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Insights from Syria

*Opportunities to accelerate
economic rehabilitation for
stability and return*



HERMON TEAM





Scope

In the past months, **SPARK**, **Hermon Team**, the **ICC** and **JCI** teamed up to gather insights and opinions from Syrian stakeholders through events, workshops, surveys and qualitative interviews, to answer the questions how we can best support the country's rehabilitation after decades of turmoil, violence and oppression, and how we can stimulate voluntary return of Syrian talent.

- **Syrian voices on economic rehabilitation and growth, stability and return**

● **SPARK alumni survey:**

Job availability #1 decisive factor for return

During the first months of 2025, SPARK engaged in a survey among Syrian SPARK alumni in the region, which yielded 70 responses (70% male, 30% female), to understand their opinions on a potential return to Syria.

83% of the respondents had not yet returned to Syria, while 76% indicated they are planning to return to Syria. Respondents overwhelmingly highlighted job availability and economic conditions as the top deciding factors on return, followed by political stability, sanctions, healthcare and schooling.

Job creation will thus accelerate the return of Syria's workforce, which in turn will accelerate rehabilitation and therefore more return.



● **Aleppo Workshop:** Syria's economy suffers, but entrepreneurial spirit offers opportunities

Syria's economy, however, once diverse and regionally integrated, has been profoundly affected by more than a decade of conflict. The destruction of infrastructure, widespread displacement, sanctions, and institutional breakdown have led to a dramatic contraction in economic activity, the collapse of formal employment systems, and a surge in poverty. Today, rebuilding the economic fabric of Syria is not just a matter of financial recovery—it is essential for stabilisation and return.

Despite pockets of resilience, particularly in agriculture, informal trade, and digital freelancing, the Syrian economy faces entrenched barriers to recovery. As discussed by participants in the Aleppo Workshop organised by ICC, JCI Syria, Hermon Team and SPARK, held in February 2025, that brought together a small group of key stakeholders and experts, these barriers include financing gaps and access to loans, inconsistent and opaque regulatory systems, critical infrastructure deficits, and brain drain. These challenges are compounded by Syria's fragmented governance and reliance on humanitarian aid, which, while vital, is not a substitute for sustainable economic policy and investment.



