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The Impact of Social Cohesion Policies of Türkiye on the Economic Integration of Syrian Business Owners and Entrepreneurs in Türkiye

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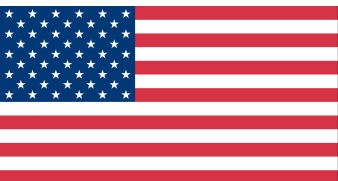
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Building Markets supports refugee and host community-owned small business growth by providing the resources and expertise they need to overcome market barriers, boost capacity, and connect with new opportunities. This project is a gift of the United States.

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INTRODUCTION

Türkiye has hosted the largest number of refugees since 2014 worldwide.¹ The exponential increase from 2011 when the number of refugees was only 58 thousand was driven by the crisis in Syria turning into a civil war. Syrians who fled to Türkiye for their lives, hoping to return to their homeland soon, started to build their lives anew in Türkiye when it became clear that peace and security was far from being restored during this long period of waiting. As of 2023, 3.3 million Syrians live in Türkiye under temporary protection status.² However, there are also nearly 330 thousand non-Syrians mostly including Afghans and Pakistanis who are granted International Protection status.³ Today, Türkiye has become both a transit and destination country for many refugees and almost more than 1 million irregular migrants.

The process of refugee management is considerably different from the process of migrant management. This causes concerns in the society on the one hand and disruptions in introducing cohesion policies on the other. Similarly, migrants are considered as an “instrument” of economic development whereas irregular migrants are viewed as an “issue” throughout the world. Almost all of the migrants exceeding 300 million worldwide live in developed - high-income countries. However, only 15-16% of more than 100 million refugees manage to reach those countries. The “Yes to migrants but No to refugees” attitude adopted by developed countries naturally bring about “exclusion” policies.

Although listed among the G20 countries, Türkiye has faced severe economic crises in recent years with high rates of unemployment and informal economy, high inflation and per capita GDP below 10 thousand USD. Such a landscape in a country hosting the largest population in the world makes it not conducive for the management of the process or implementation of cohesion

1 Türkiye maintains geographical reservation in the 1951 Geneva Convention although it is a party to the Convention and 1967 Protocol relating to the Status of Refugees. Pursuant to domestic legislation developed in this framework, Türkiye grants refugee status only to persons who arrive as a result of incidents taking place in Europe (Europe here means Council of Europe members) and who are included in the definition of “refugee” definition of the 1951 Convention. The same approach is adopted in the Law on Foreigners and International Protection which came into force in 2013 where different statuses are defined under the titles of “refugees”, “conditional refugees” and “secondary protection”. Syrians arriving in Türkiye were given a different type of protection status which is “temporary protection”. In this framework, displaced people arriving in Türkiye as a result of incidents that have not taken place in Europe are declared “conditional refugees” after it is established after an assessment that they are included in the definition of “refugee” in the 1951 Convention. In this study the terms “Syrians” or “refugees” are used considering the sociological context and established daily use of these terms irrespective of the legal context and the definitions in the Turkish legal system.

2 For Temporary Protection statistics of the Presidency of Migration Management, see <https://www.goc.gov.tr/geci-ci-koruma5638> (Accessed: 02.08.2023)

3 Office of the United Nations High Commissioner for Refugees (UNHCR), Highlights in Numbers (May 2021); <https://www.unhcr.org/tr/wp-content/uploads/sites/14/2021/07/UNHCR-Türkiye-Operational-Update-May-2021-TR-F.pdf> (Accessed: 02.08.2023)

policies. Furthermore, the Covid-19 pandemic announced on 11 March 2020 and the devastating earthquake on 6 February 2023 posed even more severe challenges for the Turkish economy. In addition, the issue of refugees has been politicized especially in the past few years, inflicting considerable pressure on the government. This creates even more problems for the cohesion policies. The study findings clearly suggest that refugees in Türkiye are going through hard times as a result of the economic-financial crisis in the country, COVID-19, the earthquake, political debates and widespread reactions from the host community. This restricts first and foremost the process of integration, especially economic integration and entrepreneurship.

This research project entitled “The Impact of Social Cohesion Policies of Türkiye on the Economic Integration of Syrian Business Owners and Entrepreneurs in Türkiye”⁴ aims to analyze the impacts of social cohesion policies on Syrians’ economic integration processes considering the effects of the pandemic and earthquake.

This research project led by Prof. Dr. M. Murat and implemented by Tülin Hacı Mohamad, Dr. Nihal Eminoğlu, Rabia Gizem Şenoğlu and Fatima Abdürrezzak, all experts in migration and refugee studies, assesses the self-reliance of refugees in Türkiye and its impacts on the integration process, their challenges, perceptions, social relationships, experiences and expectations for the future, and offers insights and policy recommendations based on these findings. The study includes a survey with Turkish and Syrian business owners, focus group discussions (FGDs) with Syrian business owners and interviews with experts in social cohesion, employment and economic integration processes in Türkiye and representatives of relevant institutions/organizations.

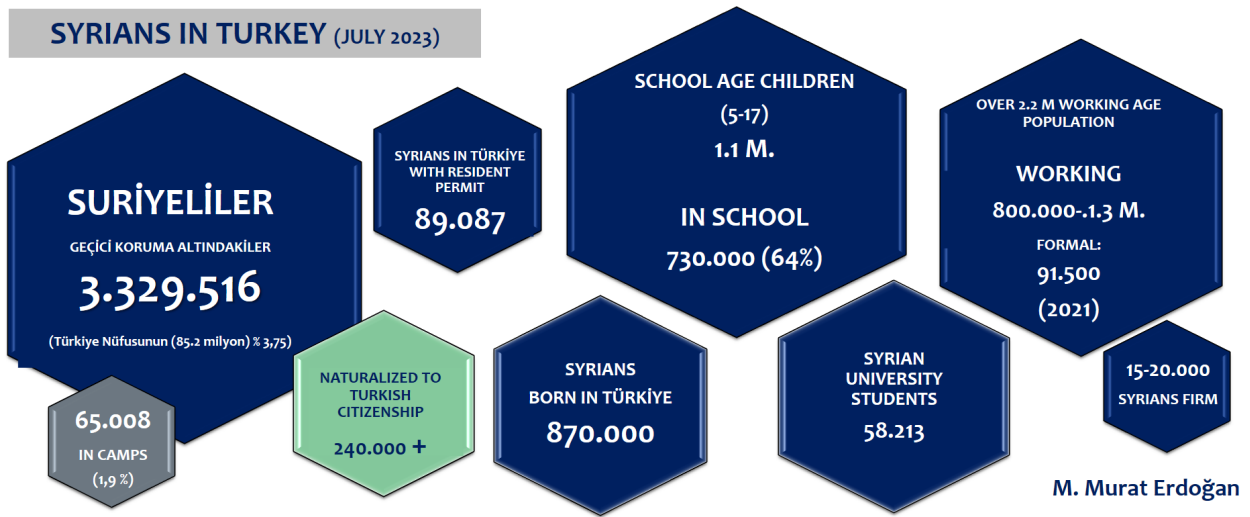
SYRIANS IN TÜRKİYE AND ECONOMIC ACTIVITIES

General Demographic Characteristics of Syrians in Türkiye

Syrians in Türkiye started arriving in the country after 29 April 2011. This “open-door policy” by Türkiye continued until 2016-2017. After 2016, the Turkish government created de facto safe zones and erected walls at the Syrian border to prevent crossings. However, the number of Syrians under temporary protection peaked at 3.737 million on 31 December 2021. Considering that nearly 1 million of the Syrians transited from Türkiye to Europe and almost 500 thousand returned to Syria, it is estimated that a total of over 5 million Syrians have arrived in Türkiye over the past 12 years. Furthermore, the natural population growth among Syrians continues with a high

⁴ The term “entrepreneurs” in the title of the study includes “business owners”, i.e. “enterprise owners”. Considering that some of the Syrians from different professions and even students set up businesses for the first time after arriving in Türkiye, the term “entrepreneur” is a more comprehensive term for the purposes of this study. The study focuses particularly on owners of small- and medium-scale enterprises (SMEs). Larger enterprises or issues of Syrian owners of larger enterprises are only partly mentioned.

SYRIANS IN TÜRKİYE (JULY 2023)



fertility rate. The fertility rate among Syrian women in Türkiye is 5.3 births per woman. This rate is 1.8 births per woman among Turkish women. It is estimated that 870 thousand Syrian babies were born in Türkiye in the last 12 years. This means 300 babies a day and 100-120 thousand a year and the number has steadily increased. Despite this, the decline in the number of Syrians after 2021 is striking. The government explains the situation by citing Syrians granted Turkish citizenship, people who returned to Syria and correction of inflated wrong numbers in the records in initial years. Despite the recent decline in numbers of Syrians down to 3 million or even 2.8 million, it should be noted that the number is still quite high in Türkiye which continues to host the largest number of refugees in the world.

The key demographic characteristics of Syrians in Türkiye are summarized below:

- ◆ 89.000 Syrians in Türkiye have residential permits.
- ◆ Syrians in Türkiye usually lived in the camps initially. The number of residents in Temporary Accommodation Centers (TACs) has declined to 45.000 in recent years.⁵ However, this number rose back to 65,000 after the earthquake. This number still accounts for less than 2% of the total Syrian population in Türkiye. In general, Syrians live in urban areas together with the host community.
- ◆ The Turkish government introduced an “exceptional citizenship” for Syrians after 2017. As of 15 April 2023, the number of Syrians granted Turkish citizenship is 230.998.⁶
- ◆ The Syrian population living under temporary protection in Türkiye is considerably young. 997,000 Syrians are aged 0-9 years and 1.1 million are aged 5-17, i.e. school-age children.

⁵ For more information on Temporary Accommodation Centers and number of Syrian residents at these centers, see <https://www.goc.gov.tr/gecici-koruma5638> (Accessed: 02.08.2023)

⁶ This number was given by then Minister of Interior Mr. on TGRT on 15 April 2023.

Of these, nearly 700.000 (65%) receive formal education in Turkish public schools every year. However, there are at least 400.000 out-of-school children.

- ◆ More than 58.000 Syrians have attended university in Türkiye.⁷
- ◆ Syrians in Türkiye have worked in Türkiye since 2011 to make a living. It is estimated that approximately 1 million Syrians are actively involved in the labor market. In January 2016, the Turkish government enacted legislation which allows Syrians to work on certain conditions. Since 2016, 91.500 work permits have been granted to Syrians (54.4% of all work permits granted to foreigners in 2021). However, more than 90% of Syrians are known to work informally. This poses a serious issue not only for other Syrians or foreigners but also Turkish citizens in the Turkish economy. The rate of informal employment in Türkiye is 29% according to data from the Office of the President and TurkStat. As of May 2023, this means that 10 million out of 31.6 million people in employment work informally.⁸
- ◆ According to estimates, Syrians have set up nearly 20.000 businesses in Türkiye. ⁹ This number is around 10.000 according to the 2017 study of INGEV entitled Potential Enhancement Areas for Companies Established by Syrians¹⁰ and the Building Markets study entitled “The Other Side of the Story - A Market Survey on Syrian SMEs in Türkiye”¹¹. TEPAV’s 2019 study suggests 15.000 businesses.¹² Considering the time that elapsed since then, however, many experts agree that this number is well close to or even above 20 thousand including informal businesses.

7 CoHE: <https://istatistik.yok.gov.tr/>

8 Office of the President, Annual Economic Report for 2022 <https://www.sbb.gov.tr/wp-content/uploads/2022/10/Yillik-Ekonomik-Rapor-2022.pdf> (Accessed: 02.08.2023) ; TurkStat, May 2023, Labor Statistics: <https://data.tuik.gov.tr/Bulten/Index?p=Isgucu-Istatistikleri-Mayis-2023-49387> (Accessed: 02.08.2023)

9 BBC, Current Facts about Syrians in Türkiye (August 2021) ; <https://www.bbc.com/turkce/haberler-turkiye-58329307> (Accessed: 02.08.2023)

10 İNGEV (2017): Potential Enhancement Areas for Companies Established by Syrians. https://ingev.org/raporlar/Suriyeliler_Tarafindan_Kurulan_Sirketler_Icin_Potansiyel_Iyilestirme_Alanlari.pdf, A study conducted in May 2017 by ActHuman Social Inclusion Initiative, a partnership between İNGEV and Sabancı University İstanbul Policy Center (IPC), which aims to identify “Potential Enhancement Areas for Companies Established by Syrians in Türkiye” and relay their messages to policy makers through social policy recommendations estimates the Syrian-owned enterprises at more than 10.000. https://ingev.org/raporlar/Suriyeliler_Tarafindan_Kurulan_Sirketler_Icin_Potansiyel_Iyilestirme_Alanlari.pdf

11 Building Markets (2017), The Other Side of the Story - A Market Survey on Syrian SMEs in Türkiye, https://building-markets.org/sites/default/files/pdm_reports/another_side_to_the_story_tr-final-spr.pdf

12 TEPAV, Syrian Entrepreneurship and Refugee Businesses: How to Benefit from the Turkish Experience? <https://www.tepav.org.tr/tr/haberler/s/10024> (Accessed: 10.09.2023)

Legal Labor Framework Concerning Syrians under Temporary Protection in Türkiye

The conditions of granting work permits to foreigners in Türkiye are laid down in the Law on International Labor dated 2016 and numbered 6735¹³. According to the Law, a foreigner who is willing to work in the country must obtain a work permit at the Directorate General of International Labor of the Ministry of Labor and Social Security. If an employer employs a foreigner without applying for a work permit or after the application for the permit has been rejected, such form of employment is “informal”.

