

Labor Market Integration of Syrian Refugees in Turkey: From Refugees to Settlers

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Abstract

The mass influx of Syrian refugees in Turkey has accelerated the ongoing legislative initiatives on the issue of migration. Adoption of the work permit regulation for temporary protection status holders in early 2016 is indicative of a shift towards long-term planning concerning 3 million Syrians. Yet, many remain informally employed in poor conditions. This report examines the challenges faced by Syrians in the Turkish labor market in light of the legislative developments and suggests that policymakers should focus on the regulations that prevent refugees' engagement in the informal market without harming them and encourage employers to hire Syrians by providing incentives. Designing skills building programs that recognize refugees' skills and matching them with the needs of the market will both improve refugees' quality of life and contribute to the economy.

Keywords: *Syrian Refugees, Labor Market Integration, Economic Impact of Refugees*

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Türkiye'deki Suriyeli Mültecilerin İşgücü Piyasası Entegrasyonu: Mültecilikten Göçmenliğe

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Öz

Suriyeli mültecilerin Türkiye'ye kitlesel akını, göç konusunda halihazırda devam etmekte olan yasal değişimlere hız kazandırdı. 2016 yılının başında geçici koruma statüsü sahibi kişiler için çalışma izni düzenlemesinin kabul edilmesi, 3 milyon Suriyeliyle ilgili uzun vadeli planlamaya geçişin bir göstergesi oldu. Buna rağmen, çoğu Suriyeli olumsuz koşullarda kayıt dışı olarak çalışmaya devam etmekte. Bu rapor, Türkiye'deki iş piyasasında Suriyelilerin karşılaştığı zorlukları yasal gelişmeler ışığında incelemekte ve politika yapıcılara mültecilerin kendilerine zarar vermeden kayıtdışı piyasaya katılımlarını engelleyen ve işverenleri Suriyelilerin işe alımına teşvik eden düzenlemelere odaklanmasını önermektedir. Mültecilerin becerilerini dikkate alan ve bunları emek piyasasının ihtiyaçlarıyla eşleştiren mesleki eğitim programların tasarlanması hem mültecilerin yaşam kalitesini iyileştirecektir hem de ekonomiye katkıda bulunacaktır.

Keywords: *Suriyeli Mülteciler, İş Piyasası Entegrasyonu, Mültecilerin Ekonomik Etkisi*

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INTRODUCTION

Traditionally known as an emigration country from the 1960s and onwards, Turkey has also been a country of destination for refugees of Turkish descent since the early 20th century. The nature of refugee flows started to change in the 1980s when Turkey began to receive large numbers of individual asylum seekers fleeing from major conflict-ridden countries including Afghanistan, Iraq, Iran, and Somalia (İçduygu, 2016: 8). Since 2011, Turkey has experienced a period of unanticipated mass inflows when more than 3 million Syrians¹ crossed the border to Turkey as a consequence of the civil war in Syria. When Turkey became the top refugee-hosting country by the end of 2014, the total refugee population was around 1.5 million. The numbers have roughly doubled since then, reaching over 3.3 million people in the beginning of 2017 (See Table 1).

Table 1: Refugees and asylum seekers in Turkey, 2017

Syrian refugees under Temporary Protection*	3,020,654
Non-Syrian asylum seekers**	260,502
Non-Syrian refugees**	46,289
Total Population	3,327,445

Sources: *Turkish Directorate General of Migration Management (DG-MM). Migration Statistics, updated on 25.05.2017. ** UNHCR Turkey Statistics, updated on 31.03.2017.

According to the Directorate General of Migration Management (DGMM), there are more than 3 million Syrian refugees in Turkey as of May 2017. The encampment policy of the Turkish government in the early years of the refugee influx failed to serve as a sustainable solution for hosting refugees. As a result, 92% of the Syrian refugees

