

Deprivation of Bread and Energy: Policies Deepening Poverty in Syria

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This paper argues that current policies to liberalize bread and energy prices in Syria do not constitute economic reform in any developmental sense, but rather deepen poverty, undermine food security, and threaten the social legitimacy of the transition. Treating wheat, bread and energy as expenditure items whose subsidies can be cut and prices raised represents a dangerous departure from the social and political significance of food and production. When wheat is priced below cost, bread is governed by market logic, energy by profit, and wages are expected to absorb all these conditions, the outcome is not recovery but a poorer society with less capacity to produce. The Syrian Initiative for Fundamental Rights therefore calls for a transitional social protection approach that guarantees access to bread, energy and housing as basic requirements for a dignified life, while linking support for producers, wages and services to the actual cost of living and poverty lines.

Wheat, bread and energy are fundamental pillars of food and livelihood security in Syria. They cannot be treated as mere budgetary expenditure items to be managed by raising prices and reducing subsidies, irrespective of the social and economic consequences. This paper argues that policies to liberalize bread and energy prices and increase the cost

of agricultural production during the transition do not constitute economic reform in any developmental sense. Rather, they deepen poverty and undermine food security and social legitimacy. As such, the paper calls for a transitional social protection approach that guarantees access to bread, energy and housing as basic requirements for a dignified life, while linking support for producers, wages and services to the actual cost of living and poverty lines.

In this context, the Syrian Initiative for Fundamental Rights warns that treating wheat, bread and energy as expenditure items whose subsidies can be cut and prices raised represents a dangerous departure from the social and political significance of food and production in Syria. The legitimacy of a state emerging from a prolonged war is not measured by its ability to raise prices or generate a nominal fiscal surplus, but by its ability to provide food, protect producers and guarantee a minimum level of access to energy, housing and decent work opportunities.

Current policies raise serious concerns that the relationship between the state and society is being reshaped through bread and energy—not as social rights and essential inputs to production, but as vehicles for shifting burdens onto households and small producers. Price liberalization, subsidy removal and market opening expose the most vulnerable groups to successive livelihood crises, when they are adopted without adequate safety nets or a published assessment of their economic and social impact. Moreover, expanding the allocation of contracts, investment opportunities and public services in the absence of transparency and accountability mechanisms risks concentrating benefits within limited networks of actors with privileged access. The result is a market without adequate social protection, privatization advanced without clear safeguards, and revenue collection pursued without the foundations of a social contract, threatening to reproduce some of the very policies that contributed to deepening the conflict.

With respect to wheat, a staple food for the population, current policies have harmed agricultural production through several mutually reinforcing pressures: rising energy, irrigation and transport costs; markets opening without adequate protection for domestic productive sectors; and the setting of crop procurement prices without a clear link to actual production costs. A decision issued by the Ministry of Economy and Industry on 16 May 2026 set the procurement price for one ton of first-grade durum wheat at 4.6 million old Syrian pounds (approximately USD 337).[1] The decision prompted widespread objections from

farmers, who argued that the price did not cover the costs of fuel, seed, fertilizer, spare parts, irrigation, harvesting and transport, nor did it account for exchange-rate fluctuations. Decree No. 120 of 2026 subsequently granted an incentive payment of 900,000 old Syrian pounds for every ton delivered to the Syrian Grain Establishment,[2] raising the nominal price to 5.5 million old Syrian pounds per ton (approximately USD 403). Despite this increase, the price remained below the level many farmers considered necessary to cover costs and secure a reasonable margin to remain in production.

These developments come against an extremely fragile agricultural backdrop. The country experienced severe drought during the 2025 season, and the Food and Agriculture Organization of the United Nations estimated wheat production at between 900,000 and 1.1 million tons, one of the lowest harvests ever recorded in Syria.[3] It also noted that shortages of inputs, damaged irrigation networks and difficulties accessing markets continued to restrict farmers' ability to maintain activity.

The fragility of the 2026 season was not limited to pricing. In late May, flooding along the Euphrates River caused extensive damage to agricultural land and crops,[4] particularly in rural Deir ez-Zor and Raqqa, at the height of the harvest season.[5] Farmers also contested the criteria used to accept crop deliveries and determine quality grades. Regardless of the reasons for rejecting some quantities, protecting producers requires the publication of detailed data on quantities accepted and rejected, the grounds on which they were rejected, compensation for those affected by disasters, and ensuring that farmers are not left to bear the full burden of a failed or disrupted season.

