



Job Creation Among Syrian Businesses in Turkey

SME Snapshot, January 2022



1 HIGHLIGHTS

2 SPOTLIGHT: JOB CREATION AMONG SYRIAN BUSINESSES IN TURKEY

3 JOB CREATION ENVIRONMENT

4 JOB CREATION CHALLENGES AND FUTURE OUTLOOK

5 JOB CREATION OPERATIONS

6 JOB CREATORS IN GAZIANTEP

7 RECOMMENDATIONS

8 HOW WE WORK

Highlights

This Snapshot highlights job creation by small and medium-sized enterprises (SMEs) in Building Markets' Turkey network, specifically among Syrian-owned and employing businesses. The vast majority (98%) of the 2,500+ verified businesses in this network are owned by and employ Syrians.[1] Despite the unique challenges they face, these businesses have demonstrated their potential to be successful job creators. This includes providing jobs to individuals from vulnerable populations as well as the host community, which brings more people into the formal labor market and away from potentially illegal and exploitative or hazardous working conditions.

This Snapshot is based on an analysis of data collected through a job creation survey implemented by the Building Markets team in Turkey. The survey was conducted with all businesses that won contracts, loans, grants, or investments through support from Building Markets. The survey gathered information on employment, including jobs that were newly created and those that were sustained, and information about the gender and skill-level of the employees. The survey confirmed that 2,777 full-time equivalent (FTE) jobs were created between January 2018 and September 2021. The majority of the jobs (97%) were linked to contracts. Therefore, this snapshot will provide a better understanding of the impact of these contracts.[2]

The following analysis was generated through Building Markets' unique data, insight, and access to these businesses. It provides an overview of the operational environment of SMEs, the types of jobs created, and business challenges and outlook. Recommendations have been formulated for companies looking to grow their operations and create jobs in Turkey. With the creation of more jobs, poverty can be reduced and social cohesion between refugees, other newcomer groups, and the host community can increase.

To learn more about Building Markets' work in Turkey and to read other publications, click [here](#).

Building Markets sincerely thanks all the businesses that participated in this survey.

1 During Building Markets' verification process, information is collected on how business owners and employees identify themselves—whether as a Syrian Under Temporary Protection (SuTP), dual Turkish-Syrian citizen, Turkish citizen, or Syrian but with no detailed information on citizenship status. In this Snapshot, “Syrian” refers to SuTPs, dual citizens, and Syrian individuals who provided no additional citizenship status.

2 Contracts are any transactions facilitated between a business and a buyer, and include longer-term purchases that may span several months.

Spotlight: Job Creation Among Syrian Businesses in Turkey

With an ongoing economic crisis, consistently high levels of unemployment, and the added impact of the COVID-19 pandemic, Turkey faces the economic and social challenge of integrating the largest refugee population in the world. SMEs, including those owned and operated by Syrians and other newcomers, are crucial to creating jobs and improving livelihoods throughout the country. Turkey offers an opportune environment for business development, which has been demonstrated by the thousands of companies that Syrian refugees have started since arriving to the country. Research conducted by Building Markets showed that in 2017, Syrians had invested more than \$330 million in capital into the country, establishing over 6,000 new businesses and employing ten people on average.[3]

Despite these achievements, Syrian-owned businesses in Turkey face unique challenges that can negatively impact their growth and employment potential, as well as their sustainability in the country. These include a general lack of market information and training relevant to their needs, as well as difficulty accessing finance, business, and partnership opportunities. Many of these challenges also pose risks to individuals who may be more willing to accept employment in the informal economy, which can potentially lead to working in hazardous environments and exploitation. This is of concern because it is currently estimated that 90% of the one million Syrians that are employed are working in the informal economy.[4][5]

At a time when Turkey is facing significant economic difficulties, addressing the challenges faced by these entrepreneurs and businesses can boost job creation and bring more individuals into the formal economy, allowing them to improve their livelihoods and contribute to social and economic cohesion across the country.

For more information on Building Markets services that can support job creation, see Recommendations below.

3 Building Markets. 2017. "Another Side to the Story: An Assessment of Syrian-owned SMEs in Turkey." Available [here](#).

4 Leghtas, I. 2019. "Insecure Future: Deportations and Lack of Legal Work for Refugees in Turkey." Refugees International. Available [here](#).

