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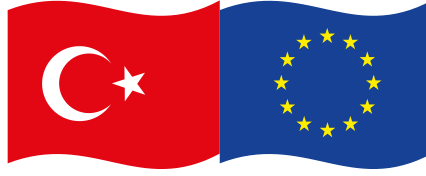
# PRIVATE SECTOR ENGAGEMENT IN THE SYRIA CRISIS RESPONSE: OPPORTUNITIES AND CHALLENGES REPORT

Turkey Resilience Project in Response to the Syria Crisis (TRP) **JOB CREATION COMPONENT**

2019



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Resilient nations.*



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Turkey Resilience Project in Response to the Syria Crisis (TRP)

**JOB CREATION COMPONENT**

2019

## FOREWORD



**The Government of Turkey generosity and innovation in hosting the largest refugee population in the world is well illustrated by their policy to facilitate access national services, including to the formal labor market for Syrians under temporary protection as well as refugees and asylum seekers of other nationality.**

Access to employment and self-reliance plays a key role in ensuring that refugees are able not only to meet their basic needs and live in dignity, but also in enabling them to contribute positively to their host communities and the local economy.

The Government has increasingly emphasized the importance of refugees' livelihoods, notably in the ESSN Exit Strategy released at the end of 2018. This echoes recent commitments at the global level, notably through the Global Compact on Refugees (GCR) which identifies the need to enhance refugee self-reliance as its second overall objective. Again, this demonstrates how Turkey's policies serves as a global level good practice.

In this respect, the international community and UNDP in particular have a key role to play to ease the pressure on the services provided by Turkey as a host country and support the removal of any barriers of relevant policy implementation. As the co-lead of the Regional Refugee and Resilience Plan (3RP) with UNHCR and the lead agency of the Livelihoods sector, UNDP has a unique responsibility in supporting Government partners to foster access to job opportunities for refugees and host communities alike. However, good, sustainable and decent jobs will not be created by the UN or the Government. Only the private sector can. This is why understanding the needs and perspective of small, medium, and large businesses is key. As part of the UNDP Syria Crisis Response and Resilience Program's "Turkey Resilience Project", funded through the EU Regional Trust for the Syria Response (MADAD) in Turkey, UNDP has therefore conducted two surveys: one on Private Sector Engagement in the Syria Crisis Response and a second on Syrian-owned businesses

This survey shows that Turkish businesses are willing to learn more about the Syrians as their perception of Syrians as "refugees" is shifting away from their temporary status in Turkey towards their integration with society and the local economy. Turkish businesses are also well aware of opportunities stemming from the presence of a large Syrian workforce, such as access to Arabic-speaking countries. The survey also reveals important challenges such as tensions in the workplace, and lack of awareness amongst Turkish business about work permit procedures.

As such, this report is a contribution to scaling up existing job creation efforts in Turkey to the benefit of Syrian refugees and host communities alike. The outcomes are expected to be critical in supporting the joint efforts of the Government, 3RP and other partners to transform the refugee presence into an opportunity to further advance local economic development.

**CLAUDIO TOMASI**

UNDP Turkey Resident Representative a.i



## Executive Summary

**T**urkey has been the largest refugee hosting country globally since 2014. While the management of the response by the Turkish Government, its strong leadership and generous opening of services to the Syrians have been praised, the future outlook of the refugee presence in Turkey remains uncertain.<sup>1</sup>

The Government of Turkey has spent more than USD 37 billion on direct assistance to Syrians in Turkey while the international community (UN Agencies, NGOs, INGOs) has delivered an estimated total of USD535 million worth of support to and through public institutions at the local and national level, and this amount will be at least USD975 million in 2018. The international community has already contributed to the Syria Crisis response through the construction of schools and municipal infrastructure for waste and waste water management as well as the provision of additional staffing, equipment, machinery, infrastructure, IT infrastructure, facility rehabilitation and similar items to the governmental organizations providing services to refugees by way of system strengthening/upgrading. This is in addition to the humanitarian assistance provided to vulnerable Syrians – notably through the Emergency Social Safety Net (ESSN) to cover their basic needs in line with the Turkish Government’s regulations.<sup>2</sup>

Today, the main agenda of the Syria Crisis Response in Turkey is the access of Syrians to the income and employment opportunities that would create self-reliance and prevent them from depending on humanitarian assistance it’s the long-term sustainability of which is subject to uncertainties. Durable solutions to such a protracted crisis will only be possible if the resilience of individuals, communities and institutions is strengthened, so that refugees are able to rely on their own resources rather than humanitarian assistance.<sup>3</sup>

UNDP Turkey is the only UN agency working on actual job creation and supporting the Government at scale in terms of labour demand, including the creation and facilitation of sustainable jobs for both host community members and Syrians. UNDP does this by supporting local economies, primarily through private sector engagement involving Turkish and Syrian-owned business. The private sector is a natural partner for UNDP not only during protracted humanitarian crises or natural disasters but also more generally to be able to respond better to the challenges of our times and achieve the Sustainable Development Goals (SDGs).

Against this backdrop, the “Private Sector Survey” has been conducted in the framework of the Turkey Resilience Project implemented under Syria Crisis Response and Resilience Programme to better understand how the Syria Crisis response in Turkey is perceived by the Turkish private sector, which is being positioned at the heart of the livelihoods strategies.

The survey shows that the Turkish businesses are willing to learn more about the Syrians - mainly about their profiles, educational backgrounds and vocational skills, but also about their living conditions, the challenges they face and the assistance provided so far. Their perception of Syrians as “employees” and/or “refugees” is shifting away from their temporariness in Turkey towards their integration with society and the local economy. Access to Arabic-speaking countries is a driving factor for the employment of Syrians but this factor has not triggered significant partnerships with the Syrian businesses established in Turkey that have already been exporting to those countries. The private sector is also revealed to lack information about the work permit procedures. The proportion of Syrians for whom work permits have been obtained for Syrians is much lower than for other foreign national employees, and employers are still not well informed about the online application system and work permit procedures in general.

The Private Sector Survey suggests that access to reliable information could trigger both income opportunities for Syrians and opportunities for business between the Turkish and Syrian business communities. Another important outcome of the survey is that the private sector needs guidance on how to cope with the tension between Syrians and host community members at the workplace. Positive interactions between Syrians and host community members at the workplace would be a significant contributor to social cohesion, but it would be unfair to expect the private sector to manage tensions without proper guidance and direction. It was also observed in the survey that the private sector has been exposed to misguided information on the Syria Crisis Response and on Syrians in Turkey that is liable to provoke negative attitudes towards their Syrian employees.

Private sector engagement is a prerequisite for reaching the necessary scale of job creation for both host community members and Syrians and for building the resilience of individuals and both communities. We are therefore pleased to share this study with you. We believe that it will serve as a guide to understanding the private sector’s perceptions with regards to the Syria Crisis response in Turkey and developing strategies for livelihoods.

**We would like to thank all our private sector partners and all the enterprises that participated in the online survey, bilateral meetings and focus group discussions to share their views and experiences with a view to guiding all the relevant institutions, including governmental institutions, UN agencies, donors, INGOs, NGOs, financial institutions and others, that are active in the field of livelihoods.**

<sup>1</sup> UNDP Policy Analysis: Resilience and Local Integration, November 2018

<sup>2</sup> Support to Public Institutions in the Turkey Refugee and Resilience Response Plan (3RP) 2017-2018

<sup>3</sup> Support to Public Institutions in the Turkey Refugee and Resilience Response Plan (3RP) 2017-2018

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# INTRODUCTION



As the leading agency for the Government of Turkey on the coordination of support related to employment and livelihoods related support, UNDP has undertaken the Private Sector Survey to better understand the perceptions of Turkish businesses with regards to the Syria Crisis response in Turkey.

The private sector is crucial for UNDP's strategy not only as the main source of job creation but also as the strategic partner for sustainable development and for resilient economies. UNDP engages closely with local economic actors established to support the

private sector in terms of developing their businesses and increasing their innovation capabilities to create sustainable jobs for both host community members and Syrians.

As the private sector is being positioned at the heart of the livelihoods strategy of all relevant partners including governmental institutions, UN agencies, INGOs and NGOs, an understanding of its perceptions, challenges and risks (perceived and real) will be a valuable asset for the improvement of programming on the Syria Crisis response.

## The survey provides an overview of the following issues:

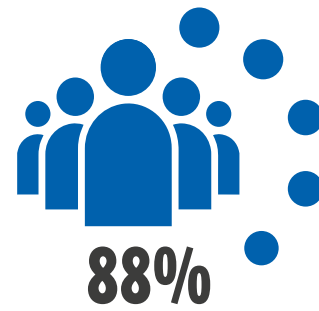
- ☀ the perceptions of the private sector in Turkey with regards to the Syria crisis response in Turkey, the employment of refugees and doing business with refugee entrepreneurs,
- ☀ the main opportunities and challenges (including real or perceived risks) for private sector engagement in the Syria crisis response in Turkey,
- ☀ areas of cooperation with the private sector with respect to the Syria crisis response.



# Highlights from the Survey



**88%** of the companies are aware that Turkey is hosting the largest refugee population in the world while **half of them** know that the target audience of the projects conducted within the Syria Crisis response includes **host community members,**



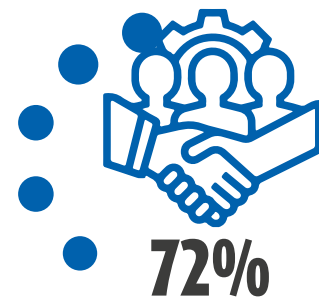
Turkish businesses' main source of information on Syrians and the Syria Crisis response in Turkey is the mainstream **media.** This demonstrates that there is a lack of channels through which Turkish businesses can reach accurate, relevant and transparent information about the overall processes and policies related to the Syria Crisis response,



61% of the interviewees are aware of **the tenders** opened to procure products and services for refugees; only **6%** of them have participated,



**72%** of the enterprises employing Syrians are motivated by **social responsibility.** The second most important factor is access to Arabic-speaking countries,



While social responsibility and access to Arabic speaking countries are the main driving forces for the enterprises, there has been a significant shift in the emphasis of perceptions of the Syrians from **temporariness to integration.** One of the motivations mentioned for employing Syrians, particularly among **business willing to employ Syrians,** is to help them integrate into society and economy.



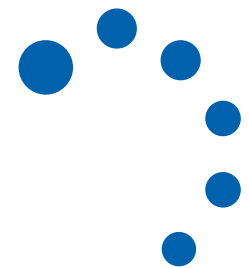
80% of the enterprises **have no customers among the Syrian community, which represents 3.6 million consumers;** only 13% of them have plans to target Syrians as **potential customers,**



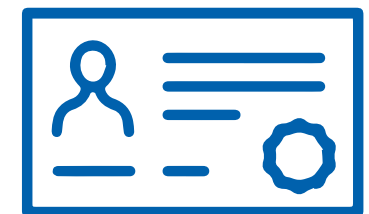
Only 3.4% of the enterprises have **Syrian business partners,**



These last two responses indicate that despite the fact that Turkish businesses have the intention of accessing the Arabic-speaking countries, they do not see the more than 3.5 million Syrians in Turkey as customers or Syrian businesses already exporting to those countries as partners.



24% of the interviewees have already employed one or more Syrians but only **40% of them applied for a work permit** for their Syrian employees while this rate is as high as 90% for other nationals. This situation is difficult to reconcile with the fact that most of the enterprises say they see the employment of Syrians as a **social responsibility.**



40%

Enterprises that have already employed or are employing Syrians need guidance in terms of dealing with tensions between the Syrians and host community members at the workplace, which tend to result in the laying off of Syrian workers to avoid further problems.