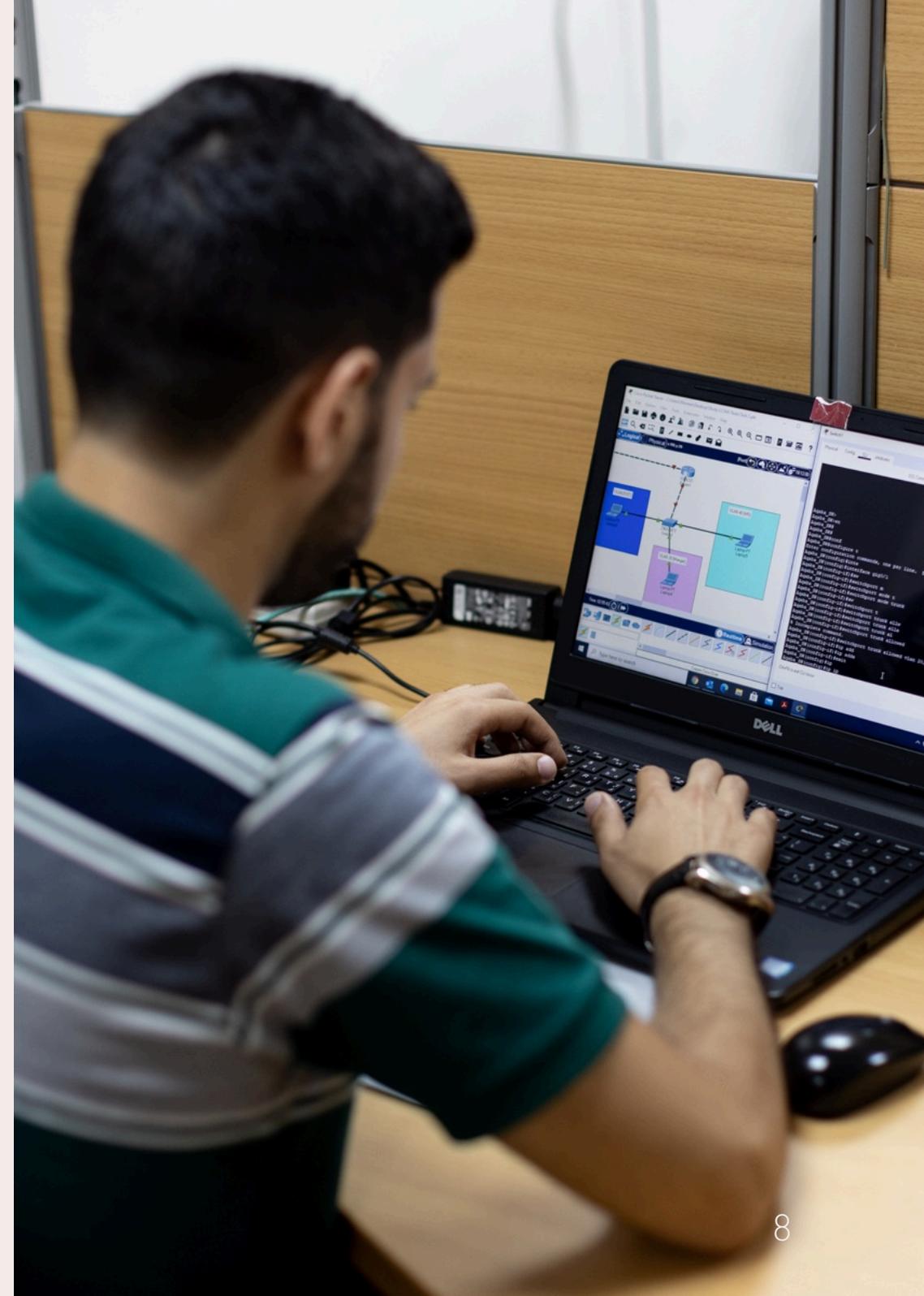
- **IGNITE Syria:** Outdated higher education hampers economic rehabilitation and growth

The IGNITE Syria event organised in Damascus in February 2025 by the ICC, JCI Syria, Hermon Team and SPARK brought together 125 participants, including 12 speakers from education and labor market experts, academic and private sectors. The conference made it clear that without a rehabilitation and reform of the higher educational system, Syria's economy cannot be effectively rebuilt. Fixing Syria's education system is not just about rebuilding institutions, but fundamentally redesigning how education connects to economic recovery. By focusing on practical, scalable, and technology-driven solutions, Syria can rebuild an education system that not only survives the crisis but emerges stronger and more adaptable to future challenges.



- **The economic landscape in Syria: Significant role for SMEs**

Historically, startups and small-to-medium enterprises (SMEs) were a cornerstone of local economic stability with 90% of private sector employment being through SMEs. They spanned sectors such as manufacturing, agriculture, and services, showcasing diversity and regional specialisation. Post-conflict, and despite infrastructural and regulatory challenges, entrepreneurial initiatives have emerged as key drivers for economic recovery. Existing programmes have enabled nearly **67 startups** to launch, providing essential mentoring and funding support to aspiring entrepreneurs. Female participation in entrepreneurial competitions has increased, reaching **22.4%**, indicating growing gender inclusion in the sector. Ongoing projects under these programmes report that **60% generate tangible employment**, with an average of 5 jobs per project.



● SMEs however face significant **challenges**:

- **Infrastructural constraints:** Approximately 50% of infrastructure has been destroyed, leaving SMEs struggling to operate efficiently. Persistent challenges such as unreliable electricity, poor internet connectivity, and logistics inefficiencies amplify costs and limit growth.
- **Regulatory barriers:** Entrepreneurs face complex licensing procedures and inconsistent taxation policies, which deter investment and slow formal business creation. According to surveys, 62% of participants stated that bureaucracy is a major impediment to scaling their ventures.
- **Financing gaps:** Access to capital remains a significant bottleneck, with most startups relying on informal credit sources. While programmes like Sanad Youth have provided micro-grants to 900 enterprises, long-term funding options are scarce.
- **Skill deficiencies:** Many SMEs lack access to skilled workers due to gaps in practical training within the education system. 68% of business owners report difficulties finding employees proficient in digital technologies and market-relevant skills.
- **Operational challenges:** Entrepreneurs cite incomplete planning, insufficient funding, and rising input costs (e.g., feed, raw materials, and essential equipment) as key obstacles. For example, many projects have had to halt operations due to the skyrocketing costs of inputs such as milk for dairy production or inadequate pest control in beekeeping.