The business/employer and the prospective employee need to fulfill a number of criteria in order to obtain a work permit. The employee must present an employment contract, passport and diploma; the employer must submit the tax certificate, trade registration gazette, business balance sheet, business operation permit and a preliminary authorization (from the Ministry of Health if the employee is a health professional and from the Ministry of National Education if the employee is an educator)¹⁴. Applications for work permits are filed online using the e-government portal.

The conditions for work permit for Syrians under temporary protection are set out in the Regulation on Work Permits for Foreigners under Temporary Protection published on 15 January 2016¹⁵. Interestingly, this Regulation was published approximately 6 months before the enactment of the Law 6735 which governs employment of foreigners in Türkiye. Therefore, this Regulation which existed before the Law was taken into account. According to the Regulation, employers may file for work permits for Syrians under temporary protection who:¹⁶

- ◆ hold a Temporary Identification indicating that they are under temporary protection and a foreigner identification number,
- ◆ have completed six months of temporary protection status as a minimum as of the date of application for the work permit,
- ◆ for professions requiring a preliminary authorization, have obtained preliminary authorization from the Ministry of Education in case the applicant is to work in the education sector, from

¹³ <https://www.mevzuat.gov.tr/mevzuat?MevzuatNo=6735&MevzuatTur=1&MevzuatTertip=5> (Accessed: 10.09.2023)

¹⁴ For more information on work permit application processes see Directorate General of International Labor of the Ministry of Labor and Social Security (ÇSGB-ÜİGM Başvuru Kılavuzları), <https://www.cs.gb.gov.tr/uigm/calisma-izni/basvuru-kilavuzlari/> (Accessed: 10.09.2023)

¹⁵ “Regulation on Work Permits for Foreigners under Temporary Protection”, Official Gazette dated 15.1.2016 and numbered 29594. (<https://www.mevzuat.gov.tr/MevzuatMetin/3.5.20168375.pdf>) (Accessed: 02.08.2023)

¹⁶ Practical Guide on Work Permits and Work Permit Exemptions of Foreigners under Temporary Protection, <https://www.cs.gb.gov.tr/media/47594/gecici-koruma-saglanan-yabancilarin-calisma-izinlerine-dair-uygulama-rehberi.pdf> (Accessed: 02.08.2023)

the Ministry of Health if the applicant is a health professional and from the Council of Higher Education if the applicant is an academician.

The conditions for employment of a Syrian by a business are clearly laid down in Articles 5, 7 and 8 of the Regulation on Work Permits for Foreigners under Temporary Protection:

Article 5: Application for work permit and work permit exemption:

1. Foreigners under temporary protection may lodge an application to the Ministry to obtain work permits six months after the date of their temporary protection registration.
2. Work permit applications shall be lodged by the employer, who will employ foreigners under temporary protection, through the e-Government portal.
3. Foreigners under temporary protection, who are entitled to lodge an application for independent work permit, shall lodge their application on behalf of themselves.
4. Foreigners under temporary protection, who will work in seasonal agriculture or livestock works, shall be under exemption from work permit. Work permit exemption applications shall be lodged at the provincial governorship where the foreigners are registered under temporary protection. These applications shall be notified to the Ministry by the respective governorship.
5. The Ministry may introduce province and quota restrictions regarding foreigners under temporary protection, who will work in seasonal agriculture or livestock jobs.

Article 7: Provinces where work permit can be granted

Provinces, where foreigners are permitted to reside pursuant to Article 24 of Temporary Protection Regulation, shall be the basis for granting the right to apply for work permit for foreigners under temporary protection.

Article 8: Employment quota

1. In evaluation of work permit applications, employment quota for foreigners under temporary protection may be implemented at different rates considering the placements to open jobs and jobs based on sectors and provinces depending on the number of Turkish citizens employed at the workplace. Number of foreigners under temporary protection, who work at the workplace, where a work permit application is lodged, cannot be more than ten percent of the number of Turkish citizens working at the workplace without prejudice to the third paragraph.
2. Maximum one foreigner under temporary protection may be permitted to work at a workplace where the number of employees is below 10.

The types of work permit include fixed-term work permits, indefinite work permits, independent work permits and Turquoise Cards. However, these are not applicable to foreigners under temporary protection¹⁷. Moreover, some professions are exclusive to Turkish citizens and foreigners are banned from performing them. These include dentists, patient caregivers, pharmacists, notaries, judges, prosecutors, lawyers and chartered financial consultants.¹⁸

Work Permits Granted to Syrians and Other Nationalities in Türkiye (2011-2021)

The Regulation which is crucial for the economic activities and integration of Syrians in Türkiye and which allows them to participate in formal employment has contributed, even to a limited extent, to formalizing the employment status of Syrians who had to work informally between April 2011 and 2016 as they were not entitled to work in the country. According to the “Work Permits of Foreigners” reports by the Ministry of Labor and Social Security¹⁹, a total of 34.573 work permits were granted to citizens of the Syrian Arab Republic in 2018²⁰, including 31.526 for men and 3.047 for women. According to 2019 data of the Ministry, 145.232 work permits were granted to foreigners and 63.789 of these were granted to Syrians. According to 2020 data of the Ministry, 123.574 work permits were granted to foreigners and 62.369 of these were granted to Syrians (1.420 fewer than the previous year)²¹. According to 2021 data of the Ministry, 168.103 work permits were granted to foreigners and 91.500 of these were granted to Syrians (29.131 more than the previous year). However, the data do not distinguish work permits granted to 3.3 Syrians under temporary protection and around 95.000 Syrians living in Türkiye on residential permits. Therefore, the exact number of work permits given to Syrians under temporary protection is not clear.

The work permits mentioned above point at another important issue. The number of foreigners living on residential permits has increased significantly in recent years to reach 1.298.186 in June 2023. However, the total number of work permits granted to foreigners including Syrians is only

17 For information on different types of work permits, see <https://www.csgb.gov.tr/uigm/calisma-izni/izin-turleri/> (Accessed: 10.09.2023)

18 For a list of professions exclusive to Turkish citizens, see <https://www.csgb.gov.tr/uigm/calisma-izni/turk-vatan-daslarina-hasredilen-meslekler/> (Accessed: 10.09.2023)

19 The former title of the Ministry is the Ministry of Family, Labor and Social Services.

20 See Ministry of Labor and Social Security, Work Permits for Foreigners (2018) <https://www.csgb.gov.tr/media/31746/yabanciizin2018.pdf> ; Work Permits for Foreigners (2019) <https://www.csgb.gov.tr/media/63117/yabanciizin2019.pdf> (Accessed: 02.08.2023). Also, the Ministry data suggest that the number of work permits granted to citizens of the Syrian Arab Republic was 32.199 as of 15 November 2018 and 31.185 as of 31 March 2019. According to the 3RP-Regional Strategic Overview (2020-2021) published by UNHCR, 132.497 work permits have been granted to Syrians in Türkiye. See <http://www.3rpsyriacrisis.org/wp-content/uploads/2019/12/Regional-Strategic-Overview-2020-2021-1.pdf> (Accessed: 02.08.2023)

21 Ministry of Labor and Social Security, Work Permits for Foreigners (2020) <https://www.csgb.gov.tr/media/87487/yabanciizin2020.pdf> (Accessed: 02.08.2023)

In 2011-2021 Number of Work Permits Given to Citizens of the Syrian Arab Republic

	Syrians			All Work Permits Given to Foreigners	Given to Syrians Share of Permits in Foreigners %
	Total	Male	Female		
2011	118	96	22	17.466	0,6
2012	220	194	26	32.279	0,6
2013	794	724	70	45.823	1,7
2014	2.541	2.384	157	52.295	4.8
2015	4.019	3.739	280	64.521	6.2
2016	13.290	12.145	1.145	73.549	18,0
2017	20.966	19.325	1.641	87.182	24,0
2018	34.573	31.526	3.047	115.837	29,8
2019	63.789	59.406	4.383	145.232	43,9
2020	62.369	58.402	3.967	123.574	50,4
2021	91.500	86.165	5.335	168.103	54,4

Source: The Ministry of Labor and Social Security (2022) Work Permits of Foreigners-2021
<https://www.csgb.gov.tr/media/90062/yabanciizin2021.pdf> (Access to: 26.06.2023)

168.000. In other words, the total number of work permits granted to more than 1.2 million foreigners living in the country on residential permits is 77.000. The rate of obtaining work permits is too low even if the “residential permits for students” are excluded.

More than 90% of Syrians in Türkiye are in informal employment. By its very nature, accessing informal economy and figures is difficult. The 2020 report on “Syrian Refugees in Turkish Labor Market” by the International Labor Organization (ILO) Office for Türkiye provides significant clues on the matter even if the analyses focus on the 2017-2018 period²². According to this study which uses the indirect assessment method, the number of Syrians working in Türkiye was 940.921 in 2017. The study states that “91.6% of these people (862.039) work in low-skill jobs with relatively low productivity”. The report suggests 125.000 child workers aged 5-14 including nearly 17.000 girls and 109.000 boys. On the other hand, female employment among Syrians in Türkiye is strikingly low at 4-6%.

²² See Luis Pinedo Caro (2020), Syrian Refugees in Turkish Labor Market, ILO Türkiye, p. 13. (https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-ankara/documents/publication/wcms_739463.pdf) (Accessed: 02.08.2023)

Informal Employment and Foreigners in Türkiye

Official data indicate that informal employment in Türkiye is quite high. According to December 2021 data of the Turkish Statistical Institute (TurkStat), the informal employment rate in Türkiye is 28,7% and 18,1% in non-agricultural sectors²³. In recent years, informal employment in the country has been around 25-30%²⁴. TurkStat data for the said period suggests that the total “workforce” is 33.5 million and the number of employed people is 29.8 million. This means that the number of informally employed Turkish citizens is 9.7 million based on workforce and 8.6 million based on employment. As regards informality in non-agricultural sectors (18.1%), the number of Turkish citizens working informally is 6 million based on workforce and 5.3 based on employment.

This outlook is interesting particularly when informality in Türkiye is considered in relation to 3.3 million Syrians under temporary protection and other foreigners.

Businesses Established by Syrians in Türkiye

Syrian entrepreneurship and investments have significantly increased every year since 2014. However, the challenges they face have also increased. Syrian entrepreneurs play a crucial role by providing economic contribution to Türkiye as well as facilitating the economic integration of Syrians. According to a study by the Economic Policy Research Foundation of Türkiye (TEPAV), over 15.000 enterprises founded by Syrians employ more than 44.000 Syrians²⁵. More than 55% of Syrian-owned businesses in Türkiye are micro-scale enterprises, i.e. they employ fewer than 5 people. Even though most of them only manage to break even, the number of Syrian businesses in the country has a clear increasing trend.

Syrian businesses have the biggest share among the number of foreigner-owned businesses started in Türkiye in 2017 and 2018. According to the Ministry of Trade, the number of businesses with at least one Syrian partner was 15.159 as of 26 February 2019²⁶. This number would further rise considering the informal businesses. The most common sectors include wholesale trade, real estate and construction. A striking fact is that more than 55% of the Syrian businesses in Türkiye

²³ TurkStat Workforce Statistics, 4th Quarter: October-December 2021; <https://data.tuik.gov.tr/Bulten/Index?p=Is-gucu-Istatistikleri-IV.-Ceyrek:-Ekim---Aralik,-2021-45643> (Accessed: 02.08.2023)

²⁴ Bizim Menkul Değerler (BMD Real Estate) Survey, Unemployment and Employment Data, August 2022; https://www.bmd.com.tr/application/files/2516/6575/3552/Issizlik_ve_Istihdam_Verileri_-Agustos_2022.pdf (Accessed: 02.08.2023)

²⁵ TEPAV, Syrian Entrepreneurship and Refugee Businesses: How to Benefit from the Turkish Experience? <https://www.tepav.org.tr/tr/haberler/s/10024> (Accessed: 10.09.2023)

²⁶ <https://www.cnnturk.com/ekonomi/bakan-pekcan-15-bin-159-suriyeli-sirket-var> (Accessed: 10.09.2023)

export to Syria and other countries in the region. According to UNHCR data, the total capital of Syrian entrepreneurs in Türkiye reached 400 million USD at the end of 2018.²⁷

STUDY SCOPE AND METHODOLOGY

The scope of the study covers Syrian employers who own small and medium scale enterprises (SMEs) in Türkiye. The study compares Syrian and Turkish businesses to accurately pinpoint challenges that can be attributed to their Syrian status and not just general challenges for SMEs. Therefore, questions about Turkish employers and businesses with both Turkish and Syrian partners were asked to key informants and they were asked to make comparisons. Also, it is necessary to analyze the circumstances concerning employees in studies on employers and businesses. Thus, the scope of the study was extended to relationship of employers with employees, entitlements of Turkish Syrian and/or other employees, working conditions, treatment by the employers and potential discriminatory attitudes and practices. This allowed for a multifaceted evaluation of all actors in working life (i.e. employers, employees, labor organizations and institutions/organizations which regulate/audit labor).