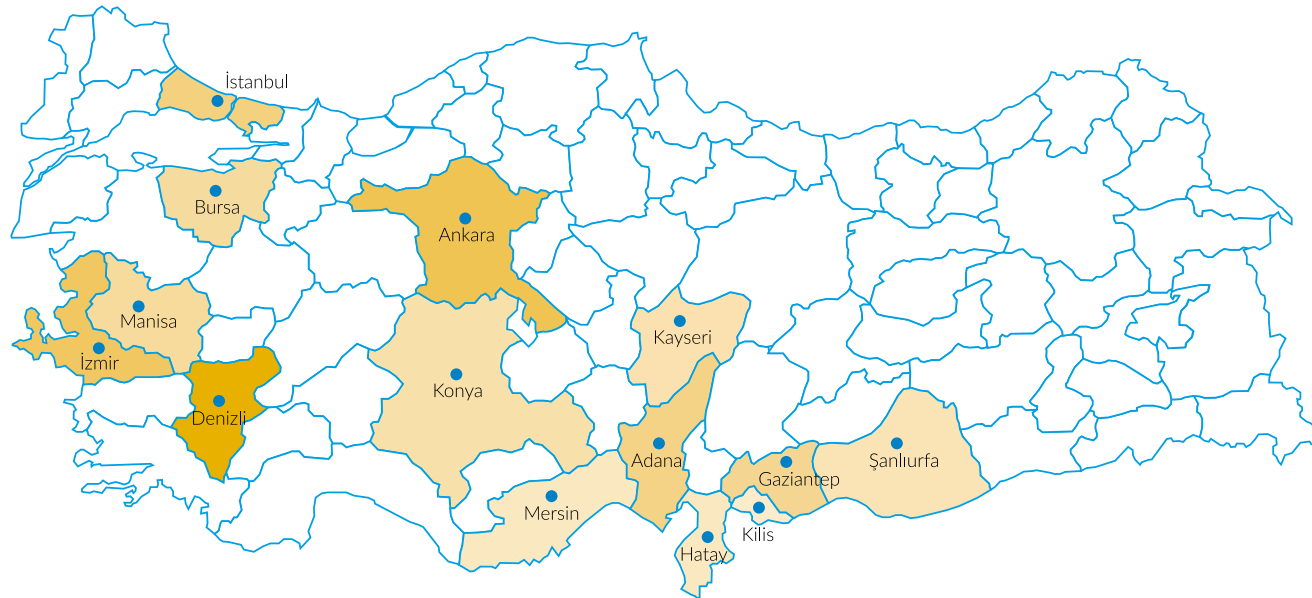
The sections below give more details of the perspective of Turkish businesses on the Syria Crisis response in Turkey including Syrians as individuals, employees and businesses.

# 1 METHODOLOGY

This survey seeks to provide practical information on the role of the private sector specifically in relation to the support provided to Syrians under Temporary Protection in Turkey. The survey was conducted in the framework of the Job Creation component of the Turkey Resilience Project in Response to the Syria Crisis (TRP) under the UNDP Syria Crisis Response and Resilience Programme.

## The survey:

☀️ focused primarily on companies based in the South East (i.e. Gaziantep, Hatay, Kilis and Sanliurfa), İstanbul, Ankara, Kayseri, İzmir, Denizli, Mersin, Konya, Manisa and Adana.



☀️ concentrated on the following sectors: textiles, ready-wear, food processing, machinery, plastics and chemicals.



The sectors most heavily represented in the online survey were as follows (in order of the number of respondents): food, machinery, textiles, chemicals, plastics, furniture and ready-wear. However, there were no limitations on the sectors targeted for the online survey.

The online survey was filled out in 27 provinces – namely, Gaziantep, Hatay, Kilis, Şanlıurfa, İstanbul, Ankara, Kayseri, İzmir, Denizli, Mersin, Konya, Manisa, Adana, Antalya, Bursa, Edirne, Rize, Bilecik, Amasya, Samsun, Uşak, Artvin, Van, Aydın, Eskişehir, Çanakkale and Kırklareli.

The five provinces most strongly represented in the online survey were Adana, Gaziantep, İzmir, Ankara and Hatay, in that order. The most important reason for the high number of participants from Adana was that UNDP staff participated in sectoral committee meetings held at the Adana Chamber of Industry, explained the purpose of the survey in person and distributed the printed version. Entries of the printed surveys were also done by UNDP staff. The CBI launching event held in November 2018 in Hatay was also used to distribute printed versions of the survey as well as to disseminate the online link to the survey to the companies from all over Turkey which were represented.

Figure 1: Distribution of Enterprises by provinces

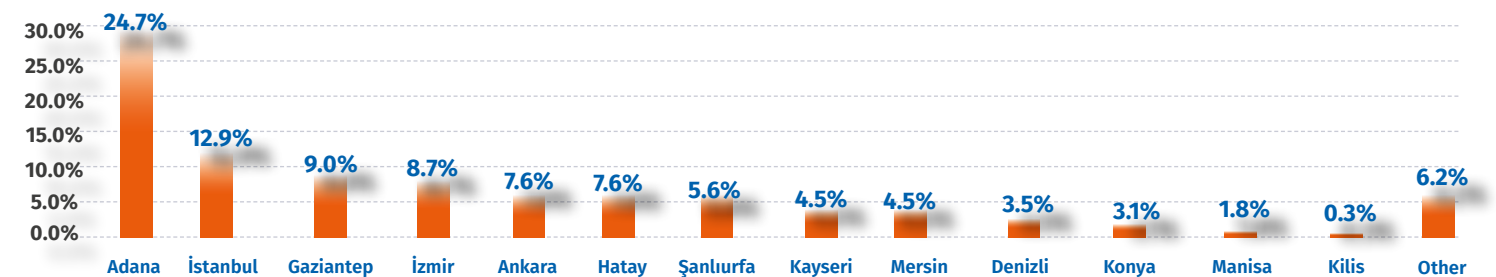
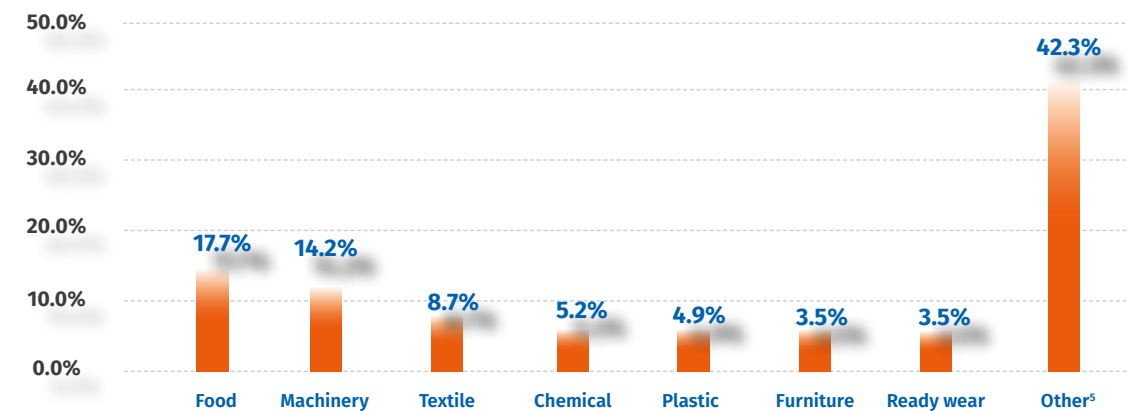


Figure 2: Distribution of Enterprises by sectors in which they operate



As far as possible, the questions in the online survey of enterprises were closed-ended, and a logical filter was applied to the responses. The questionnaires were completed in 7 minutes and 45 seconds on average. There was no obligation to respond to the questions asked in the questionnaire, except for the data on province and sector, and the companies were given the right not to respond to any questions which they preferred not to answer.

☀️ The percentage of enterprises that answered all the questions was 74%.<sup>4</sup>

<sup>4</sup>In the analysis, the non-response tendency was not taken into consideration and all statistical tables and graphs were created using the answers actually given to each question. The non-response statistics are also shown in the tables. In subsequent chapters of the report, explanations are given concerning the questions for which the tendency to respond dropped and after which the participant did not complete the rest of the questionnaire.

<sup>5</sup>Other: Mining/metals, Education/consulting, Construction, Non-metal products, IT, Energy, Services, Electrical/electronic goods, Agriculture/livestock, Household durables, Health, Tourism, Printing, Insurance, Advertising, Logistics, Air conditioning, Defense, Finance, Household goods and Wholesale trade.

## 2.1 Profile and General Perceptions of the Enterprises

Focus group discussions (FGDs) and bilateral meetings were held in Istanbul, Konya, Ankara and Gaziantep – provinces which are among the most industrialized in Turkey and all of which host significant numbers of Syrians and non-Syrian asylum seekers and refugees.

Unlike the online survey, the FGDs and bilateral meetings focused on **certain target sectors** – namely,

textiles, ready-wear, furniture, food, machinery, plastics and chemicals. All constitute important components of manufacturing industry in Turkey.

A total of 77 small and medium-scale enterprises (SMEs) in these seven sectors were interviewed, while 7 FGDs were held in **Istanbul, Gaziantep, Ankara and Konya.**

The numbers of bilateral meetings and FGDs held were determined in line with the presence and importance of each sector in the various provinces as follows:

Table 1: Distribution of bilateral interviews by province and sector

	Textiles	Ready-wear	Food	Furniture	Machinery	Plastics	Chemicals	Total
Ankara			2	2	4	2		10
Gaziantep	8		9		2	2	2	23
Istanbul	5	6	2	3	10	5	2	33
Konya	0		3	-	6	2		11
<b>Total</b>								<b>77</b>

Table 2: Distribution of focus group meetings by province and sector

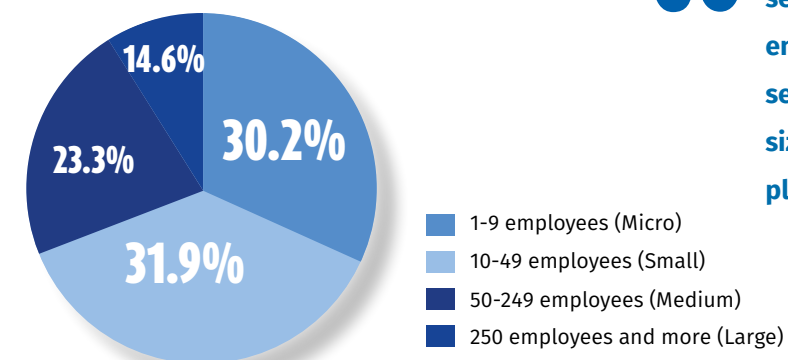
	Textiles	Ready-wear	Food	Furniture	Machinery	Plastics	Chemicals	Total
Ankara				1				1
Gaziantep	1		1					2
Istanbul		1				1	1	3
Konya					1			1
<b>Total</b>								<b>7</b>

## Key Facts

- ☀️ **The respondents have low personal interaction with the Syrians as neighbors, acquaintances, employees, partners, etc.**
- ☀️ **Media channels are the main source of information for companies; as reliable source of information, they point to public institutions and civil society organizations,**
- ☀️ **The private sector calls for information on the profiles of the Syrians, including not only their professional skills and educational background but how they sustain their lives, the social assistance provided and so on.**
- ☀️ **Hardly any of the respondents have Syrian business partners despite the fact that the online survey received a good response in Istanbul, Gaziantep, Adana, Hatay and Mersin – the provinces where the majority of the Syrian businesses have invested.**

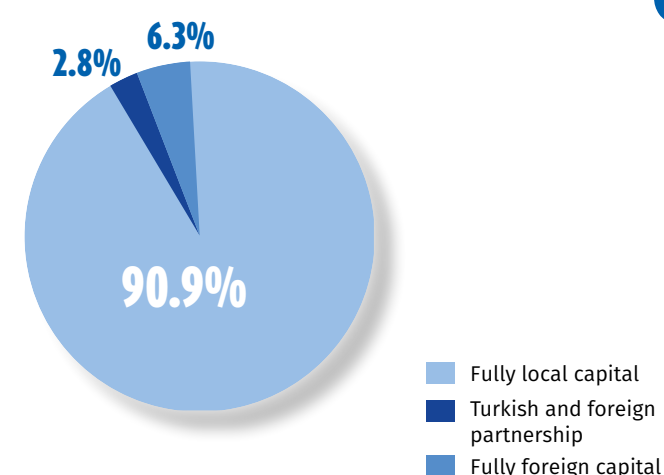
The profile of the companies that took part in the online survey was dominated by micro, small and medium-sized companies (MSMEs), which reflects the profile of companies in Turkey as a whole.

Figure 3: Distribution of enterprises by size



“The participating companies from the food sector were mainly micro- and small-sized enterprises, while those from the machinery sector were mostly small- and medium-sized. Half of the enterprises operating in the plastics industry were also micro-scale.”

Figure 4: Distribution of enterprises by capital structure



“The majority of the respondents to the survey (76.7%) hold executive roles as owners or managers. A further 12.2% are mid-level executives while the rest are working in the companies as lower-level executives or experts. The respondents are mainly working in Administration (35.5%), Financial affairs (21.8%), Production (18.7%), Marketing (16.9%), Projects/R&D (2.8%), Consultancy (2.5%) and Services (1.8%).”

The purpose of this section of the survey was to understand the overall perceptions of the private sector representatives with regards to the Syria crisis response in Turkey.

Nearly all the enterprises participating in the survey are aware that Turkey is the country that hosts the largest refugee population in the world. However, more than half of the respondents (58%) also stated that they have **no acquaintances** from the refugee community

Almost half of the enterprises are also aware that the projects developed within the crisis response target host community members as well as refugees. However, this level of awareness is more common in large enterprises than in other types of businesses (58.2%). It is also higher in **Istanbul** than in other provinces (58.8%).