● Our sector-specific analysis nevertheless shows **opportunities** for different sectors:

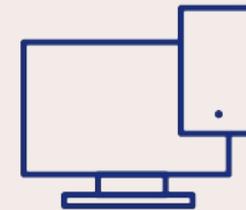
- **Agriculture:** Historically the backbone of Syria's economy, agriculture now faces challenges such as water scarcity, rising input costs, and displacement of farmers. They also struggle with scalability due to infrastructural deficits. Innovations like sustainable farming practices and agri-tech solutions are being piloted by startups supported by Scale-Up Syria.
- **Technology:** Tech startups have shown high adaptability, leveraging digital platforms and software solutions. The ICT Incubator has led efforts to position technology as a growth sector. Limited access to advanced tools and training hinders broader adoption of cutting-edge technologies, such as AI and cybersecurity. Projects like BeeOrder and MOVO, a food delivery Apps, Yalla GO and Captain Car Apps, Syrian version of Uber, have demonstrated scalability in urban regions.
- **Industrial/Manufacturing:** SMEs in industrial sectors are experimenting with sustainable materials and energy-efficient processes. High costs of raw materials and inconsistent electricity supply however continue to affect productivity.
- **Services:** Service-oriented startups—ranging from logistics to e-commerce—are thriving, particularly in urban centers. Female entrepreneurs dominate in service-related fields such as education, healthcare, and hospitality.

Syria's entrepreneurial landscape showcases resilience despite formidable barriers. Sporadic programmes provide critical support, but systemic challenges—such as financing gaps, skill shortages, and regulatory obstacles—persist across sectors. By addressing these bottlenecks and scaling successful interventions, Syria can foster a more inclusive and sustainable entrepreneurial ecosystem.

- **How an outdated educational ecosystem creates major challenges for economic development**

The **IGNITE Syria Conference** revealed an outdated educational ecosystem that is in its current state unfit to contribute effectively to reconstruction and economic development. The challenges can be summarised under two major headings, as follows:

Practical and digital skill gaps: In a pre-conference survey of 347 stakeholders—comprising 47% academics, 33% graduates, and 20% business owners—participants consistently voiced concerns that current academic programmes do not match the evolving needs of the modern economy, and insufficient emphasis is placed on developing practical skills in digital technologies, data analytics, and entrepreneurial management. Furthermore, a panel discussion emphasised that around 70% of students receive minimal exposure to the digital skill sets—such as programming, digital marketing, and modern project management—that are essential in today’s work environment.



According to our survey data, only about 1.23% of academics believe that current curricula fully satisfy market demands, while nearly 60% argue that the programmes are inadequate, while employers are reporting that nearly 80% of new hires lack the applied competencies required for immediate contribution.

When questioned about internship and practical components, only 4.94% of academic respondents confirmed that such practical training is fully embedded in their programmes—while an overwhelming 66.05% stated that it is missing altogether. A significant 79% of graduates reported that the lack of practical experience is the primary obstacle hindering their entry into the job market. This disconnect between theoretical instruction and practical application hinders graduates' capacity to innovate and is contributing to reduced productivity within the Syrian entrepreneurial ecosystem.



Weak university–industry linkages: Survey respondents and expert panelists affirmed that the disconnection between universities and industry prevents students from engaging in real-world problem solving. For instance, only a minority of academic programmes have established formal partnerships with businesses that could offer structured mentorship or facilitate practical project work. This limited linkage is one of the primary reasons why, despite a growing entrepreneurial spirit among Syrian youth, many startups struggle to access the technical expertise, market insights, and operational support required to succeed. Only **8.02%** of survey respondents reported that robust partnerships exist between universities and private companies to create training opportunities, while **62.35%** stated there are no such initiatives.