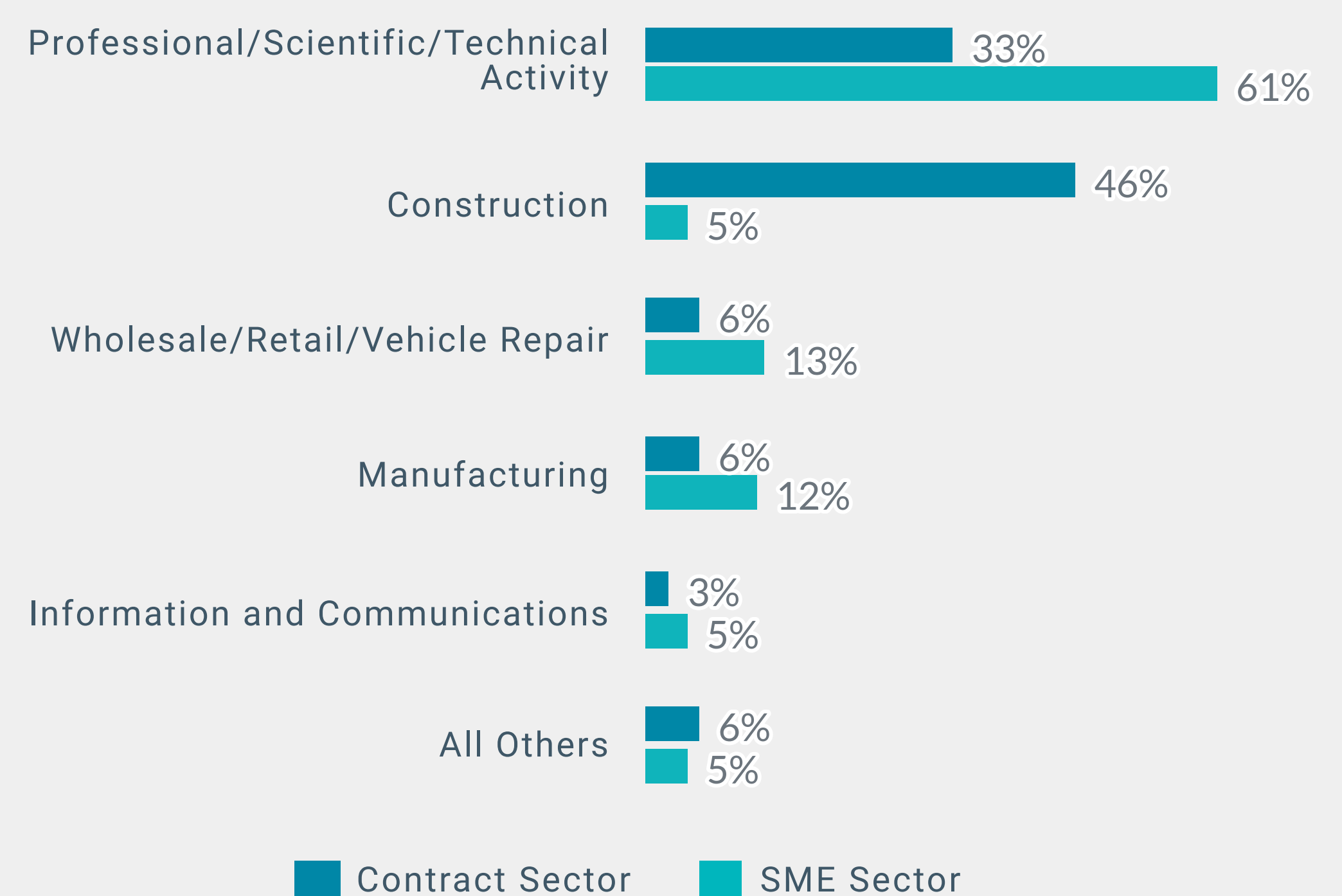
5 Caro, L. 2020. "Syrian Refugees in the Turkish Labor Market." ILO Office in Turkey. Available [here](#).

Job Creation Environment

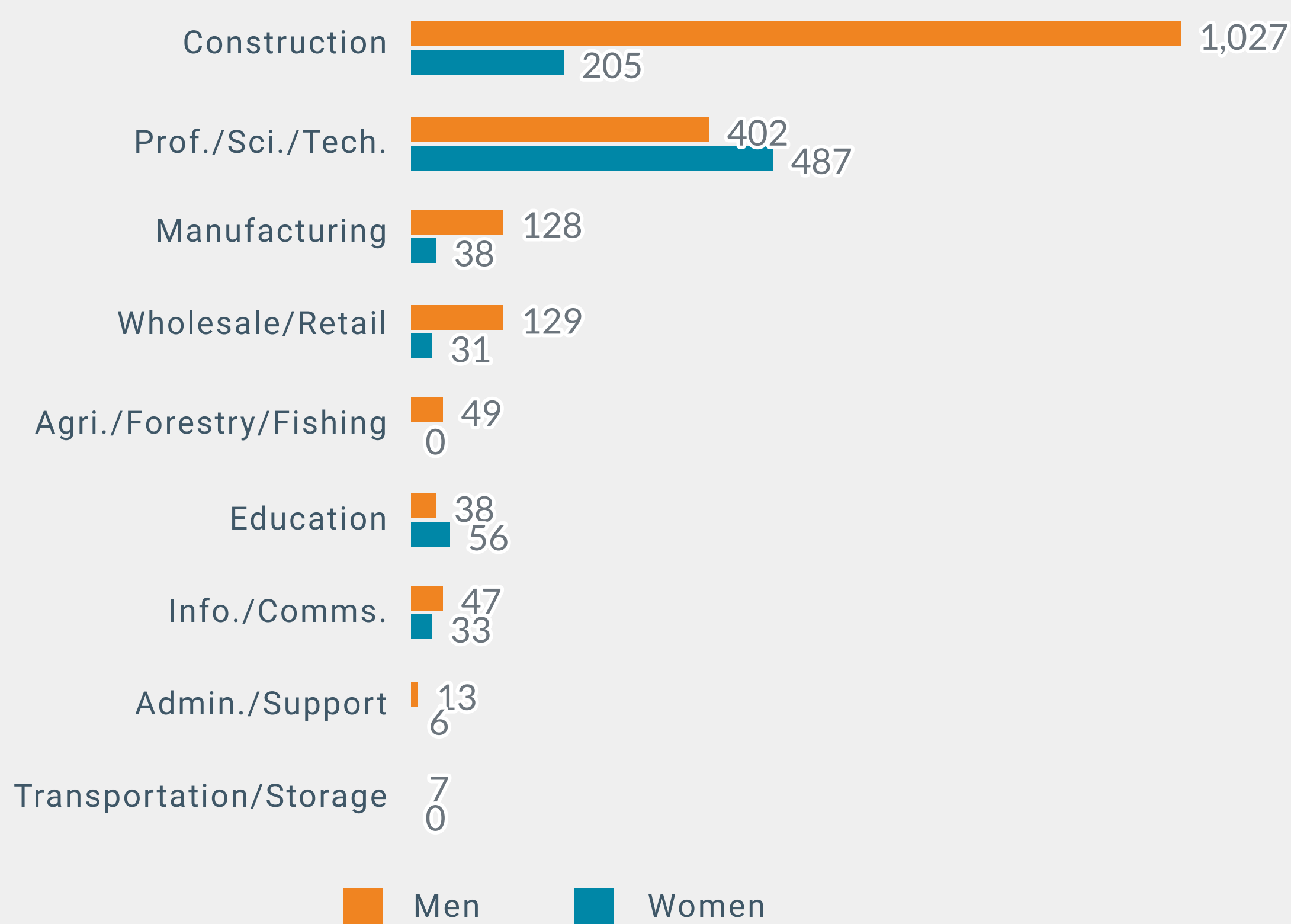
Between January 2018 and September 2021, 44 individual businesses in Building Markets' Turkey network won 257 contracts in different business sectors. Contracts in the construction sector created nearly half of all jobs.