The majority of the participants stated that they are following the developments regarding the situation of refugees **in the news**. Very few companies (4%) have participated in meetings on the topic.

The fact that the primary source of information is the news increases the risk that the survey respondents

are exposed to misguided and inaccurate information regarding the refugees and the context in Turkey. For instance, the 86.2% of the Turkish people who regard Syrians as a burden think that Syrians live only through the assistance of the Turkish state. When Syrians are asked, it is seen that most of them sustain their existence through the salaries they receive from work.<sup>6</sup>

Nearly 63% of respondents want to learn more about the profile of the refugees living in Turkey. **While the food sector was very interested in this matter, the lowest interest was observed in the plastics industry.**

Looking at the distribution of the responses by provinces, it emerges that almost **all of the enterprises in Gaziantep (92%)** are willing to know more about the profile of the refugees living in Turkey. It is worth noting that less than half of the enterprises in Şanlıurfa are willing to be informed about this matter even though Şanlıurfa is hosting the second largest refugee population in Turkey.

**Enterprises that would like to learn more about the refugees are primarily interested in their qualifications and skills (80%), followed by their educational levels (74%).**

Table 2: Awareness regarding the tenders opened in the framework of the Syria Crisis response

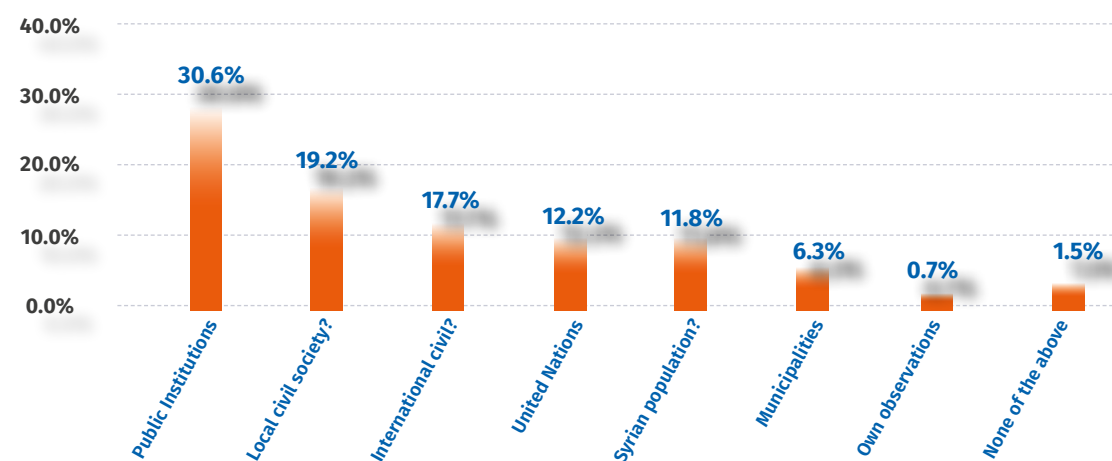
Provinces	Aware	Unaware
Adana	66.7%	33.3%
Istanbul	64.5%	35.5%
Gaziantep	84.0%	16.0%
Izmir	45.8%	54.2%
Ankara	61.1%	38.9%
Hatay	61.9%	38.1%
Şanlıurfa	56.3%	43.8%
Other	48.3%	51.7%
<b>Total</b>	<b>60.5%</b>	<b>39.5%</b>

More than half of the enterprises (61%) know that international organizations, NGOs or public institutions provide products and services for refugees.

This awareness is particularly high in the food sector and in Gaziantep. The level of awareness was found to be higher in younger enterprises. However, **only a small number of enterprises (6.2%) participate in the related tenders.** The companies participating in the tenders are mainly in the food and machinery sectors and are generally located in Adana and Hatay. Those enterprises which have won tenders opened by various national and international organizations<sup>8</sup>, including the United Nations, have provided products and services such as food, containers, sanitary products, stationery and supplies.<sup>9</sup>

**Only 3.4% of the enterprises have Syrian business partners.** Considering the fact that most of the Syrian enterprises in Turkey have been established in Gaziantep, Mersin, Hatay and Istanbul, which were also among the target provinces of the survey, the figure of 3.4% is quite low. This could be taken to indicate that potential business partnership opportunities are being neglected by local companies and that the Syrian business are not fully engaged with the Turkish businesses. It should be noted that the same situation applies to Syrian businesses, as **only 3.7% of Syrian enterprises** have Turkish business partners according to the **Mapping Exercise** conducted by UNDP Turkey in Gaziantep, Kilis, Mersin, Adana, Hatay, Izmir and Adana in 2018.

Figure 5: The most reliable sources of information on the profile of the Syrian population



According to **30.6%** of the respondents, public institutions are the most reliable source of information about the profile of the Syrian population. The enterprises also indicated that they trust local and international NGOs. About **12%** of the enterprises see the United Nations as the most reliable source of information.<sup>7</sup>

<sup>6</sup> Prof. Dr. Murat Erdoğan, Syrian Barometer 2017, <https://mmuraterdogan.files.wordpress.com/2016/06/syrians-barometer-executive-summary.pdf>

<sup>7</sup> When participants were asked what the most reliable source of information about the profile of the Syrian population would be (the 14th question), 7 participants ended the questionnaire.

Figure 6: Awareness that Turkey is among the top ten countries hosting refugee populations in the world

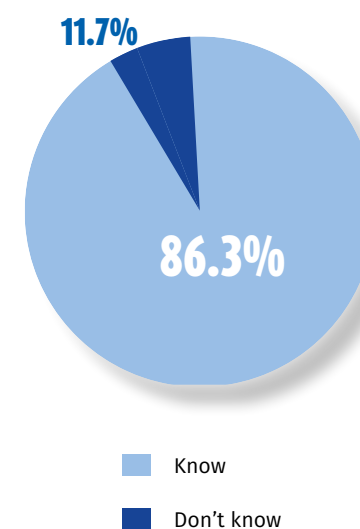


Figure 7: Awareness that the target beneficiaries of projects developed for refugees also include host community members

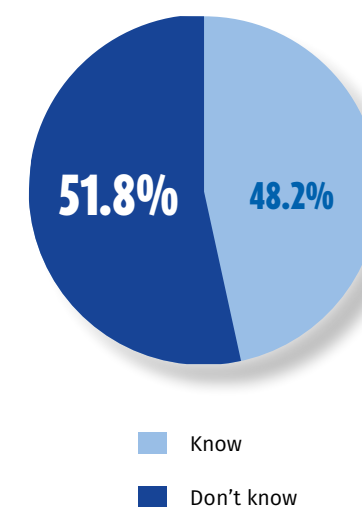
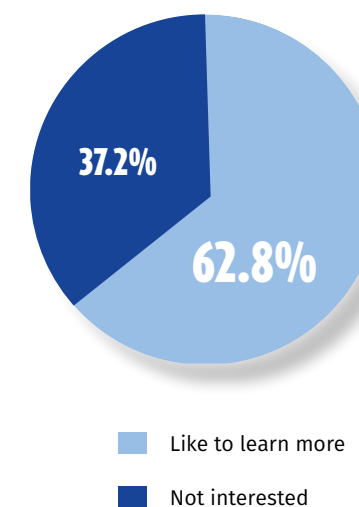


Figure 8: Willingness to learn more regarding the profile of Syrian refugees living in Turkey



<sup>8</sup> UN Agencies, Danish Refugee Council, olive factories, Save the Children, International Rescue Committee, Human Appeal, Creative, AFAD, Ministry of Education, electricity distribution companies, etc.

<sup>9</sup> In more detail, the products supplied included: food, olive processing machinery, canned tuna fish, containers, power and distribution transformers, sanitary pads for women, stationery and supplies, water tanks and plastic bags.



Figure 9: Existence of any acquaintances from the refugee population

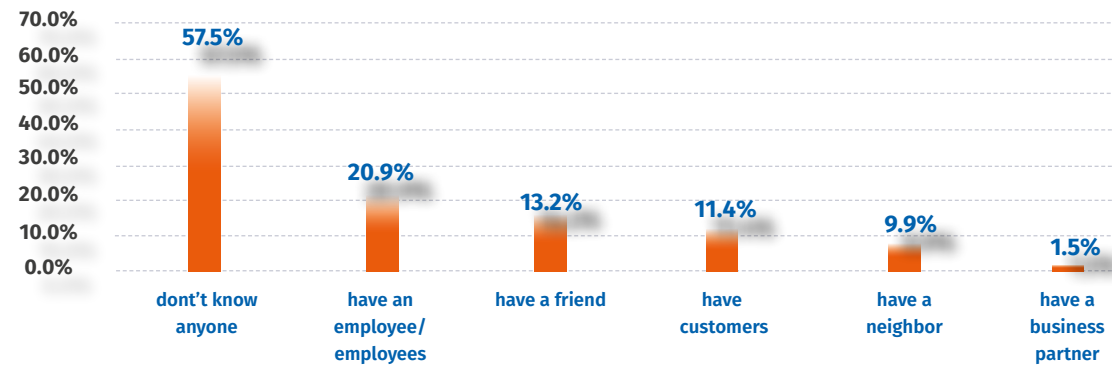


Figure 10: Method of tracking the developments regarding the situation of refugees in Turkey

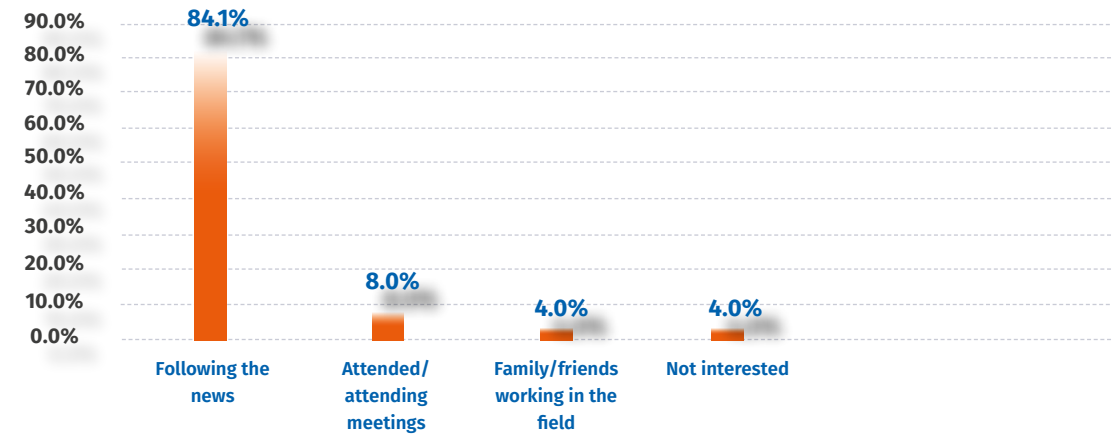


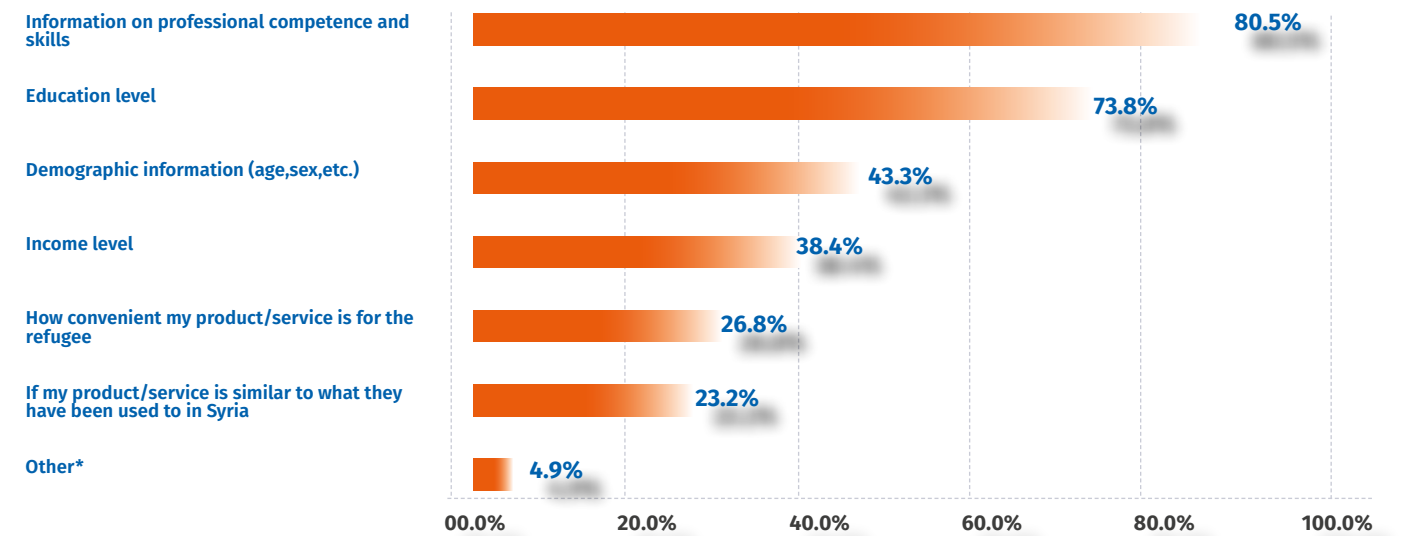
Table 3: Willingness to learn more regarding the profile of Syrian refugees living in Turkey by sectors and provinces