1 Throughout this article, “Syrian refugees” refers to Syrian nationals and stateless persons and refugees from Syria.

are living in urban areas among host communities while only 8% reside in 23 camps established in 10 cities across Southern and South-eastern parts of Turkey (goc.gov.tr, 2017). Syrian refugees are mostly concentrated in provinces of Istanbul, Şanlıurfa, Hatay, and Gaziantep (goc.gov.tr, 2017). While Turkey has been generous in providing emergency care for Syrians with its open door policy and extension of the temporary protection regime, it is now faced with the challenge of developing a long-term integration policy approach that takes into account the multidimensional and dynamic nature of integration. The immigrant integration strategy of Turkey - referred to as “harmonization” in Turkish asylum law - should initially target economic, social, and cultural domains. Given the centrality of employment in immigrant integration, this report focuses on the economic integration of Syrian refugees under temporary protection in Turkey. Although labor market integration does not ensure social and cultural integration which are the integral components of overall integration, it serves as a major determinant of refugees’ ability to become active members of their new society (İçduygu, 2016:8). The first section of this paper will focus on legislative developments concerning the status of migrants and refugees in terms of their access to the job market in Turkey. The second part will summarize the conditions that enable Syrians’ access to formal employment, while the third section will outline the existing challenges for employed Syrians. The fourth section will present an overview of the available studies on the impact of Syrians on the Turkish labor market and the fifth section will provide a summary of the activities of different stakeholders including international organizations and civil society organizations working towards providing livelihood opportunities for Syrian refugees.

LEGISLATIVE FRAMEWORK AND EMPLOYMENT OF FOREIGNERS IN TURKEY

In an effort to progress with the EU accession negotiations, Turkey has taken major steps towards reshaping its asylum and reception system

since the early 2000s. The requirements of this “EU-ization” process coupled with the practical implications of becoming a country of immigration have resulted in a number of changes in the Turkish asylum system (İcduygu, 2007: 201). The legislation passed in support of the process includes; Law on Work Permits of Foreigners (LWPF) (Law No. 4817) in 2003, Law on Foreigners and International Protection (LFIP) (Law No. 6458) adopted in April 2013, and the establishment of Directorate General of Migration Management (DGMM) in 2014 as stipulated by Article 103 of LFIP.²

Although LWPF of 2003 made a drastic legislative change by the provision that grants work permits based on labor market demands instead of nationality, the law did not mention the right to work for refugees that are not of Turkish descent (İcduygu, 2016:19).

A decade later, the introduction of LFIP in 2013 and the establishment of DGMM in 2014 represented revolutionary changes by promising better protection of migrants and abandonment of the nation-state approach of treating migrants as a security threat by transferring the authority from the Security General Directorate to a civilian entity. LFIP was recognized by UNHCR “as a reflection of Turkey’s strong commitment to humanitarian values and principles”.³ For the first time in Turkish legal history, the law introduced provisions directly addressing the issue of integration (Açıkgöz & Arıner, 2014: 22). Despite growing recognition of the need to facilitate migrant integration, many problems remained unsolved on the ground. With respect to access to the labor market, the law allows international protection applicants, conditional refugees, and those under sub-

2 Article 103 – (1) The Directorate General for Migration Management has been established under the Ministry of Interior with a view to implement policies and strategies related to migration; ensure coordination between the related agencies and organizations in these matters; carry out the tasks and procedures related to foreigners’ entry into, stay in, exit and removal from Turkey, international protection, temporary protection and protection of victims of human trafficking.

3 To read the full statement, please visit: <http://www.unhcr.org/news/briefing/2013/4/5167e7d09/unhcr-welcomes-turkeys-new-law-asylum.html>

subsidiary protection – in other words, mainly non-Syrian asylum seekers and refugees - to apply for a work permit six months after lodging their international protection application. However, it doesn't guarantee access to the labor market as the government may restrict access depending on certain circumstances in the labor market and related developments (İçduygu, 2016: 20). While the law doesn't provide any provisions on the employment of Syrians who belong to neither of these groups, it clarifies their status; Syrians officially became "persons under temporary protection" based on Article 91 of the new law. Yet, clear definition of the set of rules, rights, and obligations of Syrian refugees remained absent until the adoption of Temporary Protection Regulation in October 2014.

A closer look at the Turkish asylum system and the global trends of refugee resettlement could provide answers as to why a new legal status was long-awaited for Syrian refugees in Turkey. The geographical limitation that Turkey maintains on the 1951 Refugee Convention simply denies non-European asylum seekers full refugee status, hence, the right to permanent residence, which leaves resettlement or repatriation as the only durable solutions. According to Settlement Law of November 2006, Turkey only promotes full settlement of those coming from "Turkish descent and culture" (İçduygu, 2015: 4). Because of these two restrictions, non-European and non-Turkish refugees are considered as conditional refugees or persons under subsidiary protection in Turkey and they need to either go through the Refugee Status Determination (RSD) process handled by UNHCR in Turkey in order to qualify for full refugee status and resettle in a third country or repatriate on a voluntary basis. The RSD process is an individualized international protection system that obliges UNHCR to find resettlement countries willing to host refugees if their asylum claim is found legitimate. By the time Syrian influx began in 2011, an overwhelming number of individual applications from non-Syrian asylum-seekers and limited prospects of resettlement coupled with the fear of attract-

ing thousands of Syrian individual applicants to Ankara for the RSD process, caused UNHCR to refrain from registering individual Syrian asylum applications (Corabatir, 2016: 8). This strategic decision became legitimate with Article 91 of the new law that inaugurated an alternative and collective system of protection for those arriving at the borders of Turkey in a mass influx situation.⁴ The uncertainty regarding the rights and obligations of Syrians came to an end with the adoption of Temporary Protection Regulation (TPR) in October 2014 elucidating the details of this parallel system of protection designed for Syrian refugees in Turkey.