However, it was not solely construction companies that were bidding for and winning these contracts. Businesses in the professional/scientific/technical activity sector (i.e. engineering, consulting, and architectural firms) created 57% of jobs, while construction companies were responsible for 4.7% of jobs created. Of the construction contract jobs created, 42% were for general, unskilled labor. Overall, unskilled labor accounted for only 20% of jobs created.

PERCENT OF JOBS CREATED, DISAGGREGATED BY SECTOR



NUMBER OF JOBS CREATED, BY GENDER AND SECTOR



HAVE AN ENGLISH SPEAKER

75%

HAVE A TURKISH SPEAKER

73%

Characteristics of Businesses Creating Jobs

Business Size

Micro-enterprises (businesses with less than 10 employees) represent almost 80% of verified businesses in Building Markets' network in Turkey. These businesses won 55% of the contracts recorded. Small enterprises (businesses with less than 50 employees), which constitute 20% of the Building Markets network, were responsible for creating 40% of jobs. Medium-sized enterprises (businesses with less than 250 employees) make up a very small portion of the Building Markets network (less than 1%) but were responsible for the remaining 5% of jobs recorded.

Female Employment and Business Ownership

Nearly one in three (32%) jobs created went to women. Most of these jobs were in the professional/scientific/technical sector. In fact, more jobs were reported for women in this sector than for men (487 and 402, respectively). The second highest sector for female jobs was construction (and its related sub-sectors), at 24%. Although the education sector represented 1% of all jobs identified in this survey, it is also a sector where more jobs were created for women (56 jobs) than for men (38 jobs).

Job Creation Challenges and Future Outlook



No businesses have received a loan, but 50% are interested in receiving one.



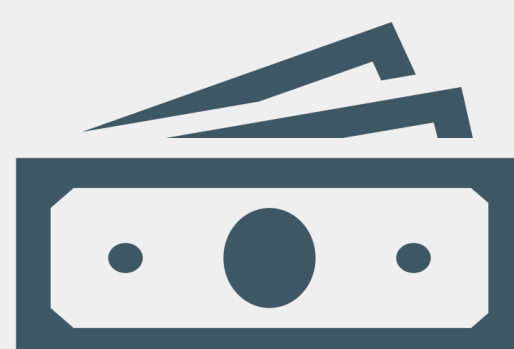
On average, businesses are looking for \$228,000 USD in loans.



Around 43% of businesses are interested in an investor or partner.



Among businesses surveyed, 66% had a business plan for at least the next 6 months.



Around 64% of businesses believe their profits will increase over the next 6 months, while 36% think they will stay the same.

