SYRIA

Dana City Labour Market Assessment:

Small and Medium Enterprises

January 2025

BASMEH & ZEITOONEH
RELIEF & DEVELOPMENT

Early Recovery and Livelihoods Cluster
North-west Syria (NWS)

REACH
Informing more effective humanitarian action

Cover: A marketplace in Dana City, Idleb Governorate, Syria, by Basmeh & Zeitooneh, January 2025.

About REACH

REACH facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, Acted, and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT). For more information, please visit our website. You can contact us directly at: geneva@reach-initiative.org and follow us on X @REACH_info.

About Basmeh & Zeitooneh

Basmeh & Zeitooneh (B&Z) is a grassroots organization established in 2014 when a group of volunteers in Lebanon – driven by the plight of Syrian refugees – began a small relief operation. Today, B&Z has grown into one of the largest and most established refugee-led relief organizations, responding to the acute needs of both the displaced and their host communities. We're proud to be founded by refugees, for refugees. B&Z provides education, protection, food security and livelihoods, peacebuilding, relief and emergency efforts, advocacy and WASH services. We serve host, refugee, and displaced populations in Lebanon, Syria, and Turkey, through community centres run by members of the communities themselves.

About the Early Recovery and Livelihoods Cluster (North-West Syria)

The Early Recovery and Livelihoods (ERL) Cluster for North-West Syria (NWS) aims at increasing access to livelihoods and job opportunities for people, improving equitable access to basic services, and strengthening social cohesion within communities. The ERL cluster is a humanitarian cluster hosted by the United Nations Development Programme (UNDP) under the inter-cluster coordination system for cross border operations, ensuring the coordination of response interventions of 90 partner organizations.

SUMMARY

The fall of the Assad government[1] in Damascus on the 8th of December 2024 marked the most significant shift in the country's political landscape since the onset of the civil war in 2011. Fourteen years into the conflict, the Syria crisis is complex and multi-dimensional, characterized by political instability, armed conflict, repeated displacement, and economic deterioration. Syria faces economic stagnation, underdevelopment, continuously deteriorating infrastructure, inadequate basic services, unstable markets, and lack of access to livelihoods. These changes create both challenges and opportunities for humanitarian efforts. In a country-wide Joint Needs Assessment[2] conducted by REACH in December 2024 and January 2025, Key Informants (KIs) in 82% of surveyed communities reported that challenges in securing enough income included that income does not cover living expenses; the next-most-common challenges were lack of employment opportunities (64%) and low demand for workers (56%)[3].

According to the Northwest Syria Early Recovery and Livelihoods (ERL) Cluster's 4Ws data[4], Dana City (population: 71,175[5]) had the highest number of Technical and Vocational Education and Training (TVET) interventions in Idleb Governorate in 2024 and is the urban centre for surrounding districts. However, there is a lack of systematic, publicly available, and up-to-date information on employment status, core and growing sectors in Dana City, and labour market supply and demand.

With strategic guidance from the ERL Cluster, the Dana Labour Market Assessment for Small and Medium Enterprises (SMEs) was carried out by REACH in January 2025. KIs who represent governmental bodies, NGOs, and market experts contributed valuable insights to shape the assessment's design.

Data collection was done using a mixed-methods approach of purposive and snowball sampling. Purposive sampling was done through creating a form that collects the contact information of male and female entrepreneurs across the key employment sectors in Dana City, then sharing the form with REACH's partners and the KIs to distribute across their networks. The collected contact information was used to plan enumerators' data collection efforts. After that, snowball sampling was applied to continue data collection until the target number of surveys was reached.

From 14-16 January 2025, 36 male and female REACH enumerators interviewed representatives of 216 Micro, Small, and Medium Enterprises (MSMEs) in Dana City, using two structured data collection tools: one for microenterprises and one for SMEs. Eight interviews were removed during data cleaning, resulting in 208 interviews valid for data analysis: 84 with microenterprises[6] and 124 with SMEs (82 with small enterprises and 42 with medium enterprises). This report focuses on the SMEs in Dana City, while another report focuses on the microenterprises.[7]

[1] OCHA, Whole of Syria Flash Update No. 4 - Recent Developments in Syria (As of 10 December 2024), 10 December 2024.

[2] REACH, Humanitarian Situation Overview of Syria (HSOS) – Joint Needs Assessment Dashboard 2024-2025, 23 January 2025.

[3] REACH, Unpacking the effects of thirteen years of crisis: A snapshot of humanitarian needs in post-Assad Syria, January 2025.

[4] The 4Ws (Who does What, Where, and When) is an information management process led by OCHA. Every month, partner organizations are asked to report on the 4Ws. Publicly available data is accessible here.

[5] OCHA, Population Task Force Population Data. June 2024 (unpublished).

[6] The findings related to microenterprises are published as a separate report and dashboard.

[7] REACH, Dana Labour Market Assessment: Microenterprises Report, January 2025.

Key Findings

Despite Dana City being an economic hub, job opportunities in 2024 were limited across the interviewed SMEs. Only one third (33%) of SMEs reported the need to hire jobseekers under permanent employment in 2024, while one out of each five SMEs (19%) reported need to hire jobseekers under temporary or seasonal employment and 14% of SMEs reported need to hire casual or daily workers.

The **main challenges that interviewed SMEs reportedly faced are primarily related to economic matters and lack of financial resources, rather than a lack of workers.** Consequently, the top solution interviewed SMEs reported was providing financial support in the form of grants, small loans, or in-kind support expecting that it would have a bigger impact than capacity building initiatives.

Nonetheless, interviewed SMEs appeared to be financially feasible in 2024: 70% of SMEs reported that the revenues gained were slightly higher than the operation costs. Despite that, most SMEs reported that the number of enterprises operating in their sector increased during 2024, indicating growing competition across all sectors covered in the assessment.

Employment indicators show that **the education sector, services and maintenance sector, private health sector, food production sector, and solar value chain sector all have a high level of potential to absorb new workers**, in contrast to the agribusiness sector, the light industry and manufacturing sector, and the construction, engineering, and contracting sector which have a lower potential to absorb new workers.

The services and maintenance sector reported the highest need to hire permanent employment, followed by the light industry and manufacturing sector, while the construction, engineering, and contracting sector reported the lowest need to hire permanent employment, followed by the food production sector.

Although a slight need for labour exists, **not all SMEs were able to fill all the vacancies they had**. A gap exists between the number of vacancies needed and the actual number of jobseekers hired. The permanent employment labour modality has the largest gap with 123 jobseekers hired against 170 vacancies needed to be filled. In contrast, the employment gap was small for the temporary or seasonal employment labour modality (100 jobseekers hired against 104 needed vacancies) and the casual or daily work labour modality (105 jobseekers hired against 111 needed vacancies).

Interviewed SMEs primarily focus on soft skills rather than sector-specific skills when seeking to fill vacancies. Work ethic (reliability, trustworthiness, etc.) was the most important skill under all three labour modalities (permanent; temporary or seasonal; and casual or daily), and both enterprise sizes (small and medium). Work ethic was also the most-sought-after skill across the value chain, commercial retail and trade, food production, and services and maintenance sectors.

Difficulty in verifying candidacies' skills, experience, or qualifications, **high cost of hiring workers with the necessary skills**, and **difficulty in finding trustworthy candidates**, are among the **top three challenges facing SMEs when trying to fill vacancies** under all three labour modalities.

The impact of the fall of the Assad government on SMEs operations in Dana City varied, with respondents roughly evenly split between a positive impact (35%), no impact (33%), and a negative impact (31%). Even though the political developments allowed Internally Displaced Persons (IDPs) to return to their place of origin, most interviewed entrepreneurs (68%) planned to stay in the area they reside in 2025. Only 18% planned to return to their area of origin, while 14% had no movement plans for 2025 or planned to move elsewhere in Syria other than their place of origin.

CONTENTS

List of Acronyms

IDPs:	Internally Displaced Persons
NWS:	Northwest Syria
ERL Cluster:	Early Recovery and Livelihoods Cluster
TVET:	Technical and Vocational Education and Training
MSMEs:	Micro, Small, and Medium Enterprises
SMEs:	Small and Medium Enterprises
HSOS:	Humanitarian Situation Overview of Syria
4Ws:	Who does What, Where, and When

Geographical Classifications

This assessment took place in Dana City and Sarmada City, Idleb Governorate, Syria.

ADMIN 1	IDLEB GOVERNORATE
ADMIN 2	DANA DISTRICT
ADMIN 3	DANA SUB-DISTRICT
ADMIN 4	DANA CITY, SARMADA CITY

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Key definitions

Key Employment Sector[8] or key sectors of the economy represent areas of the economy in which groups of businesses share the same or related business activity, product, or service. These sectors represent a large grouping of companies with similar business activities and provide livelihood opportunities for the workforce. These sectors may include agriculture, manufacturing, construction, finance and related services, retail and commerce, etc.

Micro, Small and Medium Enterprises (MSMEs): For this assessment, only the number of employees is used to define MSMEs. The employee thresholds have been revised down from international standards to better account for the Syrian context.[9]

Table 1: Categorization of enterprise size

Enterprise Size	Number of employees
Micro Enterprise	1-3 employees
Small Enterprise	4-10 employees
Medium Enterprise	11-50 employees

[8] World Bank, Sector Taxonomy and definitions, July 2016.

[9] The International Financial Corporation categorizes MSMEs based on three attributes: the number of employees, total assets, and annual sales. The limited data on enterprises and the lack of a central repository of registered business makes it challenging to estimate the total assets and annual sales. International Finance Corporation, IFC's Definitions of Targeted Sectors, retrieved April 2025.

Sector-specific skills: Sector-specific skills are technical, job-specific abilities and special attributes that are needed for performing an occupation in practice. Learners often acquire these through post-basic education, including highly specialized professional training or extra-school courses. These skills could relate to a specific job, task, or academic discipline (e.g. teacher, geographer, medical doctor or journalist).

Vocational skills: For this assessment, the ILO's definition of vocational skills is used: The knowledge, practical competencies, know-how, and attitudes necessary to perform certain trades or occupations in the labour market which relate to fulfilling the requirements of daily basic needs of maintaining habitation. These include carpentry, plumbing, electrical and wireworks, tin-smithing, etc.

Permanent employee: Someone who is expected to work for the business on a regular basis without a specific end date in mind. This includes full-time and part-time workers.

Temporary or seasonal employee: Someone who works for the business during a specific window of time, usually between one to six months. This includes full-time and part-time workers.

Casual or daily worker: Someone who is hired for a short period, usually between one day or up to one month. The need for daily workers may be regular or irregular.