The wheat crisis cannot be separated from energy. Diesel and electricity are direct inputs into irrigation, harvesting, transport, milling, baking, refrigeration and the operation of small workshops. Irrigation remains one of the main constraints on wheat production and can account for between 20 and 50 per cent of total production costs, with costs rising sharply in areas that depend on deep-well pumping or generators.[6] In some cases, the cost of producing wheat may exceed two million Syrian pounds per dunum, making production economically unviable unless procurement prices reflect actual production costs. Energy policy therefore shifts from an instrument for sustaining production to a factor pushing farmers to reduce cultivation or abandon their land altogether.
[7]

Consumers, meanwhile, face a parallel shock through bread policies. The price of bread bundles rose sharply after December 2024. Subsequent reductions in the bundle's weight, while its price remained fixed, repeatedly raised the effective price per kilogram. Data from the Syrian Center for Policy Research indicate that the price of one kilogram of bread rose from 267 Syrian pounds before the fall of the regime to 4,000 old Syrian pounds in June 2026—a cumulative increase of approximately 1,398 per cent. This means that the impact of liberalizing bread prices is not confined to the price itself; it progressively transfers the cost of the crisis onto households, particularly poor households.

Poverty and food insecurity are therefore being deepened by these policies. UN estimates indicated that approximately 14.6 million people in Syria were food insecure, including 9.1 million experiencing acute food insecurity,[8] while bread remains a primary source of calories for poor households. A World Food Programme bulletin showed that the cost of the minimum expenditure basket rose by 7 per cent in September 2025 to approximately 2.2 million Syrian pounds (around USD 190), driven by higher prices for several staple foods.[9] In April 2026, the extreme poverty line for a household stood at 3.3 million Syrian pounds (around USD 254), while the salary of a public-sector employee with a university degree covered only 33.3 per cent of that amount.[10] At these levels, bread, energy and housing become direct indicators of society's declining ability to meet its daily needs and reproduce its economic and social life.

These pressures are further intensified by rising energy and electricity prices. Electricity has shifted from a deteriorating but relatively subsidized public service into a means of extracting a growing share of household and producer incomes. In 2025, the effective electricity tariff reached approximately 1,046 Syrian pounds per kilowatt-hour, compared with an estimated actual cost of around 569 pounds, indicating that the accounting subsidy had become an implicit surplus borne by users.[11] The impact extends beyond household bills: higher prices for electricity, diesel, petrol and gas feed directly into the costs of food, transport, rent and services, generating successive round of price increases across the entire cost of living.

These pressures are compounded by real-estate speculation, rising rents and investment in land. As electricity, raw material and transport costs rise, and as cities become spaces that attract rent-seeking activity more than production, housing costs themselves become a mechanism for

impoverishing households. In March 2026, average monthly rent reached approximately 8.16 million Syrian pounds in Damascus (around USD 685), compared with 2.25 million in Tartous (around USD 189) and 800,000 Syrian pounds in Deir ez-Zor (around USD 67).[12] This reflects stark disparities in the housing market and the close relationship between urban concentration and real-estate inflation. When housing costs combine with the costs of bread, energy and transport, life becomes unaffordable for most segments of society, as income is depleted by market prices, fees and rent.

The erosion of household incomes is not limited to declining purchasing power; it is compounded by a parallel trajectory that places growing pressure on supply and production. The same policies that have raised the cost of energy and services for consumers have also increased costs for farmers, workshops, and productive enterprises. Opening markets regardless of the conditions of local sectors and weakening effective protection for wheat and food industries risk pushing small producers to scale back or cease their activities, or to become intermediaries and importers. Resorting to imports to address bottlenecks without parallel measures to protect domestic production also threatens to dismantle the productive base and reduce sources of income and employment.

This paper therefore advances a clear proposition: food and energy poverty in Syria is not solely the result of natural scarcity or resource shortages; it is also linked to policies that dismantle the foundations of development. When wheat is priced below cost, bread is governed by market logic, energy by profit, housing by speculation and services by private investment—while collapsed wages are expected to absorb all these conditions—the outcome is not recovery, but a poorer society, farmers and workshops with less capacity to operate, and consumers with less purchasing power. Defending wheat, bread and energy is therefore not nostalgia for inefficient subsidies or a closed economy; it is a defense of the minimum requirements of economic justice during the transition. Wheat must be priced on the basis of a fair cost of production; bread must remain socially protected; and energy must be managed as a condition for productive capacity and dignified living, rather than as a source of surplus or an opportunity for private capture.

The hardship experienced by producers and consumers has become a direct focus of social protests. Farmers in Raqqa, Deir ez-Zor and other producing areas have rejected the wheat price, arguing that purchasing inputs at prices linked to the US dollar while selling the crop in Syrian

pounds—amid rising costs of fuel, seed, fertilizer, irrigation, harvesting and transport—forces them to absorb the season's losses and pushes them either to reduce wheat cultivation or abandon it altogether. In cities, opposition to higher electricity and energy prices has taken various forms, from complaints and withholding payment to protests and legal demands that utility bills be linked to households' actual income. These actions demonstrate that bread and energy policies are no longer merely matters of price; they have become central tests of the transition's legitimacy, its capacity to protect economic and social rights, and its ability to prevent new grievances from emerging. **Recommendations**

Partial measures or limited assistance are insufficient to address the bread and energy crisis, because poverty in Syria has become structural and multidimensional. The Syrian Initiative for Fundamental Rights therefore recommends that the transitional government adopt a transitional social protection package that includes the following:

1. Reverse sudden price shocks affecting bread, electricity, gas and diesel, and adopt a gradual transitional pricing policy that keeps food and energy costs within the limits of wages and poverty thresholds.
2. Redesign subsidies as an instrument of social protection and support for production, guaranteeing subsidized bread at a fair social price; electricity, water and gas tariffs that provide every household with a basic low-cost allowance; and dedicated energy allocations for agriculture, bakeries, public transport and small workshops.
3. Link wheat and grain procurement prices to actual production costs, including irrigation, fuel, harvesting and transport; pay amounts due without delay; and provide seed, fertilizer, agricultural diesel and affordable seasonal loans. Publish crop acceptance criteria and grading results, and compensate those affected by drought, flooding and other disasters.
4. Regularly index wages and social transfers to poverty lines and the cost of living, including food, housing, energy and transport, instead of relying on intermittent nominal increases that are quickly eroded by rising prices before they can improve household purchasing power.
5. Establish a transitional housing support program that includes measures to curb uncontrolled rent increases, support displaced and affected households, finance repairs to small homes, and limit real-estate speculation that drives up housing costs.

6. Protect domestic producers, farmers and small workshops through affordable energy, operating credit and targeted safeguards against import flooding. Halt the sale, lease or privatization of public assets in the food, energy, milling, bakery and electricity sectors without transparency, competition and independent oversight.
7. Adopt an environmentally and socially just energy policy that prioritizes decentralized solar solutions for irrigation, bakeries, schools, health centers and small workshops, rather than closed large-scale projects that may reproduce rent-seeking and monopoly control.
8. Ensure fair and transparent financing for social protection by redirecting energy and electricity surpluses and imposing progressive taxes on rent-seeking, real-estate and monopoly profits. Publish accounts relating to subsidies, costs and surpluses, and involve representatives of farmers, workers, consumers and municipalities in policy design and implementation oversight.

Key Economic and Living Standards

Indicators

| **Indicator** | **Value** | **Period** | | Purchase price per ton of durum wheat | SYP 4.6 million (approximately USD 337), rising to SYP 5.5 million after the incentive payment (approximately USD 403) | May 2026 | | Estimated wheat production | Between 900,000 and 1.1 million metric tons | 2025 season | | Irrigation as a share of wheat production costs | Between 20% and 50% | 2025 | | Price per kilogram of bread | Increased from SYP 267 to SYP 4,000 SYP | Through June 2026 | | People experiencing food insecurity | 14.6 million people, including 9.1 million facing acute food insecurity | 2025 | | Cost of the Minimum Expenditure Basket | Approximately SYP 2.2 million (approximately USD 190) | September 2025 | | Extreme poverty line per household | SYP 3.3 million (approximately USD 254) | April 2026 | | Public-sector salary coverage of the extreme poverty line (university degree holder) | 33.3% | April 2026 | | Effective electricity tariff compared with the estimated cost | SYP 1,046 per kWh, compared with an estimated cost of approximately SYP 569 per kWh | 2025 | | Average monthly rent | SYP 8.16 million in Damascus (approximately USD 685), SYP 2.25 million in Tartous (approximately USD 189), and SYP 800,000 in Deir ez-Zor (approximately USD 67) | March 2026 |

[1] Syrian Ministry of Economy and Industry, Decision No. 94, issued on 16 May 2026.

[2] Article 1, Decree No. 120, issued on 18 May 2026.

[3] Food and Agriculture Organization of the United Nations (FAO), The Syrian Arab Republic: Farmers Struggle amid Worst Agricultural Crisis in Decades, 4 September 2025.

[4] Justice for Life, Between Pricing and Flooding: How Is the Crisis Facing Wheat Farmers in Eastern Syria Worsening? 10 June 2026.

[5] Oxfam International, Syria: Rapid Needs Assessment – Euphrates River Flood-Affected Farmers: Agricultural Livelihoods Assessment, May–June 2026 (2026).

[6] Oxfam International, From Grain to Table: A Wheat and Bread Scoping Assessment in Aleppo, Deir ez-Zor, and Rural Damascus (2025).

[7] Oxfam International, From Grain to Table: A Wheat and Bread Scoping Assessment in Aleppo, Deir ez-Zor, and Rural Damascus (2025).

[8] United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Humanitarian Response Priorities: Syrian Arab Republic, January–December 2025 (2025).

[9] World Food Programme (WFP), Monthly Market Price Bulletin: Syria, September 2025, Issue No. 129, WFP VAM | Food Security Analysis.

[10] Syrian Center for Policy Research, Restructuring Public Utilities and Raising the Cost of Services: Monthly Bulletin of the Consumer Price Index and Inflation in Syria – April 2026, Issue No. 34.

[11] Syrian Center for Policy Research, Public Finance in Transitional Syria: An Accounting Surplus, a Deficit in the State's Developmental Role, and the Reproduction of Inequality, 15 April 2026.

[12] Syrian Center for Policy Research, Structural Inflation: Discriminatory Wages and Price Drivers: Monthly Bulletin of the Consumer Price Index and Inflation in Syria – March 2026, Issue No. 3.