Temporary Protection Regulation (TPR) outlines the legal framework and administrative procedures such as registration and documentation and facilitates access of Syrians to social services including health, education, and labor market. With respect to employment, Article 29 (2) says “Persons, who hold a Temporary Protection Identification Document, may apply to the Ministry of Labor and Social Security for receiving work permits to work in the sectors, professions and geographical areas (provinces, districts or villages) to be determined by the Council of Ministers”. The shift of state approach from humanitarian aid to livelihoods support has become evident with the “Regulation on Work Permits of Foreigners under Temporary Protection” issued by the Ministry of Labor and Social Security in January 2016 to further clarify and facilitate the access of Syrians to the job market under certain conditions. According to UNHCR Turkey, this is the first time a refugee group of this size has been granted the right to access the labor market.⁵

4 Article 91 - (1) Temporary protection may be provided for foreigners who have been forced to leave their country, cannot return to the country that they have left, and have arrived at or crossed the borders of Turkey in a mass influx situation seeking immediate and temporary protection.

5 Presentation by Damla Taşkın from UNHCR at ‘Integration of the Syrian Refugees Under Temporary Protection into Turkish Labor Market: Challenges and Opportunities’ Meeting on December 2, 2016.

In April 2016, a further work permit regulation was passed specifically for international protection applicants and conditional refugee status holders.⁶ The new legislation is geared to facilitate access to formal employment for the traditional refugee groups of Turkey - a total population of 306,791 persons - that are composed of mainly non-Syrian refugees undergoing the long-lasting Refugee Status Determination (RSD) and resettlement process of UNHCR Turkey (See Table 2).

Table 2: Non-Syrian Asylum-seekers (international protection applicants) and refugee status holders in Turkey, 2017

Country of Origin	Asylum-seekers	Refugees (Conditional)	Total number
Afghanistan	125,414	3,517	128,931
Iran	25,437	6,643	32,080
Iraq	102,245	31,387	133,632
Somalia	1,423	2,175	3,598
Other	5,983	2,567	8,550
Total	260,502	46,289	306,791

Source: UNHCR Turkey Statistics, updated on 31.03.2017.

While these legal initiatives are recognized as major developments heralding the acknowledgment of refugees' long-term stay or permanence, large-scale improvements are needed for the actual transition of Syrians from informal to formal employment.

In July 2016, a new law, the International Labor Force Law (No: 6735), was passed which concerns all foreigners in Turkey. According to the law, foreigners holding a long-term residence permit or 8 years of work permit are eligible for indefinite work permits. Most criti-

⁶ See http://www.unhcr.org/turkey/uploads/root/unhcr_turkey_operational_update_jan-june_2016.pdf UNHCR Turkey Operational Update January – June 2016.

cally, the law introduces “Turquoise Card”, which is an attempt to attract and keep high-skilled labor in the country. Foreigners under temporary protection, namely Syrians, are not eligible to apply for Turquoise Card. However, there is plenty of evidence demonstrating government efforts to keep high-skilled Syrians in the country since 2016 by opening pathways to citizenship.⁷ This trend began in mid-2016 when several Syrian families who were to be resettled in third countries were denied exit from the airport by DGMM authorities based on their education levels.⁸ Only recently it was announced by government authorities that 2000 cases have been referred to Ankara to begin the citizenship process.⁹ It is rumored that priority is given to those with high education levels and proficiency in Turkish. The absence of transparency over the citizenship issue has created ground for politically charged speculations that mainly accuse the government of expanding its electoral base by giving citizenship to Syrians (International Crisis Group, 2016: 11). While indicative of growing state-level awareness on the benefits of migration, these arbitrary and uneven practices resulted in vulnerabilities and misconceptions in the absence of official policies and regulations about access to citizenship.