INTRODUCTION

Fourteen years into the conflict in Syria, the crisis is complex and multi-dimensional, characterized by political instability, armed conflict, and economic deterioration, resulting in unstable markets and lack of access to livelihoods.[10] According to the REACH Humanitarian Situation Overviews (HSOS) Sectoral Dashboard, livelihood has consistently been reported as one of the top priority needs among all population groups in Northern Syria. In order to provide support to conflict-affected populations in accessing livelihood opportunities, finding decent employment, and becoming economically resilient and self-reliant, a deep understanding of the Micro, Small, and Medium Enterprises (MSMEs) profiles, key employment sectors, skills in demand, and the challenges that face MSMEs is needed.

Livelihoods programming is a core pillar of the Northwest Syria Early Recovery and Livelihoods (NWS ERL) Cluster's work. According to the NWS ERL Cluster's records, more Technical and Vocational Education and Training (TVET) programming was done in Dana City in 2024 than in any other location in Idleb Governorate. However, there is a lack of systematic, publicly available, and up-to-date information on employment status, core and growing sectors, and labour market supply and demand in Dana City.

The Dana City Labour Market Assessment aims to enhance implementing partners' understanding of the opportunities for growth in the key employment sectors in and around Dana City. In addition, it aims to providing partners with a template that they can use to conduct similar labour market research and inform programming in other contexts.

Dana town (population: 71,175[11]) is an urban centre for Dana Sub-District and surrounding communities, including Bab El Hawa (which is a border crossing between Syria and Türkiye, and has an industrial zone) and Sarmada (an industrial and trade urban area). In March 2022, REACH published a Labour Market Assessment of Dana City[12] (data collection occurred during the first three weeks of

[10] REACH, Economic Deprivation in Northwest Syria, April 2024.

[11] OCHA, Population Task Force Population Data. June 2024 (unpublished).

[12] REACH, Dana Labour Market Assessment, March 2022.

December 2021). The assessment identified the gaps in employment opportunities between the supply (jobseekers) and demand (employers) by highlighting the barriers faced by jobseekers in accessing employment, and the challenges faced by employers in hiring skilled labour.

The design of the data collection tools was shaped by the insightful contributions of the Key Informants (KIs) who represented governmental entities, NGOs, and market experts. The assessment was generously funded by the Swiss Agency for Development and Cooperation (SDC).

The assessment aims to answer the following five research questions:

1. How does demand for labour vary across economic sectors in Dana City, and which sectors appear to have the highest potential for absorbing new workers and/or for the creation/expansion of SMEs?

2. How does demand for labour in Dana City vary across different types of employment, including permanent employment, temporary or seasonal employment, and casual or daily work?

3. What specific skills do employers in Dana City look for, including both soft skills and sector-specific skills, and how do they prioritize among different skills?

4. What are the key constraints that employers face when seeking to hire workers?

5. What effects, if any, have the recent political changes in Syria and the regional conflict in Gaza and Lebanon had on SMEs in terms of production, operation, costs, supply, demand, profits, and sustainability?

METHODOLOGY

The research design for this assessment occurred in three phases. First, REACH conducted secondary data analysis and literature review to identify key information gaps and synthesize the most notable research on the current state of the labour market in Dana City.

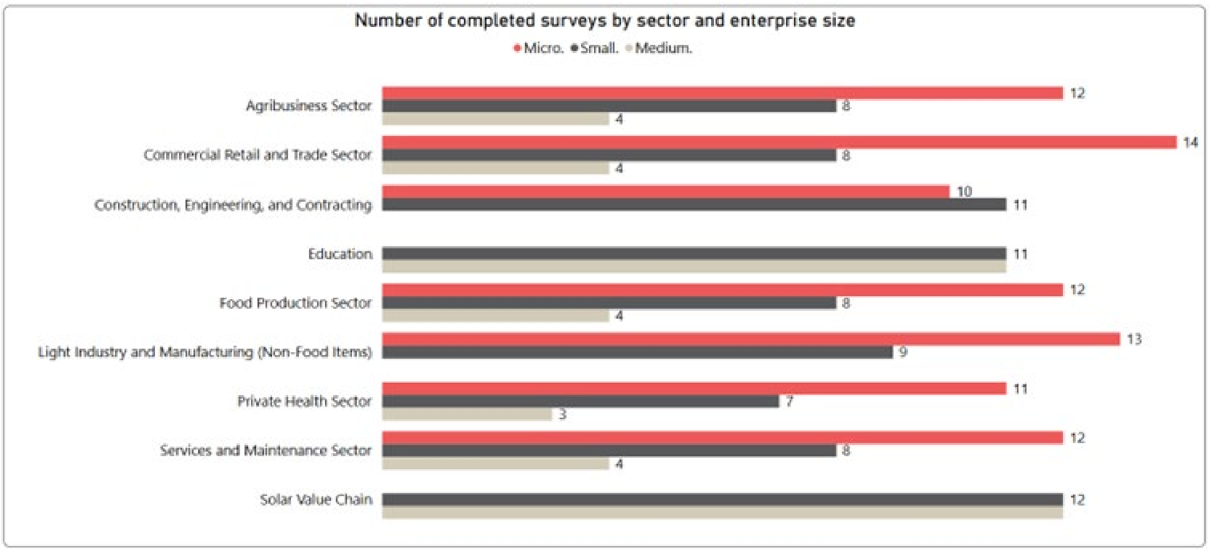
Then, REACH conducted six semi-structured scoping interviews with KIs (representatives of governmental bodies, local and international NGOs staff, and market experts) to determine the geographical scope of the assessment, the top economic sectors, and the appropriate distribution of interviews between sectors and enterprise sizes. The KIs explained that the labour market in Dana City and surrounding urban areas primarily consists of micro and small enterprises, many of which are home-based businesses run by women and not officially registered with the relevant governmental entities, such as the Dana City Municipality or the Chamber of Commerce. Therefore, there is no official record of the number of enterprises and the size of each enterprise per sector.

A combination of purposive and snowball sampling approach was used to approach male and female entrepreneurs. Purposive sampling was done through creating a form that collects the contact information of male and female SME representatives across the key employment sectors in Dana City, then sharing the form with REACH's partners and KIs to distribute across their networks. The collected contact information was used to plan enumerators' data collection efforts. After that, snowball sampling was applied to continue data collection until the target number of surveys (200) were completed.

Findings from this assessment are indicative and specific to the areas surveyed. Further, although the sampling took into account the data collected from the scoping interviews, it should not be seen as representative of the relative size of the top economic sectors in Dana City.

The tools used for this assessment are available to partners to enable them to conduct livelihoods research in other locations. To access the tool, please contact the Early Recovery and Livelihoods (ERL) Cluster of Northwest Syria at: info.ercluster@undp.org

Figure 1: Number of completed surveys by sector and enterprise size



Medium enterprises under the light industry and manufacturing sector are mostly based in the Bab El Hawa industrial zone, close to Dana City.

Geographical scope

Dana City was chosen as the primary location for the Labour Market Assessment, because it had the highest number of TVET interventions in Idleb Governorate in 2024 according to the NWS ERL Cluster 4Ws data and is the urban centre for surrounding districts.

Scoping interviews indicated that major economic activities are present in three areas in Dana City:[13]

- Dana Town (population: 71,175) is the main urban centre of Dana City. As of June 2024, 39% of the population were IDPs.
- Bab El Hawa Town (population: 105,283) is one of the border crossings between Syria and Türkiye. It also has an industrial zone of different types of manufacturing activities. Therefore, it is considered the industrial and trade hub of Idleb Governorate. As of June 2024, 99% of the population were IDPs.
- Sarmada Town (population: 145,616) is the secondary urban centre of Dana City. The population density of Sarmada has increased recently due to arrivals of Internally Displaced Persons (IDPs). As of June 2024, 85% of the population were IDPs.

Sampling strategy

In total, 124 interviews were conducted with SMEs, including 82 with small enterprises and 42 with medium enterprises, covering nine sectors and 45 unique activities:

[13] Population estimates are from the Population Task Force (PTF) led by OCHA, updated in June 2024 (unpublished).

Table 2: Number of completed surveys by gender and sector

Sector / Enterprise Size	Small-size Enterprises		Medium-size Enterprises		Total number of interviews per sector
	Female entrepreneur	Male entrepreneur	Female entrepreneur	Male entrepreneur	
Agribusiness	3	5	1	3	12
Commercial Retail and Trade	4	4	0	4	12
Construction, Engineering, and Contracting	0	11	0	0	11
Education	11	0	0	11	22
Food Production	4	4	0	4	12
Light Industry and Manufacturing	0	9	0	0	9
Private Health	3	4	0	3	10
Services and Maintenance	4	4	0	4	12
Solar Value Chain	0	12	0	12	24
Total per gender	29	53	1	41	124
Total per enterprise size	82		42		
Grand Total	124				

The sampling targeted equal coverage of male and female respondents across all sectors. However, no female entrepreneurs were identified in the solar value chain, light industry and manufacturing, and construction, engineering, and contracting sectors. In contrast, KIs interviewed during the scoping phase noted that female entrepreneurs mostly work in the education sector and the commercial retail and trade sector, stating that these are more socially acceptable and comfortable for female entrepreneurs.

The most common activities among interviewed female entrepreneurs were kindergarten (9), school (4), and trade/retail of clothing and shoes (4), while the most common activities among male entrepreneurs were trade/retail of solar system equipment (19), solar system installation, repair, and maintenance (15), and school (11).

Analysis

Data analysis involved several steps to ensure the validity and reliability of the findings:

1. After data collection, a thorough cleaning process was conducted to prepare the dataset for analysis. Out of the 130 surveys completed with SMEs, 124 were of sufficient data quality for analysis.
2. Responses such as capital range and enterprise establishment year range were categorized to enable comparisons across different groups.
3. Quantitative analysis was conducted to calculate relevant measures (such as means, frequencies, and proportions), to identify patterns and trends.
4. In addition to quantitative data, qualitative insights were derived from the open-ended responses, and respondents' comments during interviews.

5. The results from both quantitative and qualitative analyses were integrated to provide a comprehensive understanding of the SMEs labour market landscape in Dana City.

Challenges and limitations

1. Purposive sampling was used due to the absence of a reliable, complete list of SMEs in the area. While efforts were made to balance data collection resources between sectors and activities, not all the activities included in each key employment sector were covered equally, due to purposive sampling and data collection constraints.

2. Purposive sampling for this assessment relied on the professional network of NGOs having previous and ongoing livelihood activities in Dana City. Therefore, small enterprises that have received support are likely to be overrepresented.

3. Snowball sampling for this assessment relied on the professional network of interviewees from the scoping. During data collection, enumerators may have been referred to enterprises similar to the ones they interviewed, thus skewing the findings. The number of interviews conducted with SMEs under the solar value chain sector (24 interviews) and the education sector (22 interviews) is higher than all other sectors (between 9 and 12 interviews per sector).

4. During the data collection timeframe, 14-16 January 2025, there was a major strike[14] in Dana City and surrounding urban areas by shop owners, companies, and commercial activities. The strike was in response to an increase in tariffs and customs taxes on imported goods imported through Bab El-Hawa border crossing with Türkiye, which had led to an increase in prices in Idleb and Aleppo governorates by 15-20%. During data collection, enumerators could not reach some of the respondents they had planned to meet. However, they were able to complete the target number of surveys.