Sectors	Willingness to learn more		Provinces	Willingness to learn more	
	Like to learn more	Not interested		Like to learn more	Not interested
Food	59.1%	40.9%	Adana	59.1%	40.9%
Machinery	78.8%	21.2%	İstanbul	78.8%	21.2%
Textiles	92.0%	8.0%	Gaziantep	92.0%	8.0%
Chemicals	68.0%	32.0%	İzmir	68.0%	32.0%
Plastics	57.9%	42.1%	Ankara	57.9%	42.1%
Furniture	63.6%	36.4%	Hatay	63.6%	36.4%
Ready wear	43.8%	56.3%	Şanlıurfa	43.8%	56.3%
Other	51.5%	48.5%	Other	51.5%	48.5%
<b>Total</b>	<b>62.8%</b>	<b>37.2%</b>	<b>Total</b>	<b>62.8%</b>	<b>37.2%</b>

The interest of the chemicals sector could be an entry point for its engagement in the Syria crisis response, since the representatives of this sector showed a significant amount of interest in the online survey in general and in responding to the relevant questions. During the focus group discussions and bilateral meetings, it was observed that chemicals companies would like to learn more about Syrians' profiles as "customers". These companies had also made several attempts to recruit not only Syrians with

technical skills (food chemicals) but also Syrians who could manage the company's exports (mainly to the Arabic speaking countries). However, the companies also complained about the problems that they encountered during the work permit procedures. The main priority for chemicals companies employing Syrians is the work permit, followed by knowledge of Turkish, work experience, demographic information and educational background.

Figure 11: Type of information that the enterprises would like to learn about refugees



- “Other:
- ☀ Information about people with no income and job seekers
  - ☀ Their views on the war in their country, and thoughts / opinions about why they are in Turkey
  - ☀ Information on their health conditions
  - ☀ Opportunities to take part in projects targeting Syrians
  - ☀ How they evaluate their contribution to Turkey
  - ☀ Their thoughts and expectations about their future”



## 2.2 Business Relations with Syria and Syrian Refugees & Entrepreneurs

### Key facts

- ☀️ **78% of the enterprises that were doing business with Syria before the Crisis were affected negatively: the exports of 59.7% of the companies declined with the crisis.**
- ☀️ The most affected provinces were obviously those nearest to the Syrian market such as Adana, Hatay, Şanlıurfa and Gaziantep,
- ☀️ **The main motivation of Turkish businesses to do business with Syrians (as business partners and/or employees) turned out to be “social responsibility, followed by helping them gain skills that they can use when they return their home country.**

This section looks at the business relations of the enterprises surveyed with Syria and with Syrian refugees and entrepreneurs. First of all, the companies were asked whether they had any business relationships with Syria before the war. About 27% of the enterprises responded positively. In particular, companies operating in Adana, Hatay, Şanlıurfa and Gaziantep had business relations with Syria, mainly related to their geographical proximity to the country. In Izmir and Ankara, such business relations were almost negligible. The business relations with Syria mostly concerned exports.

The Syria crisis significantly affected the enterprises – negatively for 77.9%. Most of the enterprises which previously had a business relationship with Syria declared that the crisis reduced their exports. The exports of 59.7% of the companies declined with the crisis. However, exports to Syria increased after 2012, mostly by the exports done by Syrian companies in Turkey which demonstrates another channel to continue to export to Syria. Textiles can be said to be the sector least affected by the Syria crisis and Istanbul the least affected province. Young firms are prominent among those affected by the crisis.

Figure 12: Existence of a business relationship with Syria before the war

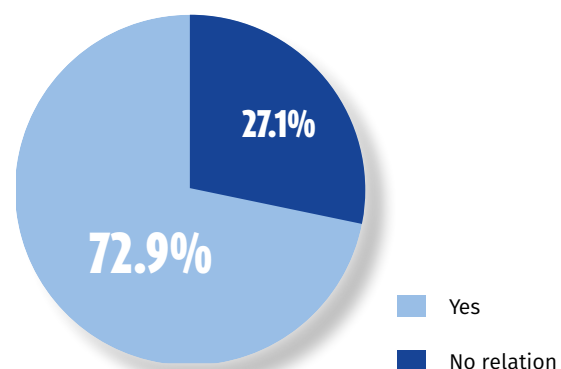
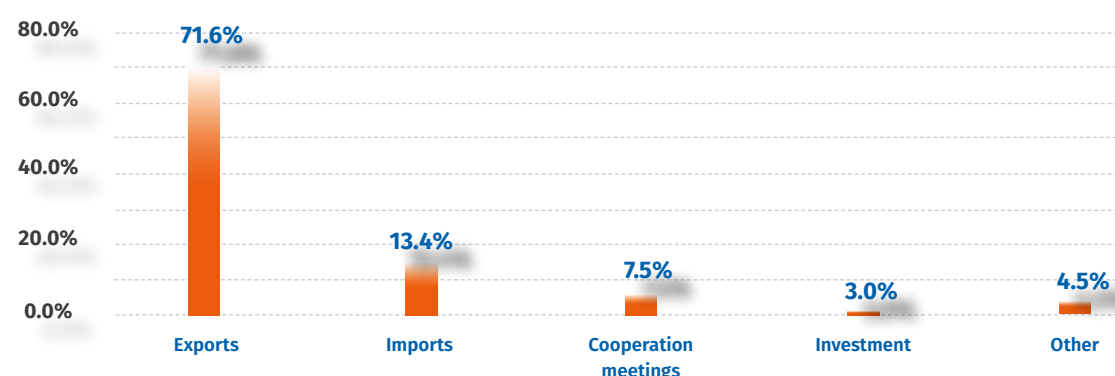


Figure 13: Type of business relations with Syria before the war



In this section of the survey, some questions were also asked to understand the importance which the companies attached to certain factors, topics or propositions. The companies were asked to give a score of between 1 (lowest) and 5 (highest) for each of the proposed items, based on its importance to them. To analyse the results, the averages of these scores were calculated.

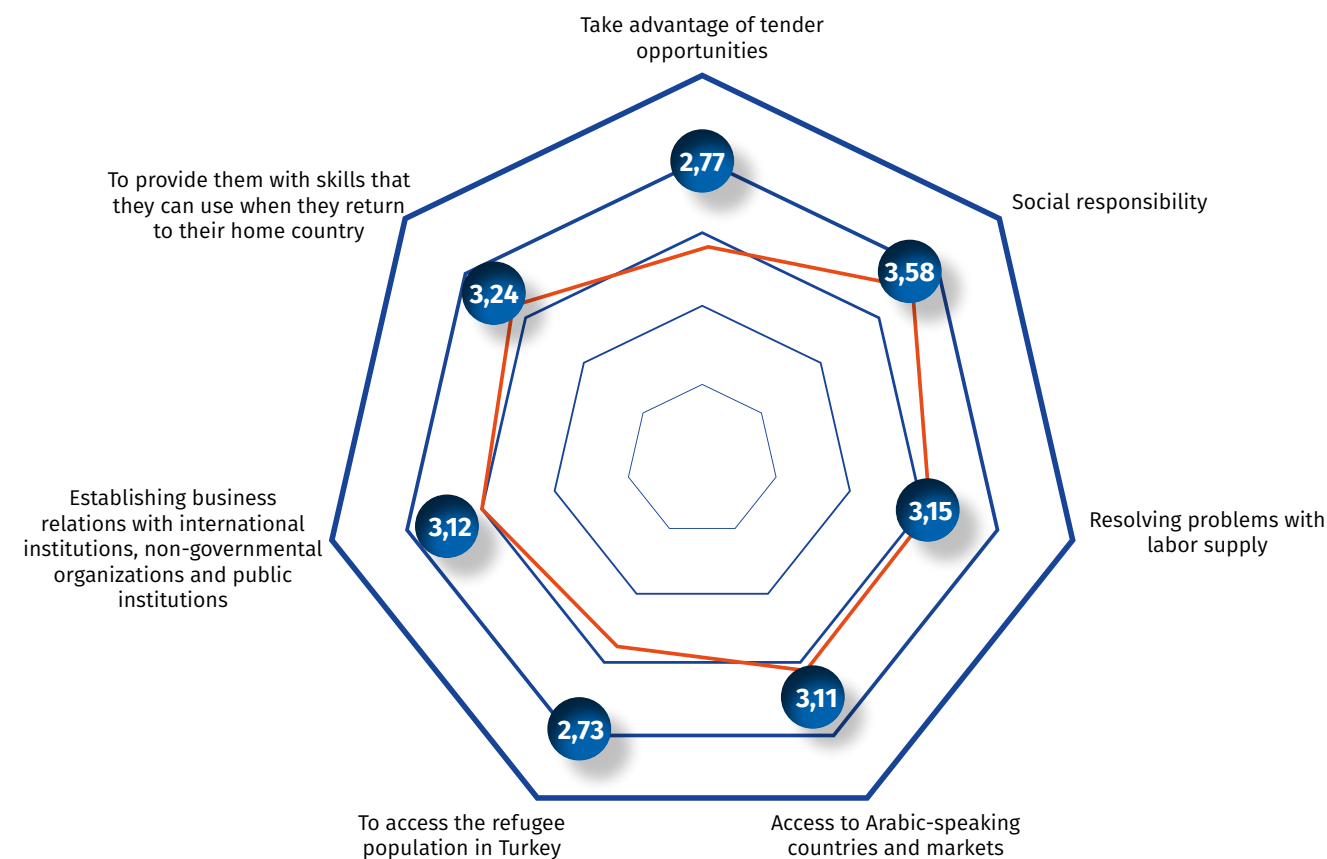
**In this context, the companies were asked to assess their motives for establishing a business relationship with Syrians and/or Syrian businesses.**

In response, the firms asserted that social responsibility is the most important reason for establishing a

business relationship with Syrian refugees (average score: 3.58/5.00). Similarly, the firms considered helping refugees acquire skills which they will be able to use when they return to their home country as an important reason for doing business with Syrians (average score: 3.24/5.00).

Considering that the majority of Syrians working in Turkey are working without a work permit and for lower wages, these responses reflect a “politically correct” motive rather than the reality. Only 40% of the respondents have applied for work permits for their Syrian employees, while this rate increases to 90% for other foreign nationals.

Figure 14: Importance of various reasons for working with Syrian refugees



The least important motive for the firms to establish a business relationship with the refugees is to gain access to the refugee population in Turkey (average score: 2.73). This could be interpreted to mean that local companies do not see the 3.6 million Syrian refugees in Turkey – or the over 400,000 non-Syrian

asylum seekers – as their customers. The products which the companies produce naturally affect their responses here. However, considering the relatively high participation of food, ready-wear and textiles companies in the survey, the average score could have been higher.

When the enterprises were asked directly about Syrians and/or Syrian businesses as customers, the online survey revealed that:

☀️ **79.9%** of the enterprises have no customers among the Syrian community.

☀️ **35.3%** of the enterprises have products that might be in demand among the Syrians.

☀️ **26.5%** of the enterprises don't know what kind of products refugees would demand.

☀️ **35%** of the enterprises provide products or services that Syrian refugees may want to buy but **only 13.2%** of the enterprises have plans to target Syrians as potential customers.

☀️ **Only 16%** of the enterprises stated that they do not want to take any initiative for refugees. These enterprises are mostly located in Hatay, Izmir and Ankara.

The distribution of the responses by province shows that the tendency for enterprises to have plans to provide products or services to the Syrian refugees is highest among companies located in Gaziantep. Enterprises think that the best way to provide products or services to refugees is to participate in tenders in this context.

Some of the enterprises stated that it could be useful to conduct research on the consumer behavior of the Syrian refugees in order to be able to offer them appropriate products or services.