EMPLOYMENT OF FOREIGNERS UNDER TEMPORARY PROTECTION

According to the Regulation on Work Permits of Foreigners under Temporary Protection issued in January 2016, the conditions that enable access of Syrians to the job market are listed as follows: (1) the applicant should have a temporary protection ID card and a valid identification number starting with “99”; (2) the applicant should have been under temporary protection for at least 6 months prior to

7 Second author’s participant observation during her work at International Organization for Migration (IOM) office from January to August in 2016.

8 See <https://www.rt.com/news/343893-turkey-europe-qualified-refugees/>

9 See <https://tr.sputniknews.com/turkiye/201702231027351908-istanbul-valisi-vasip-sahin-suriyeli-vatandaslik/>

the date when the application is submitted; (3) the number of foreigners under temporary protection to be employed in businesses cannot surpass 10% of the number of Turkish citizen employees (in exception of civil society organizations); (4) foreigners under temporary protection can only work in their province of Temporary Protection registration. DGMM should authorize relocation of persons under temporary protection in case of employment in another city; (5) applications are to be made online through “*e-devlet*”¹⁰ by employers on behalf of employees. If the applicant will start a business and work independently, then the application should be made by the foreigner under temporary protection him/herself; (6) if the applicant wants to work in agriculture or stockbreeding sector, he/she should apply for work permit exemption at Provincial Directorate of Labor in the province where he/she is registered; and (7) foreigners who would like to work in health or education sectors should approach the relevant ministry before applying for work permit.

The application procedure is simple and quick, which requires employers to upload the work agreement and a photo of the employee along with basic information about the company and the position offered to the foreigner. According to Ministry of Labor, the results of online applications are announced within 30 days despite contrary arguments by civil society organizations.¹¹ The ministry justifies longer waiting periods by asserting that in some cases, a detailed screening process for hiring institutions is needed in order to prevent fraud and abuse.¹²

10 E-devlet is the e-government system in Turkey, accessed through www.turkiye.gov.tr

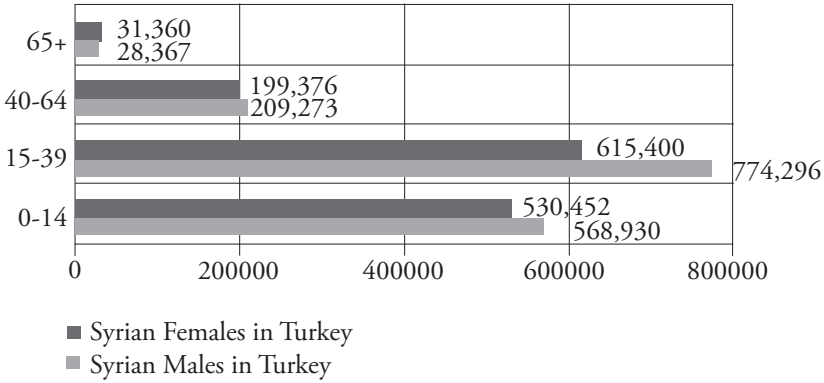
11 Query by Mavi Kalem Association as their work permit application evaluation period lasted for 6 months for a Syrian woman. At the presentation by Ministry of Labor and Social Security at BETAM Turkey Labour Market Network Meeting on 26.01.2017 at Bahçeşehir University

12 The representative of Ministry of Labor and Social Security mentioned that a number of fake NGOs has been detected during these screenings upon work

THE SITUATION OF SYRIANS IN THE LABOR MARKET

Despite the legislative changes that facilitate access to formal job opportunities, the informal market still remains more attractive both for Syrians and employers. The number of work permits granted to Syrians is unexpectedly low due to major weaknesses and lack of incentives. According to the latest DGMM figures, there are more than 1.7 million (61% of the total) Syrians of working age (between 15 and 65) in Turkey (See Figure 1). Yet, a total of 20,981 Syrian refugees have been granted work permits since 2011, accounting only for 1% of the total working age population according to the Ministry of Labor and Social Security (See Table 3).