5. All findings in this report are based on self-reporting. Due to inherent biases in self-reporting, there may be underreporting or overreporting of certain indicators, especially sensitive indicators, such as those relating to the reporting of financial trends and registration with relevant governmental entities.

[14] ETANA Syria, Syria Update #14, 17 January 2025.

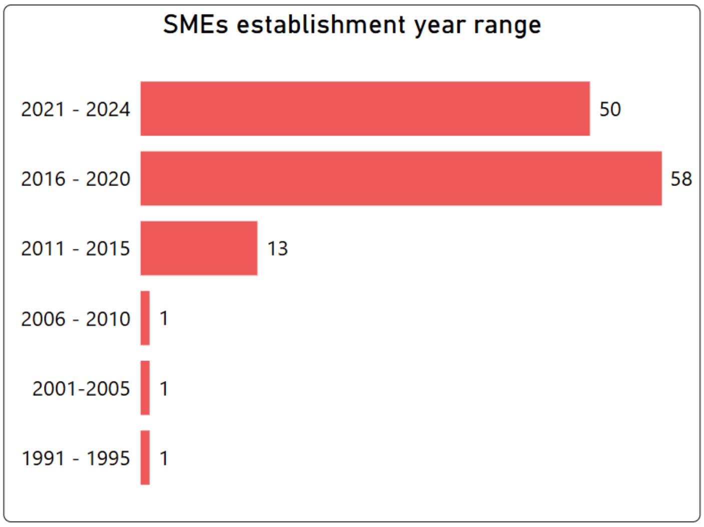
FINDINGS

SMEs profile in Dana City

As indicated during scoping interviews with KIs, Dana City has been a destination for IDPs after the onset of the civil unrest in 2011 due to its strategic location, being safer than nearby areas, and its proximity to the Bab El Hawa border crossing. The number of SMEs may have grown in response to this increased population.

Most interviewed SMEs (98% or 121 out 124) were established after 2011:

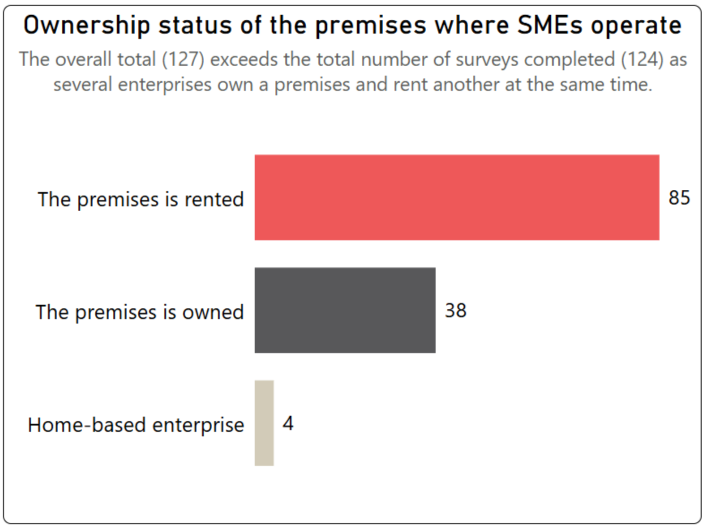
Figure 2: SMEs establishment year range



Ownership of enterprises' premises

Among the SMEs interviewed, rental of one's premises is more common than ownership, especially for medium enterprises.

Figure 3: Ownership status of the premises within the interviewed SMEs



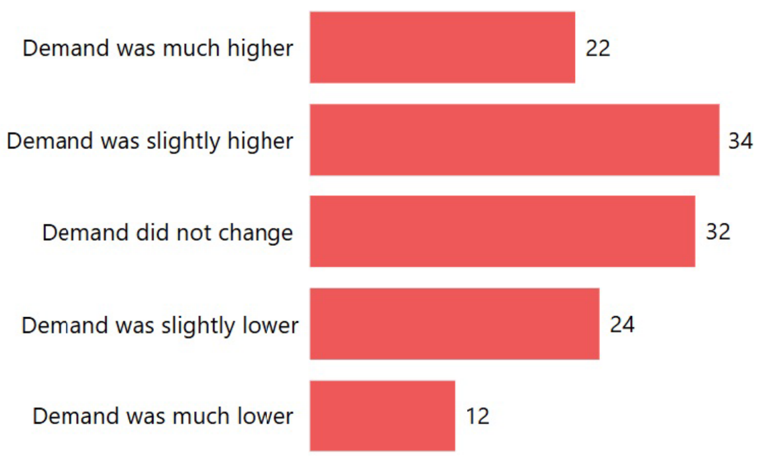
There is no clear distinction between the different sectors, except that the light industry and manufacturing sector has the lowest premises ownership rate, with only one enterprise out of nine. Renting is also more common among interviewed SMEs in the education sector than in other sectors, with 15 out of 22 enterprises renting.

Change in demand between January 2024 and January 2025

There was a considerable variation in the changes in demand for SMEs' products and/or services compared to the 12 months prior (from January 2024 and January 2025), with slightly more SMEs reporting increases in demand.

Although responses within sectors were not uniform, trends emerged. Most SMEs within the solar value chain (14 out of 24), education (12 out of 22), and food production (7 out of 12) sectors reported that the demand was higher than January 2024. In contrast, most enterprises with the construction, engineering, and contracting sector (8 out of 11) and the light industry and manufacturing sector (5 out of 9) reported that the demand was lower than January 2024.

Figure 4: Demand for products and/or services between January 2024 and January 2025



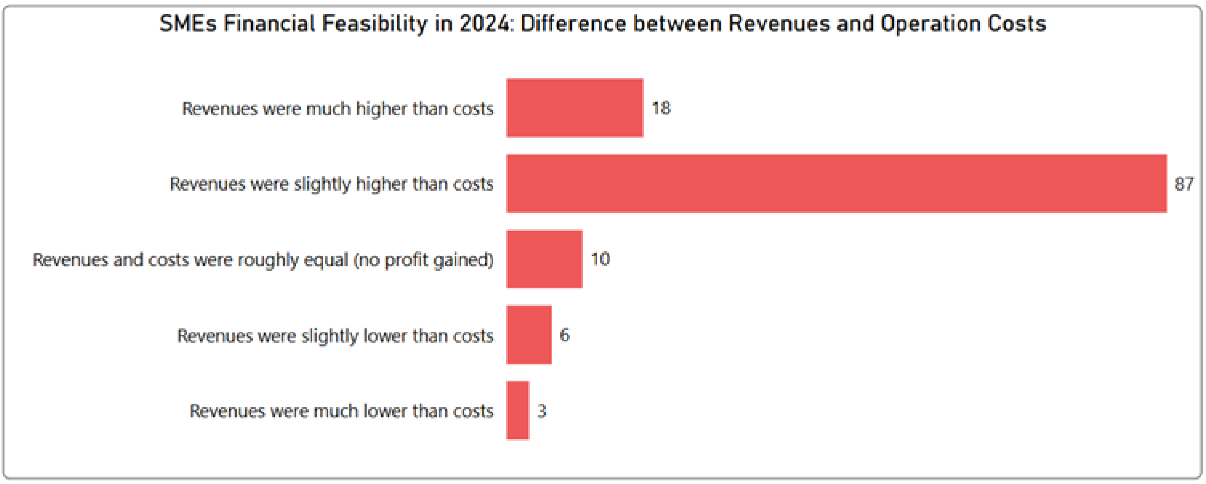
Financial feasibility of SMEs in 2024

Overall, the interviewed SMEs appeared to be financially feasible in 2024: Most SMEs (70% or 87 out of 124) reported that the revenues gained in 2024 were slightly higher than the operation costs. Of the remaining 37 SMEs, 18 out of 124 reported revenues much higher than costs, 10 SMEs reported that the revenues were equal to the operation costs, and only nine SMEs reported making a loss.

However, the financial viability differs across the different sectors:

- All 12 enterprises within the agribusiness, commercial retail and trade, and the food production sectors reported that the revenues were higher than the operation costs.
- 19 out of 22 SMEs within the education sector, eight out of nine SMEs under the light industry and manufacturing sector, and nine out of 12 SMEs under the services and maintenance sector reported that the revenues were slightly higher than the operation costs.

Figure 5: SMEs financial feasibility in 2024: Difference between revenues and operation costs



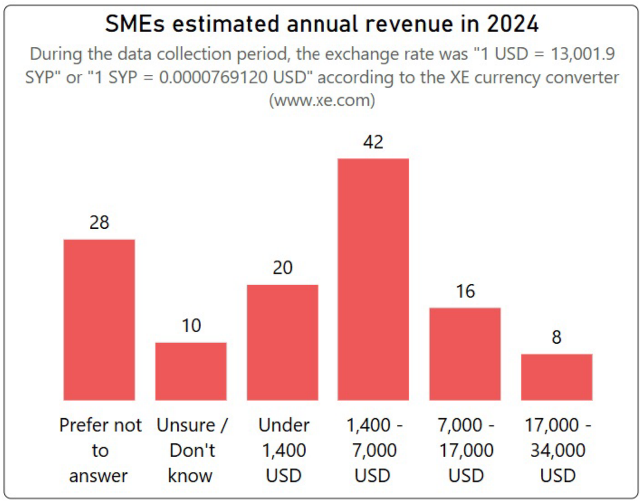
Only 69% or 86 out of 124 SMEs reported their estimated annual revenue during 2024, while the remaining 31% or 38 out of 124 SMEs did not know or preferred not to answer.

Among those 86 SMEs that were willing and able to estimate their annual revenue for 2024:

- 42 estimated their annual revenue in 2024 to be between 1,400 USD and 7,000 USD, nine of which were within the education sector, seven were within the commercial retail and trade sector, and seven were within the food production sector.
- 20 estimated their annual revenue to be less than 1,400 USD, 14 of which were within the education and service and maintenance sectors (seven SMEs in each).[15]
- 16 estimated their annual revenue to be between 7,000 USD and 17,000 USD, half of which were within the solar value chain sector.
- Eight estimated their annual revenue in 2024 to be higher than 17,000 USD, of which two were within the agribusiness sector and two in the private health sector.

[15] The International Finance Corporation defines micro, small, and medium enterprises according to employees, assets, and sales, with an enterprise qualifying if it meets two out of three criteria. Per the International Finance Corporation's criteria, small enterprises have annual sales of 100,000 to less than 3 million USD and micro enterprises have annual sales of less than 100,000 USD. By this criterion, all the enterprises interviewed in Dana are micro enterprises.