Figure 15: Existence of Syrian refugee customers

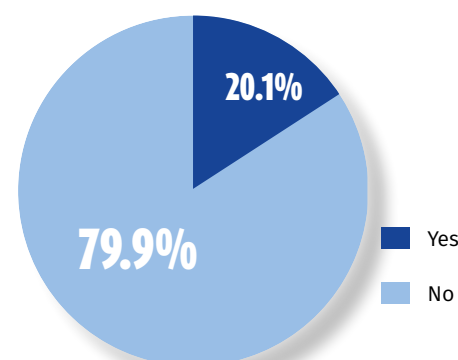
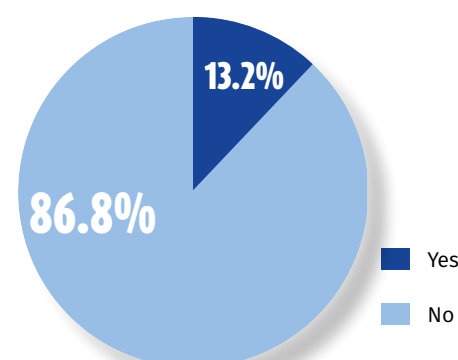


Figure 16: Existence of plans to target Syrian customers



The most motivated province in terms of doing business with and for Syrians is Gaziantep. For companies in other provinces, establishing a business relationship with Syrian refugees is of little importance. In fact, the enterprises in all provinces other than Gaziantep are not interested in taking advantage of the tender opportunities for Syrian refugees.

When we look at the distribution by sectors, only the companies in the ready-wear sector think that it is important to establish a business with Syrian businesspersons. These companies also intend to establish contact with refugees in order to meet their labour force needs.

Among those enterprises which do not want to provide products or services to Syrian refugees, the majority gave their current position in the market or other market conditions as the reason for this.

Table 4: Motives for working with Syrian refugees by sector and province (average score on a scale of 1-5)

Sectors	Social responsibility	To provide them with skills that they can use when they return to their home country	Recruitment	To establish business relations with international and public institutions and NGOs	To access Arabic-speaking markets	To take advantage of tender opportunities	To access the refugee population in Turkey
Food	3.86	3.74	3.65	3.67	3.54	3.30	3.19
Machinery	3.48	2.97	2.84	2.94	3.16	2.81	2.65
Textiles	3.47	2.79	3.05	2.79	2.26	2.16	2.79
Chemicals	3.33	3.25	3.08	3.17	3.33	3.00	2.64
Plastics	3.56	2.89	3.11	2.78	3.33	2.78	2.33
Furniture	3.71	3.57	3.57	3.43	3.71	3.43	3.14
Ready wear	4.17	3.83	4.20	3.50	3.17	3.00	3.80
Other	3.51	3.18	2.98	2.99	2.99	2.56	2.49
Provinces							
Adana	3.54	3.36	3.02	3.22	3.29	2.78	2.69
İstanbul	3.58	3.23	3.46	3.50	3.12	2.88	3.00
Gaziantep	4.42	4.08	4.05	4.04	4.00	3.87	3.96
İzmir	3.27	2.68	2.90	2.52	2.55	2.33	2.25
Ankara	3.14	2.13	2.57	2.23	2.23	2.36	2.00
Hatay	3.50	3.28	2.72	3.00	2.61	2.28	2.39
Şanlıurfa	3.42	3.23	3.00	2.08	2.85	2.46	2.08
Other	3.57	3.30	3.17	3.19	3.23	2.74	2.70

Gaziantep could be a target city for matchmaking events between Syrian and Turkish businesses and for an analysis to be conducted of Syrians' profiles as customers.

Table 5: Existence of plans to target Syrian customers by sector

Sectors	Yes		No		Total	No response
Food	6	23.1%	20	76.9%	26	25
Machinery	4	12.9%	27	87.1%	31	10
Textiles	1	5.9%	16	94.1%	17	8
Plastics	2	22.2%	7	77.8%	9	5
Furniture	1	20.0%	4	80.0%	5	5
Ready wear	1	16.7%	5	83.3%	6	4
Other	11	11.6%	84	88.4%	95	27
<b>Total</b>	<b>26</b>	<b>13.2%</b>	<b>171</b>	<b>86.8%</b>	<b>197</b>	<b>91</b>

For this question, the **no-response rate is also high**. Based on the most responsive sectors such as food, machinery and textiles, none of the sectors producing either end-products or equipment that could be used by Syrian investors in Turkey have plans to target Syrian population as consumers or customers. When asked the type of products or services that they would like to provide to the Syrians, the enterprises surveyed mentioned 27 different products and services headed by food, consultancy, clothes and furniture.

2.3. THE VIEWS OF THE ENTERPRISES ON THE EMPLOYMENT OF SYRIANS

- ☀ More than half of the enterprises that have already employed Syrians continue to work with the same employees, which is a promising indicator of the Turkish businesses' concern about the continuity of the Syrians,
- ☀ The number of work permits received is quite low and there is still a lack of information with regards to the application processes,
- ☀ More than half of the companies are benefiting from İŞKUR services for recruitment, which would create opportunities for Syrians that are registered with the İSKUR system,
- ☀ There is an important shift with regards to the perceptions of Turkish businesses away from the temporariness of the Syrians and towards their integration into the society.

In this section of the survey, information and opinions were collected on the employment of Syrians, including whether **the enterprises have already recruited or have plans to recruit Syrians**.

In all, 23.9% of the enterprises stated that they have employed or are employing Syrians. It also emerged that 58% of those who have employed refugees are still working with the same employees. This ratio is 16% for other foreign nationals. The personnel employed are mostly blue-collar workers. With respect to the distribution of Syrian employment by sectors, *the furniture sector comes first*. It is worth noting that no refugees at all are employed in the chemicals sector. The provinces where Syrian refugees are employed most intensively are Sanliurfa and Hatay. However, the furniture and plastic sectors and the provinces of Hatay and Şanlıurfa display the lowest tendencies to apply for work permits.

Figure 17: Whether the company has employed Syrian refugees

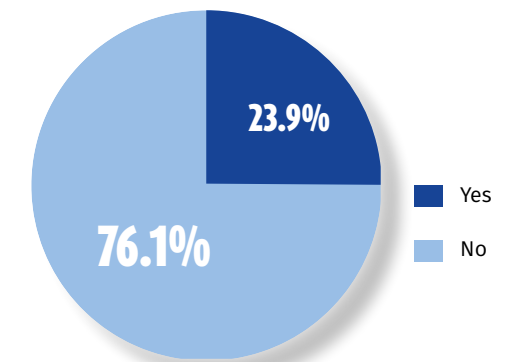


Table 6: Syrian refugees with work permits by gender

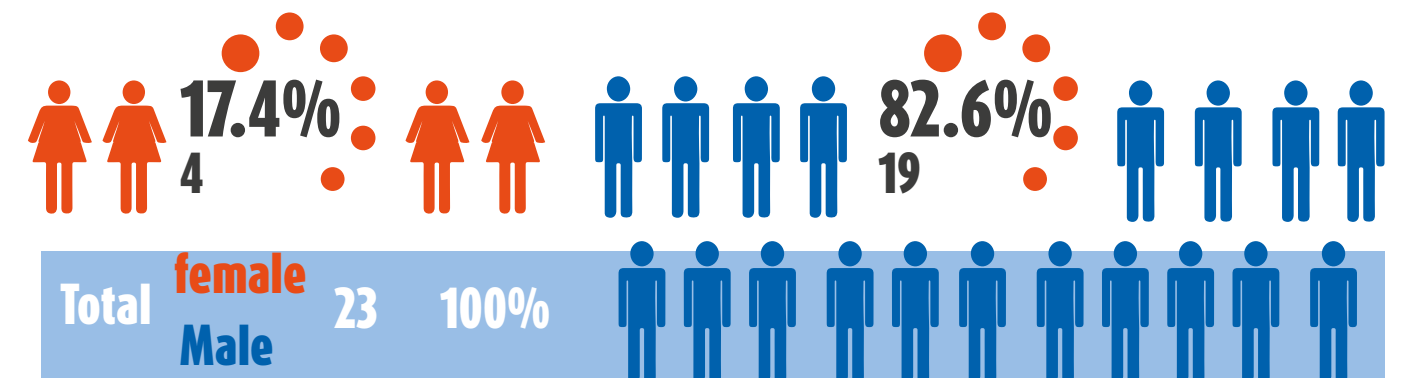
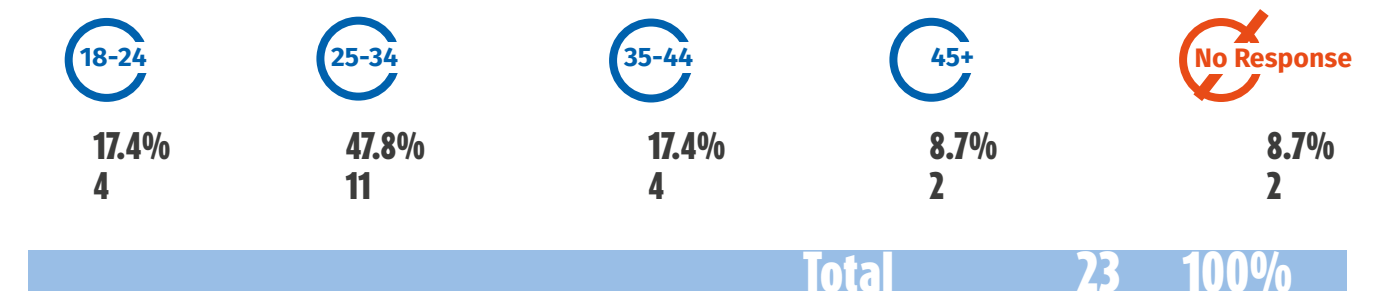


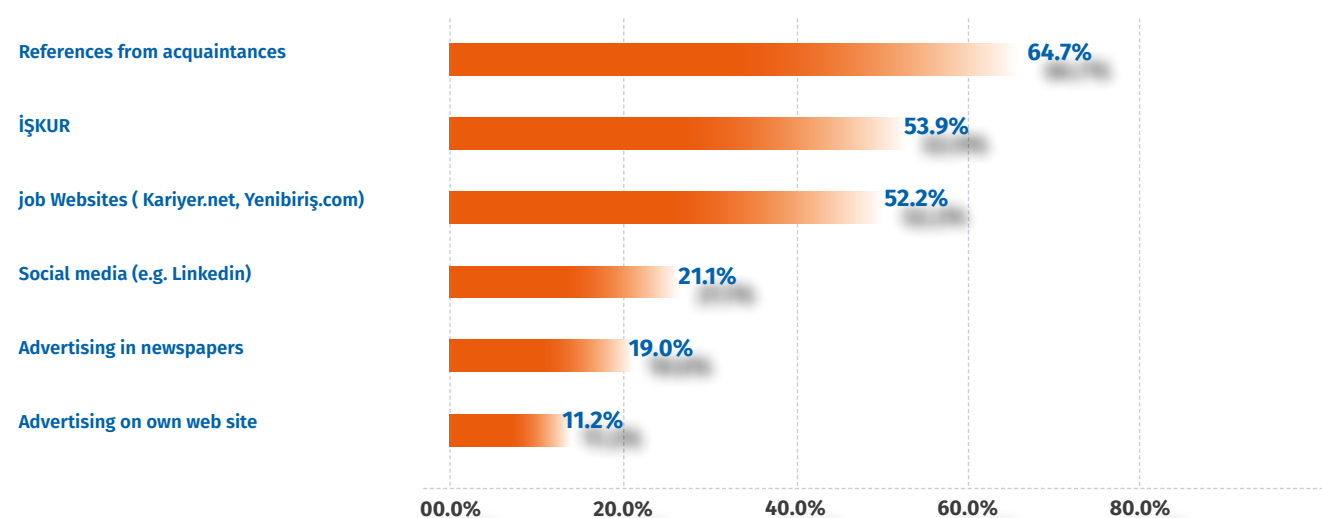
Table 7: Syrian refugees with work permits by age group



Only 39.7% of the enterprises have obtained work permits for the Syrian refugee workers whom they employ. Enterprises in the furniture sector, in particular, tend not to obtain work permits. However, when we look at the companies that have employed any other foreign nationals, almost all these enterprises (90%) declared that they have obtained work permits for them. It should also be noted that 44% of the enterprises report having experienced problems in obtaining work permits. Most of the problems were because of system failures.

When the enterprises were asked about the channels they use to find personnel, they were observed to have a tendency to employ persons who have come to them through their acquaintances. The other channels used to find personnel are the official employment agency İŞKUR and jobs websites. There are not many differences between sectors and provinces in this respect. The tendency to employ persons who come with a reference through acquaintances is higher in Gaziantep than in any other province. On the other hand, as the company size increases, the tendency to use jobs websites and newspapers increases as well.