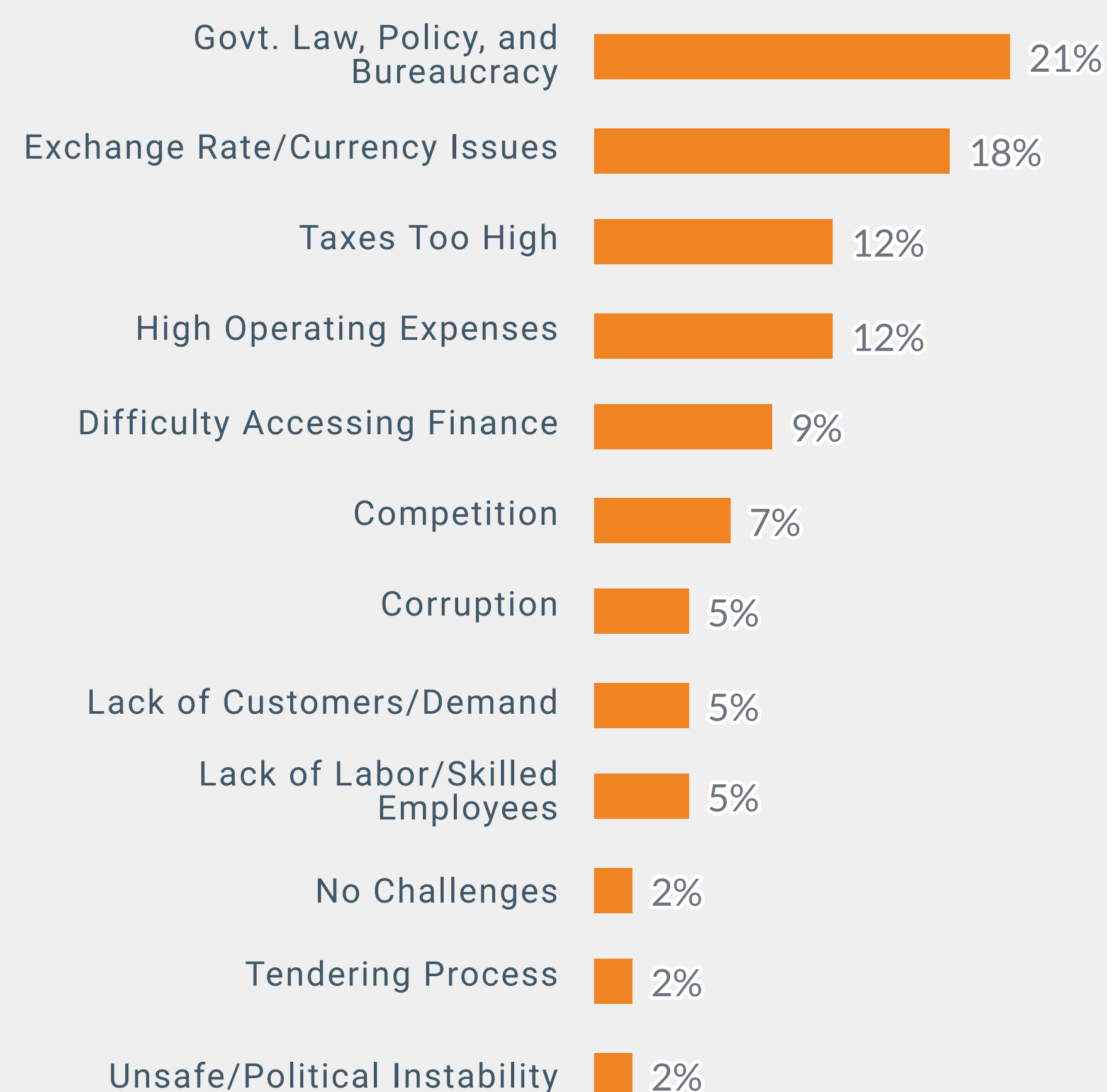


Over half of businesses (59%) believe their total number of staff will increase over the next 6 months, and 41% estimate that there will be no changes.

Half of businesses surveyed expressed interest in participating in training. These businesses were most interested in attending training on Sales and Marketing (20%), Strategic Marketing (16%), and Procurement or Bidding (11%)—all topics that could help increase their visibility, expand their client base, and improve their understanding of operating in the local market.[6]

The ongoing economic crisis in Turkey, including the severe depreciation of the currency, has also made for a challenging operating environment for businesses. Within this context, most SMEs surveyed reported that the biggest challenge they expect in the six months following the survey was red tape, including changes to governmental laws, policies, and bureaucracy. This may result from a lack of available information or guidance about operating in the Turkish economy, as well as a language barrier for those who do not speak Turkish.

TOP CHALLENGES, NEXT SIX MONTHS



6 Sales and Marketing provides trainees with basic information on both topics, whereas Strategic Marketing reviews companies' full marketing plan, including product development, pricing, brand positioning, competitive advantage, and other factors.

Business Profile - SMM Taşçılık ve Restarsyon

Before coming to Turkey, Saad Al-Nassife worked as a traditional stonemason in his hometown of Ar-Raqqah, Syria. Finding that this industry was diminishing in Turkey, he started his own construction company in 2018, SMM Stoneworks. With each contract the company wins, jobs are created for local workers. By September 2021, SMM had created almost 200 jobs—many of them for Syrians living in Gaziantep. Mr. Al-Nassife stated that hiring experienced Syrian craftsmen has been an effective way to support the continued production of the unique style of stonemasonry. One of these craftsmen is Zakaria Abdulrahim.