Figure 6: SMEs estimated annual revenue in 2024



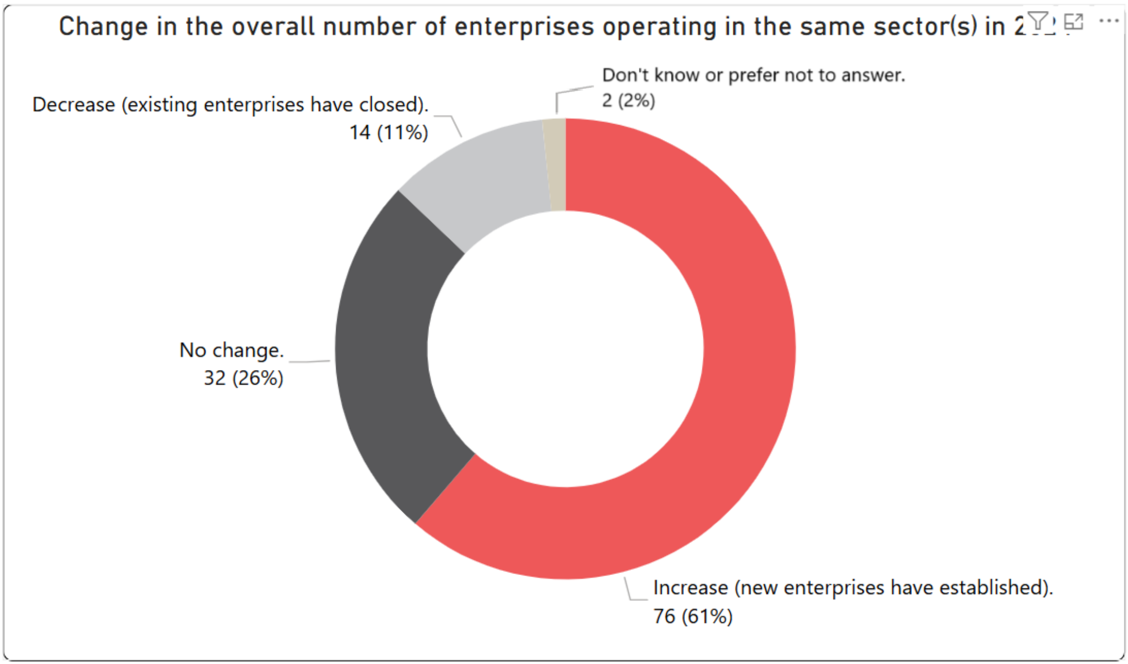
Competition within enterprises in the same sectors

In most of the surveyed sectors, a majority of SMEs (61% or 76 out of 124) reported that the number of enterprises operating in their sector increased in 2024, indicating growing competition across all sectors covered in the assessment. This was particularly the case in the private health sector (all 10 SMEs reported increased competition), the commercial retail and trade sector (11 out of 12), and the services and maintenance sector (10 out of 12). Similarly, in the agribusiness, food production, and construction, engineering, and contracting sectors, eight out of 12 SMEs in each sector reported increased competition. However, the 24 surveyed SMEs within the solar value chain sector were divided, with six reporting that the number of enterprises operating in this sector increased in 2024, five reporting that it decreased, and 12 reporting no change.

This trend of increased competition may suggest several things:

- Increased competition could lead to entrepreneurs reducing prices to compete, leading to narrower profits but also cheaper goods for consumers.
- With the heightened competition, skill development and capacity building could help entrepreneurs to differentiate themselves from the competition.
- The increased competition underlines the importance of coordination and evidence-based interventions by humanitarian actors to avoid oversaturating a market.
- As competition between SMEs intensifies, they may benefit from collaboration through, for example, business associations or cooperatives to enable cost-sharing. There may be a place for humanitarian actors to facilitate or fund such platforms.

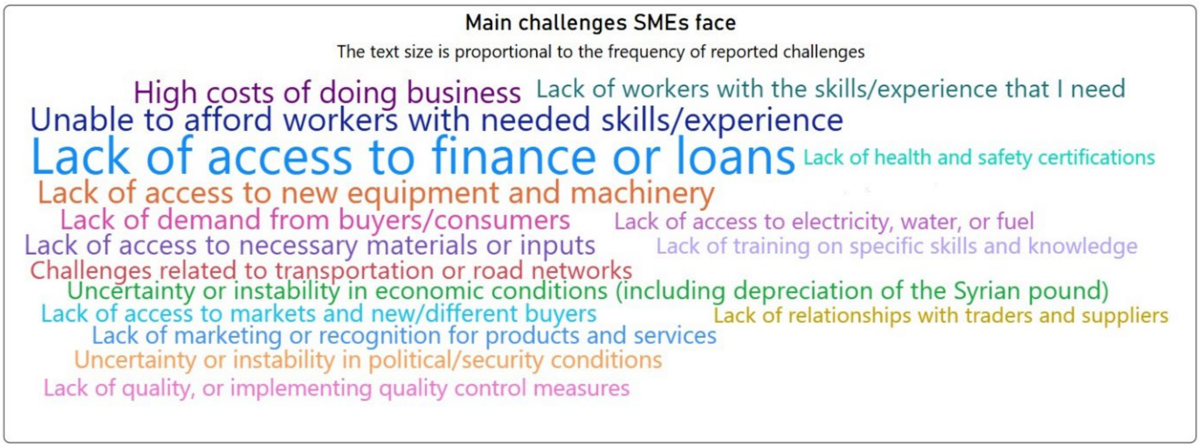
Figure 7: Change in the overall number of enterprises operating in the same sector(s) in 2024



Challenges enterprises faced within their sectors

The main challenges that interviewed enterprises reportedly faced were primarily related to economic matters and lack of financial resources, rather than a lack of workers. The most-reported challenges are illustrated in the following figure.

Figure 8: Main challenges SMEs face



Lack of access to finance or loans was the only challenge reported by the majority of SMEs (69% or 85 out of 124). In the agribusiness, commercial retail and trade, and education sectors, it was identified as a top challenge. Beyond that, challenges varied by sector.

Inability to afford workers with the needed skills/experience appeared to be a challenge for SMEs in the education sector (13 out of 22) and agribusiness sector (five out of 12) but was only reported by six out of 24 enterprises in the solar value chain sector. Inability to afford workers with the needed skills/experience appears to be a larger problem for medium enterprises (43% or 18 out of 42) than for small enterprises (21% or 17 out of 82). This is perhaps not surprising, as medium enterprises may require more specialists and, by definition, hire more staff than small enterprises.

Lack of access to new equipment and machinery was mostly reported by around a quarter of SMEs (24% or 30 out of 124), but particularly those working in the services and maintenance sector, and the light industry and manufacturing sector, with five enterprises in each sector reporting this challenge.

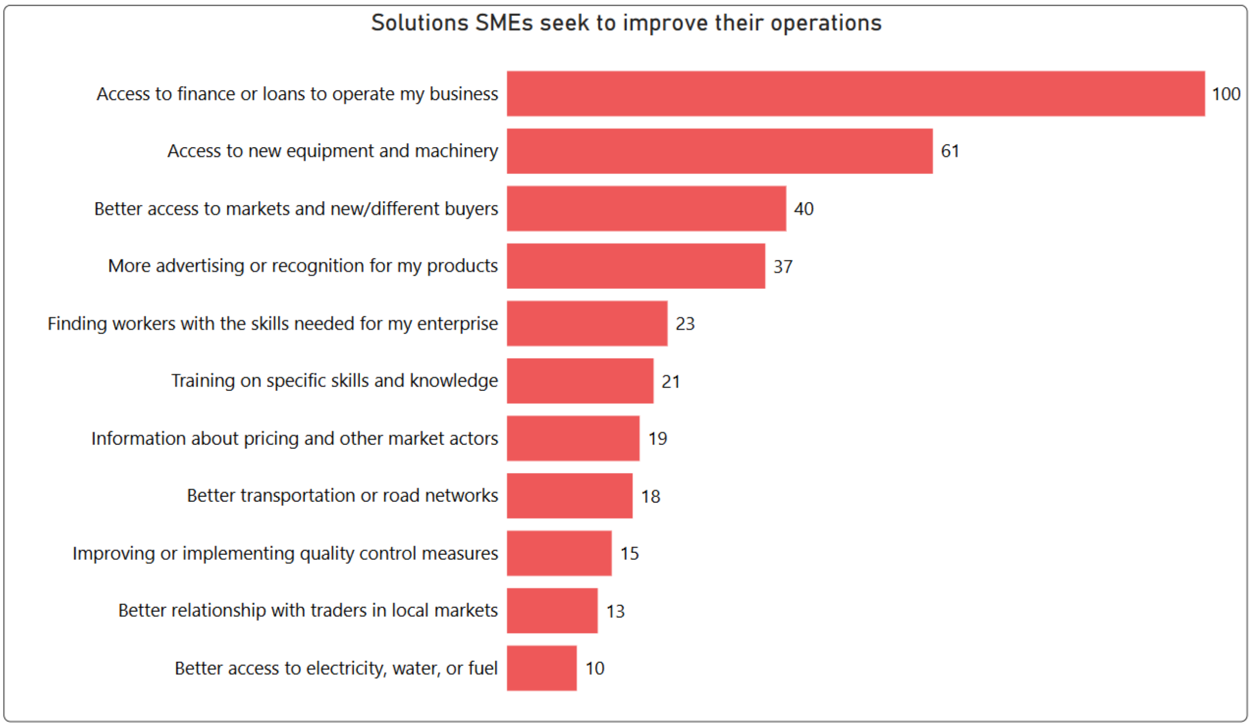
Solutions entrepreneurs sought to improve their enterprises

Reflecting on the aforementioned challenges, the primary solutions enterprises sought were economic rather than labour related. "Access to finance or loans" was the top solution entrepreneurs sought to improve their operations, noted by 100 out of 124 SMEs. The next most proposed solution was "access to new equipment and machinery" (61 out of 124 enterprises); this solution was particularly mentioned by SMEs in the services and maintenance (11 out of 12), light industry and manufacturing (eight out of nine), and food production (nine out of 12) sectors. "Better access to markets and new customers" (40 out of 124) was the next most common and was suggested by a majority of SMEs in the construction, engineering, and contracting (seven out of 11) and light industry and manufacturing (five out of nine) sectors.

Other sector-specific solutions included "more advertisement and recognition for my products" (recommended by six out of 12 SMEs in the commercial retail and trade sector) and "access to new equipment and machinery" and "training on specific skills and knowledge" (each suggested by five out of10SMEs in the private health sector.

Increased availability of skilled workers did not appear to be a major priority for SMEs: only 19% or 23 out of 124 SMEs reported "finding workers with the skills needed for my enterprise" as a solution to improving their operations. This finding was fairly consistent across sectors, with SMEs from the agribusiness and services and maintenance sectors reporting this as a solution at a slightly higher rate (each 33%, or four out of 12). Although this suggests that skilled labour is more demanded in those sectors, overall, it appears that humanitarian actors wanting to support SMEs would have a bigger impact by focusing on access to financing and to materials, rather than on training workers.