Figure 18: Resources used to find staff to be employed



“İŞKUR is used by 53.9% of the enterprises to find suitable employees. Thus the more the refugees are included in İŞKUR’s system, the better chance they will have of being recruited. On the other hand, only 7% of the Syrian enterprises that took part in the Mapping Exercise are using İŞKUR for recruitment. Syrian enterprises are therefore a potential target audience for İŞKUR’s employment services.”

More than half (54%) of the enterprises surveyed have employed or are planning to employ Syrian refugees

Table 8: Whether the company has employed Syrian refugees by sector and province

Sectors	Yes	No	Total	No response	Work permit obtained	No work permit
Food	12 (28.6%)	30 (71.4%)	42	9	2 (18.2%)	9 (81.8%)
Machinery	7 (20.6%)	27 (79.4%)	34	7	4 (50.0%)	4 (50.0%)
Textiles	7 (35.0%)	13 (65.0%)	20	5	4 (57.1%)	3 (42.9%)
Chemicals	0 (0.0%)	11 (100.0%)	11	4	0 (0.0%)	0 (0.0%)
Plastics	4 (44.4%)	5 (55.6%)	9	5	0 (0.0%)	3 (100.0%)
Furniture	4 (57.1%)	3 (42.9%)	7	3	1 (25.0%)	3 (75.0%)
Ready wear	1 (20.0%)	4 (80.0%)	5	5	1 (100.0%)	0 (0.0%)
Other	20* (19.6%)	82 (80.4%)	102	20	11 (45.8%)	13 (54.2%)
<b>Total</b>	<b>55 (23.9%)</b>	<b>175 (76.1%)</b>	<b>230</b>	<b>58</b>	<b>23 (39.7%)</b>	<b>35 (60.3%)</b>

Provinces	Yes	No	Total	No response	Work permit obtained	No work permit
Adana	12 (22.2%)	42 (77.8%)	54	17	6 (42.9%)	8 (57.1%)
İstanbul	6 (22.2%)	21 (77.8%)	27	10	2 (40.0%)	3 (60.0%)
Gaziantep	5 (20.8%)	19 (79.2%)	24	2	2 (40.0%)	3 (60.0%)
İzmir	2 (8.7%)	21 (91.3%)	23	2	1 (33.3%)	2 (66.7%)
Ankara	2 (12.5%)	14 (87.5%)	16	6	1 (50.0%)	1 (50.0%)
Hatay	8 (42.1%)	11 (57.9%)	19	3	2 (25.0%)	6 (75.0%)
Şanlıurfa	7 (58.3%)	5 (41.7%)	12	4	1 (14.3%)	6 (85.7%)
Other	13** (23.6%)	42 (76.4%)	55	12	8 (57.1%)	6 (42.9%)
<b>Total</b>	<b>55 (23.9%)</b>	<b>175 (76.1%)</b>	<b>230</b>	<b>58</b>	<b>23 (39.7%)</b>	<b>35 (60.3%)</b>

\* Other sectors in which Syrians have been employed are as follows: Non-metal products (4), Mining/metals (3), Training/consultancy (Legal and financial advisory) (3), Construction (3), Services (2), Energy (1), Household durables (1), Agriculture/livestock (1), Tourism (1), IT (1)

\*\* Other provinces where Syrians have been employed are as follows: Mersin (5), Konya (3), Kayseri (3), Kilis (1), Aydın (1)



When employing Syrian refugees, companies **prioritize their experience**. The certificates that refugees possess are of hardly any importance for enterprises considering employing them. In addition, 72% of the enterprises employing Syrian refugees see this as a **social responsibility**. Social responsibility was also the most popular response among the companies when they expressed their opinions on motives for doing business with Syrians and Syrian businesses in the previous sections.

These motives have been changing for those **who are willing** to employ Syrians or to do business with Syrian companies. In fact, this also demonstrates how the private sector is coming to understand that the Syrians will not be returning to their home country soon.

Asked about the benefits of employing Syrians, the enterprises willing to employ Syrian refugees in the near future displayed a more pragmatic approach to the recruitment of Syrians, putting **“access to Arabic speaking countries” ahead of social responsibility**.

Figure 19: Selection criteria for enterprises employing Syrian refugees

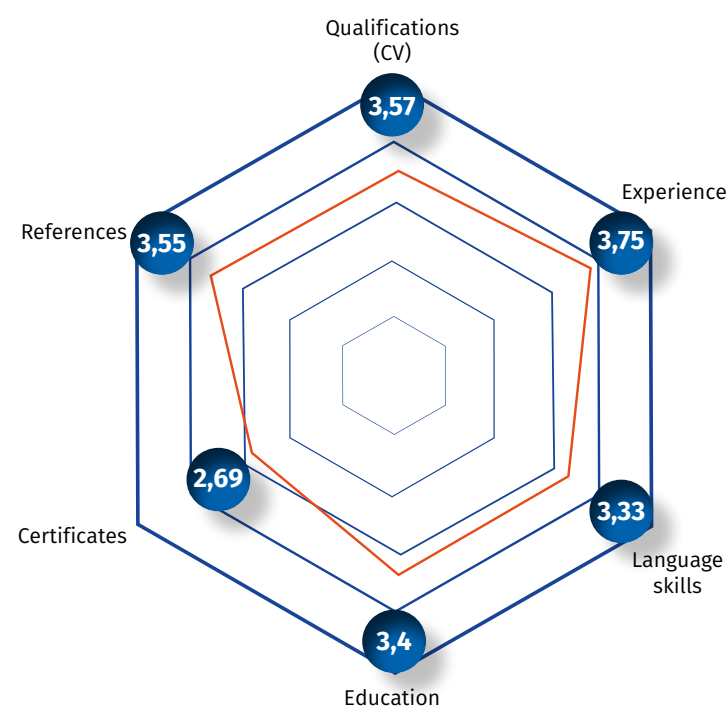
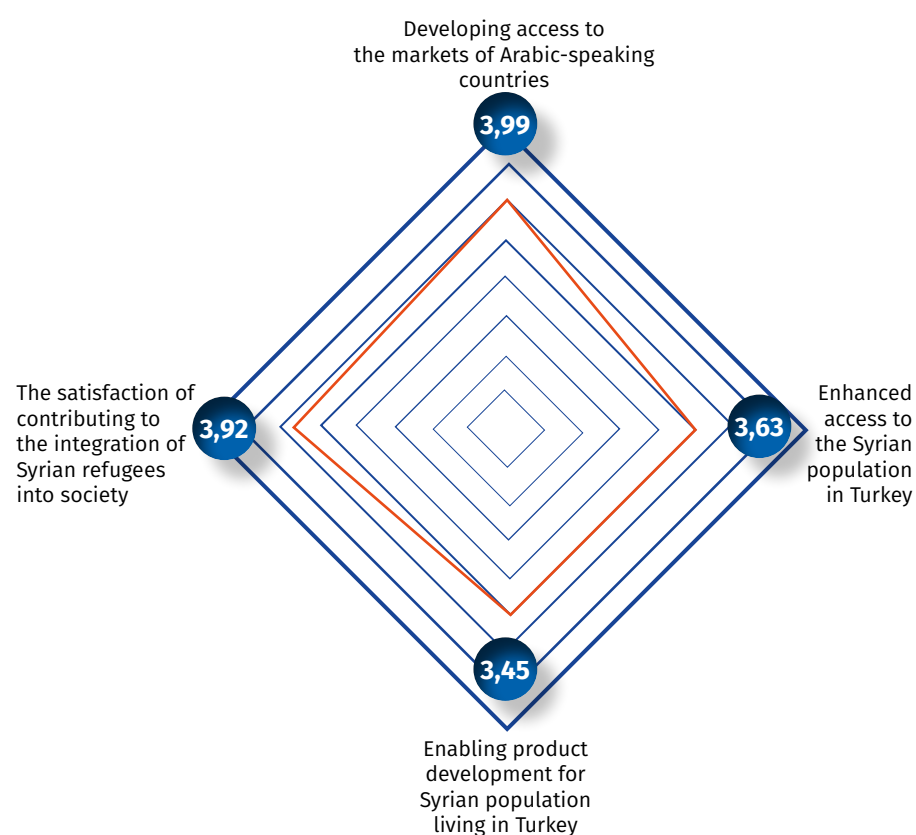


Figure 20: Opinions of enterprises thinking of employing Syrian refugees on the benefits of employment

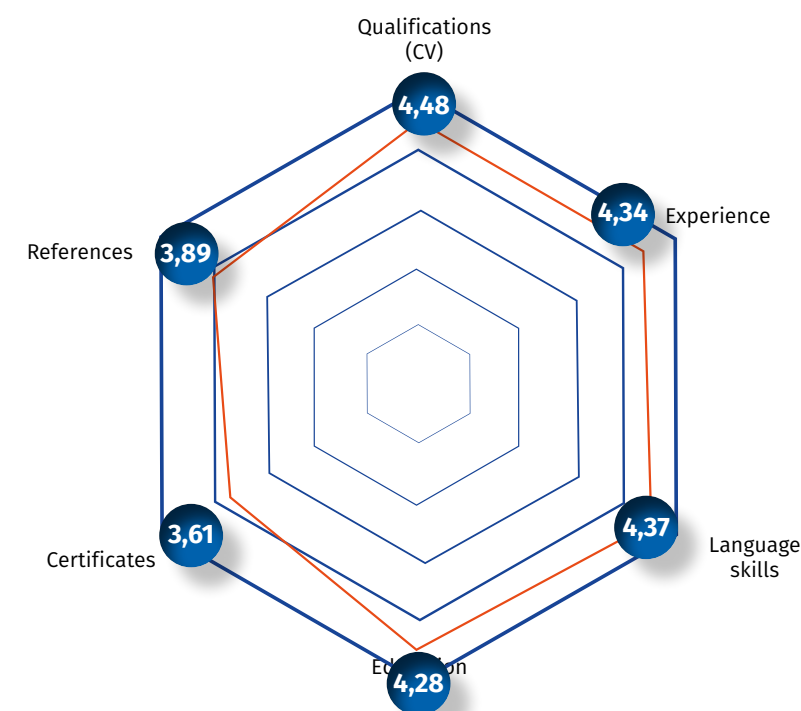


In addition, these companies identified **“contributing to the integration of Syrian refugees into society”** as the second most important benefit. This contrasts with the responses given to the question asked in the first section of the survey about motives for employing Syrians. In response to that question, the companies prioritized “helping Syrians to acquire skills that they can use when they return to their homeland”. In this section, however, the integration issue takes precedence over the expectation that the Syrians will return to their homeland.

As can be seen here too, the main concern of potential employers of Syrians now is to integrate them into society and contribute to their self-reliance. Targeting the Syrian population with their products also comes onto their agenda here, in contrast to the findings obtained from the question posed in the first section of the questionnaire, according to which only 13.6% of the enterprises surveyed have plans to target Syrians as “customers”.

Another important consideration that drives the intentions of enterprises to recruit Syrians is access to the Syrian population in Turkey as customers. Yet in the previous section of the survey, only 13.2% of the enterprises stated that they have plans for targeting Syrians as customers. This also represents an important shift in the enterprises’ perceptions with regards to the Syrians. It should be noted that through the fully European Union-funded ESN programme (cash assistance provided to Syrians and non-Syrians), over USD30 million is being injected into the local market each month to be spent by the over 1.5 million Syrians in Turkey.

Figure 21: Selection criteria for enterprises thinking of employing Syrian refugees

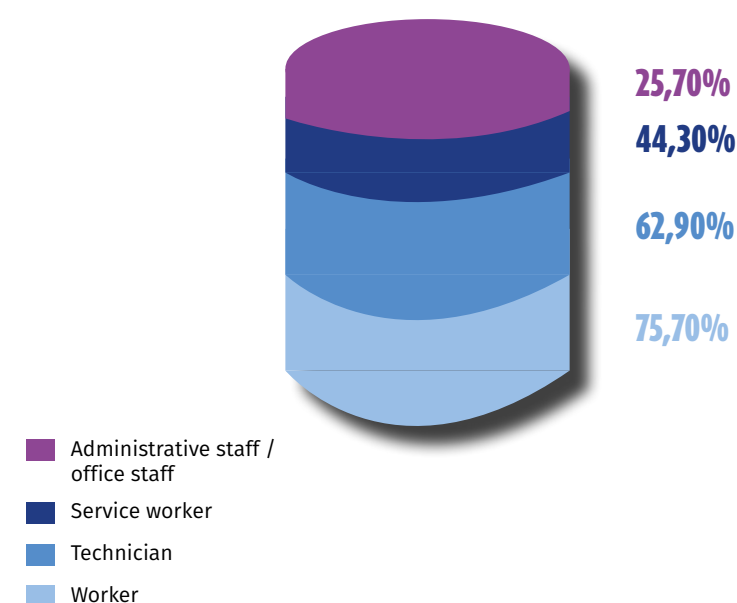


The most important issue for those enterprises **who have not yet employed Syrians** but are considering employing them is their **qualifications**. Language skills, past experience and educational level come next, with very similar degrees of importance. **Refugees’ references and certificates are of less importance**.