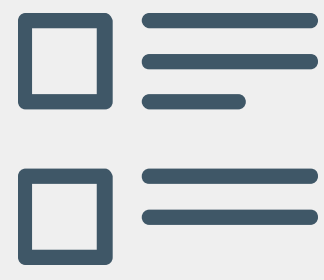
When Mr. Abdulrahim came to Turkey, he wanted to find a permanent job in stonework and construction that would allow him to support his family, but finding a position was difficult. He worked several temporary jobs with Turkish construction companies before finding SMM, where he gained new skills and experience. In 2021, Mr. Abdulrahim officially joined the team at SMM in a permanent position. Not only has the job improved his financial situation, but it has also given him a sense of belonging. “I was lucky to come across SMM and to start working on different projects with them,” he says, “SMM has become my larger family.”



SMM Taşçılık ve Restarsyon Team

Moving forward, the company plans to provide on-the-job training to Syrian and Turkish workers interested in stonework. This training is also meant to encourage their employees to continue working in the profession to keep the craft alive. SMM’s work can be seen throughout the southern region of Turkey, including in Shehit Kamil Municipality Park where the intricate clock towers are a lasting testament to the contribution of the Syrian community to the country.

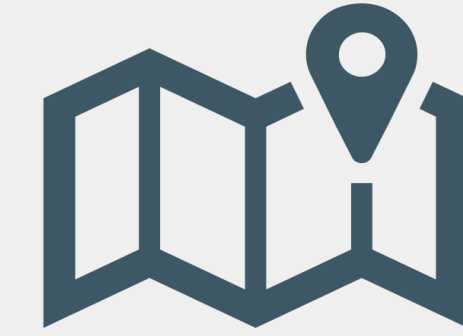
Job Creation Operations



Among businesses that won contracts, 52% identified leads through Building Markets' tender distribution services.



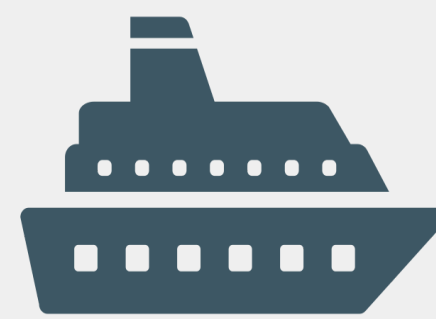
Businesses with at least one female owner accounted for 9% of SMEs surveyed.



Of businesses surveyed, 20% had at least one additional branch.



Attending Building Markets' training attributed to 32% of contracts won by businesses.



Companies that export products created 89% of jobs, although contracts won did not necessarily require exporting.



Around 68% of companies have a website and 43% use a professional marketing service or internet strategy.

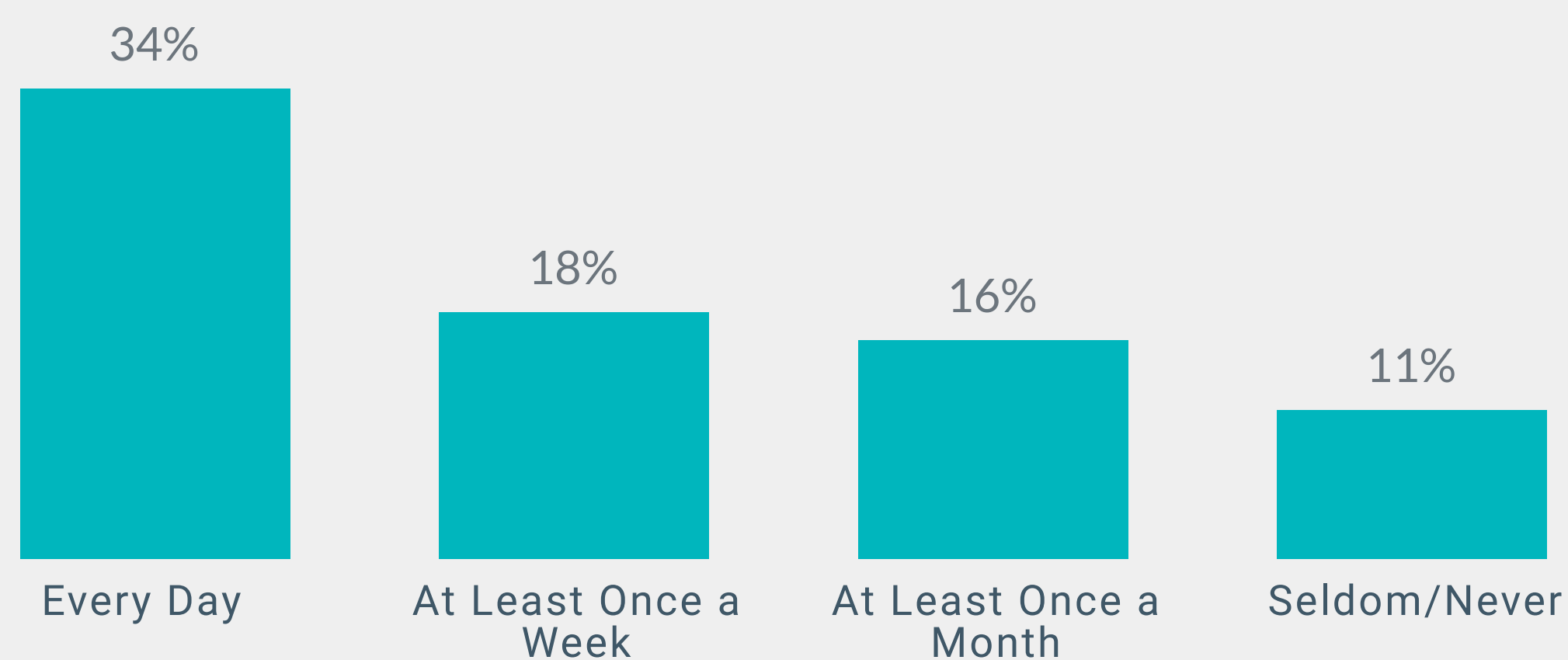
Tender Distribution Services

SMEs that create jobs were most likely to check various sources for tenders every day (34%). Over half of bids submitted (63%) were for NGO tenders.