Figure 9: Solutions SMEs seek to improve their operations



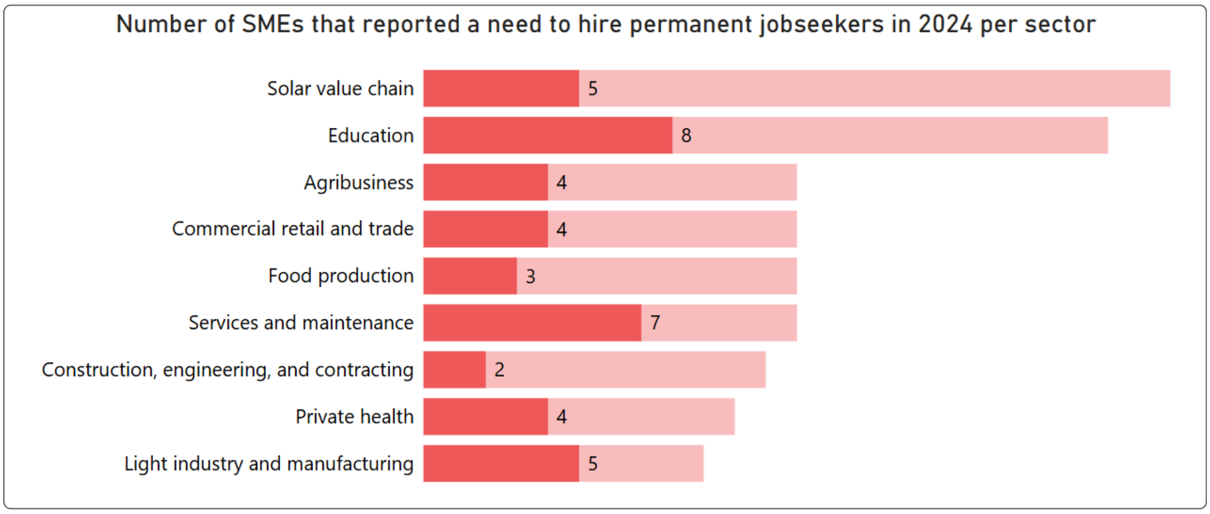
Variation in demand for labour across employment modalities

Analysis of collected data concludes a general lack of job opportunities across the interviewed SMEs in Dana City in 2024. Demand for permanent employees was greater than demand for temporary or seasonal employees or casual or daily workers, both in terms of the proportion of SMEs reporting demand and in terms of total individuals hired: A higher proportion of SMEs reported a slightly greater demand for permanent employees (33% or 34 out of 124) than for temporary or seasonal employees (19% or 23 out of 124) or casual or daily workers (14% or 17 out of 124 SMEs). Interviewed SMEs sought to hire a total of 170 permanent employees, 104 temporary or seasonal employees, and 111 daily or casual workers.

Demand for the permanent employment labour modality

The demand for the permanent employment labour modality differs based on sector and enterprise size: the highest proportion of SMEs that reportedly needed to hire permanent employees in 2024 were from the services and maintenance sector (seven out of 12), followed by the light industry and manufacturing sector (five out of nine). In contrast, the sectors with the lowest reported need to hire permanent employees were the construction, engineering, and contracting sector (two out of 11) and the food production sector (three out of 12). This result is expected, as the SMEs working in the construction, engineering, and contracting sector normally work on a project basis, where there is a waiting period between finalizing a project and starting a new one. For the SMEs working in the food production sector, the demand is different throughout the year, with the peak being during Ramadan month and the Eid season.

Figure 10: Number of SMEs that reported a need to hire permanent jobseekers in 2024 per sector



There were no major differences between the proportion of medium enterprises and small enterprises that reported a need to hire permanent employees: 38% or 16 out of 42 medium enterprises reported need to hire permanent employees, while 32% or 26 out of 82 small enterprises reported the same. There was a variation among medium enterprises, with all four under the services and maintenance sector reporting a need to hire permanent employees, whereas around half of medium enterprises under the education sector (five out of 11) and the agribusiness sector (two out of four) reported the same.

The gap between vacancies and the number of hired staff:

42 SMEs expressed need to hire 170 permanent jobseekers, 33 were owned by a male entrepreneur while nine were owned by a female entrepreneur. However, 17 out of the 42 SMEs were unable to fully or partially fulfil the vacancies. Only 72% or 123 permanent jobseekers were hired out of 170 needed vacancies.

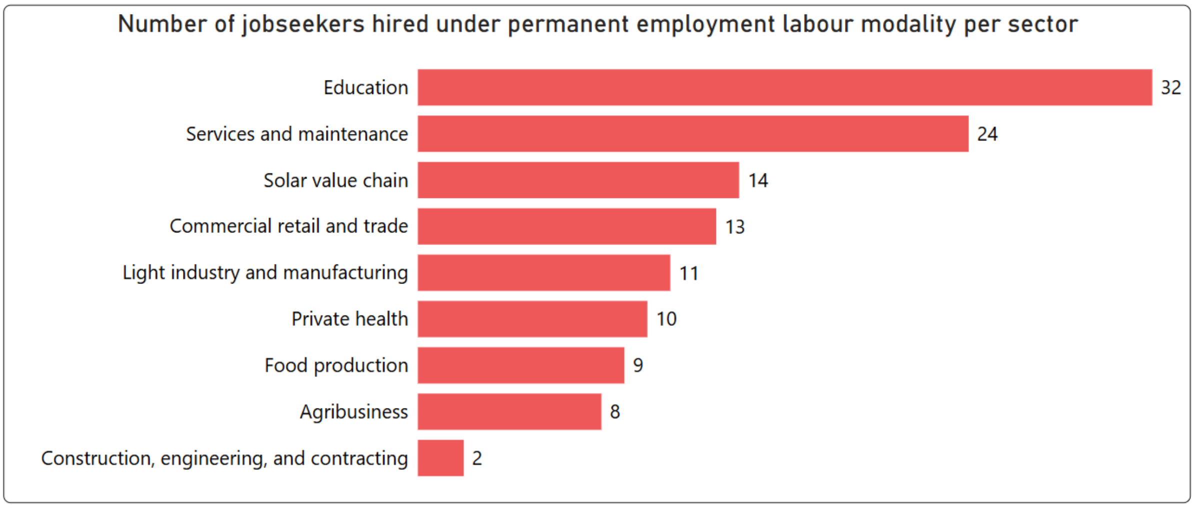
The 123 jobseekers hired under the permanent employment labour modality were distributed across the following sectors:

- 26% (32 jobseekers) were hired under the education sector.[16]
- 20% (24 jobseekers) were hired under the services and maintenance sector.
- 11% (14 jobseekers) were hired under the solar value chain sector.[17]
- 11% (13 jobseekers) were hired under the commercial retail and trade sector.
- 9% (11 jobseekers) were hired under the light industry and manufacturing sector.
- 8% (10 jobseekers) were hired under the private health sector.

[16] Note that the 22 education SMEs were interviewed for this assessment, compared to 9-12 enterprises from other sectors.
[17] Note that 24 solar value chain SMEs were interviewed for this assessment, compared to 9-12 SMEs from other sectors. As such, the total number of permanent employees hired by interviewed solar value chain SMEs is relatively low.

- 7% (nine jobseekers) were hired under the food production sector.
- 7% (eight jobseekers) were hired under the agribusiness sector.
- 2% (two jobseekers) were hired under the construction, engineering, and contracting sector.

Figure 11: Number of jobseekers hired under permanent employment labour modality per sector



Generally, the types of activities that permanent employees were/are needed to carry out revolved around the day-to-day management of the SME activities.

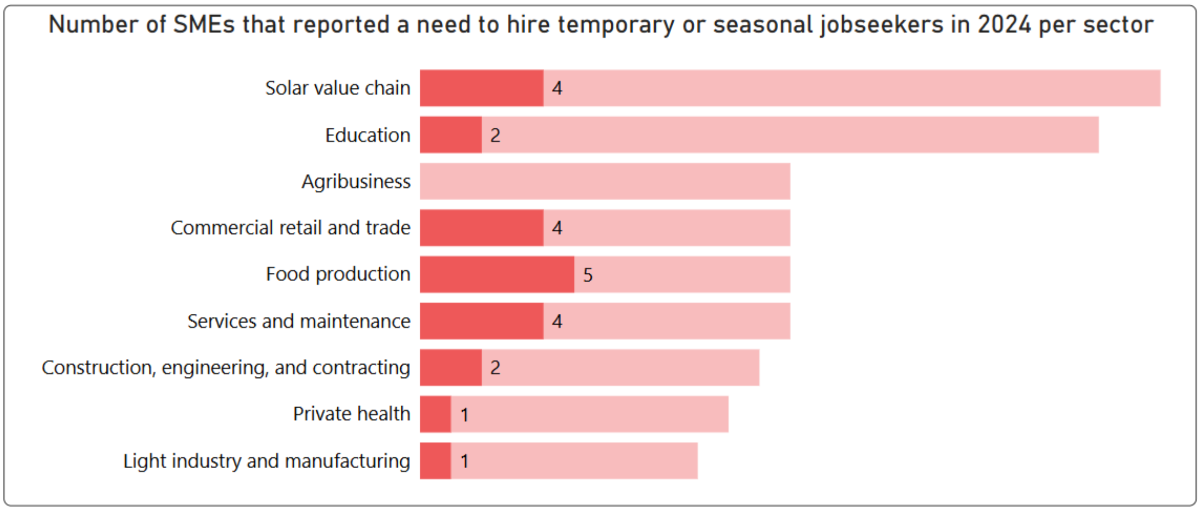
Demand for the temporary or seasonal employment labour modality

Demand for temporary or seasonal employees is less common than demand for permanent employees, among the interviewed SMEs. Only 19% or 23 out of 124 SMEs reported a need to hire temporary or seasonal jobseekers in 2024 in Dana City. Demand for temporary or seasonal employees appeared to be considerably more prevalent among medium enterprises (26% or 11 out of 42) than among small enterprises (15% or 12 out of 82).

The sector with the highest proportion of SMEs needing to hire temporary or seasonal employment was food production, with five out of 12 SMEs, followed by the commercial retail and trade and the service and maintenance sectors, with four out of 12 SMEs each.

In contrast, only one enterprise in the private health sector, one enterprise in the light industry and manufacturing sector, and none of the SMEs in the agribusiness sector reported a need to hire temporary or seasonal employment.

Figure 12: Number of SMEs that reported a need to hire temporary or seasonal jobseekers in 2024 per sector



Interviewed enterprises reported mostly hiring temporary or seasonal jobseekers for one or three months, mostly during April and June and peak seasons. The food production sector mostly needs temporary or seasonal employees during the summer (from June to September) and Ramadan and Eid seasons, which differ annually.

Depending on the SMEs' activity, temporary or seasonal employees are expected to carry out physical labour and support permanent employees as needed. However, the gap between vacancies and the number of jobseekers hired is much lower than the permanent employment labour modality; 100 jobseekers were hired under the temporary or seasonal employment labour modality out of 104 SMEs who expressed the need to hire them.