Figure 1: Age distribution of Syrians under temporary protection in Turkey



Source: Turkish Directorate General of Migration Management (DGMM) Migration Statistics, updated on 9.02.2017

permit requests. At BETAM Turkey Labour Market Network Meeting on 26.01.2017 at Bahçeşehir University

Table 3: Number of work permits granted to Syrians since 2011

Year	Number of work permits
2011	105
2012	231
2013	794
2014	2,538
2015	4,015
2016	13,298
TOTAL	20,981

Source: Presentation by the Ministry of Labor and Social Security at BE-TAM Turkey Labour Market Network Meeting on 26.01.2017 at Bahçeşehir University

There are several reasons why the number of granted work permits is drastically low compared to expectations. First, the relatively higher cost of formally hiring Syrians discourages employers. In addition to a fee¹³ that is paid upon granting of the work permit, employers must pay the monthly minimum wage plus social security contributions and taxes. Second, formal employment also causes Syrian employees to lose their competitive advantage over Turkish citizens since they could get jobs more easily by accepting lower pay without social security (International Crisis Group, 2016: 8). Particularly in low-skilled sectors, this situation is creating downward pressure on wages in the informal sector, which eventually leads to growing social tension between refugees and Turkish citizens. Another common concern is the possibility that Syrians may be fired by their employers if they demand formalization of their informal positions.¹⁴ Therefore, with the

13 See <http://www.calismaizni.gov.tr/calisma-izni/harc-ve-banka-bilgileri/>. In 2017, yearly work permit fee costs 600.50 TL in total.

14 International Crisis Group (ICG) Meeting: Launch of the report “Turkey’s Refugee Crisis: The Politics of Permanence” at the Consulate General of Sweden in Istanbul. 25 January 2017

fear of losing their only source of income, Syrians continue to accept precarious working conditions and retain their positions.

According to UNHCR Turkey, the Syrians in Turkey could be categorized into 5 different groups; entrepreneurs, micro-entrepreneurs, professionals, farmers, and unemployed (UNHCR, 2016). Due to the delay in the work permit arrangement, the majority of professionals are estimated to have left the country irregularly by 2015. Besides, it is argued that the number of Syrian farmers is relatively high in Turkey compared to other host countries in the region due to the close proximity to the agricultural regions of Syria that were neglected during the Assad regime.¹⁵ Consequently, the illiteracy rate is also quite high among Syrians in Turkey. As argued by Ela (2013: 911) a labor force migrating from rural to urban areas is more likely to seek opportunities in the underground economy as they lack the necessary skills to find formal employment. Therefore, the geographic composition of Syrian refugees could also explain their high levels of engagement in the informal sector.

Estimates on the number of informally employed Syrians in Turkey range between 500,000 and 1,000,000 (Kadkoy, 2017). The majority of the Syrian population is working in low-skilled jobs in seasonal agriculture, textile, construction, and manufacture (International Labour Organization, 2016). Long working hours and unhealthy and unsafe conditions are the most common challenges Syrians face in the informal sector.

Being stranded in the informal market reinforces the cycle of poverty for Syrians in different forms. For example, major problems are observed in seasonal agricultural work both for Syrians and natives. Seasonal agricultural laborers usually work in unhealthy and inhumane conditions with little access to education, health, and other social services due to the physical isolation of settlements in proximity

15 Presentation by Murat Erdoğan at UCLG-MEWA & WALD Workshop. Increasing the Coordination at the Local Level In Migration Management. 8 November 2016.

to the fields (Development Workshop, 2016: 118). Syrian refugees predominantly work in eastern and southeastern Turkey. Given the desperation of Syrians that forces them to accept work for lower pay, wages show a declining trend with increased competition among Syrians and their native counterparts. For example, in the Adana plain, it is stated that Syrians work at a daily rate of 38-40 Turkish Lira despite the guidelines set by the Çukurova Association of Agricultural Intermediaries that oversees a net payment of 50 TL per day (Development Workshop, 2016: 97). It is stated that in some cases, wages drop as low as 20 TL per day (Uyan Semerci vd., 2015: 76). At the same time, in some cases, the same job is compensated at different rates, creating a hierarchy in the sector (Development Workshop, 2016: 88). Syrian workers are often exploited by labor brokers for cheap labor and they are substituted for locals. Thus, local workers' resentment is growing against them using the argument that their jobs are "stolen". This is also mounting ethnic hostility between Syrians and Kurds in Turkey as the latter were typically the mainstays of the seasonal agricultural production prior to the arrival of Syrians. Similar problems are observed among Roma groups and Syrian refugee workers according to a survey conducted by Support to Life in 2015 (Uyan Semerci vd., 2015: 69).

Another issue of vital importance is the rising risk of child labor that is driven by poverty (Support to Life, 2016). Low wages in the informal market leave many Syrian families dependent on their children's income. There is no official data on the number of Syrian child laborers but it is argued that having their children work has become the most common way to combat financial difficulties for Syrian families living in Turkey (Support to Life, 2016). According to the vulnerability assessment survey conducted by Support to Life in five districts of Istanbul, the majority of working children are engaged in the textile sector (50%) followed by the service sector (29%) and industrial production (18%) (Kaya, 2016: 28). The same survey finds that 28% of children cannot go to school because of their contribution to the family income. Another report by UNICEF suggests that 10% of all

Syrian refugee children in Jordan, Lebanon, Iraq, Egypt, and Turkey are working (UNICEF, 2014).