The analysis reveals that Syria’s higher education system is caught between a legacy of traditional, theory-heavy instruction and the pressing need for practical, digitally integrated, and market-responsive training. **It is evident that comprehensive reforms are required** through updated curricula, enhanced digital and practical training, and stronger university–industry collaboration is crucial for equipping graduates with the skills necessary for a dynamic and resilient labor market.

- **This systemic transformation is essential for broader economic recovery and sustainable development in post-conflict Syria.**

● Opportunities

● Boosting the entrepreneurial ecosystem:

While the Syrian ecosystem shows robust support at the idea generation stage—with diverse inspirations, educational programmes, hackathons, and mentorship networks—the major challenges lie in transforming these innovative ideas into viable enterprises. The transition from ideation to formal business launch and subsequent growth is impeded by multifaceted issues. These challenges include onerous bureaucratic hurdles and regulatory complexities (which make not only registering but also closing a business extremely difficult), as well as a lack of reliable funding and investor support compounded by international sanctions.

SPARK proposes to address these gaps and catalyse sustainable entrepreneurial development in Syria through **a range of targeted initiatives:**



Bridging the launch gap with tailored incubation and accelerator programmes

Focused business support:

SPARK proposes to develop tailored incubation and accelerator programmes specifically aimed at the launch stage. These programmes would:

- Help entrepreneurs navigate the complicated registration process by providing legal and administrative advisory services.
- Offer guidance on formalising business operations, ensuring both smooth registration and, if needed, streamlined closure procedures to reduce the risk for founders.
- Cultivate a network of experienced mentors who understand the local legal landscape and can share practical strategies for overcoming bureaucratic bottlenecks.

Accelerated mentorship and practical training:

While Syria already excels at inspiring ideas, entrepreneurs lack structured support to develop these ideas into scalable businesses. SPARK proposes to offer intensive, hands-on workshops and boot camps where founders learn not only how to manage the financial and logistical aspects of their businesses but also how to plan for exit scenarios or a controlled business closure if circumstances demand it. This pragmatic approach will reduce uncertainty and build confidence among new entrepreneurs.

Advocacy for improved business practices:

SPARK can serve as a bridge between the entrepreneurial community and policymakers by:

- Collecting and disseminating empirical data and success stories to illustrate how bureaucratic inefficiencies impact startups.
- Facilitating roundtable discussions with government agencies and local business leaders to advocate for streamlined business registration and closure procedures.
- Developing policy proposals or pilot programmes in partnership with local authorities that test simplified licensing and deregistration frameworks, thereby reducing the long-term risk for entrepreneurs.

Regulatory training workshops:

In addition to advocacy, SPARK will design training modules that equip entrepreneurs with the skills needed to navigate the existing regulatory framework. These sessions will focus on:

- Practical insight into business law and regulatory requirements.
- Strategies for negotiating with bureaucratic institutions.
- Best practices from international markets where similar hurdles have been overcome.

Mitigating funding constraints

Alternative funding channels and investor networks:

The lack of dependable funding is exacerbated by sanctions that restrict access to international capital.

SPARK can unlock new avenues for financing by:

- Establishing connections with diaspora investors and international philanthropic organisations
- Creating a dedicated fund or crowdfunding platform specifically designed for Syrian startups, providing bridge financing to help ventures overcome the seed stage challenges.
- Organising investor pitch events that bring together local entrepreneurs and vetted international investors who understand the unique risks of the Syrian market.

Partnerships for financial literacy and investment readiness:

SPARK may also launch initiatives to improve the financial acumen of emerging entrepreneurs. By partnering with regional and international experts, SPARK can offer:

- Workshops on creating compelling business plans and financial forecasts that attract angel investors and venture capital.
- Mentorship programmes to prepare startups for due diligence, thereby increasing their chances of securing funding despite the geopolitical constraints.

Leveraging digital transformation initiatives and diaspora networks connecting with the global network:

Given that many Syrian professionals and entrepreneurs are part of a vibrant diaspora, SPARK will work with existing platforms that connect Syrian entrepreneurs with mentors, investors, and advisors from the global community. We will also utilise digital tools to provide remote coaching, accelerate knowledge sharing, and facilitate international partnerships, which is critical when local markets are small or uncertain. In addition, we will organise virtual events and webinars that bring global best practices to Syrian founders, reducing the reliance on physical infrastructure that may be lacking.

