investment in identity politicization and war economies.

The conflict's intensity, in addition to economic stagnation, spared few job opportunities available for individuals, including opportunities created by the public sector in regions under government control, providing workers' families with an income that helps, even if partially, in combatting the crisis' circumstances and preserving the bare minimum to survive. It should be noted that the public sector labor suffered from numerous obstacles, including a drop in productivity, rise of underemployment rates, regression of public works quality, and deterioration of real income due to remarkable increase in prices. In addition, accessing a government job is not an option for many Syrians who are in need of such an opportunity during the crisis.

The agricultural sector contributed to creating an important safety net for households in the midst of sharp deterioration of income and food sources. It has provided real solutions to many households, despite the exorbitant losses that the farming and agricultural sector endured in terms of infrastructure destruction, pillage of properties, tools and crops as well as obstacles hindering access to markets and royalties and the rise of prices of raw materials such as fuel and fertilizers. However, the relatively good rain season preserved a minimum of production, thus proving to be an important source of household consumption. Subsequently, the possibility of a drought season in the upcoming years would lead to the exacerbation of the already standing food security crisis.

In the crisis environment, the only growing "sector" is violence. Oppressive powers directly recruited many to be involved in military activities, or indirectly through the "organization" of illegal activities such as smuggling, monopoly, looting, pillage, arms trade, and human trafficking. The various internal and external oppressive powers imposed heterogeneous and various work conditions and circumstances, but shared common features in terms of the absence of job opportunities, the lack of decent work conditions, the deterioration of real wages and the spread of the informal services sector. Employment rate dropped to 22.2% at the end of 2015, while the unemployment rate soared to 52.6% in 2015. In comparing between the "continuity scenario," i.e. if the crisis had not erupted, and the "crisis scenario," we conclude that the labor market has lost 3.52 million job opportunity by the end of 2015. This means that 13.8 million Syrians, relying on work for their living, and of whom 9.5 million are still in the country, have lost their livelihoods and jobs.

The crisis denied many Syrians of labor since they were incapable of accessing their workplace, be it in the agricultural, industrial or other sectors. Many Syrians fled their regions, while fighting destroyed production and services facilities. The share of workers in the agricultural and industrial sectors out of the total number of workers dropped, against a rise in the trade and services sectors. The increase in the services sector's workers' percentage can be explained by the presence of a large number of people working in the public sector at a time when other activities related to violence and hostilities have risen. Furthermore, the increase in the percentage of workers in the trade sector could be attributed to the lack of jobs in the productive sectors, which explains the transformation in this sector that does not require steady investment and could be relatively safely established in demographic concentrations.

The crisis and its ensuing circumstances reflected negatively on the participation of women in economic activities who were already vulnerable pre-crisis. The deterioration of the situation resulted in exploiting, targeting, and denying women of work despite the growing economic burdens on households, the loss of many heads of households, and the infringements

of the right to productive decent labor, in addition to the imposition of atrocious economic and societal values.

The majority of regions in Syria have suffered from the loss of large numbers of job opportunities during the crisis, with variations between provinces. The most severe loss was in the provinces of Daraa and Aleppo, where most of the available job opportunities became scarce and limited. The relative rise of opportunities' availability in some regions, such as Deir Al-Zor, Latakia and Idlib, can be explained by the spread of jobs linked to the crisis, such as informal oil exploitation, fuel trading, and the spread of trades in smuggled commodities and arms, in addition to the paid involvement in military actions.

The extent of the spread of these activities vary at the national level and according to the regions and provinces. Data indicate that the most widespread of new activities is the trade in fuel. Despite the spread of this form of trade in most of the Syrian provinces, it reached its peak in Idlib and Hasakah. Smuggling and the sale of smuggled commodities is considered to be one of the new, although illegal, activities spreading during the crisis. The spread of this activity was concentrated in the provinces of Hasakah, Idlib, and Daraa and, to a lesser extent, in the rural areas of Damascus, considered a frontier region witnessing an absolute absence of the rule of law in many of its regions. The activity of selling stolen goods was perceivable in the majority of provinces, especially Homs and Latakia. The crisis led to the emergence of numerous new illegal activities in these regions, although some of them were rare and limited to specific regions. However, the crisis contributed to their expansion. These activities include arms trade, artifacts smuggling, looting, prostitution, forced labor, and slavery.

These illegal activities negatively impact society's cohesion and morality, hinder the tendency to find a productive job, and generate a network of interests that benefits from the crisis' continuity and exacerbation. The percentage of individuals involved in illicit activities as a result of the crisis reached 17% of the economically active population in Syria. This is a high percentage reflecting the extent of the spread of economic violence directly connected to and resulting from the crisis. Nonetheless, other activities emerging during the crisis were civil and legal; they constituted an attempt by the society to adapt to the circumstances of the crisis. These activities also reflected individuals and societies' capacity to deal with crises and overcome them. During the crisis, many societal forces and initiatives emerged to support the population and help people overcome the effects of the crisis, insuring for many the technical and educational training necessary to enter productive activities. However, their role remained limited in the midst of the crisis' continuousness and the control of oppressive forces.

The crisis led to numerous changes and a large disfiguration of the labor market in terms of the number of workers and the nature of the economic activity, with a noticeable share of it linked to an economic crisis. The new activities represent the amplification of informal and criminal labor at the expense of the formal labor. In fact, government jobs' incomes fell under the line of dire poverty, even though the government continued to pay the salaries and wages of its personnel. The role of insurance withered as a result of the exorbitant losses in lives and properties, unsuitable work conditions, and regression of public revenues. Thus, formal labor is largely absent in Syria.

The conflict concealed decent labor to a large extent, and many opportunities in the formal sector lost their privileges, including legal privileges, compared to the informal sector; as a consequence, the line separating between the formal and informal sector has faded and become irrelevant. The crisis and

its circumstances resulted in the regression of work value and the consolidation of the income's importance, regardless of the nature or type of labor, leading to the qualitative fragmentation of human capital and building a system of individual interests owning power, based on monopoly, by way of using those surrounding it to promote its authority's sustainability and control.

The mechanism to elaborate an outlook of labor and informal labor depends on the numerous scenarios of the Syrian crisis resolution. However, the content of this vision does not change, since developing decent job opportunities requires a comprehensive development strategy targeting economic wellbeing, social justice, widening the scope of options, capacity building in the framework of real participation in decision and policy making by transparent, effective and inclusive political institutions. Following the catastrophic results of the crisis, this requires reviewing the social contract, developing the official and unofficial institutional structures by expanding participation and public dialogue, enshrining the respect of humans and their rights, all of which cannot be done via totalitarian or extremist institutional structures.

Economic participation is correlated with political participation, and both are based on rights of citizenship and equal opportunities to all. This would require the establishment of institutions encouraging productive and decent labor, providing the adequate environment, expanding participation in policy making, protecting the right to organize and societal dialogue, protecting workers' rights, and developing the system of positive and negative incentives to dismantle the structures of exploitation and marginalization. Institutional structures require a development of the legislative structure in terms of guaranteeing an adequate environment suitable for work and economic participation, in addition to valorizing productive labor, paid or unpaid, and humanitarian protection of all, whether working or not.

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