Together with the complaints made by the private sector during the FGDs and bilateral meetings about the failure of vocational training courses to meet the actual needs of the labour market, the low importance attached to certificates constitutes another topic that needs to be discussed by the stakeholders organizing such trainings.

The main positions which the enterprises consider to be suitable for Syrians are those of blue-collar worker and technician. This could limit the employment of Syrians in positions requiring certified skills and result in them being regarded only as blue-collar/low-cost workers.

Figure 22: The positions those who have the idea of employing Syrian refugees will consider



**As many as 37% of the enterprises surveyed do not want to employ Syrian refugees**. The majority of the enterprises that are unwilling to employ Syrian refugees **know that the refugees have the right** to work or to start a business in Turkey (54.7%). However, most of them are unaware that work permit applications can be made easily online (70.1%).



Key facts

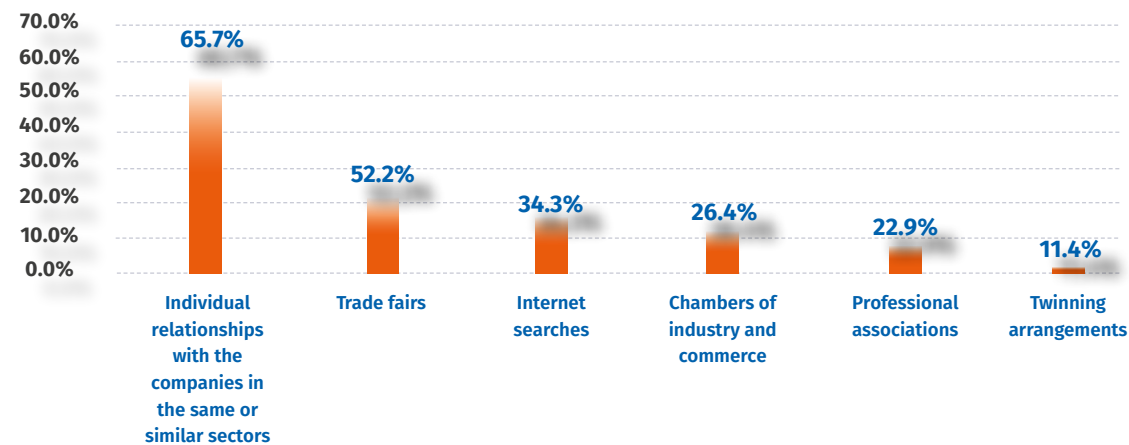
- It is crucial to create platforms and opportunities to bring Syrian and Turkish businesses together to discuss business opportunities and find out about each other's profiles, expertise and networks,
- Supporting Syrian businesses in becoming part of local business networks will boost the potential for creating partnerships with Turkish businesses,
- Gaziantep is the city in which local businesses have the highest motivation for establishing business relations with Syrian companies, entrepreneurs and customers as opposed to employing Syrians in their companies.

In the last section of the survey, the enterprises were asked about the cooperation and business partnerships which they have established with Syrian refugees/businesspersons.

In general, enterprises establish their business partnerships through individual relations with businesses in the same or similar sectors. Apart from this, the most common channel for establishing business relations are trade fairs. However, it should be noted that hardly any of the Syrian businesses in

Turkey participate in trade fairs or matchmaking activities, whether in Turkey or abroad, due to the multiple challenges involved (travel permits, financial resources, etc.)<sup>10</sup>. This situation limits the interaction between local and Syrian businesses and so hinders potential cooperation and partnerships targeting local and foreign markets.

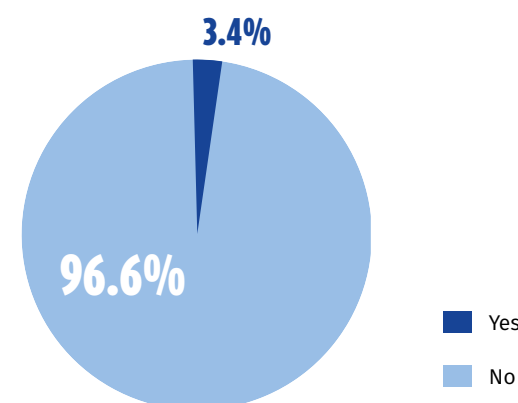
Figure 23: Ways in which partnerships are established with Syrian businesses



Only a small percentage of the enterprises surveyed (3.4%) have business partnerships with Syrian businesspersons. Another 29.4% of the enterprises stated that they are willing to establish partnerships and/or cooperation with Syrian businesses. The main motivation for partnering with Syrians is to benefit from their existing networks and references (access to Arabic-speaking markets including the internal market in Turkey, etc.).

Meanwhile, enterprises that do not have business partnerships with Syrian businesses expressed interest in learning about the areas of specialization of the Syrian refugees – i.e., the products and services which they provide – with a view to establishing business partnerships or developing cooperation.

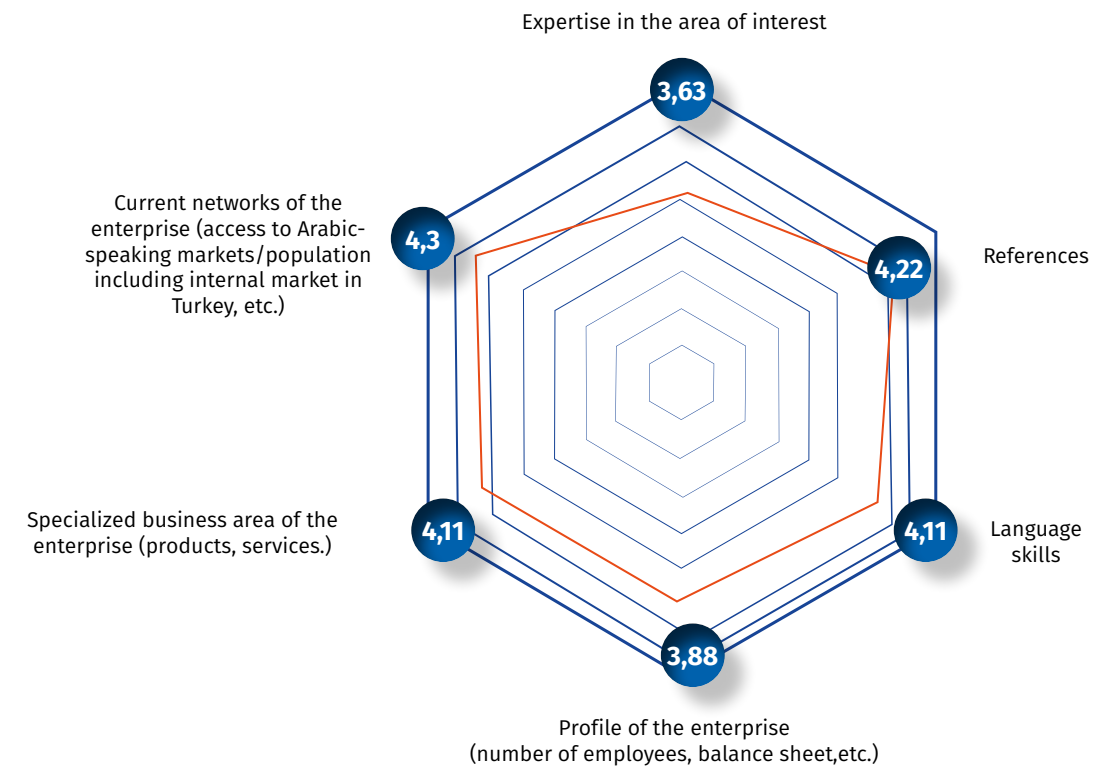
Figure 24: Positions for which enterprises willing to employ Syrian refugees will consider them



<sup>10</sup> Mapping of Syrian-owned Enterprises, UNDP Turkey Country Office, February 2019

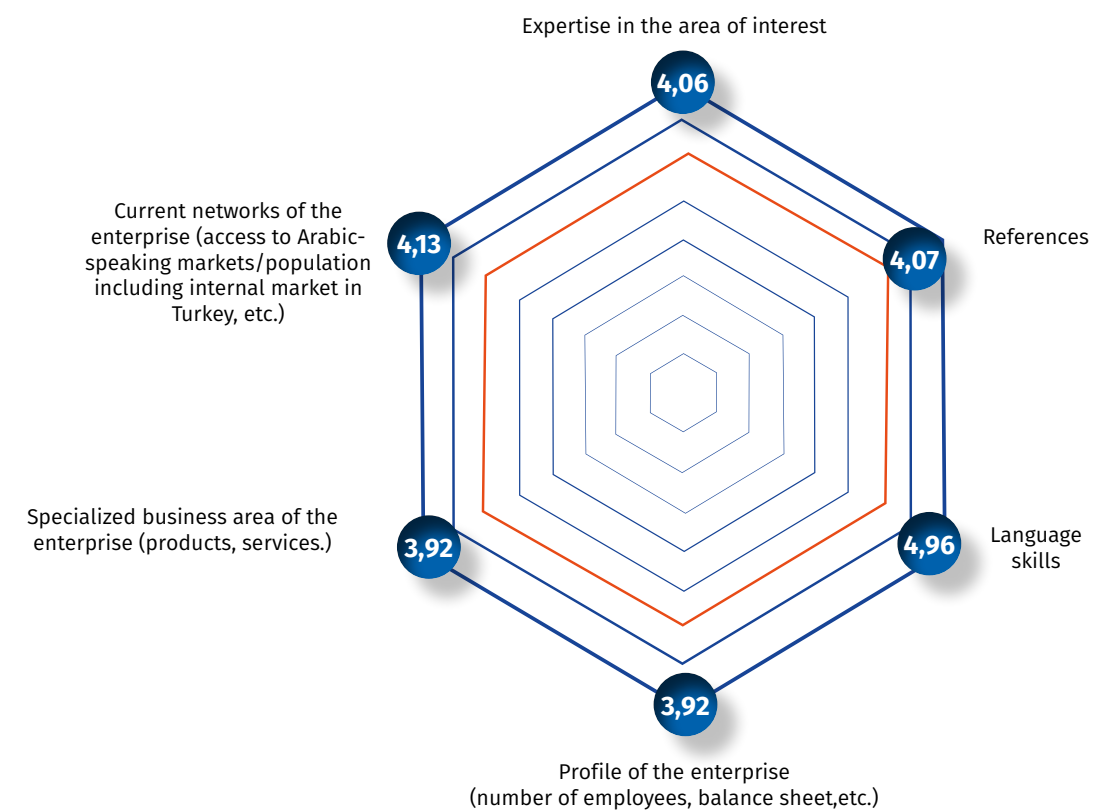
For those who are already doing business with Syrian businesses, representing a very small group (3.4%), the priority areas are as follows:

Figure 25: Main motives of local businesses which already have business relations with Syrian businesses for establishing partnerships with them



Those local businesses which do not have any business relationships with Syrian businesses prioritize similar considerations as follows:

Figure 26: Main motives of local businesses which do not have any business relations with Syrian businesses for establishing partnerships with them



**Gaziantep** displays the highest level of awareness when it comes to establishing a business relationship with Syrian refugees and knowing which products and services they demand. In contrast, the tendency to employ refugees in enterprises in this province is lower than in other provinces in the region. During the bilateral interviews and FGDs conducted with 24 companies in Gaziantep, it was also observed that 80% of them stated that they did not employ any Syrian refugees and prefer to establish business relations and cooperate with refugees rather than employing them at their own companies. Among all the provinces, the enterprises operating in Ankara and Izmir are least willing to recruit Syrians.

Most new employees are recruited on the basis of references from acquaintances. Channels like İŞKUR and job websites, which give the employer access to the candidate's qualifications, education, previous experience and so on, are used less frequently. However, enterprises intending to employ Syrians report that they want to be informed about their qualifications, language skills, experience and education of. From this it may be concluded that the employment of Syrians will increase in parallel with access to reliable information about their profiles.

Access to the markets of the Arabic-speaking countries and the Arabic-speaking market in Turkey is becoming a major motive for local businesses to establish partnerships with Syrian businesses. However, the positions for which the local businesses consider Syrians suitable are still blue-collar jobs rather than positions requiring qualified skills. The desire to expand the market shares of their businesses in Arabic-speaking markets could in future lead local businesses to recruit Syrians who are highly qualified and skilled.

To ensure the integration of refugees into the labour market and to increase their employability, enterprises place more importance on information about the refugees' qualifications, experience, language skills and educational background than on certificates obtained from vocational training courses.