Digital transformation initiatives:

As many scalability challenges are related to the physical limitations of the local market, SPARK will support digital entrepreneurship initiatives that:

- Encourage and facilitate remote business models, e-commerce, and digital services—sectors less dependent on physical infrastructure and more resilient in a conflict-affected economy.
- Help startups build robust online operations that can attract international customers and scale beyond Syria's limited domestic market.

- By capitalising on its expertise in entrepreneurship support and its extensive network of regional and international partners, SPARK has several promising avenues to address Syria's launch and growth stage barriers. Focused incubation programmes, regulatory advocacy, alternative funding mechanisms, and digital networking platforms all represent tangible opportunities. Through these initiatives, SPARK will not only help bridge the current gaps in Syria's ecosystem but also lay the groundwork for a resilient, innovative, and globally competitive entrepreneurial environment.



● **Boosting digital skills**

Since the collapse of the Assad regime, Syria's shifting political and economic landscape has triggered massive restructuring within the public sector. According to recent assessments, at least one million government employees have been dismissed by the new government, and this number is growing daily as economic and financial pressures intensify within the private sector. Many of these public sector workers were trained under outdated systems, lacking the modern digital literacy that today's labor market demands. Their skills, honed during decades of traditional administration, often do not meet the digital competencies required in a competitive, technology-driven economy.

As discussed, recent graduates also often lack contemporary skill sets in areas such as social media design, advanced programming, digital marketing, and online content creation, while those who have them are being rapidly absorbed by regional companies. These digitally adept individuals are finding virtual employment opportunities that offer competitive salaries and the benefits of flexible, remote work arrangements. Their ability to contribute immediately to modern business processes not only enhances their personal earning potential but also serves as a catalyst for innovation across various sectors. This disparity underscores an urgent need to bridge the skills gap in the wider workforce.

To address this critical gap, there is a pressing need for an initiative that upskills the large pool of under-skilled people, including recent graduates and displaced white-collar labour. Drawing inspiration from the Palestine Launchpad—a programme that has successfully accelerated digital entrepreneurship and advanced practical digital skills—SPARK will lead a similar transformative initiative in Syria. This programme will offer intensive and targeted training courses in:

- Digital literacy and social media design: Enabling participants to create compelling digital content and leverage social media platforms effectively for business growth.
- Advanced programming and software development: Equipping individuals with coding skills and the ability to develop applications that meet modern industry requirements.
- Online marketing and e-commerce strategies: Teaching strategies for digital brand building, customer engagement, and online sales.
- Flexible, virtual work models: Preparing labor for the evolving landscape of remote and digital employment as seen in regional markets.

- The upskilling initiative will help transform a critical weakness into a strategic strength. Revitalising the digital skills of displaced government employees and others can stimulate entrepreneurship, improve service delivery in both public and private sectors, and ultimately contribute to Syria's broader economic recovery. By providing access to state-of-the-art digital education and industry-recognised certifications, such a programme would empower individuals to secure competitive, high-paying virtual employment, catalyse economic growth, and drive long-term development in post-conflict Syria.

● Transformations in higher education

Drawing on the successful experience of the Jobs & Perspectives programme in Iraq—where the Bologna Process was employed to systematically update and harmonise curricula—SPARK proposes to initiate a similar programme in Syria. Such a programme would not only address the immediate gaps but also lay the groundwork for a more integrated, competencies-based approach to higher education. It will include:



- **Curricular evaluation and redesign:** Partner with academic experts, industry leaders, and policy makers to conduct a thorough review of existing curricula at public and private universities. Identify areas lacking real-world relevance and propose updates by integrating subjects related to digital technologies, data analytics, entrepreneurship, and soft skills.
- **Incorporation of practical modules:** Develop mandatory internship programmes, project-based courses, and simulation exercises that allow students to gain hands-on experience, and establish pilot centers within universities where students can collaborate on real-life projects, drawing inspiration from early-stage programmes like those facilitated by Jusoor and ICT Incubator.