The field survey was carried out in 4 provinces, i.e. Ankara, İstanbul, Mersin and Gaziantep²⁸. Another aim of the survey was to understand the economic impacts of the earthquake in Türkiye on 6 February 2023 which devastated 10 southern provinces from the perspective of Syrian and Turkish businesses and employees. Although the timing was a bit early to analyze the impacts and economic damages in the wake of the earthquake and a rather small-scale survey has its own limitations to understand the full scale of such catastrophic devastation, the participants were asked about the effects of the earthquake during the survey and interviews.

The study methodology was designed in two main phases. The first phase consisted of a literature review and desk research.

Literature review and desk research:

The literature review included a general assessment of Syrians in Türkiye and a more detailed look into their economic integration in the country. Other research projects and academic studies in this area were also reported under the review. Parallel to the literature review, a desk research was carried out to complete the first phase. The questions of the survey, focus group discussions

²⁷ UNHCR- Update: Durable Solutions for Syrian Refugees, August 2019; <https://data2.unhcr.org/en/documents/download/70892> (Accessed: 10.09.2023)

²⁸ The highest Syrian population in Türkiye is in İstanbul; 531.000 Syrians live in İstanbul. This is followed by Gaziantep (436.000). Mersin ranks number 6 with 235.000 Syrian inhabitants and Ankara ranks number 10 (90.000). (For more information, see statistics of the Presidency of Migration Management; <https://www.goc.gov.tr/gecici-koruma5638> (Accessed: 10.09.2023)

(FGDs) and the interview were prepared and the methodology of the field survey was clarified as part of the desk research. A literature review report, survey result report, FGD summaries and an interview analysis report were prepared in addition to the final report.

Field study:

The field study used a mix of three methods:

- 1. Survey:** The survey was applied to 54 Syrian and 21 Turkish employers. The respondents include businesses with Syrian and Turkish partners. The survey questionnaire was prepared in Turkish and Arabic and uploaded to the Survey Monkey Platform. Surveys with Syrian employers were applied by a native researcher native in Arabic language via phone calls. Part of the surveys with Turkish employers was conducted by phone calls and part of the respondents completed the questionnaire on Survey Monkey to be relayed to the research team.
- 2. Focus Group Discussions (FGDs):** Three FGDs were held with only Syrian employers. The FGDs included 15 Syrian employers in total including 11 men and 4 women. The discussions moderated by a researcher native in Arabic language were held online.
- 3. Interviews:** 12 interviews with key informants, i.e. subject matter experts and representatives of relevant institutions/organizations and NGOs, were organized online using semi-structured questions. Some interviews were conducted as an FGD now that several representatives from the same institution or organization wanted to attend the session. This approach proved to be very useful by enriching the research findings.

The list provided by Building Markets was used to reach out to business owners to take part in the survey. The survey team also applied the survey through the Chambers of Industry and Trade and via their own networks in some of the study provinces.

Initially, it was planned to involve 50 Syrian and 50 Turkish business owners (employers) to include in the survey. However, only 20 Turkish business owners were surveyed as the others were not willing to participate. The surveys did not claim representativeness and the number of participants among Turkish participants remained at 20. Therefore, the resulting analyses had limitations as well. Even though 80 graphs on average were obtained from the survey data, only limited survey data which was significant and allowed for generalization was included.

Similar to their reluctance with the survey, Turkish business owners did not participate in FGDs. Even though the decline in the number of Turkish business owners appeared to be a development not considered in the initial methodology, this did not lead to a major challenge in the analysis of the findings as the main target group of the study is Syrian business owners, as indicated in the title of the study. Moreover, the challenges and issues of Turkish business owners were discussed during the key informant interviews and the participants also provided a comparison of Syrian

and Turkish business owners. Thus, the limitations to the analysis arising from the low number of Turkish business owners included in the survey and FGDs. On the other hand, the reluctance, and even the negative attitude of Turkish business owners to participate in the study was a learning experience for gaining insight into the social cohesion issues.

FIELD SURVEY FINDINGS

The findings of the field study are classified in three groups, i.e. data from the survey, FGD results and interview analyses. The final section of the report provides a consolidated summary of all findings.

Findings from the Field Survey

Aggregated Summary Data of Surveys Implemented on Syrian Employers

This section includes aggregated summary data of the survey with 54 Syrian business owners. The survey was implemented in 4 provinces included in the field study. There were 14 respondents in İstanbul, 13 in Ankara, 15 in Gaziantep and 12 in Mersin.

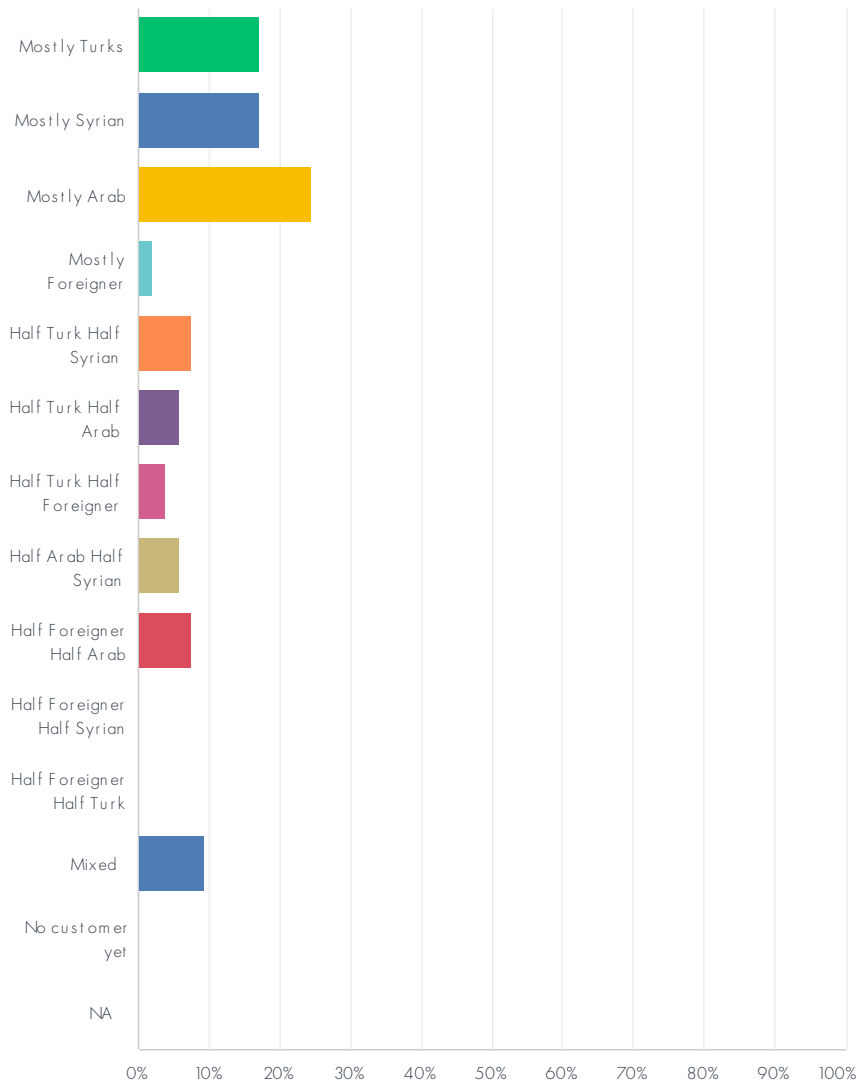
Profile of participating Syrian businesses and employers:²⁹

- ◆ 88% are business founders and the rest are company managers.
- ◆ There was only one female employer among the respondents.
- ◆ 80% of the owners are aged 25-44 years.
- ◆ As regards legal status, 30% of the respondents are under temporary protection, 13% have residential permits and 24% were granted Turkish citizenship. Only 33% have work permits.
- ◆ As regards length of stay in Türkiye, 17% have lived in Türkiye for 6-8 years and 71% for over 9 years. In other words, 88% of the respondents have lived in Türkiye for longer than 6 years. In addition, 80% of the employers have lived in their current city of residence for at least 6 years.
- ◆ As regards education level, 80% have associate, high school or bachelor's degrees. 72% received education in Syria 19% in Syria first and then in Türkiye.
- ◆ Over 85% of the respondents reported their proficiency in the Turkish language to be intermediate or advanced level or native language.
- ◆ Before migrating from Syria to Türkiye, 58% worked in the private sector, 8% were employers and 25% were students.

²⁹ Numbers were rounded as the survey participants were few in number.

Q15 What is the customer profile/nationality of your business?

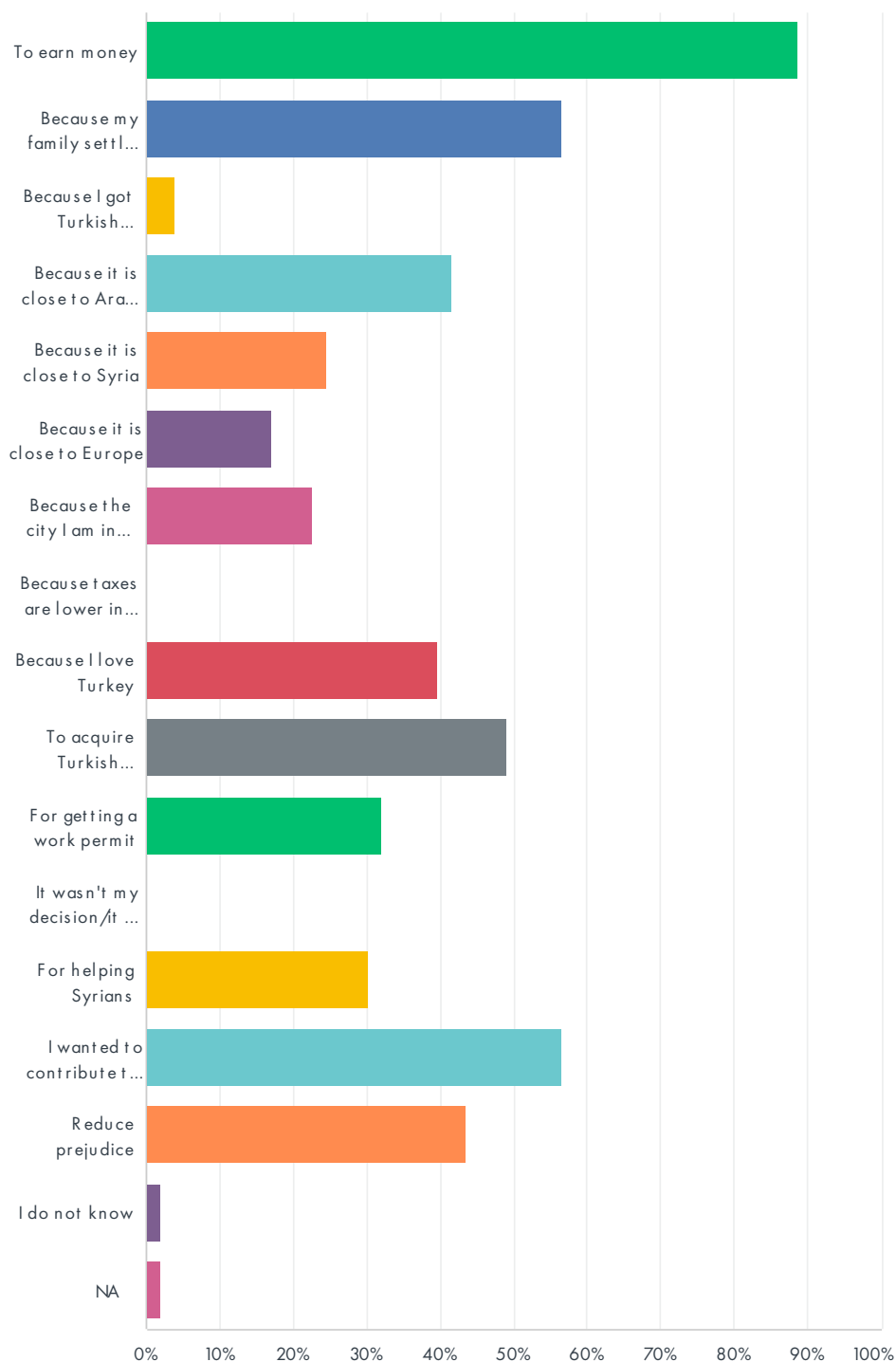
Answered: 53 Skipped: 1



- ◆ 70% of the participating businesses are sole proprietorship and 30% are partnerships. 1% of the partnerships include 4 partners, 1% have 3 partners. 5 businesses consist of 2 partners and the rest are sole proprietorship entities.
- ◆ 67% of the partnerships have Syrian partners, 5% with other Arabs and 29% with Turks.
- ◆ Overall, the Turkish community constitutes around 25% of the customer base of these businesses.
- ◆ The sectors they operate in mainly include textile, manufacturing and food. 49% are in other sectors.
- ◆ Overall, 47 Syrian businesses employ 189 local (Turkish) community members. Of these, 1 business employs 25 local people, 2 businesses employ 15, 3 businesses employ 10, 5 businesses employ 6-9, 12 employ 3-5 and 25 employ 1-2. The remaining businesses have 1 or two host community members.