In order to prevent the use of child labor as a negative coping mechanism, the Ministry of Family and Social Policies is offering cash assistance to families on the condition that they send their children to school, a system that is monitored closely by officials to prevent misuse (İçduygu, 2016: 25). Introduced in November 2016 as the largest humanitarian cash-transfer program up to date, “Emergency Social Safety Net” is another cash assistance scheme that will be offered to more than 1 million Syrian refugees.¹⁶ Through this program, a monthly cash transfer of 100 TL per person (regardless of age) will be made via an electronic card. This program is also expected to contribute to schooling of Syrian child workers.

While such cash assistance programs focusing on the supply side have a positive impact, stronger incentives are needed on the demand side. In order to decrease the engagement of refugees in the informal market without harming them, careful analysis of the situation is necessary. Fines and inspections of employers could deprive Syrians of their only income if they are not accompanied by incentives such as tax exemptions, waivers for social security contributions, or reduction of work permit fees (International Crisis Group, 2016: 8). Additionally, integrating language courses into vocational training programs, increasing the efficacy of these programs accessible to Syrians, expanding the capacity of major service providers such as İŞKUR (Turkish Employment Agency), creating funding opportunities for the civil society working in the field, and encouraging entrepreneurship through low interest loans could also have a positive impact on the transition to formal employment. Critically, lack of data on the occupational backgrounds of refugees misguides the planning for vo-

16 See European Commission - Fact Sheet. Questions and answers: Support for refugees in Turkey through the Emergency Social Safety Net (ESSN). Brussels, 8 September 2016. Available at: http://europa.eu/rapid/press-release_MEMO-16-2989_en.htm

cational training programs and leads to failure in terms of matching the labor force supply with the demands of Turkish labor market (International Labour Organization, 2016). The ongoing verification exercise of all registered Syrians under temporary protection carried out by DGMM and UNHCR is expected to provide a detailed picture of the occupational skills and experience of refugees.¹⁷ Although it is not yet clear if this data will be shared with third parties, it is apparent that the findings will be used as a major resource to develop targeted assistance programs in all dimensions of integration. Another project jointly carried out by World Bank, Ministry of Labour and Social Security, and İŞKUR aims to profile the demands of the labor market nation-wide.¹⁸ These two new initiatives will help service providers design effective vocational and skills building trainings that take Syrians' skills and labor market demands into account.

Moreover, Syrians became the largest group of foreign entrepreneurs in Turkey. According to the figures from the Union of Chambers and Commodity Exchanges of Turkey, the number of businesses established by Syrian partners shows an increasing trend with a total of 81 businesses in 2011 to 165 in 2012, 489 in 2013, 1,257 in 2014, and 1,599 in 2015. In 2016, out of 4,523 companies established with foreign partners, 1,764 of them had Syrian partners (tobb.org.tr, 2017). It should be noted that the number of informal enterprises can multiply these figures. Restaurants, construction, trade, textile, real estate, travel, transportation, and foodstuffs industries are the primary sectors that Syrian businessmen invest in (Karasapan, 2016). While Istanbul is the leading city with the largest number of established businesses, the positive economic impact is higher in southern provinces such as Gaziantep and Mersin (Karasapan, 2016). The number

17 Informal discussion with a DGMM official at UNHCR Meeting on "Integration of Syrian Refugees under TP into the Turkish Labor Market: Challenges and Opportunities" on 2.12.2016

18 Presentation by Ministry of Labor and Social Security at BETAM Turkey Labour Market Network Meeting on 26.01.2017 at Bahçeşehir University

of Syrian-owned firms in Gaziantep has reached over 700, accounting for 17% of the total number of businesses, upon the introduction of a Syria desk at the Gaziantep Chamber of Commerce in July 2016 to ensure full utilization of services available to these businesses. Yet, in Şanlıurfa, a major border city hosting the second largest refugee population in Turkey, the local authorities reproach the lower contribution of refugees in economic terms and refer to the city as “the capital of Syrians in poverty”.¹⁹