- **Adoption of the bologna process framework:** Utilise the Bologna process as a model to standardise and modernise curricula, ensuring compatibility with international standards. Create flexible credit systems and continuous evaluation mechanisms that enable rapid curricular adjustments based on market feedback.
- **Stakeholder engagement and collaboration:** Launch cooperative initiatives involving government bodies (e.g., Ministries of Higher Education and Labor), educational institutions, NGOs, and the private sector to ensure that curriculum reform aligns with current and future industry needs. Involve the Syrian diaspora and international partners to transfer best practices and provide mentoring, thereby enhancing the quality of the updated academic programmes.

- By transforming outdated curricula into dynamic, skills-oriented programmes, SPARK can ensure that Syrian graduates are not only academically proficient but also practically ready to meet the demands of a modern economy. This shift will help bridge the gap between education and employment, improve overall productivity, and excite a new generation of entrepreneurs poised to drive economic recovery and sustainable development in post-conflict Syria.

Embracing these reforms will not only transform theoretical curricula into a vibrant, practical, and internationally recognised framework but also empower diaspora Syrian graduates to contribute immediately to economic recovery. With the ease of accrediting certificates across borders—thanks to the Bologna process—graduates who have studied locally or abroad can readily access employment opportunities, further driving national and regional development.

● Boost university–industry collaboration

Universities and vocational training centers play a crucial role in sowing the seeds of innovation by generating the initial pool of ideas. In fact, establishing dedicated innovation and entrepreneurship centers within all universities is essential. These centers serve as vibrant hubs that integrate academic research, hands-on learning, and early-project competitions. Programmes such as those facilitated by Jusoor and the ICT Incubator are prime examples—they not only help students and young innovators pinpoint market gaps but also guide them in developing preliminary business concepts that have real-world potential.

By embedding such centers within every higher education institution, universities can create an environment where academic theory is seamlessly transformed into practice. These centers should offer dedicated spaces for brainstorming, prototyping, and collaboration with industry experts. They empower students to explore and validate new ideas early on, equip them with the necessary entrepreneurial skills, and instill a culture of innovation that extends beyond the classroom. This approach not only bridges the significant gap between academic knowledge and practical application but also fuels the next generation of entrepreneurs who can drive economic recovery and sustainable growth.

In a challenging post-conflict context like Syria's, the propagation of these centers across all universities is more than an opportunity—it's a strategic imperative. Equipped with the right resources, mentorship, and a framework for continuous feedback, these hubs can transform bright ideas into scalable enterprises. Ultimately, establishing such centers everywhere will ensure that every student has access to the tools and support needed to contribute effectively to the modern, dynamic labor market.

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● Conclusion

Syria stands at a pivotal crossroads. Over a protracted period of conflict and instability, the nation's higher education and entrepreneurial ecosystems have weathered enormous challenges—but they have also demonstrated remarkable resilience and untapped potential. This report has shown that, on one hand, Syria excels in generating innovative ideas. Universities, NGOs, and diaspora networks have created a vibrant space for early-stage inspiration and idea validation through workshops, hackathons, and informal mentoring—a testament to the enduring entrepreneurial spirit despite prolonged hardship.

However, when it comes to transforming these innovations into scalable, sustainable enterprises, systemic challenges emerge. Bureaucratic hurdles and regulatory complexities persist throughout the business lifecycle—not only making registration difficult but also complicating business closures, which increases risk and discourages formal entrepreneurship. In addition, a severe funding gap hinders startup development and international sanctions and economic isolation restrict capital flows.

Another critical barrier is the outdated nature of existing educational and training programmes. Traditional, theory-heavy curricula continue to dominate, leaving graduates without the hands-on, digital, and market-relevant skills required for a modern economy. Furthermore, insufficient university–industry collaboration means that innovative academic concepts rarely translate into real-world applications, limiting the competitiveness and scalability of new ventures.

Against this backdrop, the opportunities for transformation are clear. SPARK proposes a strategy that boosts SMEs at critical stages while also investing in a reform of higher education. Bringing together the critical areas identified in higher education, digital skills, and industry collaboration with targeted policy reforms and donor-backed initiatives can create an integrated ecosystem. This dynamic environment will empower Syrian entrepreneurs to not only survive but thrive—fostering sustainable economic recovery and long-term innovation despite ongoing challenges.

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