In the six months prior to the survey, companies bid on

186 NGO Tenders **45** Government Tenders **66** Private Sector Tenders

Surveyed companies checked for tenders...



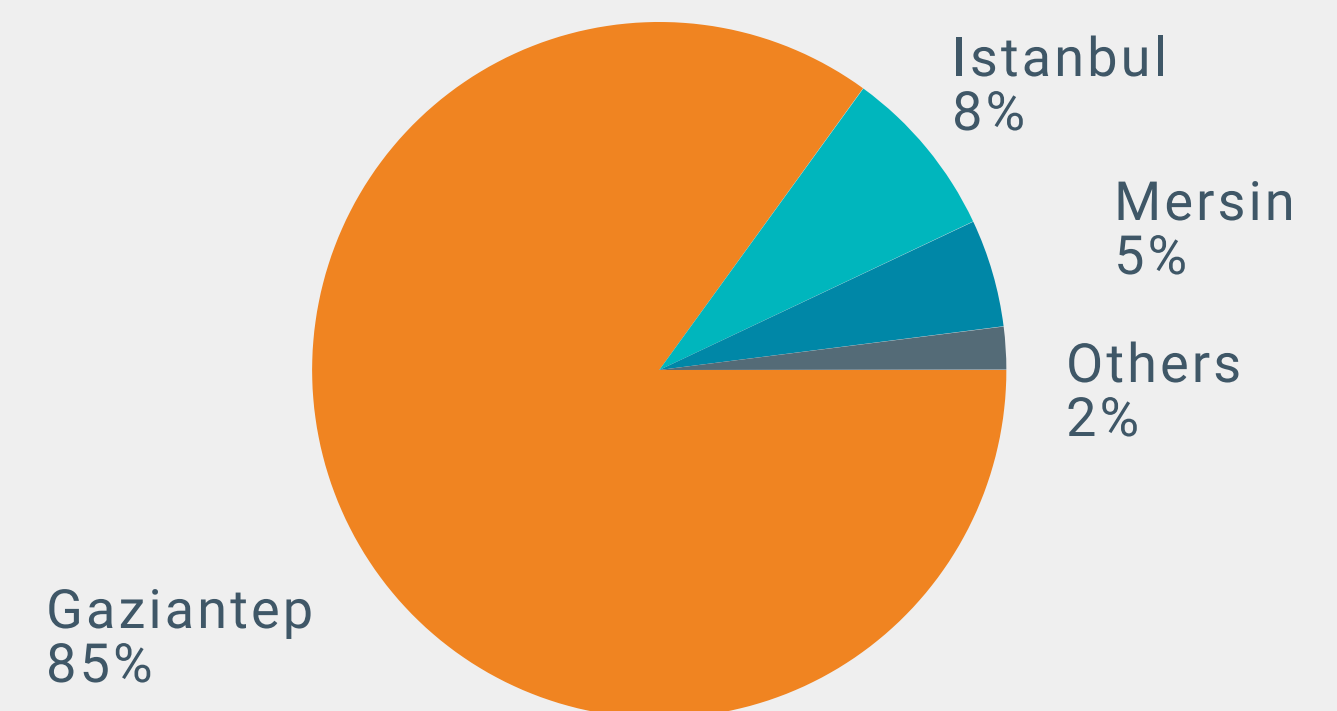
Job Creators in Gaziantep

In the Building Markets network, 24% of businesses are based in Gaziantep and 45% are based in Istanbul.[7] Companies based in Gaziantep created 85% of all jobs reported through this survey.