THE IMPACT OF SYRIAN REFUGEES ON TURKISH LABOR MARKET

It is important to understand the dynamics of the Turkish economy in order to develop more reasonable integration policies for the incorporation of refugees and migrants in Turkish labor market. According to the figures from Turkish Statistical Institute, the economic activity of employment as of November 2016 is distributed among sectors as follows: 18.7% in agriculture, 19.6% in industry, 7.4% in construction, and 54.2% in service sectors (turkstat.gov.tr, 2017). Except for the agricultural sector, labor force participation of females is lower than that of males. The overall unemployment rate in the country stands at 12.1%, which does not seem to be significantly affected by the inflow of refugees. But a closer look at the local level reveals that provincial unemployment rates are more likely to increase in provinces with large refugee populations such as Gaziantep, Adıyaman, Kilis, Şanlıurfa, Diyarbakır, Mardin, Batman, Şırnak, Siirt, Hatay, Maras, Osmaniye, Adana, and Mersin (İçduygu, 2016: 9). Yet, available studies show that the refugee inflow doesn't have any significant impact on the formal employment figures and wages in the formal sector since refugees are intensively working in the informal sector (Del Carpio & Wagner, 2015: 4; Balkan & Tumen, 2016: 661; Ceritoğlu vd., 2017:

19 Presentation by Mahmut Kaya at UCLG-MEWA & WALD Workshop. Increasing the Coordination at the Local Level In Migration Management. 8 November 2016.

5). Indeed, the supply shock in the informal labor market renders low skilled formal employment opportunities more available to Turkish workers who could also be content with an informal job. Hence, the impact of the refugee influx on the formal employment of Turkish workers is positive for low-skilled jobs while it doesn't apply to high-skilled employees as well as women, who have limited options to work in the informal sector (Del Carpio & Wagner, 2015: 19; Ceritoğlu vd., 2017: 20). On the other hand, the refugee supply shock has a negative impact on the wages and employment of natives in the informal sector (Balkan & Tumen, 2016: 660). Del Carpio & Wagner (2015:4) suggest that the Syrian influx led to large-scale displacement of local workers in the informal market, pushing away around 6 natives for every 10 refugees. Therefore, the findings support the general opinion that Syrians have a negative impact in the low-skilled informal market due to employers' tendency to substitute Syrians for locals. However, it is important to note that if the wages continue to fall in the informal market, employers may substitute their formal labor force for informal labor to reduce the cost of labor, which could, in turn, decrease formal job opportunities for all.

The decrease in the cost of labor also reflects on the consumer prices. A study by Balkan and Tumen (2016: 660) finds that consumer prices for goods created in the informal market have dropped by 4% while the prices of goods in the formal market remained unchanged, indicating an overall decrease of 2.5%. It is important to bear in mind that the decreasing cost of labor is directly linked to more unacceptable conditions for workers who are exploited by the employers.

ENGAGEMENT OF THE IOs AND CSOs

On the state level, there has been a shift towards an approach that reflects good governance characteristics with the engagement of international organizations and civil society organizations in the management of refugee issues (İçduygu, 2015: 9).

ILO and UNHCR are the main organizations working towards providing decent work opportunities for refugees. Along with the Government of Turkey, UNHCR Turkey has also shifted its approach from emergency response to long-term planning in the last couple of years. UNHCR is the leading UN agency working on livelihood opportunities for Syrians in Turkey. The agency works closely with government authorities including Directorate General of Migration Management (DGMM), Ministry of Labor and Social Security, and Turkish Employment Agency (İŞKUR) and regularly/occasionally hosts events to promote employment of Syrians with the participation of all stakeholders.

Through its implementing partners in civil society, UNHCR is providing employment counseling services, awareness raising sessions, entrepreneurship support and skills building trainings in different cities across Turkey. The partners of UNHCR in the area of livelihood are Support to Life²⁰, Danish Refugee Council²¹, Yuva Association²² and International Blue Crescent²³.

International Labor Organization (ILO) has also introduced a comprehensive strategy that involves increasing institutional capacities at national and local levels, conducting research to improve understanding of the context, awareness raising activities, vocational, technical, skills development, and entrepreneurship courses. By the end of 2016, the organization reached out to 1487 Syrians and Turkish citizens through courses on “welding, Turkish language training, CNC (Computer Numerical Control) programming, plastic pipe installation, hairdressing and skin care, patient admission services, woodwork, and CISCO Network Systems with certificates approved by the Ministry of National Education (MoNE)” (Özcan, 2016).