Q18 What are the reasons that make you decide to open a business in Turkey? (Multiple choices)

Answered: 53 Skipped: 1



- ◆ 49 Syrian businesses have 537 Syrian employees. 3 businesses have 50-75 employees, 2 businesses have 30-49, 4 businesses have 15-29, 5 businesses have 10-14, 17 businesses have 5-9, 16 businesses have 2-4 and 2 have 1 Syrian employee.
- ◆ 86,7% of the Syrian businesses have Turkish employees.

- ◆ The total number of employees of Syrian businesses is 726 including 189 Turkish (26,03%) and 537 Syrian employees (73,96%). The average number of employees in the participating Syrian businesses is 13,4. These 54 Syrian businesses employ 3,5 Turkish people and 9,9 Syrians on average.
- ◆ 38% of the Syrians employed at the respondent businesses have Turkish citizenship.

Entrepreneurship motivations of Syrian employers

The participants were asked the multiple-answer question "What were your motivations to start a business in Türkiye?" The main replies were "To earn money" (88%), "Because my family settled in here" (56%), "To contribute to Turkish economy" (56%), "To obtain Turkish citizenship" (49%), "To reduce prejudices" (43%) and "Because it is close to Arab countries" (42%).

Reasons of Syrian employers to employ Syrians/Turkish people

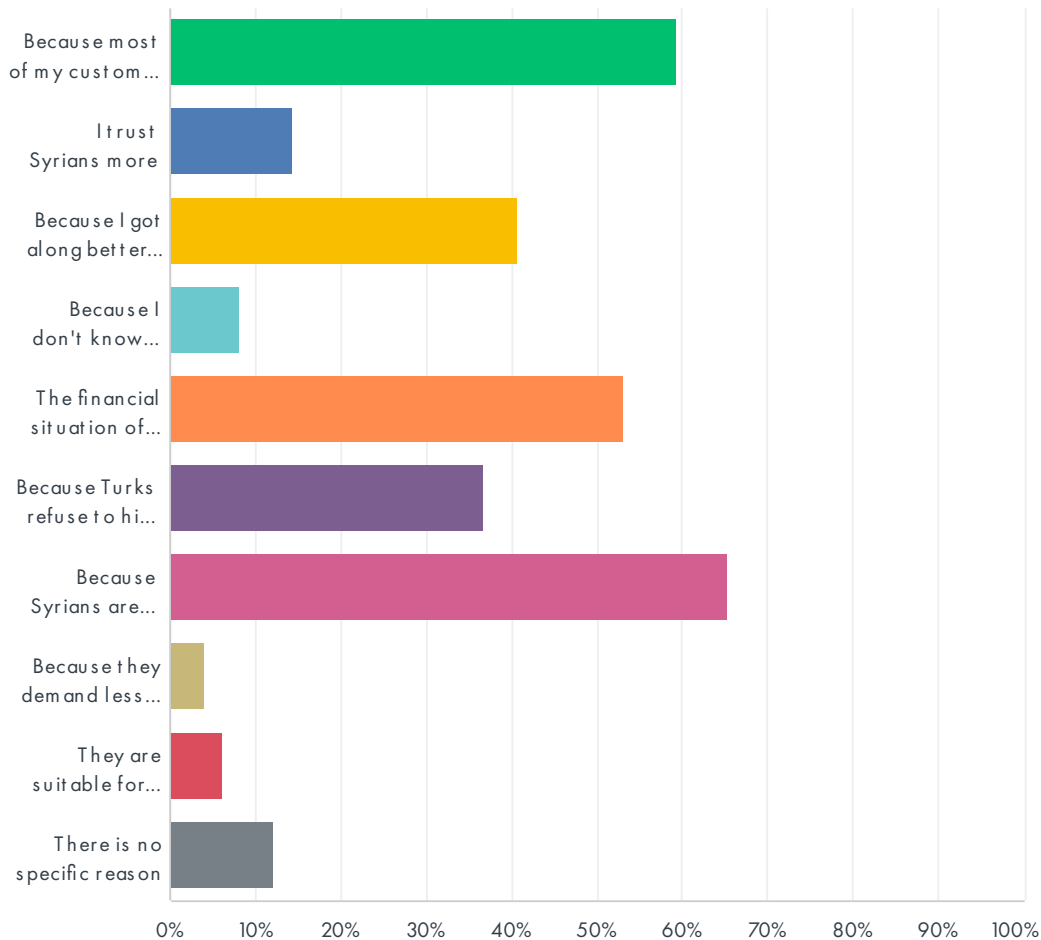
- ◆ Syrian employers have various reasons to employ Syrians. The main reasons are "cultural affinity", "potential market" and "solidarity".
- ◆ The main reasons for Syrian businesses to employ Turkish workers are "Better knowledge of the market" (38%), "Legal requirements" (25%) and "Proficiency of Turkish language" (20%). 10 businesses which do not have Turkish employees cite "Insufficient resources" (20%) or "Failure to find candidates with necessary qualifications" (20%).
- ◆ The gender distribution of employees of Syrian businesses -regardless of nationality- is 94% men and 6% women.

Challenges of starting a Syrian business, and assistance and support

- ◆ 43% of Syrian businesses reported no challenges when starting a business. The main challenges for the others were "obtaining work permits" (30%), "obtaining official documents" (28%) and "lack of knowledge of local legislation" (26%).
- ◆ 66% of the Syrian businesses did not receive any "assistance or support" from any institution. 9% received support a few times and 25% received assistance only once. The assistance received by Syrian businesses include "courses", "training for employees" and "coverage of work permit costs". The main source of assistance was the international organizations (19%). They are followed by government institutions (13%). The final source of support was NGOs. 6% of the supporting civil society organizations were international NGOs.
- ◆ 35% of the Syrian businesses received any assistance/support while around 13% received "financial assistance/support". The assistance in question is usually for the "initial capital". This financial assistance is mostly provided by government institutions (6%).

Q22 Why did you hire to Syrians? (Multiple choices)

Answered: 49 Skipped: 5



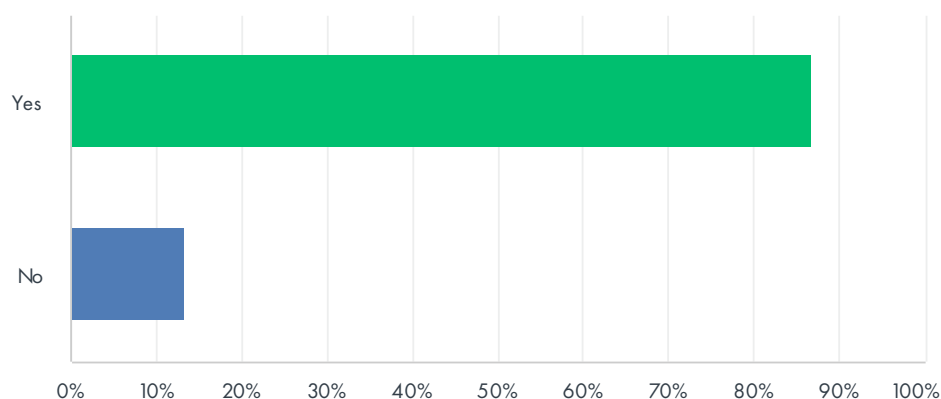
- ◆ When Syrian businesses were asked about why they did not receive or apply for assistance, 28% replied "We do not need capital" This is followed by "We are required to provide too many documents" (11,1%).

Cohesion and prejudices from the perspective of Syrian businesses and employees

- ◆ Most Syrian businesses (72%) which employ both Syrian and Turkish employees the cohesion level between employees is very high. 10% report that cohesion is "high". In the question that follows, 81% of the participants reported that "there are no issues related to cohesion". The biggest challenge is the "language barrier" (14%).
- ◆ The reflections of Syrian business owners on having a business in Türkiye are as follows:
 - It is not true that Syrian businesses do not pay taxes in Türkiye (100%)
 - Syrian businesses contribute to Turkish economy (98%)

Q24 Have you got any Turkish employee? (Non-Syrian)

Answered: 53 Skipped: 1

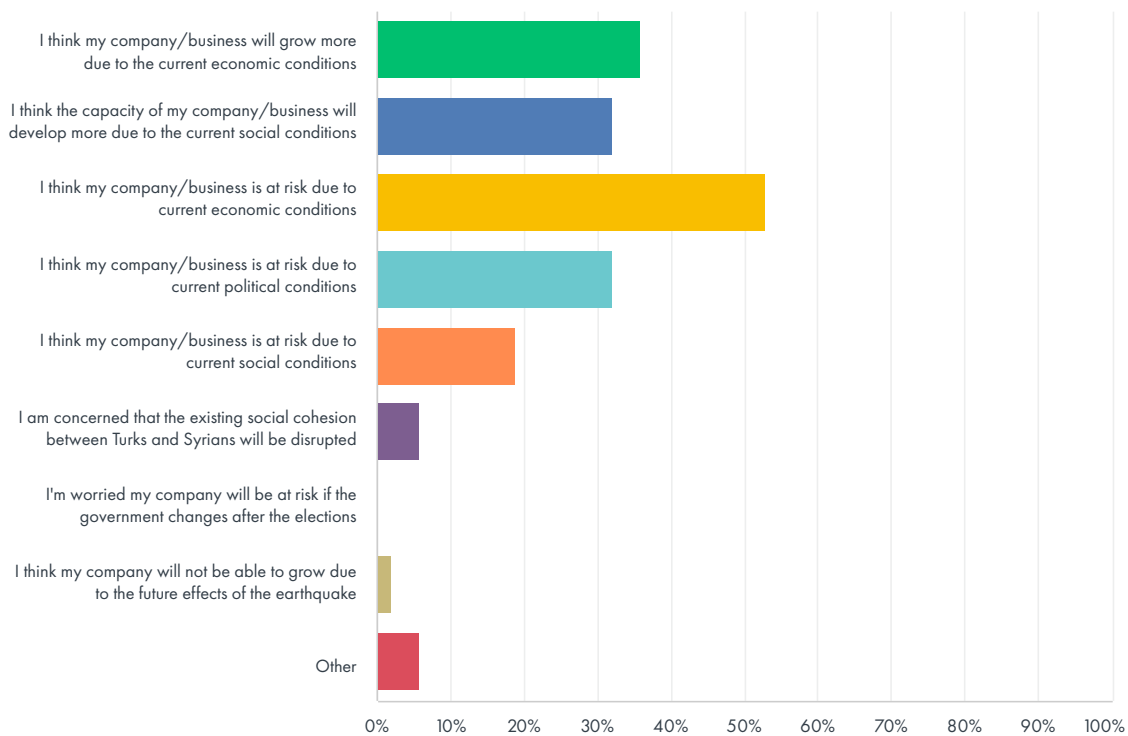


Reflections of Syrian Business Owners on Being in Türkiye

	I do not agree	I have no idea	Neither agree nor disagree	I agree	Total	Weighted average
There are economic difficulties affecting both Turks and Syrians	%9,43 5	%1,89 1	%1,89 1	%86,79 46	53	3,66
Syrian businesses contribute positively to the country's economy	%1,89 1	%0 0	%0 0	%98,11 52	53	3,94
Syrian businesses negatively affect the country's economy	%98,11 52	%0 0	%0 0	%1,89 1	53	1,06
The contribution of Syrians to the country's economy is not understood by the Turks	%7,55 4	%1,89 1	%16,98 9	%73,58 39	53	3,57
Unemployment rate decreased as the number of Syrian businesses increased in Türkiye	%18,87 10	%9,43 5	%5,66 3	%66,04 35	53	3,19
Competition in the market increased as the number of Syrian businesses increased	%13,21 7	%5,66 3	%20,75 11	%60,38 32	53	3,28
Syrian businesses operate tax-free in Türkiye	%100 53	%0 0	%0 0	%0 0	53	1
Syrian businesses pay less tax than Turks in Türkiye	%96,23 51	%1,89 1	%0 0	%1,89 1	53	1,08
Syrian businesses adapted to Turkish economic structure	%0 0	%3,77 2	%3,77 2	%92,45 49	53	3,89
The existence of Syrian businesses is supported by the Turks	%18,87 10	%11,32 6	%16,98 9	%52,83 28	53	3,04

Q40 How do you think the economic, political and social conditions in Turkey will affect the future of your company/business? (Multiple choices)

Answered: 53 Skipped: 1



- Syrian businesses do not have an adverse effect on Turkish economy (98%)
- Syrian businesses have integrated in the Turkish economy (96%)
- Economic challenges affect both the host community and Syrians (87%)
- ◆ When asked about their relationships with the Turkish society, social affinities and cooperation, more than 84% of Syrian business owners have a positive attitude towards partnership and working with members of the host community, opening an establishment in Turkish communities, and Turkish customers. However, only 51% would “not be bothered by a Turkish manager in their business” and 66% would “trust a Turkish person in financial matters”.