Sectors varied greatly in the number of temporary or seasonal employees hired in 2024, with the food production sector being responsible for almost half of the hires (48% or 48 out of 100). In contrast, the 22 interviewed education SMEs only hired one temporary or seasonal employee in 2024.

Figure 13: Number of jobseekers hired under temporary or seasonal employment labour modality per sector

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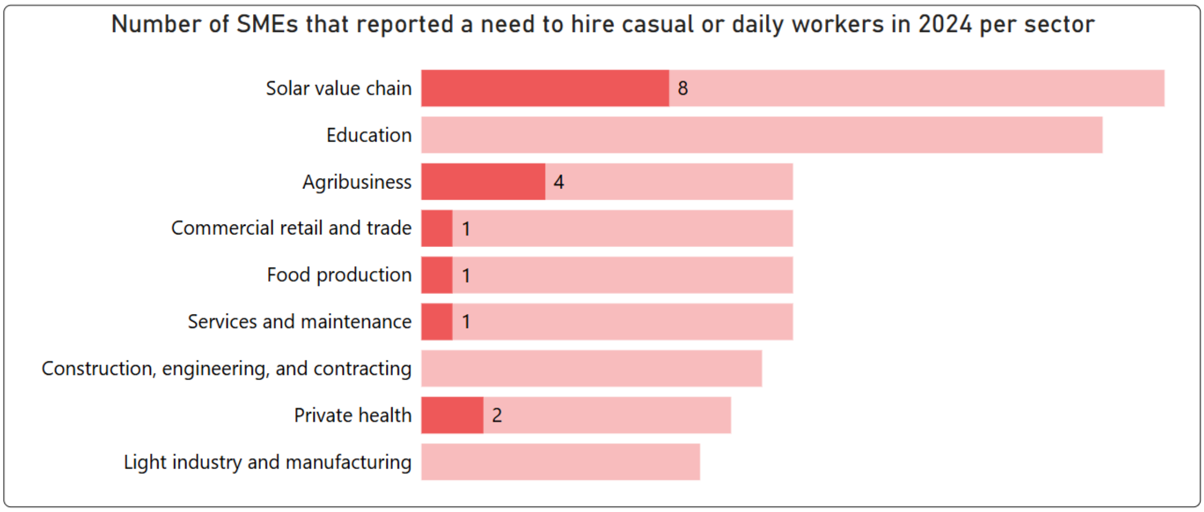
Demand for the casual or daily work labour modality

The casual or daily work is the least frequent labour modality among the interviewed SMEs in Dana City: only 14% or 17 out of 124 SMEs reported a need to hire casual or daily workers in 2024. However, the number of needed vacancies for the casual or daily work labour modality (111) was larger than the number of needed vacancies for temporary or seasonal employment labour modality (104).

Surprisingly, eight SMEs under the solar value chain sector, four under the agribusiness sector, and two under the private health sector are responsible for hiring 105 casual or daily work jobseekers out of the 111 needed vacancies. None of the SMEs working in the education, light industry and manufacturing, and construction, engineering and contracting sectors reported a need to hire casual or daily workers in 2024. Among interviewed SMEs, casual or daily workers are often expected to carry out physical labour.

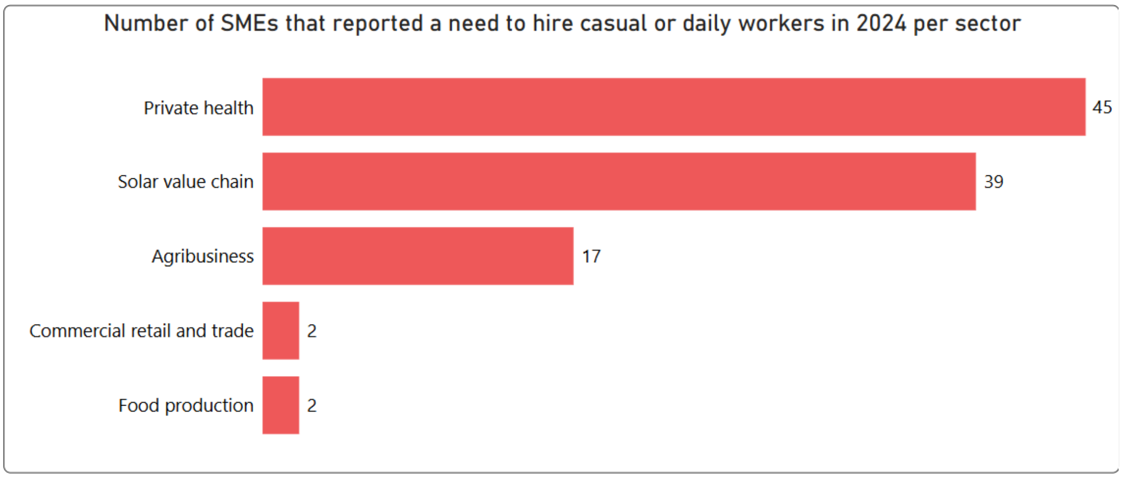
Figure 14: Number of SMEs that reported a need to hire casual or daily workers in 2024 per sector



The 105 jobseekers hired under the casual or daily work labour modality were distributed across the following sectors:

- 43% (45 jobseekers) were hired by two SMEs within the private health sector. This demonstrates the considerable variation between enterprises.
- 37% (39 jobseekers) were hired by eight SMEs within the solar value chain sector.
- 16% (17 jobseekers) were hired by four SMEs within the agribusiness sector.

Figure 15: Number of jobseekers hired under the casual or daily work labour modality per sector



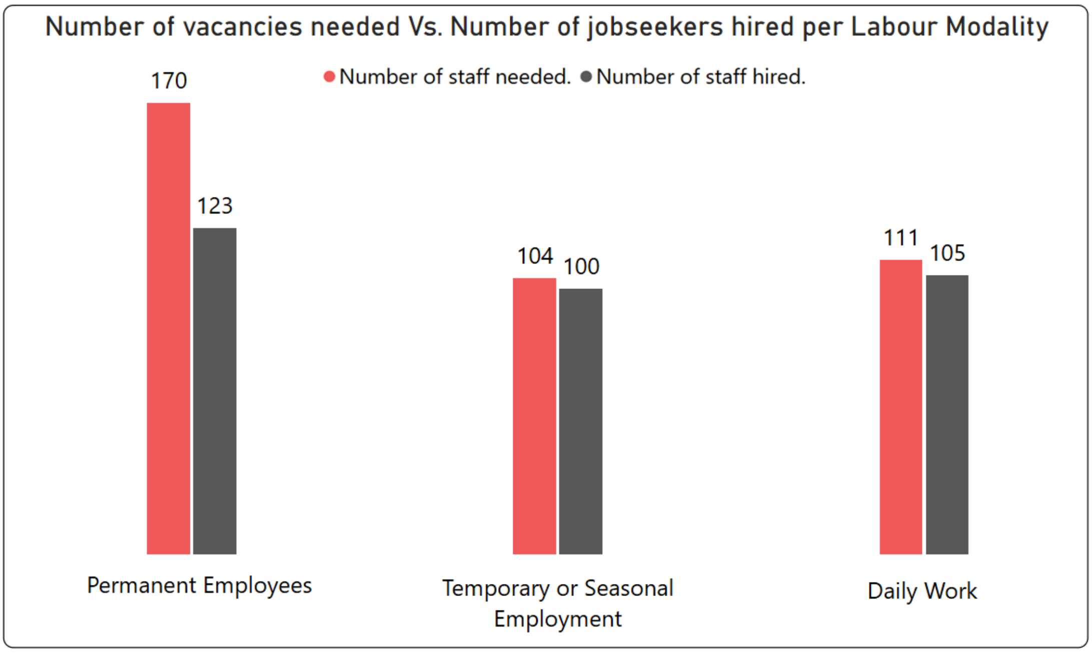
Like the temporary or seasonal labour model, the gap between vacancies (111) and jobseekers hired (105) is small.

Even though a slight need for labour exists, not all SMEs were able to fill all vacancies:

- Permanent employment: 72% or 123 out of 170 vacancies were filled.
- Temporary or seasonal employment: 96% or 100 out of 104 vacancies were filled.
- Daily work: 95% or 105 out of 111 vacancies were filled.

The greater difficulty filling vacancies for permanent employees may be due to the demand for greater skills for permanent employees and/or greater caution in hiring given the longer commitment.

Figure 16: The number of vacancies needed compared to the number of jobseekers hired per labour modality