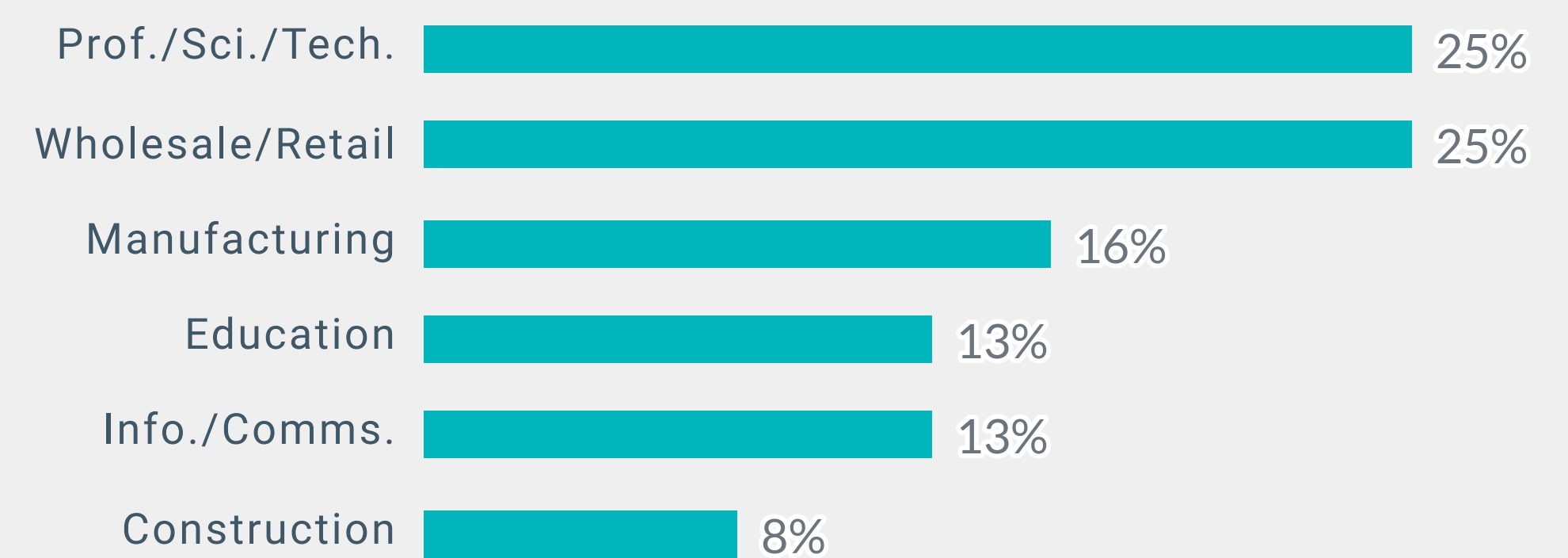
Among these businesses, 79% export products or services, including computers, construction materials and tools, and online marketing services, while around 21% import goods, such as medical supplies, cameras, computers, and car batteries. Five of these businesses reported that exports account for at least 80% of their total business revenue. These businesses primarily export to Syria and Iraq.

Similar to SMEs located in other parts of the country, businesses in Gaziantep highlighted government law, policy, bureaucracy, and exchange rate or currency issues as major challenges.

PERCENT OF JOBS CREATED BY LOCATION OF SME



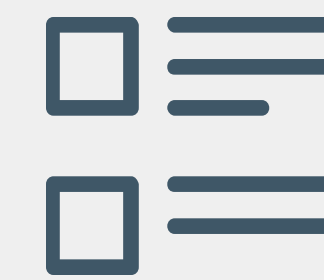
PRIMARY SECTORS OF GAZIANTEP JOB CREATORS



Most businesses (83%) are based in Gaziantep but provide goods and services throughout Turkey, and 25% have additional branches.



Over 60% of businesses have attended classroom-style training with Building Markets.



In the 6 months prior to the most recent reverification survey, 58% of businesses reported winning tenders.



No businesses have received a loan, but 58% are interested in receiving one.



On average, businesses are looking for \$317,000 USD in loans.