Economic situation and impact of the earthquake on Syrian businesses

- ◆ In response to a multiple-answer question on the topic, Syrian businesses stated it is highly likely that the economic, political and social circumstances in Türkiye would “negatively affect” their businesses. Interestingly, only 1 business selected the statement “I believe I will not be able to grow my business due to the impacts of the earthquake” from among statements on various challenges.

- ◆ In response to the question “Was your business harmed by the earthquake?” 27 establishments responded Yes, and they were asked about the extent of exposure. 49% reported “no impact”; only 20% were “severely affected” or “affected”. 27 out of 54 businesses stated they were harmed by the earthquake. The biggest harm was “financial losses caused by the damage” (74%), followed by indirect losses, i.e. losses caused as a result of damages suffered by other companies the businesses work with or as a result of operational reductions by these companies (56%), and decline of employee performance” (48.1%).

Aggregated summary data of the 20 surveys implemented on Turkish employers

The surveys with Turkish employers partnering with Syrians or employing Syrians which were initially planned as part of the study were implemented only as the Turkish businesses were unwilling to participate in the survey or even refused to do so. One could argue that this reluctance and refusal is fed by the psychological effects of the earthquake and negative political discourse against Syrians which escalated especially during the election process. The same attitude was observed in FGDs. In fact, this experience we had during the study seems to provide important clues for understanding this not-so-bright situation concerning social cohesion.

Initially, the plan was to include 50 Turkish businesses in the survey. However, the number remained at 21 in total and the distribution of the businesses by province was unbalanced (10 in İstanbul, 7 in Ankara, 2 in Gaziantep and 2 in Mersin). This also affected the survey analysis. Therefore, the data from the survey of Turkish business owners should be considered based on these limitations. Only statistically significant data was used for the summary in this section.³⁰

- ◆ More than 85% of the respondents are business owners or managers.
- ◆ 76% of respondents are men and 24% are women. Almost all business owners are older than 35 years of age.
- ◆ The main sectors are services, followed by food, textile, construction and manufacturing.
- ◆ As regards education level, over 80% have associate, bachelor’s or postgraduate degrees.
- ◆ 67% of the businesses are sole proprietorship and 33% are partnerships. All but one (Arab) of the partnerships have Turkish partners.
- ◆ Nearly 45% of the businesses reported that their client base consisted of mostly host community members. However, a mixed client base is also quite common.
- ◆ More than 65% of the businesses have been in their current sector for at least 10 years.

³⁰ Numbers were rounded as the survey participants were few in number.

Which of the Following Statements About the Presence of Syrian Businesses in Türkiye Do You Agree with?

	I strongly agree	I do not agree	Neither agree nor disagree	I agree	I completely agree	Weighted average
there are economic challenges affecting both Turks and Syrians	%20 4	%20 4	%5 1	%30 6	%25 5	20
Syrian businesses make a positive contribution to the country's economy	%10 2	%50 10	%25 5	%10 2	%5 1	20
Syrian businesses harm the country's economy	%5 1	%30 6	%10 2	%50 10	%5 1	20
The contribution of Syrians to the country's economy is not well understood by Turks	%25 5	%45 9	%15 3	%15 3	%0 0	20
As the number of Syrian businesses increased, the unemployment rate in the city decreased	%20 4	%65 13	%0 0	%15 3	%0 0	20
As the number of Syrian businesses increased, our business suffered economic losses	%5 1	%25 5	%10 2	%50 10	%10 2	20
Competition in the market increased as the number of Syrian businesses increased	%0 0	%20 4	%5 1	%60 12	%15 3	20
Syrian businesses operate tax-free in Türkiye	%10 2	%25 5	%15 3	%40 8	%10 2	20
Syrian businesses pay less taxes than Turkish ones	%10 2	%30 6	%15 3	%35 7	%10 2	20
Syrian businesses adapted to the Turkish economic structure	%15 3	%30 6	%20 4	%25 5	%10 2	20

- ◆ All Turkish businesses (100%) have at least one Turkish employee. Motivations of the businesses to employ Turkish people are various. The main reason is solidarity, i.e. they think Turkish people are in more need economically.
- ◆ 35% of Turkish businesses have Syrian employees. There is no specific reason for employing Syrians. The motivation of those who do not prefer Syrians is that "our own citizens need jobs more". This is followed by "insufficient resources" and "failure of Syrians to adjust to working conditions in Türkiye".
- ◆ 30% of Turkish businesses employ women.
- ◆ When asked the question "What was your motivation to start a business?", the most common answer (60%) was "I was sure of my skills and success".

- ◆ Only 35% of the participants did not encounter any challenges when they started their business. However, the participants complain about bureaucratic processes.
- ◆ 40% of the respondents received financial or consultancy support when they set up their business. The most common type of assistance/support includes vocational (in-service) trainings.
- ◆ 55% received initial capital assistance of loans. 67% of financial assistance was received from government institutions.
- ◆ When asked “Are regulations different for Syrian businesses and Turkish businesses?”, 50% of the Turkish business owners had no knowledge and 40% thought there are no differences.
- ◆ When asked about the (positive and negative) impacts of Syrians on the Turkish economy, the respondents usually mentioned “negative impacts” and negative perceptions.
- ◆ It is understood that Turkish business owners do not trust Syrians and do not welcome the notion of partnering with and/or employing Syrians.
- ◆ 60% of Turkish employers reported that they were not affected by the earthquake. 25% were mildly affected. However, it should be noted that respondents from Gaziantep and Mersin were too few in number.

FGD FINDINGS

Three focus group discussions were held with only Syrian business owners as part of the study. FGDs were carried out with 15 Syrian business owners including 11 men and 4 women. The profile of FGD participants is given in the Table below.³¹

Topics of FGD discussions and reflections of the respondents:

Challenges faced when establishing a business

Some of the participants stated that, as foreigners, they had challenges in registration, obtaining work permits, finding a workplace, obtaining permits from municipalities and other legal processes. A particular complaint is about the slow progress of official processes in Türkiye. Syrian business owners reported that they are facing challenges now that there is no institution to guide them or serve as a “one-stop shop” to carry out all procedures. That is why they seek intermediaries which fulfill this function. However, some of these intermediaries abuse their trust.

The participants thought that the process of starting a business varies from province to province. Also, they are not sufficiently informed about the procedures. A main reason for this is lack of proficiency in the Turkish language.

³¹ For details of FGD participants, see Appendix 1

“We have to get to know the language, laws, administrative processes and rights and responsibilities of foreigners in the country if we want to start a business”.

The Syrian business owners stressed that legal and administrative processes vary depending on the perspective of the employees at the respective government institutions, type of business they want to set up and legal status of the owner and stated that the process is quick and smooth at times and slow and challenging at others. Sometimes, though, things are simply at an impasse.

“Completing certain procedures is simply up to the attitude of the employees at the government institutions. This includes their attitude to Syrian refugees”.

Some participants mentioned that their challenges vary depending on the current agenda of the country.

“The sociopolitical agenda in Türkiye instantly affect people. Public servants are inevitably affected by the debates (...) Regulations concerning foreigners may change all of a sudden. These changes sometimes help us and sometimes do not.”

Evaluation of the implications of legal and administrative processes (work permit, registration etc.)

Some of the Syrian respondents reported no need for external financing as they used their own capital to start their business. Those who did not have sufficient capital tried to overcome this problem by setting up partnerships. According to the respondents, the biggest challenge for them is the structural and current issues in the Turkish economy. Some of the challenges frequently mentioned by the participants are as follows: Exchange rates are constantly rising in the country. This increases costs of raw materials and supplies and undermines economic stability. In addition, workplace rents are increasing, employment costs and taxes are rising. Consumers change spending habits due to the downturn in the economy. It gets almost impossible to use grants and loans. Bank payments and issuing invoices and receipts becomes a challenge.

“It takes courage to start a business and trade in a market you are a stranger to. You either float or sink to the bottom. You have to keep making profits and increase your capital to stay afloat.”

For some participants, obtaining work permits was not too difficult. Others, though, stated that this is a challenging process, they were unable to obtain work permits for all their employees and letters of refusal to grant work permits often lacked reasons for refusal. Business operations could get disrupted when the work permit process takes too long. Participants stated that business owners are willing to obtain work permits but some employees want to work informally in order to keep receiving social aid.

Evaluation of business audit processes

The participants often mentioned workplace audits: auditing institutions usually inspect the working conditions and occupational safety and check whether documents such as tax statements, license are complete and in order. However, almost all participants thought that the impact of audits varies depending on the political agenda concerning refugees at any given time.

“Two years ago, strict audits to foreign businesses were launched before municipal elections. Most distinctly, we were asked to remove all shop signboards in Arabic and replace them with signboards in Turkish.”

“Some auditors get overeager. They try to find flaws. I think they do like that because we are foreigners.”

“The municipality did not grant my license although all my documents were in order. The reason they gave was I started a business in a neighborhood where Syrians were not admitted. But my target customer base and market was that place. I cannot do business in other neighborhoods in that region.”

Informal employment

Syrian business owners stated that they have informal employees because work permit processes take too long and there is quota limitation. Moreover, some employees want to remain informal in order to keep receiving social benefits. Therefore, informal work is common. Some participants also mentioned that formal employment is very costly (e.g. obligation to pay minimal wage as a minimum, insurance premiums etc.).

Impact of Earthquake on businesses and employees

The majority of the participants have not been directly affected by the earthquake. However, the economic impacts of the earthquake are ongoing, affecting people’s spending and this impacts the business owners. Furthermore, affected employees have low spirits, which has a negative impact on business operations.

Relationships with Turkish business owners and competition

Syrian business owners stated that there are Turkish business owners / shopkeepers around their businesses and that their interactions are not negative and they even offer support to one another at times. They mentioned that there is competition but this does not affect their commercial and social relationships.

“There are many Turkish businesses in our area but they do not affect us in a positive or negative way. I do not think there is competition between us and them because we usually export and target international markets. On the other hand, Turkish businesses target local markets. So, we are not in competition with them.”

Syrian business owners that participated in FGDs are willing to partner with Turkish counterparts. Some participants said this is mutually beneficial because of targeting different markets. The participants also thought such partnerships also contribute to social cohesion.

“I can partner with a Turkish counterpart and this would contribute to our businesses positively. Turks are better than us in the domestic market and we are better at foreign trade and markets.”

“Partnerships would be an important step to two cultures and breaking prejudices.”

Motivation to Employ locals

The majority of participating Syrian businesses have Turkish employees. The participants thought Turkish and Syrian employees working together may be instrumental to elimination of prejudices and reinforcing interaction between employees. Business owners who do not currently have Turkish staff thought they could employ Turks if they are fit for the job and willing to work with them. In summary, Syrian business owners are not unwilling to employ members of the host community.

“In fact, there is no big difference between Syrian and Turkish employees. We indeed look for qualifications when we recruit people. What matters is not nationality but professionalism”.

“As a Syrian business owner, Turkish employees contribute a lot to my establishment such as experience, know-how, language and culture.”

Cohesion of Turkish and Syrian employees at your establishment and co-existence with Turkish community

Syrian business owners who have both Syrian and Turkish employees stated that all employees support and guide one another and they also meet socially.

“Turkish and Syrian employees are in such great harmony that you would not be able to distinguish which of them are Syrian and which are not.”

The participants thought co-existence is already a reality and there are no issues in that regard. They thought sharing the same geography is a factor.

“If people argue otherwise, it means they do not want peaceful co-existence. We are grateful to the Turkish nation. We are all living together in peace and will continue to do so.”

“People who want to disrupt the peace are causing disturbance. But they are just the exception. They will never succeed in breaking the peace and harmony between us.”

“People who try to aggravate the society must be stopped. More cohesion programs must be implemented to facilitate peaceful co-existence for both communities.”

“Unfortunately, our elders find it difficult to adapt to Türkiye. But young people and young kids love Türkiye and they are devoted to this country. They gradually become alienated from the Syrian culture and way of life.”