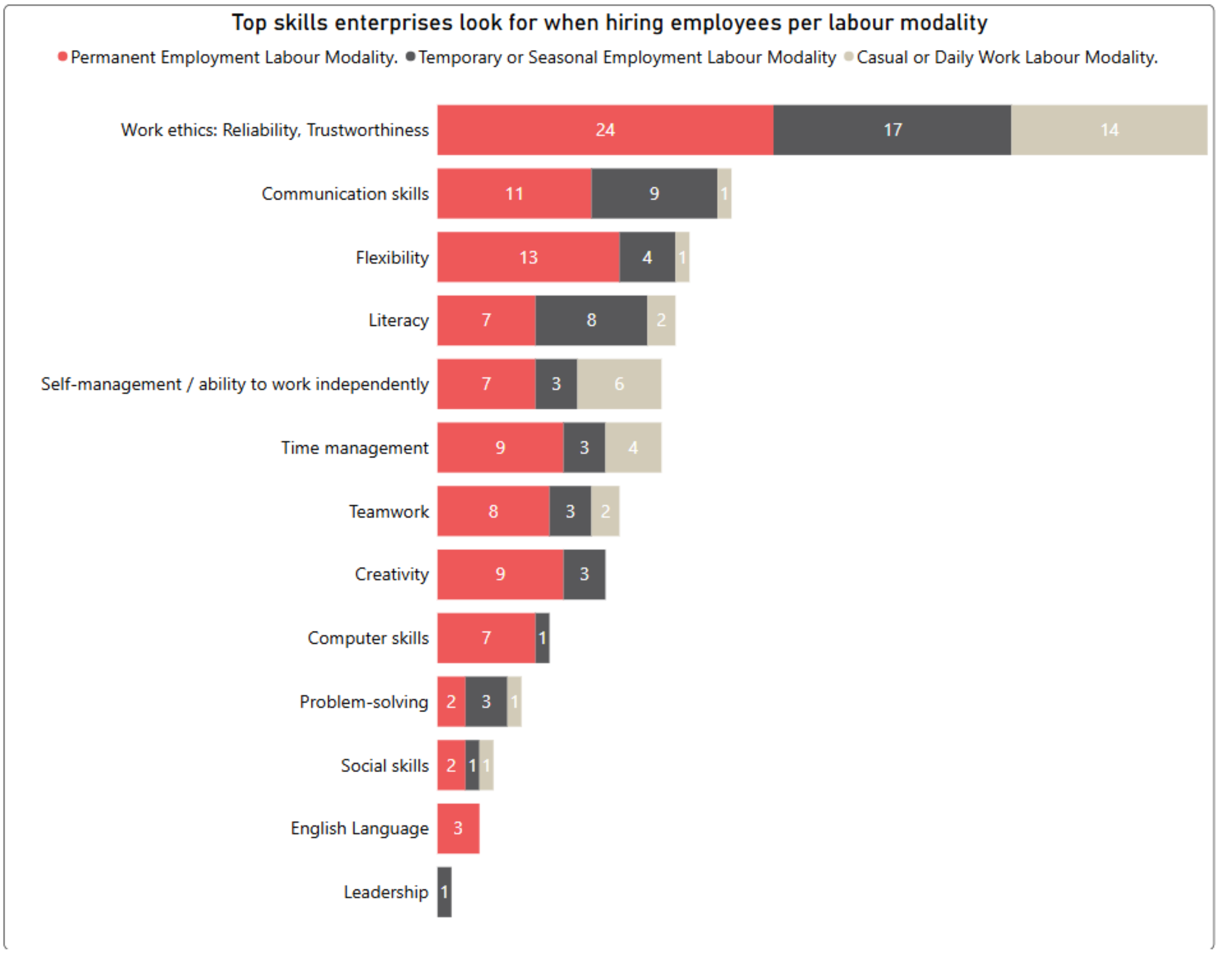


Sought-after sectoral and soft skills, and prioritization between skills

When asked about the skills that they sought in employees, SMEs primarily focused on soft skills rather than sector-specific skills. **Work ethic (reliability, trustworthiness, etc.) was the most important skill SMEs look for when hiring jobseekers under all three labour modalities (permanent; temporary or seasonal; and casual or daily), and both enterprise sizes (small and medium).** It was also the most-sought-after skill across the value chain, commercial retail and trade, food production, and services and maintenance sectors. **However, this was not the case for all sectors:**

- SMEs within the education sector reported creativity as the top skill, followed by computer skills and time management.
- SMEs within the agribusiness sector reported self-management (ability to work independently) as the top skill, followed by work ethic (reliability, trustworthiness, etc.).
- SMEs within the construction, engineering, and contracting and the light industry and manufacturing sectors reported flexibility as the top skill, followed by work ethic (reliability, trustworthiness, etc.).
- SMEs within the private health sector reported time management as the top skill.

Figure 17: Top skills enterprises look for when hiring employees per labour modality



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Challenges SMEs face when trying to fill vacancies

Figure 18: Main challenges enterprises face when seeking to fill vacancies

Difficulty in verifying candidacies' skills, experience, or qualifications, high cost of hiring workers with the necessary skills, and difficulty in finding trustworthy candidates, are equally the top three challenges facing SMEs when trying to fill vacancies under all three labour modalities.

For the permanent employment labour modality, difficulty in verifying candidates' skills, experience, or qualifications was the top challenge SMEs faced. Given the length of employment, this is particularly an issue, as failure to verify these can result in mismatches between job requirements and candidate capabilities.

For the temporary or seasonal employment labour modality, the high cost of hiring workers with the necessary skills was the top challenge SMEs faced. This difficulty in affording skilled workers who are willing to commit to short-term roles could impact the smooth operation of enterprises during peak seasons or specific projects. On the workers' side, it may be understandable that they would want to offset the temporary nature of the work with a higher wage. Other common challenges included difficulty finding people that the entrepreneur could trust, difficulty verifying skills, experience, or qualification, and not having time to train people (all mentioned by eight SMEs).

For the casual or daily work labour modality, finding trustworthy candidates was the top challenge SMEs faced. Given the informal and transient nature of casual work arrangements, enterprises may find it challenging to recruit individuals who demonstrate consistent work ethic and reliability, which are crucial for fulfilling short-term tasks effectively.

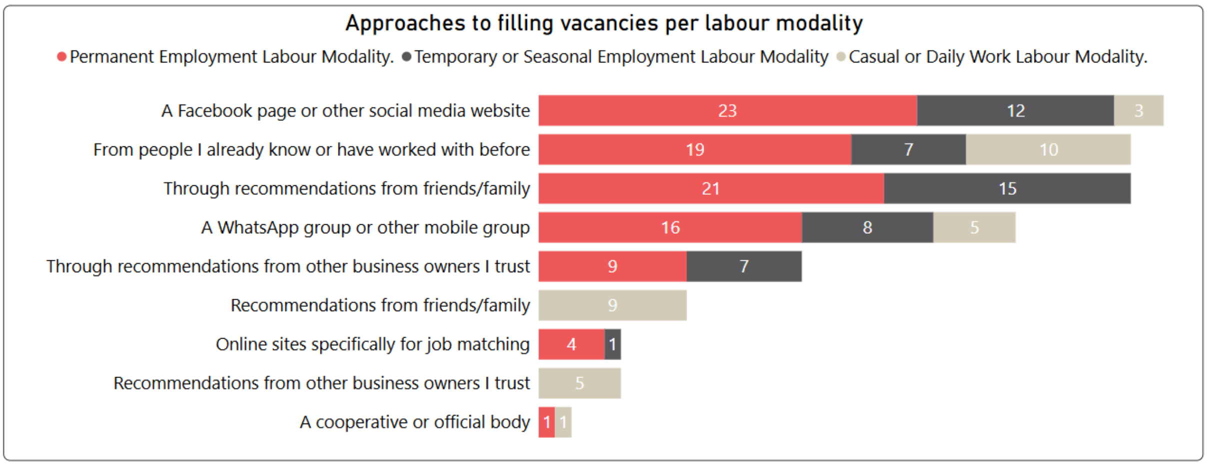
Figure 19: Main challenges enterprises face when seeking to fill vacancies

Enterprises' approaches to filling vacancies

Social connections, social networks, and reputations appear to be critical to finding workers – and, by extension, to finding employment – in Dana City. Overall, recommendations from family and friends was the most common approach SMEs utilized when looking to fill vacancies, followed by using Facebook groups or other social media channels, and recommendations from others they know. However, there was a difference in the approaches followed between the three labour modalities:

- When seeking to hire permanent employees, most SMEs primarily used 'Facebook groups or other social media channels', followed by 'recommendations from family and friends', then 'recommendations from people I already know or have worked before in the past'.
- When seeking to hire temporary or seasonal employees, most SMEs primarily relied on 'recommendations from family and friends', followed by using 'Facebook groups or other social media channels'.
- When seeking to hire daily workers, most SMEs primarily relied on 'recommendations from people I already know or have worked before in the past', followed by 'recommendations from family and friends'.

Figure 20: Approaches to filling vacancies per labour modality

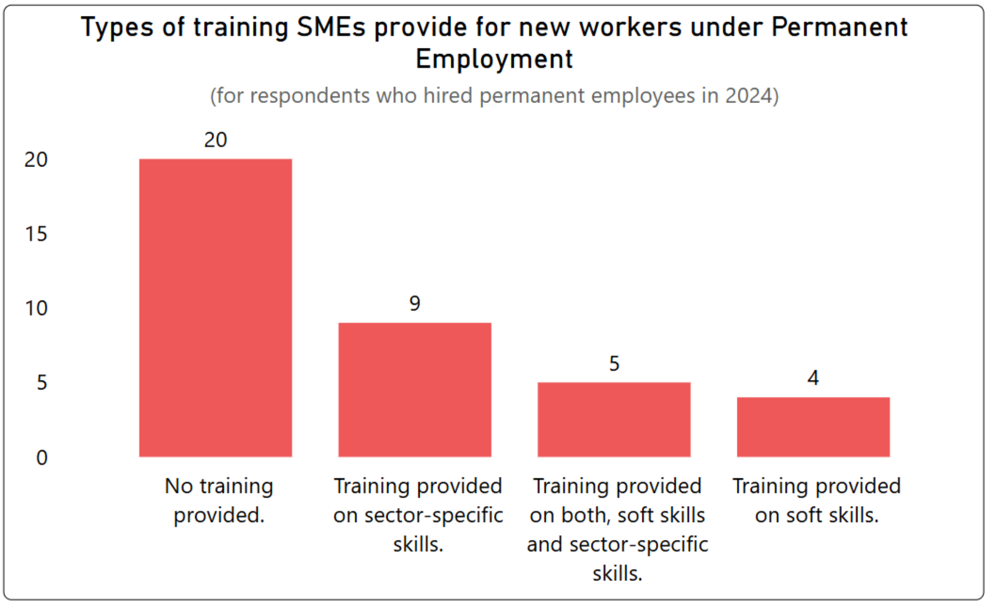


On-the-job training for permanent employees

Out of the 42 interviewed SMEs that reported having needed to hire permanent employees in 2024, 38 were able to fill the vacancies. Of these 38, 30 reported that there are certain sector-specific skills they look for when hiring permanent employees, while the remaining eight reported not looking for any sector-specific skills.

Less than half (47% or 18 out of 38) of the SMEs that hired permanent employees in 2024 reported providing training to their new permanent employees. No major difference was found between the different enterprises size; 44% or seven out of 16 medium size enterprises comparing to 50% or 11 out of 22 small size enterprises. The training scope was categorized as follows:

Figure 21: Types of training SMEs provide for new workers under Permanent Employment



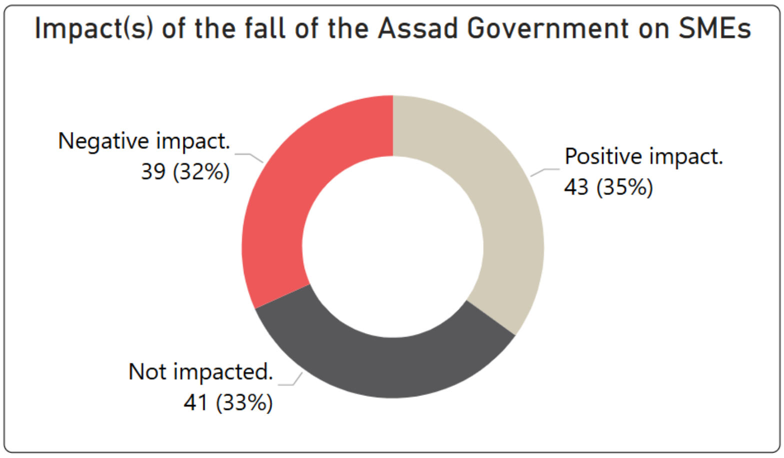
SMEs within the services and maintenance sector have a higher rate of training new permanent employees than other sectors, although the sample size is small: out of the seven SMEs within the services and maintenance sector that reported need to hire permanent employees in 2024, five reported providing training to new permanent employees.

This result is linked to the aforementioned suggested solution SMEs sought to improve their operations (see figure 9), 'finding workers with the skills needed for my enterprise', as five SMEs in the education sector and four in the services and maintenance sector suggested this solution.

Impacts of the fall of the Assad Government

As the data collection took place around one month after the fall of the Assad government, SMEs were asked about the impact of the developments on their enterprise operations.