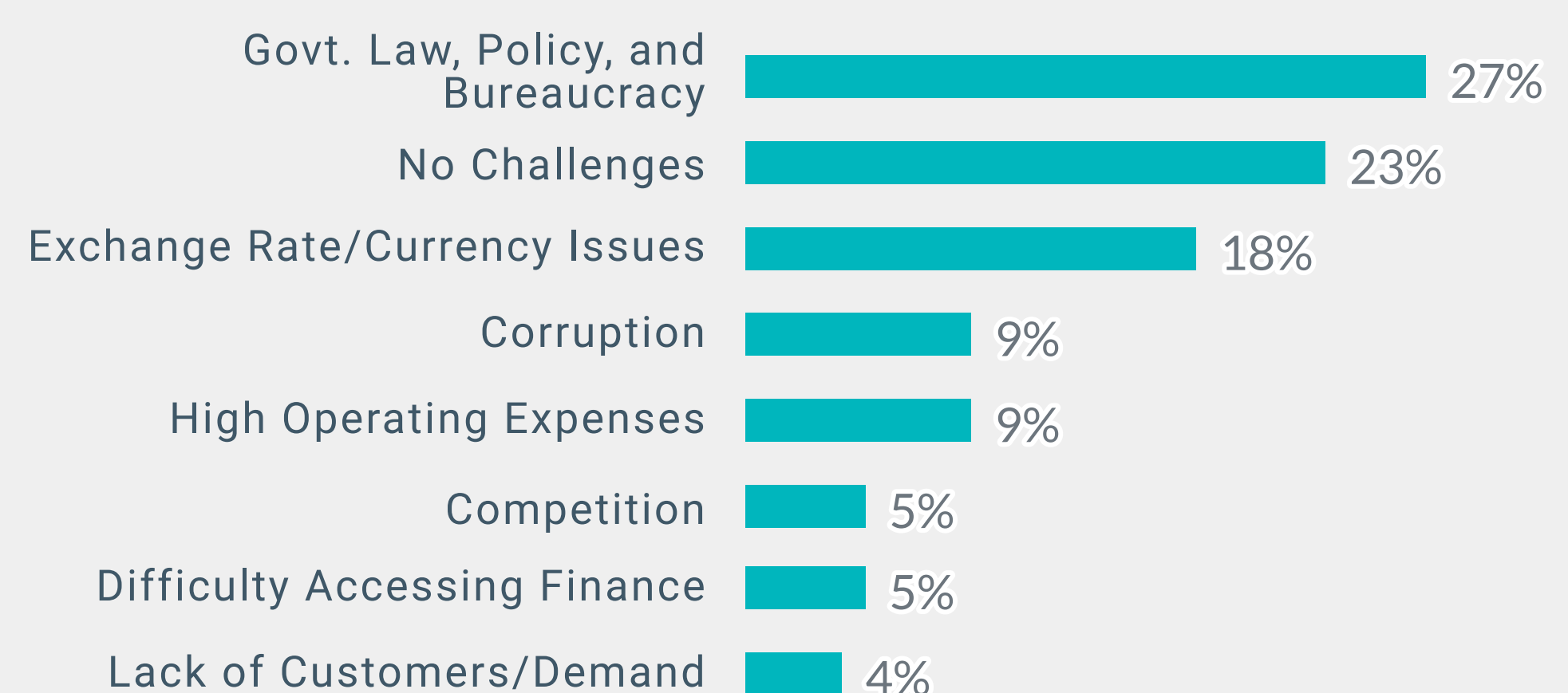


More than half of businesses surveyed (54%) are interested in an investor or partner.

Tender Distribution Services

- On average, businesses bid on 13 tenders each from international/local civil society organizations.
- Most business do not bid on private sector tenders. However, one business submitted 50 private sector bids in the past six months.
- 41.6% of SMEs check various sources every day for new tenders, and 20.8% check at least once per week.

TOP CHALLENGES IN THE NEXT SIX MONTHS



7 As of September 2021.

Recommendations for Businesses and Buyers

RECOMMENDATIONS FOR BUSINESSES

This analysis identifies trends among businesses that have won contracts through Building Markets' services and created jobs. Services include accessing tenders and participating in targeted training. Addressing the following gaps and challenges can further increase job creation potential.

The following recommendations are intended for SMEs that want to pursue business opportunities that will enable their growth and ability to hire more employees:

- Participate in training and webinars related to business opportunities available in Turkey – Building Markets offers regular training on how to apply for tenders including monthly webinars featuring the tender application requirements of local and international organizations. These learning opportunities can help businesses understand the different kinds of tenders available, develop more competitive bids, and win more contracts.
- Utilize Building Markets' Tender Distribution Services – Building Markets regularly publishes a wide range of business opportunities on its [Tender Directory](#). The organization also distributes tenders to SMEs through other communications channels, including a WhatsApp group. These resources help SMEs quickly identify opportunities relevant to their industry.
- Develop an online presence and digital marketing plan – In a fast-paced, changing economy, increasing visibility online and engaging in targeted digital marketing can help businesses grow and reach more customers. Business profiles are created for all verified companies on Building Markets' [Online Business Directory](#). SMEs can make edits to their page and use it as a free marketing tool. Additionally, Building Markets offers digital marketing training and one-on-one mentorship to help businesses refine and implement their business plans, and address other challenges.
- Network and meet new buyers – Networking opportunities such as events hosted by Building Markets are a great way to increase brand awareness and visibility, and find new buyers.
- Access Finance – Obtaining loans and capital can be a significant inhibitor of business growth. Through evaluation and technical assistance, Building Markets works closely with SMEs to improve their credit and investment readiness.

RECOMMENDATIONS FOR BUYERS

Buyers can also play a key role in supporting job creation among SMEs in Turkey through the following actions:

- Increase visibility of tender opportunities – By making tenders more readily available, buyers can find new and diverse suppliers that can fulfill requests more effectively and efficiently. Buyers can [submit tenders](#) to Building Markets, which will be published on our [Tender Directory](#) and distributed to our network of SMEs.
- Utilize matchmaking services – Buyers can search Building Markets' [Business Directory](#) for suppliers by sector, service, location, business size, and other criteria, and can request tailored matchmaking reports based on specific buyer requirements.

How We Work

Founded in 2004 and headquartered in New York City, Building Markets creates jobs and encourages economic growth by finding, building and connecting competitive local SMEs to supply chains and investment. Through its model, the organization has supported more than 26,500 SMEs, assisted those businesses in winning USD \$1.36 billion in contracts, USD \$21 million in loans, and helped create 73,400 full-time equivalent jobs.

In Turkey, Building Markets has built a unique network of more than 2,500 Syrian-owned SMEs. Verified businesses can access services that increase their visibility, improve their performance, and connect them to new opportunities. Since 2017, our programs in Turkey have led to SMEs winning over USD \$16.7 million in new contracts and capital.

Are you a small business operating in Turkey?

INCREASE VISIBILITY



Get verified and create a unique profile on our business directory

ACCESS TRAINING



Enroll in online and in-person courses that target your company's growth

CONNECT TO OPPORTUNITIES



Locate tenders in your sector and win new contracts and capital

Interested in Learning More?
Contact our supply chain and finance experts:

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