Interview Findings

Besides the surveys with Syrian and Turkish owners of small and medium scale enterprises and the FGDs, 12 interviews were held with representatives of institutions/agencies, international organizations, NGOs involved in any manner in social cohesion efforts in Türkiye and economic integration of Syrians as well as subject matter experts from the academic world. This section includes the opinions and recommendations of the interview participants.

Interviews with key informants as part of the study aimed to identify challenges facing Syrian business owners starting from the stage of setting up a business in Türkiye (e.g. legislation, practice, perceptions/biases etc.) and recommendations of the respondents for areas to improve.

The interview questions focused on the five main titles used for FGDs and the survey.

1. Challenges faced by Syrian business owners when establishing their business
2. Evaluation of the prerequisite of work permit for Syrians
3. Issues from the perspective of employees at Syrian and Turkish businesses
4. Relationship between Syrian and Turkish business owners
5. State of Syrian and Turkish businesses and employees after the earthquake

Challenges Faced by Syrian Business Owners When Establishing Their Business

Lack of Turkish language proficiency of Syrians:

The respondents emphasized the lack of Turkish language skills of Syrian business owners and employers as a barrier to economic integration. These barriers and challenges are often alleviated when Syrians seek professional support from financial consultants when they set up their business. Financial consultants follow through all procedures from the moment the business is set up. Some of the respondents stated that things get easier for Syrians with such assistance whereas this may also lead them to feel less motivation to learn the local language. In other words, Syrians

begin to think lack of Turkish language skills is not too big a barrier when the legal procedures are “taken care of one way or the other” and now that they most interact with their own community members. However, the language barrier may elicit reactions from the host community in terms of social cohesion and economic integration. One respondent explained that the host community already has prejudices against Syrians and this bias is aggravated when people at a Syrian business cannot speak Turkish (e.g. when an auditor visits the establishment and fails to communicate in Turkish with the staff).

The participants reported that starting a business poses similar challenges for Turkish entrepreneurs and Syrian business owners alike. Syrians face no additional challenges. In other words, the same procedures apply to both Turkish and Syrian entrepreneurs. The only difference is that Syrians need to bring a translator for communication when following the procedures. In addition, they need to work with a lawyer and accountant who know the legislation. As a result, a network of financial consultants, lawyers and translation services has emerged to facilitate procedures for foreigners.

The motivation to learn Turkish diminishes when Syrian employees are the majority in a business as they comfortably communicate with each other or when a few of the Syrian employees speak at least some Turkish to deal with the customers. Therefore, Syrian employees who try to or are eager to learn Turkish are in the minority.

On the other hand, the means Syrians can use for learning Turkish are limited. The Turkish courses by Public Education Centers (PECs) are delivered during working hours and at certain venues. Therefore, it is not possible for working Syrians to attend these courses. Similarly, adult language teaching methods are not sufficient and this is another hindrance to learning Turkish. Because teaching Turkish to adults requires trained and specifically qualified tutors as well as a robust curriculum and training modules.

Businesses with Turkish and Syrian partners:

According to many of the respondents, the main reason why Syrians prefer to partner with Turkish people to start a business is to overcome the barriers posed by lack of local language and use the advantage of local partners to deal with the procedures. Moreover, many Syrian business owners think they can use the know-how of a host community member by way of a partnership. Another reason is the high workplace rental costs in organized industry zones (OIZs) and difficulty of setting up a business in OIZs. Partnering with a Turkish citizen allows Syrian business owners presence in OIZs.

One of the reasons why Turkish people partner with Syrians when starting a business is capital input by Syrians and their international connections. However, it should be noted that such partnerships are mostly large-scale enterprises. Small and medium scale businesses, on the other hand, are usually sole proprietorship entities.

In businesses with Turkish and Syrian partners, mostly Turkish partners deal with recruitment, payments and details of the business processes. In summary, Syrian partners bring capital and international networks to the partnership while Turkish partners deal with all other operational details.

According to the Turkish legislation, a business is registered (registration at a Chamber of Industry and Commerce is mandatory for all enterprises) as “foreign-capital enterprise” if one of the partners is a foreigner. However, it is necessary to examine a detailed breakdown of data in order to distinguish between businesses started with foreign capital alone and enterprises started with capital input from a foreign partner.

The view that Syrian businesses are “tolerated”:

Most of the respondents thought that especially small and medium scale Syrian businesses are not in compliance with legal procedures but they are tolerated and audits are not effective. The participants think that rules are enforced for Turkish citizens and other foreigners but they are loosened when it comes to Syrians. For instance, Syrian businesses in some smaller neighborhoods like small scale shops, barber shops etc. are not even registered. According to the participants the reason for this “flexibility” is that Syrians are under temporary protection and things are temporary.

Effectiveness of audits

Some of the participants thought that various government institutions may have a lax attitude in workplace audits when they encounter informal employees or unregistered businesses. That is, it was claimed that institutions do not impose fines when they normally should, grant time for corrections and avoid other types of sanctions. It was stated that business owners cannot manage to pay the fines anyway and penalties are “loosened” to ensure continuity of operations. The fact that more than 30% of the Turkish economy is informal may have a role in this attitude.

Inability of Syrians to benefit from incentive mechanisms:

There are many government incentive schemes for employers and enterprises particularly from the Turkish Employment Agency (İŞKUR) and Social Security Institution (SSI). These incentives are multifaceted, i.e. they facilitate operations in accordance with the relevant legislation, offer support for costs and expenditures and provide employment support. There are different criteria to benefit from various types of incentives, First and foremost, however, a business needs to be registered, hold a license and tax number and deposit SSI premiums regularly. These are the main requirements for compliance to become eligible. The respondents cited two reasons why Syrian businesses cannot benefit from such incentives. First of all, many of these informal businesses have failed to complete documents and procedures required to open an enterprise. Some of them do not have any documentation at all. Secondly, Syrian businesses do not know about these incentives.

The participants mentioned another detail about incentives. Some of the participants stated that the government provided incentives only to start-ups of Turkish citizens at one time. This was later extended to foreign businesses and other types of Turkish businesses with the support of international funders.

Challenges related to financial and banking transactions:

An important challenge raised during the interviews is that Syrians under temporary protection are not allowed to have bank accounts, carry out banking transactions or apply for loans. As a workaround for the loan problem, some Syrian businesses portray Turkish employees as partners and obtain loans via these employees. This encourages Syrians to partner with Turkish citizens. It was also noted that Syrian businesses benefit from certain EU projects as they are not eligible for loans and do not have a credit history.

Evaluation of the Prerequisite of Work Permit for Syrians

Below is a summary of the opinions of the respondents about eligibility criteria for work permits for foreigners, work permit procedures and challenges of Syrian business owners and employees in this respect.

- ◆ **Employer premiums are very expensive:** An employer has to pay at least minimum wage to every formal employee (Turkish or Syrian) and insurance premiums for formal employees are very high. Currently, this is a big burden for Turkish businesses as well. This is one of the reasons for high rate of informality (around 30%).
- ◆ **Work permit costs are expensive for employers:** The example of Sultanbeyli mentioned during the interviews is interesting. In Sultanbeyli, a total of 375 applications to start a business were filed by Syrians whereas only 83 of them are operational. In addition, 53 companies were closed down as they failed to pay the fees to extend their operational permits. On the other hand, participants thought that the operational permit fee is not very expensive and it cannot be the only reason for closure.
- ◆ **Employee quota for employers:** Participants stated that the quota application is a constraint for some employers. Particularly in small and medium scale enterprises which are the main focus of this study, businesses can afford only a limited number of employees. They are required to employ 10 Turkish citizens for every foreigner (Syrian) they employ. This requirement is a big challenge for the employers.
- ◆ **Work permit procedures are challenging and lengthy:** Many participants stated that employers mostly find the work permit procedures challenging, complicated and costly. Therefore, they do not employ Syrians to avoid this challenging process or they employ Syrians informally. Obviously, Syrian business owners are not fully informed about the work permit

processes and thus they think the process is complicated. Fact is, the application process is carried out online and it is simplified and easier since 2018. However, these are mostly micro and small enterprises and employers do not know these procedures. It is possible that the claim that the work permit process is “challenging” is used as by employers as an excuse to recruit informally.

- ◆ **The work permit process is not synchronized with social security:** Once a work permit is obtained for a foreign employee, the social security registration of the employee should be completed. Two different institutions are in charge of these two procedures. The work permit process is the responsibility of the Directorate General of International Labor while the Social Security Institution is in charge of insurance and social security affairs. Once the work permit is obtained for an employee, the insurance procedures need to be initiated. However, the employee may not start work without insurance in the meantime even if it takes as short as one month to obtain the work permit. Also, working or asking someone to work without social security in risky sectors like construction may pose occupational hazards. If an uninsured employee starts work and has an occupational accident the next day, the employer will be penalized. Practical solutions are needed for this problem.
- ◆ **Social aid for Syrian employees is stopped once employed formally:** The social benefits and especially the Social Cohesion Support (SCS) granted to Syrians once the beneficiary enters the formal labor market. A common opinion is that Syrians “prefer” informal employment for the continuity of these benefits. As noted in many interviews, however, it is understood that the majority of Syrians are not given a choice to prefer formal or informal employment because it is the employer who often makes this decision. That is, if an employer wants to formally employ a Syrian and applies for a work permit, it would be a rare occurrence for the employee to choose informal employment in order to continue to receive social aid. Therefore, this excuse does not seem to be a realistic one.
- ◆ **Intention to settle in a third country:** A few respondents stated that those Syrians who intend to get settled in a third country are not willing to work formally in Türkiye because it will then not be possible for them to go to another country.
- ◆ **Syrians are not fully aware of their legal rights, they do not use grievance mechanisms and they fear deportation:** The participants explained that Syrians working informally are not aware that they can file a complaint about it and they think that they will be deported if it is become known that they are informally employed. Therefore, they remain silent about such labor exploitation, lack of social security etc. A few examples to the contrary aside, this widespread concern often prevents Syrians from reporting informal employment although reporting is important in detecting informality.
- ◆ **Difference in place of residence and place of work:** A significant number of Syrians live and work in provinces other than the provinces they were initially registered in. A main

reason is that they seek or find employment in other cities. However, Syrians need to apply for a travel permit in order to change their place of residence or even to travel to another city. Likewise, they need to lodge an application with the Presidency of Migration Management in order to change their place of residence. On the other hand, requests for change of place of residence are often granted for compelling reasons and, exceptions aside, “employment” is not considered a compelling reason. In practice, however, this does not pose a hindrance for Syrians to change cities to work. As a result, Syrians gather in masses in cities like İstanbul to work informally. For instance, it was reported that 10% of Syrians in Sultanbeyli district of İstanbul are registered in other provinces. This means that those Syrians in this group who work are in informal employment.

Issues from the Perspective of Employees at Syrian and Turkish Businesses

This title was addressed from two perspectives during the interviews. The first consideration is the extent to which business owners have a preference to hire their own countrymen as employees, that is, the ratio of Turkish business owners who would “never employ Syrians” and Syrian business owners who would “never employ Turks”. The second is the extent to which employers discriminate between employees in that they hire their own citizens formally whereas they employ others informally. In summary, we tried to understand the impact of nationalistic reflexes, cultural codes and prejudices on the employment process. This is quite important to understand the positive/negative ramifications of social cohesion policies on the employment process.

The considerations raised in this context during the interviews are given below.

- ◆ It is not very common for employers to hire only their own citizens and “ever exclude other nationalities”. However, this attitude cannot be generalized to all times and all regions / provinces. It is observed that business owners usually seek cheap labor that would contribute to the business.
- ◆ On the other hand, adverse discourse targeting and instrumentalizing migrants especially during election times, the economic crisis in the wake of Covid-19 pandemic and the effects of the February 6 earthquakes have aggravated “marginalization” tendencies, which in turn has affected employment processes. In this regard, some of the respondents have observed that Turkish business owners began to prioritize Turkish people when they hire employees because of the economic downturn.
- ◆ The participants have observed that Syrian business owners also mostly employ Syrians. This, however, is mostly because the customer base of Syrian businesses mainly consists of Syrians and Arabic speakers rather than nationalistic motivations. This confirms the observation that

small and medium scale Syrian enterprises usually operate in neighborhoods with high Syrian population and the supply & demand balance is shaped up based on Syrians.

- ◆ Recruiting mostly or completely a Syrian workforce also means that the quota requirement mentioned earlier is not complied with. This is only possible if the business owners employ informally. On the other hand, some of the participants stated that government institutions are not as strict about enforcing quota criteria in certain sectors and they sometimes even do not enforce them at all. It is generally believed that the main reason for this attitude by the government institutions is to avoid any short-term harm to the Turkish economy and allocating more public resources to Syrians desperate for work.
- ◆ In addition, most of the participants stressed that financial advantages are always the main concern for the businesses. In other words, any enterprise, whether small, medium or large, always aims to minimize costs and maximize production. The first cost item to save costs is usually labor. When labor is cheap and skilled, nationality is almost never a primary concern.
- ◆ In this regard, it is obvious that Turkish businesses prefer Turkish employees if they are cheap and qualified for the job. This has to do with familiarity with the working culture and language proficiency rather than nationalistic reflexes. It should be noted, however, there are cases where especially small and medium Turkish enterprises prefer their own citizens.