Figure 22: Impact(s) of the fall of the Assad government on SMEs

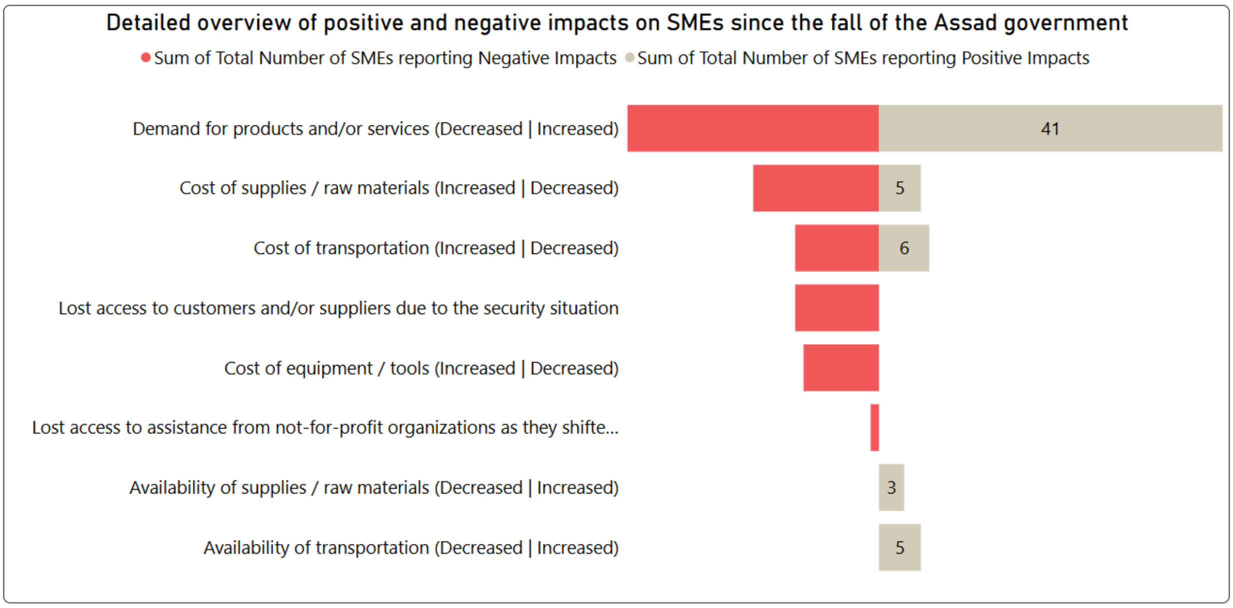


The impact types were roughly evenly split between a positive impact (35% or 43 out of 124), no impact (33% or 41 out of 124), and a negative impact (31% or 39 out of 124).

Among the third that indicated being positively impacted, the most common positive impact (reported by 41 SMEs) was that the demand for the product and/or services they provide has increased due to the influx of new arrivals. To a lesser extent, some SMEs also reported a decrease in the cost of transport (six SMEs) and raw materials (five SMEs), as well as an increase in the availability of transportation (five SMEs) and of supplies / raw materials (three SMEs).

Among the third that indicated being negatively impacted, the biggest impact was again related to demand for the product and/or service, with 30 SMEs reporting a decrease. Other negative impacts pertained to disruptions: 15 SMEs reported an increased cost of raw materials, while 10 SMEs reported an increased cost of transportation and losing access to customers and/or suppliers due to the security situation.

Figure 23: Detailed overview of positive and negative impacts on SMEs from the fall of the Assad government



Gains appeared to be concentrated in the solar value chain and commercial retail and trade sectors, in which 15 out of 24 and seven out of 12 SMEs respectively reported that the demand for the products and/or services they provide increased due to the influx of new arrivals.

In contrast, none of the 11 SMEs under the construction, engineering, and contracting sector reported any positive impact. Rather,10 out of 11 SMEs in that sector reported that the demand for the products and/or services they provide decreased, and five out of 11 reported an increase in the cost of supplies, equipment, raw materials, and transportation.

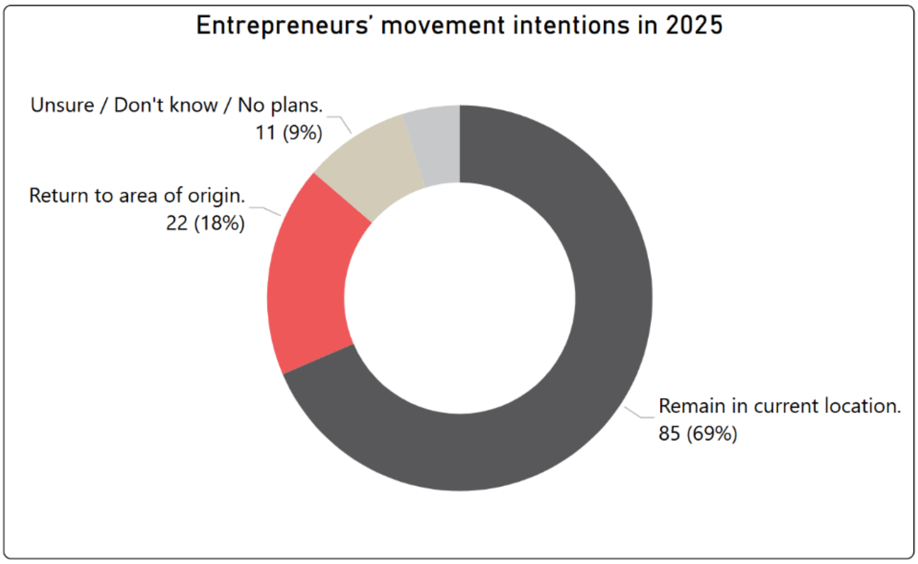
Small-size enterprises reported negative impacts at a higher rate (39% or 33 out of 84) than medium-size enterprises, for which 14% or six out of 42 reported being impacted negatively. Among medium enterprises, 45% or 19 out of 42, reported being impacted positively and 20% or 17 out of 42 enterprises reported not being impacted at all.

Entrepreneurs' plans for 2025

With the fall of the Assad government, new opportunities for return to one's area of origin arose. While the respondents' displacement status was not part of the survey, around 79% of population of the Dana town, Sarmada town, and Bab el Hawa were IDPs, as of June 2024.[18] Some proportion of the respondents, therefore, are likely to be IDPs. When asked about their plans to stay in the city/area or move in the next 12 months, most respondents (68% or 85 out of 124) reported planning to stay in the place they reside in. However, 18% or 22 out of 124 entrepreneurs reported planning to return to their place of origin, while 14% of entrepreneurs do not have any movement plans or plan to move elsewhere in Syria other than their place of origin.

As entrepreneurs navigate the challenges and opportunities accompanied by the fall of the Assad government, their movement intentions for 2025 may involve adjusting business strategies, seeking new markets, investing in training or technology, or exploring partnerships to enhance their competitiveness and resilience in the evolving economic landscape. Coupled with the expected return of IDPs and refugees, who will bring skills and connections but also increase demand, labour markets are likely to experience considerable changes in the years ahead.

Figure 24: Entrepreneurs' movement intentions in 2025.



[18] OCHA, Population Task Force Population Data. June 2024 (unpublished).

CONCLUSION

Access to livelihoods is one of the biggest challenges facing host communities and IDPs across Syria, and is essential to recovery efforts. With NGOs adapting their livelihoods programming to the new political situation, the Dana Labour Market Assessment serves as a foundation for more evidence-based, relevant, and effective livelihoods programming in Dana City and elsewhere in Syria.

The picture painted by the assessment is of a **highly dynamic economy in which entrepreneurs face considerable constraints**. Most interviewed SMEs were established after 2011, reflecting the impact of the conflict. **Most interviewed SMEs reported revenues slightly higher than operational costs in 2024, with variation across sectors**. However, the reported **increase in competition across most sectors—particularly pronounced in the private health, commercial retail and trade, services and maintenance, and education sectors—**highlights an increasingly challenging economic environment. While greater competition may benefit consumers through reduced prices, it also poses risks to SMEs by potentially reducing profit margins. Therefore, the assessment also emphasizes the necessity of conducting strategic market assessments before initiating livelihoods projects, as **oversaturating sectors could exacerbate competition-related challenges**. Humanitarian actors seeking to promote sustainable livelihoods and economic resilience are encouraged to support economic diversification and identify niche sectors or underserved markets.

The assessment also highlighted that **rental of premises was more common than ownership, particularly among small enterprises**. The financial burden on entrepreneurs of paying rent was evident in the profit data: **revenues exceeded operational costs for 90% of home-based enterprises and SMEs that own the premises where the enterprise operates, compared to 65% of SMEs that were renting**. This suggests that, where possible, enterprises that can avoid renting a premises may have a higher likelihood of making a profit.

Interviewed SMEs provided a clear indication of their challenges and priorities. **The top challenge reported by most SMEs was lack of access to finance or loans (reported by 69%)**. Although inability to afford workers with needed skills/experience was the next most reported challenge, only 28% of SMEs reported facing it. **Similarly, over 80% mentioned access to finance or loans as something that would help them to improve their operations**; the next most reported solution was access to new equipment and machinery (49%). This latter solution was particularly mentioned by SMEs in the services and maintenance, light industry and manufacturing, and food production sectors. These findings suggest that **humanitarian and development actors seeking to support SMEs in Dana City would do well to focus on increasing access to financing, more than on TVET.**

On the other hand, the assessment provides further evidence of limited job prospects, with **just one third of interviewed SMEs having needed to hire one or more permanent employees in 2024.** Rates were even lower rates for temporary or seasonal employees (19%) and daily workers (11%). That said, **despite the relatively low number of job opportunities, SMEs appeared to have difficulty hiring permanent employees**, as only 73% of permanent employment vacancies were filled. The gap was smaller for temporary or seasonal employment and casual or daily work modalities.

When hiring, **SMEs most commonly place importance on soft skills**, especially work ethic (reliability, trustworthiness, etc.). Although these skills may be difficult to teach, matching employers with employees could be facilitated through traineeships. At present, most SMEs fill vacancies through social connections (including recommendations from friends, family, and other entrepreneurs) and social network channels such as Facebook and WhatsApp.

The **impact of the fall of the Assad government on SMEs varied widely**, with roughly even numbers of entrepreneurs reporting positive, negative, and no effect on their enterprises. **While some**

SMEs experienced positive outcomes such as increased demand, others grappled with challenges like decreased demand and rising costs. As data collection took place around one month after the fall of the Assad government, **these effects may need to be monitored further as the situation progresses**. Furthermore, there is a need for continued monitoring and data collection to address information gaps in understanding the labour market dynamics in Dana City.

In summary, the findings highlight the complex dynamics of the SMEs ecosystem in Dana city. There appears to be continued scope for livelihoods programming to enhance the viability and growth of SMEs in Dana City, thus contributing to economic development and improved livelihoods for entrepreneurs.