Entrepreneurship for Syria’s reconstruction

Virtual event
Friday, 24 October 2025, 10:00h – 12:00h

ARAM LAB

SYRIAN YOUTH ASSEMBLY

Importance of Entrepreneurship in Syria

Role of MSME

Micro, Small, and Medium-sized Enterprises (MSMEs) form the indispensable backbone of the Syrian economy, especially in the wake of prolonged conflict. Constituting an estimated 95% of all enterprises and historically contributing a substantial portion of the Gross Domestic Product (GDP), these businesses are the primary employers, sustaining up to 70% of the working population. Their importance extends beyond mere economic output; MSMEs act as critical shock absorbers, demonstrating remarkable resilience and adaptability in decentralized, volatile markets. By providing essential goods, services, and local livelihoods, they are fundamental agents of social cohesion, poverty reduction, and community stabilization, particularly for vulnerable groups like women and youth who face systemic unemployment challenges.

Supporting MSMEs with Profitable Business Models

For MSMEs to move beyond mere survival and become engines of growth, dedicated support for profitable and scalable business models is crucial. Success is often found in high-demand, necessity-driven sectors such as light manufacturing (textiles and food processing), reconstruction-related services, renewable energy (like solar), and innovative digital solutions (Fintech and EdTech). However, fostering profitability requires addressing significant systemic hurdles. Key interventions must include streamlining the notoriously cumbersome regulatory and bureaucratic processes, improving access to structured financing and capital, and actively facilitating the integration of digital marketing and e-commerce platforms to help these small, localized businesses access wider, more stable markets.

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The Reality of Not Having Social Companies with Sustainable Income and Business Models

A major gap in the current ecosystem is the prevalence of social impact initiatives that rely heavily on humanitarian aid and donor agendas, preventing them from developing long-term financial sustainability. With over 90% of the population living below the poverty line, social enterprises—businesses dedicated to a dual mission of profit and social good—are vital for tackling entrenched issues like poverty and unemployment. However, without a dedicated legal status, they often default to non-profit structures that are vulnerable to fluctuations in donor funding. True resilience requires shifting the focus toward *for-profit* social models that prioritize earned revenue, enabling them to reinvest consistently into their social mission and ensure self-reliance separate from the unpredictable cycle of international aid.

Value of Diaspora Entrepreneurship for the Syrian Economy

The Syrian diaspora represents arguably the single largest untapped resource for economic recovery. Millions of Syrians abroad have established successful businesses, acquired cutting-edge skills, and gained invaluable expertise in global finance and technology markets. Diaspora entrepreneurship provides a crucial channel for injecting foreign direct investment, transferring vital technological and managerial knowledge, and building critical cross-border trade networks. If organized and channeled effectively through transparent, incentivized investment mechanisms—as seen in other post-conflict nations—the diaspora's strong emotional and cultural motivation, combined with their financial capacity, can significantly accelerate the transition from aid dependency to sustainable, locally-driven economic prosperity.

Entrepreneurship Landscape in Syria

Syrian Startup Ecosystem Map

This visual guide provides a comprehensive overview of the key players driving the startup scene in Syria. Created by Aram Lab with help from Syrians both within the country and abroad, this map is a detailed resource that highlights the diverse players shaping the ecosystem. The guide shows that Syria's startup ecosystem is currently fragmented and informal. By mapping out the main actors and their roles, it aims to clarify who is doing what, identify areas of competition, and pinpoint existing gaps. The ultimate goal is to use this foundational information to help build a more cohesive, sustainable, and connected startup ecosystem in Syria.

The tool divides the Syrian startup ecosystem across five main categories that together make up the foundational pillars:

- Ideation Support
- Operation, Growth, and Markets
- Regulations and Government Support
- Networking and Culture
- Funding

Strengths

- Abundant human capital
- Strong drive and motivation to build, innovate, and improve realities.
- Low operational costs, affordable labor and startup costs.
- kinda strategic geographic location
- Cultural and social diversity

Weaknesses

- Poor infrastructure
- Unclear or ambiguity in laws and regulations
- Weak entrepreneurial culture
- Lack of institutional support
- Limited access to funding and financial services

Opportunities

- Lifting of sanctions
- International attention and support
- Influx of large investments
- Emerging recruiting and networking platforms
- Return of capital and skilled diaspora

Threats

- Security and political instability
- Entry of competitive companies
- Low purchasing power
- Weak government performance
- Exchange rate instability

Story behind The Syrian Youth Assembly

To move from the theoretical to the practical, allow me to share a direct example from my own experience in founding the **Syrian Youth Assembly (SYA)**.