Relationship Between Syrian and Turkish Business Owners

This part of the interview aimed to understand relationships between Syrian and Turkish businesses in general and state of competition in particular. The participants were especially asked to reflect upon whether small enterprises interact with and support each other. They were also asked to opine on whether customers of grocery stores, barber shops, cafes, restaurants etc. have a tendency to prefer businesses of “their own culture/nationality”.

The Reflections of the Respondents are Summarized Below.

Overall, Syrians prefer Syrian businesses and members of the host community prefer Turkish businesses. That is to say, interaction is low between employers, shops and customers of the two communities. There may be several reasons for this which could lead to important consequences in terms of social cohesion. However, it should also be noted that Syrian businesses are usually opened in areas where Syrians live in large numbers and their services are naturally tailored for Syrians. On the other hand, some participants noted that the tendency to contribute “to their own countrymen” has recently become more common among both Syrians and Turks. Furthermore, each community has different cultural codes, clothing styles and eating habits. Therefore, customers naturally prefer businesses to their own countrymen as the services and products respond better to their needs and habits. Here, however, lies a potential risk in respect of social cohesion.

This may lead to “parallel social systems” which have no contact with each other. Participants were asked about the ramifications of this potential divide.

- ◆ Some participants state that small Syrian businesses do not last too long as their customer base is limited to Syrians.
- ◆ The respondents in Mersin province reported no significant competition between Turkish and Syrian businesses. The services and products offered by either group do not seem to create any common ground for competition. Syrian businesses in Mersin maintain trade connections with Syria and they appear to be quite successful in trade. Although there is no significant competition in manufacturing and between large-scale enterprises, the same is not true for competition in cheap labor.

a. State of Syrian and Turkish businesses and employees after the earthquake

The February 6 earthquake affected 10 southern provinces severely and caused large-scale devastation. This region is also significant in that 1.7 million out of the 3.3 Syrians under temporary protection live in the provinces affected by the earthquake. In addition to Turkish losses, more than 7000 Syrians were killed in the earthquakes and many victims had to take refuge in other cities.

When delving into the impacts of the earthquake on the economy in general and economy of the region in particular, it is necessary to assess the business market which was destroyed or seriously damaged and the labor capacity. The considerations of the respondents in this regard are summarized below.

- ◆ The majority of the participants think that Syrians who were already limited in means were pushed into an even more disadvantageous situation by the earthquake. One participant thinks that many Syrian earthquake victims who had to leave the area will likely seek seasonal agricultural work. The participant who shared this view stated that there is an established system for seasonal agricultural workers in Adana and Mersin provinces with too many workers at hand at present and Syrian earthquake victims might thus need to look for seasonal agriculture work elsewhere. Representatives of NGOs which are conducting field surveys in the region explained that the population of earthquake victims is too high in Adana and many Syrians are looking for work in agriculture.
- ◆ It was stated that harvests started in farming lands in some places mildly affected by the earthquake and we may soon begin hiring Syrians in the fields. It was also stated that Turkish citizens living in the region who were affected are gradually coming back to their own cities and previous population density may be restored. However, it is expected that it will be difficult for Syrians to establish themselves in urban areas. Syrians started rebuilding lives in rather urban areas so they may have the opportunity to work as seasonal agricultural workers.

- ◆ In light of the debates especially during the election period, the predominant view among the participants is that employment of Turkish citizens will be given priority when businesses are rebuilt. The representatives of the participating NGOs noted that members of the local community resented the NGOs bringing aid to Syrians after the earthquake and that social tensions are high in the region. These reactions could also be seen as a precursor of exclusion of Syrians further in the process of rebuilding the earthquake-stricken areas.
- ◆ In this regard it should be noted that municipalities and politicians will have difficulty in inclusive improvements and rebuilding which also embrace Syrians in earthquake areas for fear of public reaction and loss of votes prior to in local elections on 31 March 2024.
- ◆ In the wake of the earthquake, the Presidency of Migration Management issued a decision lifting the requirement for a travel permit for Syrians up to 90 days. However, this limit was not extended later. As a consequence, Syrians have to return to provinces where they were initially registered for fear of deportation even if the conditions are still not conducive in the earthquake region. Those who cannot come back prefer out-of-the-way areas and try to be as invisible as possible. For example, the representative of Mersin Metropolitan Municipality observed that Turkish people coming from the earthquake-hit provinces seek support from the municipality and Syrians avoid doing so in order not to reveal themselves.
- ◆ After the earthquake, a different form of domestic “irregular migration” has manifested itself. Relevant government authorities, Presidency of Migration Management in particular, will need to work on a new situation whereby Syrians who cannot return to earthquake-stricken provinces tend to settle in cities they have moved after the disaster while being unable to benefit from social and other basic rights now that the exemption on travel limitation is not extended.
- ◆ According to studies by some of the NGOs working in the region, 40% of the earthquake victims returned to their original provinces. The remaining 60% will continue to stay in the region and are even thinking about settling there permanently. The ratio of Syrians among these earthquake victims is not known. On the other hand, the representative of an NGO working in Gaziantep observed that earthquake victims will try to return to their own cities one way or the other. Because, the participant noted, 17% of the domestic agricultural production takes place in the earthquake-hit region and most of the earthquake victims work in the agricultural sector. Besides, people are gradually rebuilding their lives as the region is slowly recuperating and businesses and schools are reopened.
- ◆ It was also stated that some sectors have downsized after the earthquake whereas sectors such as logistics and construction are growing and this may result in increased labor demand for both local and Syrian earthquake victims.

CONCLUSION

Türkiye has been exposed to a mass movement of refugees since 2011 the likes of which was never seen before in the country. The number of refugees which was only 58.000 in 2011 has soon exceeded millions and become a determinant factor in the social, economic, financial, political and security landscape of Türkiye. Efforts on social cohesion between the host community and Syrians started after 2016. Two important steps were taken in this area. First of all, Syrian children were enrolled in Turkish public schools for education in the Turkish language. Secondly, Syrians under temporary protection were allowed to work -upon request of Turkish employers in principle- after 15 January 2016. However, it can be argued that the labor market arrangement in particular was based on the assumption that the Syrian presence in Türkiye would be temporary.

Since that time, however, 12 years have elapsed into a new reality in respect of participation of Syrians in the labor market and politicization of the whole process. The study on “The Impact of Social Cohesion Policies of Türkiye on the Economic Integration of Syrian Business Owners and Entrepreneurs in Türkiye” aims to take a truthful snapshot of the real situation and provide accurate findings and recommendations.

The findings of the study related to process involving Syrians over the past 12 years are summarized below:

- ◆ Syrians in Türkiye started working after the first year of arrival. The Turkish government did not have a scheme for regular and continuous financial assistance to Syrian refugees. Therefore, they had to work in Türkiye as “cheap labor”. The EU-funded C-ESSN support provided to 1.4 million Syrians after 2017 was not sufficient to live without working even if it made daily living a bit easier. Furthermore, the remaining 2 million Syrians did not have access to this assistance. The number of Syrians with work permits and in formal employment reached 91.000 in 2011. Considering the overall number of Syrians in Türkiye and those at working age, this number suggests that nearly 1 million Syrians continue to work informally in the country.
- ◆ In Türkiye, economic problems especially including the inflation rate, Covid-19 pandemic and the earthquake deepened inequality and impoverishment in the working class. These problems led to market shrinkage and increase in costs. As a result, informality expanded and the saving from cheap labor became the major item for employment savings.
- ◆ In field surveys like this, employers are expectedly nervous and find it difficult to share accurate information particularly about informality. Nevertheless, the information provided by Syrian business owners suggests that informality is quite widespread and considered normal in economic affairs.
- ◆ The main point of criticism and even accusation against the Syrian workforce and entrepreneurs is about “informality”. Yet, almost 30% of the Turkish economy is already informal ac-

according to TurkStat statistics.³² This means that 10 million out of the 30-million Turkish workforce are employed informally. In other words, informality has existed before the arrival of Syrians and will continue to exist. Concerns and prejudices about Syrians closely affect economic activities.

- ◆ Some business owners claim that Syrians refuse formal employment in order to keep receiving C-ESSN and other social aids. However, the field survey indicates that this is also a matter of preference by the employers. Because, the only way for them to avoid paying at least minimum wage to Syrian workers is to employ them informally. So, the general opinion and claims of some of the business owners are not always consistent with reality. In other words, the argument that informality is the choice of the employees does not appear to be true.
- ◆ SMEs, Turkish or Syrian, primarily aim to maximize earnings with minimal costs. Therefore, cheap labor in operations and production is an important priority for SMEs. Informality, a rooted structural problem of the Turkish economy, facilitates the supply of cheap labor. This fact paves the way of Syrians desperate for work into the labor market. Representing cheap labor offsets the disadvantages of Syrians including language barrier and differences in working culture.
- ◆ Syrians are informally employed by not only Turkish but also Syrian businesses. This is somewhat legitimized by Syrian business owners by alleging “solidarity with Syrians”. However, cheap labor appears to be the main concern.
- ◆ Reactions and concerns about the Syrian refugees in the country are aggravated by the economic downturn in the country and the effects of the pandemic and the earthquake. The Turkish population has increasingly started to see Syrians as a “burden”; Syrians are considered to be the main cause of unemployment, economic crisis and even disruption of public order.
- ◆ Societal reactions towards Syrian refugees in the country is rising and the majority of the population want them to go back to Syria. 88,5% of the Turkish society wants Syrians to be sent off from Türkiye³³. This issue is exploited by populist politics more and more every day. As a result, this becomes a major barrier to cohesion efforts. Part of the reactions in the Turkish population is based on actual negative experiences whereas judgments are mostly clouded by misled perceptions and prejudices.
- ◆ The level of reaction to informal employment of Syrians is similar to the fact that the Turkish government is spending Turkish taxpayers’ money on financial assistance to Syrians. Therefore, it is important to explain to the Turkish population that it is better for Syrians to survive on their

32 TURKSAT (2021) İşgücü İstatistikleri, Ekim 2020 <https://data.tuik.gov.tr/Bulten/Index?p=Isgucu-Istatistikleri-Ekim-2020-37485>

33 Erdoğan M.Murat, Syrians Barometer -2021: A Framework for Achieving Social Cohesion with Syrians in Türkiye, supported by UNHCR, 2022, <https://www.unhcr.org/tr/wp-content/uploads/sites/14/2023/01/SB-2021-TR-MME-FINAL-19-Ocak-2023.pdf> (Accessed: 14.09.2023)

own feet for the sake of social cohesion in the medium and long term and that informality is not limited to Syrians alone.

- ◆ The biggest challenge of Syrian entrepreneurs is that they cannot see ahead, i.e. they do not know what their “status” will be. This is a matter of concern for entrepreneurs who want to invest in the medium and long term and who thus have to take risks. Another major barrier to social cohesion is “uncertainty” and the sense of “temporariness”. The process of economic integration appears to remain a chronic issue unless realistic policies are put in place about the Syrians in Türkiye and until comprehensive social cohesion policies are developed and implemented.
- ◆ A noteworthy aspect of Syrian entrepreneurship is “ethno-marketing”, i.e. businesses target mostly Syrian communities. Syrian businesses are set up to serve the expectations, demands and priorities of Syrians. Social ghettoization provides the necessary business volume. This way, they operate in an easy and safe environment and avoid “conflicts” with the Turkish community. However, this leads to other reactions in the host community and discontent among Turkish businesses in terms of competition.
- ◆ Almost all Syrian businesses are small scale and they have little to offer to contribute to the Turkish economy. These businesses which are mostly subsistence-oriented and trying to survive have the potential to diversify products and contribute to exports in the long run. Yet, it will likely take a long time for this potential to create a tangible impact on the Turkish economy. Perhaps the main contribution of Syrian employment or entrepreneurship to the economy is that they work instead of seeking financial assistance from the Turkish government to survive. However, it is clear that this level of economic contribution is not quite on par with the overall costs.
- ◆ Syrian entrepreneurs have serious challenges in the process of starting businesses, obtaining work permits and licenses and in their relationships with finance institutions. The main challenges of Syrians include the language barrier, constant amendments in the legislation, legislative restrictions which do not conform to economic life, difference in practice across government institutions provinces and lack of clear information channels. Added to these challenges are the reactions in the host community which are seeping into political discourse.
- ◆ A frequently mentioned issue is the lack of coordination in regulations concerning the labor landscape. Work permit procedures and the licensing process for a business proceed independent from one another. Municipalities are responsible for licensing while the Directorate General of International Labor is in charge of the work permit process and applications. Participants reported cancellations due to coordination issues between municipalities and the Directorate General of International Labor. The licensing process is usually completed in 15 days whereas the process of work permit applications takes longer. A licensed business is considered informal until work permits are granted. There is a need for new regulation to overcome such coordination issues.