20 Further information available at: <http://www.hayatadestek.org/en/>

21 Further information available at: <https://drc.dk/where-we-work/middle-east-and-north-africa/turkey>

22 Further information available at: <http://www.yuva.org.tr/>

23 Further information available at: <https://ibc.org.tr/en/index.php>

In addition to UN agencies and their implementing partners, there are also Syrian civil society organizations working in the livelihood sector. Rızık Association in Şanlıurfa and İstanbul and Maharet Capacity Building in Mersin are two of them. Rızık Association recently founded an employment center in Fatih district of İstanbul with an aim to improve Syrians' professional competencies and facilitate their integration in the job market.²⁴

There are many other local organizations offering vocational training opportunities for refugees. But a common concern is that some of these trainings only produce certificates taking into account neither the occupational background of refugees nor the needs of the labor market. In this regard, sustained and coordinated efforts of all stakeholders are crucial. UNHCR is currently conducting a much needed country-wide service mapping exercise that includes local governmental institutions as well as civil society organizations, community-based organizations, and national and international NGOs offering services to refugees.²⁵ The output of this study will partially satisfy the need for coordination by clarifying who is doing what and where so that loss of time, labor, and funds could be prevented.

CONCLUSION

Owing to its growing economy, proximity to troubled regions, and its often-mentioned geopolitical location, Turkey has become a country of immigration in the last decades. The mass influx of Syrian refugees to the country accelerated the ongoing legislative initiatives on the issue of migration. Adoption of the Law on Foreigners and International Protection in 2013, Temporary Protection Regulation in 2014, and the work permit regulation for temporary protection status

24 See <http://www.cnnturk.com/turkiye/istanbulda-suriyeliler-icin-rizik-istihdam-ofisi-acildi?page=2>

25 See UNHCR Turkey Operational Update January – June 2016 http://www.unhcr.org/turkey/uploads/root/unhcr_turkey_operational_update_jan-june_2016.pdf

holders in early 2016 are indicative of a shift towards long-term planning concerning the lives of 2.9 million Syrians in Turkey. Syrians are granted the right to receive work permit under certain conditions, yet, an overwhelming majority remains informally employed in poor conditions due to a lack of incentives for formal employment on both supply and demand sides.

The arrival of refugees is perceived as a supply shock to the informal market. On average, wages and consumer prices show a declining trend in the informal market, owing to the diminishing cost of labor. Inexpensive labor provided by refugees induces employers to replace natives with Syrians. The unfair competition is leading to the displacement of natives in the informal market, which in turn results in growing social tension. Poor and insecure conditions and child labor are major problems in the informal market. Policies encouraging the transition to formal market should be devised with careful consideration of the circumstances of both refugees and natives. In order to decrease the engagement of refugees within the informal market without harming them, inspections of employers should be accompanied by incentives such as tax exemptions, waivers for social security contributions, or reduction of the additional costs associated with the formal work arrangements of Syrians. In addition, a proper understanding of the local economic dynamics and of the needs of local populations is needed to design effective policies that will improve formal employability of the refugees.

Entrepreneurial skills of Syrian refugees are noteworthy and should be facilitated by further support mechanisms such as establishing centers that provide one-to-one consultancy on how to start a business at the offices of Chamber of Commerce and encouraging entrepreneurship through low-interest loans.

The civil society is highly engaged in providing livelihood opportunities for refugees through various activities and programs, usually implemented with the support of UN agencies. It is important to reach beyond cities like Istanbul, Gaziantep, and Şanlıurfa and make

these activities accessible to Syrians and potential employers throughout the country. Increasing funding opportunities for local NGOs in less targeted cities could facilitate access to less visible populations of refugees.

In the last couple of years, UN agencies, government institutions, and civil society organizations have provided numerous vocational training opportunities. The effectiveness of these programs is dependent on the extent to which they take into account the acquired qualifications of Syrians and the labor market demands. In this regard, two recent initiatives are crucial: (1) data verification exercise of all registered Syrians conducted by UNHCR and DGMM, which is expected to meet the growing need for information regarding the occupational backgrounds of Syrians, and (2) the market assessment carried out by the Ministry of Labor and Social Security, World Bank, and İŞKUR which aims to analyze the needs of the labor market. Designing skills building programs based on the outcomes of these initiatives will both improve refugees' quality of life and contribute to the economy. It is also important to integrate language courses into vocational and skills building training programs to help refugees understand the terminology at the workplace. The involvement of private sector in livelihoods projects is very crucial in enabling Syrians' access to decent job opportunities.

It is recommended that Turkish policymakers remain open to collaborative and cooperative efforts by involving all stakeholders in the programming of activities by adopting a multi-level governance approach. Likewise, policies shaping the integration of refugees should be considerate of the multi-dimensional nature of integration so that the diverse circumstances of Syrians and locals are equally addressed.

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