This journey perfectly encapsulates the path of social entrepreneurship:

1. **From Idea to Establishment:** The Assembly began as a simple **idea**, a response to the urgent need to empower, connect, and give Syrian youth a voice in peacebuilding and education, especially after the diaspora caused by the conflict. This idea transformed into a formal **establishment** as a registered non-profit organization (e.V.) here in Germany.
2. **Operation and Growth:** We then moved into the **operation** phase, building a global network of volunteers and experts, and developing programs that have now impacted over 225,000 young people worldwide.
3. **The Importance of Mentorship:** This journey would not have been possible without **guidance, consulting, and mentorship from the very beginning**. This external support was crucial in helping us navigate legal complexities, refine our strategy, and avoid the common pitfalls that new initiatives face.
4. **The Funding Model and Sustainability:** This brings me to the most critical point for our session today: **the funding model**. Initially, we relied heavily on grants and project-based funding. However, we realized that true sustainability requires a sustainable income model.
   Therefore, we are currently developing a "Hybrid Model." While we continue to secure grants for our core programs, we are also building a revenue-generating arm by developing paid services—such as offering specialized consulting to international organizations on youth inclusion or designing advanced training programs.

This transition from full grant dependency to building a **sustainable income model** is the biggest challenge, but it is also the only guarantee for transforming a social initiative from just a "project" into an "institution" capable of surviving and scaling its impact.

Story behind The Syrian Youth Assembly

How can know-how be transferred to Syrians within the country?

The transfer of technical skills and business knowledge ("know-how") from the diaspora and international partners to entrepreneurs inside Syria must utilize flexible, non-physical models due to ongoing logistical and security challenges. This transfer relies heavily on virtual mechanisms and targeted educational programs. Key approaches include: leveraging online platforms for Massive Open Online Courses (MOOCs) to teach 21st-century digital, financial, and management skills; establishing virtual mentorship programs where established diaspora entrepreneurs coach local startup founders remotely; and implementing short-term, assignment-based skills transfer schemes, often funded by international organizations, where experts—even if they cannot physically enter—can deliver training modules, curriculum reviews, or strategic consulting digitally to local institutions. This ensures the transfer of both explicit knowledge (through formal training) and tacit knowledge (through collaborative, applied project work). The rehabilitation and equipping of local vocational training centers, supported by international bodies, further serve as critical physical hubs for advanced technical training in areas like industrial controls and automation.

Story behind The Syrian Youth Assembly

The options to establish companies inside and outside Syria

The ease of establishing a company is starkly different for local and diaspora entrepreneurs. Inside Syria, the Limited Liability Company (LLC) structure is the most popular due to its simplicity and liability protection. While the process has been somewhat streamlined, entrepreneurs still face complexity, including the need for a minimum capital deposit (currently around $5,000 equivalent), mandatory local security clearance, and a processing time that averages 15 to 21 business days, often compounded by bureaucratic delays. Foreign or diaspora individuals can own companies, but they must navigate complex document attestation procedures via Syrian consulates abroad and face ongoing restrictions related to international sanctions and banking. Outside Syria, diaspora entrepreneurs benefit from vastly more favorable regulatory environments in host countries (like Turkey, Jordan, Gulf States, and Europe). They can register companies quickly and transparently, access international finance and markets easily, and utilize their successful foreign-registered entities to engage with the Syrian market through branches or partnerships, insulating their main operations from internal Syrian risk and compliance challenges.

Funding Strategy

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Funding Strategy

- Why Do People Invest in Businesses?
- What is Bootstrapping?
- Should I Raise Capital?
- Do I Need a Co-founder, an Investor, a Mentor or an Advisor?
- Do I Need Non-dilutive Funding Options, or Dilutive Funding Options?

Non-dilutive Funding Options

- Grants, Pitch Competitions
- Borrowing from friends and family
- Sponsorships and partnerships
- Different forms of funding Options Like crowdfunding, and P2P lending
- Bank loans

Dilutive Funding Options

- Co-founder
- Accelerator programs.
- Angel investors.
- Venture capital.
- Different forms of funding Options Like crowdfunding, and P2P lending