- ◆ Despite these many administrative, social and political challenges and the sense of temporariness and uncertainty, Syrians and especially Syrian entrepreneurs have managed to integrate economically and survive in Türkiye. Although Syrian entrepreneurs mostly employ and partner with fellow Syrians, many have also partnered with members of the host community. Moreover, the parties are open to and interested in such partnerships.
- ◆ Despite a number of support programs to enhance engagement of women in entrepreneurship and the labor market, only few Syrian women have become involved in the process of economic integration so far.
- ◆ Engaging Turkish business owners in the field study and persuading them to participate in the survey and FGDs took a lot of time and proved to be very difficult. In the end, the number of participants was far below the numbers initially planned. This is an important indicator of the tension in the society. Even though meaningful analyses were rendered difficult as only few respondents took part in the survey, it is obvious that Turkish business owners harbor serious prejudices against Syrians and are unwilling for cooperation.
- ◆ It is evident that there is a significant link between social cohesion and economic integration. Relationships, however, are complicated here. As a matter of fact, migrants are considered as an important instrument of economic development when planned migration movements are planned. Yet, this does not prevent negative reactions to migrants from time to time. In the case of totally irregular refugees who bring about many security concerns, however, discontent becomes more widespread in the host community. Refugees are regarded as a burden, masses that will disrupt public services and public order and not as contributors to the local economy. In general, communities that host refugees complain about the economic and financial burden they cause. Paradoxically, though, reactions to their participation in the labor market are as widespread. The reason for this is informality and cheap labor. Moreover, complaints about refugees snatching away the jobs of members of the host community or causing lowered wages create further problems for the relationship between social cohesion and economic integration. In this regard, the political considerations of the government and expectations of the host population are not always well aligned. Social cohesion is possible through social acceptance rather than governmental decisions and practices. Yet, social acceptance of refugees is not easy. This often leads to political debates and restrictions. When making policies, government institutions are often more concerned about potential reactions from the society than realistic and effective policies. This is generally true for Türkiye.
- ◆ The relationship between economic integration and social cohesion becomes complicated in the case of refugees and not regular, planned migration. "Self-reliance" is indeed important but it might also mean fewer jobs or reduced earnings for the host community. In other words, if it is likely that refugees will arrive in masses and join the market as cheap labor, the host community would understandably resent such an employment landscape. Today, wage competition is an important factor in the employment of Syrians in Türkiye despite high unem-

ployment rates and a youth population in the country. From the perspective of social cohesion, this increases reactions against Syrians employed as cheap labor rather than business owners. In conclusion, economic integration and social cohesion may become an area of tensions, objections and even conflicts unless these concepts are truly adopted by the government and especially by the society. In this regard, the government should have a good and transparent communication strategy to properly inform the society. Economic integration is likely to create adverse effects on social cohesion as long as over 80% of the host community continue to believe that Syrians survive on the assistance and support of the Turkish government.

POLICY RECOMMENDATIONS

Fight Against Informality:

- ◆ The supply chain method - a network of companies that are involved in the production and delivery of product or service - used in textile and logistics sectors can be used to encourage formal employment. Because the businesses must fulfill certain criteria to join this supply chain. One of the essential criteria is that all employees must be formally registered. Being a part of this chain brings a number of benefits to businesses. In addition, this can be scaled up as an incentive mechanism.
- ◆ Steps need to be taken to strengthen and diversify incentive mechanisms and, more importantly, facilitate access of foreign businesses including Syrian enterprises to these opportunities in order to support formal employment and economic integration.
- ◆ Reducing informality cannot be addressed irrespective of the overall challenges in the economy and the general landscape of informality. Moreover, the current legislation and practices for formal employment of Syrians need to be more realistic. As long as the current regulations remain unchanged, these low formal employment rates will probably continue as it is.
- ◆ For example, some Syrians are reluctant to get work permits and work formally in order to avoid discontinuation of support programs including C-ESSN. Therefore, a possible solution like maintaining C-ESSN assistance for one year after the beginning of formal employment. Furthermore, it is not possible to sustain social cohesion processes solely through social and financial aids and especially C-ESSN. Thus, it is necessary to start working on exit strategies to taper social assistance (and particularly C-ESSN).
- ◆ Institutions in charge of combating informal employment should attach more importance to the issue and audit mechanisms need to become more effective. However, the practices need to be designed by considering the needs and shortcomings of existing regulations. Informality

should be condoned or tolerated. However, the fight against informality may pose new risks and businesses unless new regulations are put in place to ensure self-reliant survival of Syrians.

- ◆ TurkStat needs to make arrangements to include Syrians under temporary protection in the address-based population registration system so that they will be considered in household surveys. It should be remembered that data from this arrangement would significantly impact informality rates.

Improvement in Institutional/Organizational Areas

- ◆ The quota for employing foreigners should be revised by sector and even by province. The flexible quota applied by the Directorate General of International Labor for the “tourism” sector may be extended to other sectors by taking account of needs and specific conditions of each sector.
- ◆ In particular, work permits for the qualified workforce should be “extended” easily even if they change place of work provided that they continue working in the same sector or occupation. These employees should not have to start the work permit process from scratch.
- ◆ Cooperation and coordination between the Directorate General of International Labor and Presidency of Migration Management need to be strengthened, and work permit applications should be concluded quickly and effectively.
- ◆ Regulation communication and coordination needs to be established between SSI and the Directorate General of International Labor, and information related to work permits should be exchanged completely and properly.
- ◆ A common platform needs to be established to carry out the processes of work permit approval and initiation of social security premium payments.

Awareness and Information:

- ◆ Even though conditions and procedures of work permit applications are clearly stated in the legislation and explained to relevant parties by the Directorate General of International Labor, further information efforts by relevant institutions are needed in the field to avoid incomplete and misinformation (this is common among employers and employees).
 - Information activities for foreigners in the country concerning work permits and other requirements should be conveyed using different methods and tools in a systematic and sustainable manner.
 - Capacity building and awareness training for implementers need to be expanded and carried out in a systematic and sustainable way.

- ◆ Foreign businesses need to be effectively engaged in the committees and meetings of Chambers of Industry, Trade and Artisans and training and programs by professional organizations need to be encouraged and expanded. These programs and platforms which bring together employers would contribute to social cohesion and increased interaction between Turkish and Syrian business owners.
- ◆ Dedicated and comprehensive efforts are needed in the field of Turkish language teaching. Language skills are needed not only for Syrian children and youth but also adults who are or will be involved in the labor market as the actors of economic integration.
- ◆ Communication and awareness raising activities are needed to inform the society better about gender equality and migration policies.
- ◆ Awareness raising activities are particularly important now that the concept of “foreigners” are often reduced to Syrians and Afghans and does not imply any other different statuses or qualifications in the Turkish society.
- ◆ A communication strategy needs to be planned in order to address widespread narratives and perceptions such as “Foreigners and especially Syrians and Afghans steal our jobs and local people become unemployed”.

5 MAIN FINDINGS / 5 RECOMMENDATIONS

5 Main Findings

The relationship between social cohesion programs and economic integration becomes complicated in the case of refugees rather than regular, planned migration. Engagement of Syrians in labor life has occurred as a means of survival and not as a consequence of planning. In this regard, the expectation that economic “inclusion” (integration) will strengthen social cohesion and bring the host community and Syrians closer is not always consistent with the reality. Even adverse outcomes may occur.

5 Recommendations

Migration-based policies are not easy to change and implement after a rapid influx of millions of refugees. As in concerned societies encountering irregular migration, Syrians are considered by the Turkish population to have limited contribution to the economy and the cause of economic deterioration and unemployment. Here, the experiences of the host community are overshadowed by perceptions. A realistic and effective communication strategy is needed to address negative perceptions and hearsay.

Despite 12 years having elapsed, no realistic policies on the future of Syrians in Türkiye have been developed. Although voluntary return does not seem to be a realistic expectation, the priority is still policies for the return of Syrians as a result of public pressure. As a consequence, policies are based on the expectation of “temporariness”. Therefore, there are serious issues concerning legislation and practices related to labor and employment.

Although regulations were developed in 2016 to enable Syrians to work in Türkiye, formal employment of Syrians is not a realistic expectation in a country where informal economy accounts for 30% of the total economy, unemployment rate is high, economy is in a crisis and almost 10 million Turkish citizens work informally. Informal employment cannot be condoned or encouraged considering employee rights and national economy. However, it is not realistic to expect more than 2 million Syrians to work formally while informality is so widespread, the economy is not so bright and economic resources are already limited without even considering a massive influx of refugees.

The results of the study suggest that priority when employing Syrians is given to cheap and efficient labor as the main concern is “maximizing the profits”. In other words, ethnicity, cultural familiarity etc. are secondary to “costs of cheap labor” in the employment preferences of business owners.

Policies based on “temporariness” also cause uncertainty for Syrians living in Türkiye and they consider themselves “temporary” in the future. This hampers formal employment in the economic integration process and “saving the day” using social assistance becomes more appealing. Relevant authorities need to develop realistic policies for social cohesion and sustainable economic integration and the policies should be explained well to the host community. This is essential for economic contribution and integration and social cohesion.

It is necessary to flex formal employment requirements based on the realities of the economy; rights of the employees should be protected and the host community should be informed that short-term solutions are not possible to ensure self-reliance of Syrians. Even though eliminating informality takes time, global solidarity should be enhanced and investment in Türkiye should be encouraged in order to reduce it, as stated in the Global Compact on Refugees. Similarly, policies could be considered for reducing certain customs and tax advantages for products produced by sectors in which Syrians operate and exports can be promoted by granting tariff and tax advantages.

Informal employment of foreigners should be considered as a general economic problem when the main concern is capital and cheap labor for the businesses. This is not a matter of ethnic preferences. Because it is well known that many Turkish employers “cannot find Turkish citizens to work with”. In this case, informality becomes inevitable irrespective of ethnicity in an environment where economic problems increase every day and business owners suffer financial burdens. Therefore, informal employment is beyond a matter of preference for Syrians.

Despite the lack of language skills and lack of sufficient information about procedures for starting a business or applying for work permits, Syrians manage to integrate in the de facto economy one way or the other. However, the fact that Syrian businesses exist and a significant portion of Syrians are in working life does not mean that this is a successful outcome of employment policies developed particularly for Syrians in the process of migration management.

It is necessary to reduce barriers to employment and entrepreneurship of Syrians and barriers to formal employment should be minimized as much as possible. This is both a right on account of Syrians and a necessity for potential coexistence in Türkiye. The mistakes in economic integration and negative experiences of Syrian workers may become a major barrier to integration in the future.

APPENDICES:

Appendix 1: Table of Characteristics of Syrian FGD Participants

FGD Participant Features with Syrians											
FGD	CODE	Sex	Age	How many years in Türkiye	Status in Türkiye	Where he/she came from Syria	How many years have been in this city	Married/ Number of child	Her/his old job in Syria	How many years has there been a workplace in Türkiye?	Quality/ sector of the workplace
1	1- M -34	M	34	12	RP	Halep	7	Single	Student	4	Service
	1- M -28	M	28	10	WP	Lazkiye	10	Married-1 child	Student	7	Service
	1- M -37	M	37	12	RP	Lazkiye	12	Single	Student	8	Media
	1- M -62	M	62	9	TP	Humus	4	Married-3 children	Civil Servant	6	Construction
	1- F -47	F	47	10	RP	Şam	10	Married-child	Ev Hanımı	8	Service
2	2- F -33	F	33	10	TP	Halep	GA	Single	Student	5	Beauty Saloon
	2- F -42	F	42	12	TP	Şam	Ank	Married-2 children	Teacher	7	Cosmetic
	2- M -38	M	38	12	RP	Al-Hasakah	Mersin	Married-3 children	Tourism	9	Production
	2- M -65	M	65	12	RP	Latakia	İstanbul	-	-	5	Restaurant
	2- M -44	M	44	9	TP	Aleppo	GA	-	-	6	Textile
3	3- F -35	F	35	12	TP	Halep	3	Single	Student	3	Service
	3- M -48	M	48	12	WP	Lazkiye	12	Married-1 child	Electronic Technician	6	Electric Electrical
	3- M -38	M	38	9	TP	Halep	6	Married-4 children	Trade	6	Textile
	3- M -29	M	29	12	WP	Lazkiye	12	Married	Student	5	Real Estate
	3- M -42	M	42	11	TP	Şam	11	Married-2 children	Furniture Manufacturing	9	Furniture Manufacturing

FGD: Focus Group Discussion / M: Male / F: Female / RP: Residence Permit / TP: Temporary Protection / WP: Work Permit / TC: Turkish Citizen/ C: Child



The Impact of Social Cohesion Policies of Türkiye on the Economic Integration of Syrian Business Owners and Entrepreneurs in Türkiye

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