Another interesting finding is that almost half of the enterprises which took part in the survey are aware that host community members are included among the target audiences of projects developed for the refugees. Hatay, the province that is hosting the third largest refugee population in Turkey, is the least well informed about this.

The enterprises surveyed are divided fairly equally between those which are willing to be informed about the overall Syria Crisis response (58.9%) and those who are unwilling (41.1%).

The following could help to explain all these results:

- ☀️ **Lack of information or disinformation regarding Syrians has affected the enterprises' views on the opportunities for engagement in the Syria crisis response.**
- ☀️ **The low level of interaction between Syrian and local businesses (3%) and the latter's lack of motivation to target the Syrian population in Turkey indicate that the private sector needs clearer guidance and a strategic approach in order to do business with/for Syrians and Syrian businesses.**

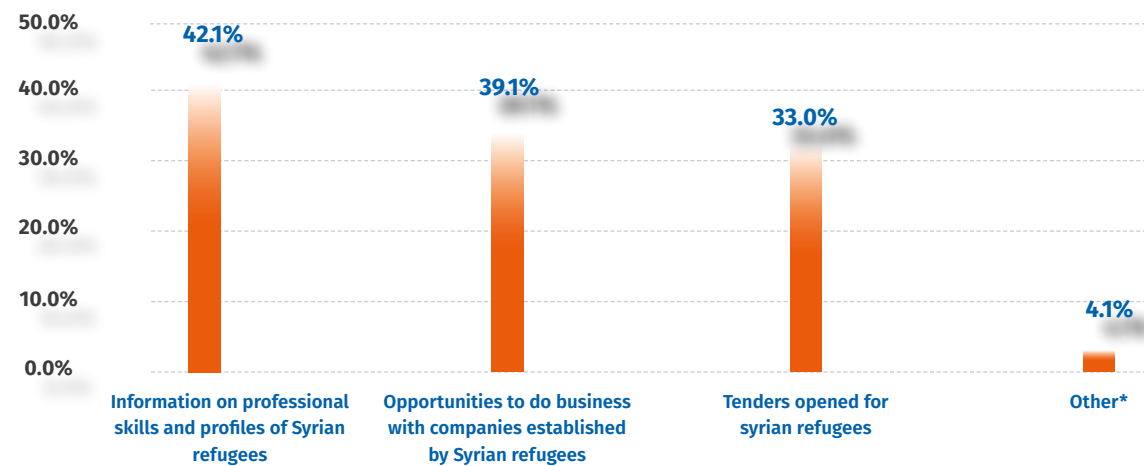
☀️ **Potential employers (those that have not previously employed a Syrian) seem to have more pragmatic motives for recruiting Syrians. They want to have access to Arabic-speaking countries/markets and the refugee population in Turkey as well as to contribute to the integration of Syrians into society.**

☀️ **Lack of information about the profiles of Syrian refugees and businesses also affects the level of engagement of the private sector in the Syria crisis response.**

☀️ **In spite of their different levels of interaction with Syrians and their businesses, all the companies require similar information about them, such as their qualifications, educational backgrounds and language skills.**

## Conclusion

Figure 27: Willingness to be informed about the activities to be carried out for Syrian refugees



\*Other:

- Current projects and projects to be implemented in future,
- Trained staff in the ready-wear sector,
- Exports to Syria and market information,
- Information about when the Syrians will return to their homeland,
- Training, professional skills development and social assistance,
- Distribution of the refugee population across the country and their cost to Turkey



In this section, you will be reading the experience and perception that SMEs have with Syrians and Syrian businesses. It is clear that there are some opportunities for employment of refugees including women and the partnerships to be established between the 2 business communities but, there are also serious risks of Syrians being and will be seen as cheap labour force rather than a potential for qualified workforce or the source of social tension at workplaces.

Participating to the labour market will contribute to the social cohesion and peaceful coexistence between the two communities. To ensure that, private sector should be supported to develop a proper coping mechanism to ease the tensions between the two communities at workplace and find a productive solution rather than laying off Syrians to avoid further tensions.

In the study, the largest numbers of interviews and FGDs were held in Istanbul, which hosts the largest refugee population in Turkey<sup>11</sup> and represents **35%** of Turkish manufacturing industry. Moreover, **over 5,000** Syrian-owned enterprises are registered with the Istanbul Chamber of Commerce, making up **over 60%** of all the Syrian-owned companies established in Turkey. After Istanbul, Gaziantep received the most attention, reflecting its historical socio-economic ties with Aleppo, the fact that it is hosting one of the largest refugee populations in Turkey, and its role as a hub for the projects that have been developed for the refugees since the beginning of the Syria Crisis response. Konya has been hosting refugees and asylum seekers of various nationalities (Somalis, Afghans, Iraqis and now Syrians) since the 2000s, and is one of the most industrialized provinces in Turkey. Ankara became a target destination for refugees after the Syria Crisis and the furniture sector employs significant numbers of Syrians, albeit informally.

<sup>11</sup> As of 27 June 2019, 547,235 Syrians are registered in Istanbul, according the statistics of the Directorate General of Migration Management

### 3.1.1 Food Sector

The food sector has a positive effect on employment, as most of its sub-sectors are labour-intensive. The share of labour costs in the food sector in unit cost ranges from 5% to 35% depending on the sub-sector. Employment in the food and beverage industry increased by 3% between 2016 and 2017. The added value of the sector grew by 16% in 2017 compared to 2016. This growth is expected to continue in the near future.

The food industry is the most important sector in **Gaziantep** after textiles in terms of the number of businesses and level of employment. Although Gaziantep is not an agricultural province, the processing of lentils, chickpeas and various other crops is mainly carried out in this province. About 65% of Turkey's pistachios and 26% of its wheat are processed in Gaziantep. Work on organic food products is also under way. Wheat flour, bulgur, vegetable oils, cocoa products, pasta, candies and sugar products, tahini, halva, jam, pistachios and pulses are among the province's main products.

The food sector in **Konya** has developed extensively. Based on the processing of vegetable and animal raw materials, it has succeeded in extending shelf life and becoming an industry providing convenience foods for the whole country. Unlike other sectors, the food sector has a homogeneous distribution within the province and has achieved rapid growth. Important sub-sectors include flour, confectionery, dried nuts, milk and milk products, pasta, semolina and fodder. There is a production facility in almost every district of Konya.

According to the report of the Ministry of Trade, there are substantial exports of fruit juice, mineral water, biscuits, pasta, poultry meat, sugar and chocolate products to Arabic-speaking countries. Spices and tea are the main products imported or supplied from Syria.

The common belief of all enterprises operating in the food sector is that **vocational high schools** and vocational schools are unable to train staff for the industry. The apprenticeship mechanism, which involves four years of training in production facilities, either doesn't work or is unattractive to high school students. Many companies prefer to provide their own vocational training in the company. Meanwhile, social benefits such as employment insurance also affect employees' commitment to their work, especially among the low-skill labour force.

Enterprises stated that they prefer to **employ women** since they are seen as "more committed to the work" than male workers.

In the food sector, women are generally assigned to administrative duties, while smaller numbers are employed in manufacturing units for tasks like cleaning, sorting, and packaging. However, one enterprise in Gaziantep stated that 35% of their employees are women, that they also work as operators and shift supervisors, and that the company is willing to increase the number of female employees further. Another entrepreneur in Gaziantep emphasized the importance of women's employment for the company, asserting that "No woman changes her job when another entity offers her more money."







## FINDINGS OF THE FGDS AND BILATERAL INTERVIEWS

In the food sector, two food sector enterprises were interviewed in Istanbul, nine food manufacturers were visited and one focus group discussion with the participation of two companies was held in Gaziantep, a confectionery company and a seed producing enterprise were visited in Konya, and fodder and poultry production facilities in Ankara were also visited. The importance of the enterprises in Ankara is that the representatives of the enterprises are also members of the Food Industry Sectoral Committee under the Ankara Chamber of Industry and possess extensive knowledge of the sector.

In addition to these interviews and focus group discussions, a field visit was conducted in the district of Fatih in Istanbul, where large number of Syrians work in the food sector, and interviews were held and observations made at food and beverage production centres. The Fatih district is one of the places where Syrians have started to settle and establish businesses. During the visit, it emerged that the Syrians felt themselves at home in the district, and that the citizens there embraced them and did not cause any difficulties in terms of renting houses and employing them in their workplaces. In the “Malta Bazaar”, more than half of the tradespersons are Syrians. As only a few Turkish tradespersons now continue to do business at the bazaar, they too have started to recruit Syrian employees.

As a result of the interviews, it was observed that the spice sector in the Rami food wholesalers market has changed hands, and that this trade is now mostly carried out by Syrians. Syrians have access to affordable products at low cost. In addition, many Syrians are working as porters, which is considered to be a job for unqualified persons. The presence of Syrians in export departments is widely accepted owing to their Arabic language skills.

The common perception of the Rami food wholesale and production companies is that Syrian businesses do not comply hygiene standards. However, it has been observed that Syrian restaurants and dessert and coffee shops in Gaziantep and Istanbul do comply with hygiene requirements. It has also been observed that food businesses such as Tarbuş, Zeytinoğlu, Salloura Oğlu and Hacı Ölabi Kahve and Hurma, which are located next to Turkish businesses, meet hygiene requirements and fulfil the HACCP standards on an equal basis.

The representatives of institutions and civil society organizations, farmers, processors, tradespersons and suppliers interviewed frequently spoke of the difficulty of finding workers to work in land preparation, harvesting and post-harvest operations. It was often asserted that Turkish workers do not like to work in the agriculture sector, preferring to live off assistance. Besides, Syrian workers tend to migrate to large cities with the aim of finding sustainable job opportunities. Some farmers, in order to ensure sustainability, rent their fields out to Syrian workers on the condition that they share half of the crop.<sup>12</sup>

It was also observed that the language skills of the Syrians have enhanced trade with the Gulf countries. Syrians with higher education and with a knowledge of at least one foreign language are employed in the sales, marketing and export departments of many trading enterprises.

Of the nine enterprises interviewed in Gaziantep, six were found to have had commercial relations with Syria before the crisis, including one that had production and distribution channels there. These six businesses were negatively affected by the crisis. Two companies with no previous connection with Syria had started to export goods to the country. A chocolate producer gained a competitive advantage when its Syrian competitors were forced to terminate their operations due to the crisis. Enterprises producing flour in Turkey also started to receive orders from Syria in 2016 due to the cessation of production in Syria.

The food industry in Gaziantep has been introduced to “pellet”, the traditional Syrian form of potato chips, which has provided local businesses with a new product and new customers.

When enterprises were asked about their own experiences of employing Syrians, a variety of responses were received.

One enterprise has been employing 20 Syrians in blue-collar positions for six years. The survey participant stated that the Syrians face no difficulties in the workplace in terms of communication or relations with Turkish workers. The participant also stated that the Syrians were employed through İŞKUR, which is quite exceptional, indicating that İSKUR was able to provide such a service in 2012.

Another enterprise employed a Syrian and a Lebanese engineer during the first month of the crisis. These engineers have trained other workers within the enterprise. However, despite the positive experience, the company prioritizes Turkish workers for employment, especially when there are limited vacancies.

Another enterprise employed short-term Syrian personnel with Turkish citizenship in its export department. The company representative emphasized that their employee was hard-working, despite misperception that Syrians are lazy and unable to adapt to the Turkish business culture. Participants appeared to believe that the social assistance system in Syria made people dependent on assistance from the State covering their basic needs rather than encouraging them to work.

One enterprise recently stopped working with Syrians after its Turkish workers claimed that their behavior at work (talking out loud) disturbed them. The company did not want to take risk of having any tension in the workplace and has even been concerned that paying the same wages to Syrians as to Turkish citizens could provoke tension.

Some enterprises, while stating that they have no prejudices against Syrians, prefer not to employ them due to the possibility that they will return to Syria. Three of the enterprises interviewed in Gaziantep said they chose to give priority to Turkish workers because of the ongoing economic slowdown.

All the enterprises interviewed spoke of difficulty in obtaining work permits. When it is possible to employ Turkish workers of the same quality, they do not want to face these difficulties and go through the related procedures. The advantages that Syrian workers can bring is another consideration. One of the enterprises is facing a shortage of workers, especially in its packaging department. The enterprise is willing to employ Syrians for this position if work permit procedures are made easier.

Large numbers of Syrian, Afghan and Turkmen workers have been found to be working in the food industry, but due to language barriers they are employed only as blue-collar workers.

The food sector enterprises interviewed are not very keen on obtaining information about the Syria crisis, even though the level of interest among the food companies which took part in the online survey was quite high. It was determined that they follow developments related to Syrians and the Syria crisis in the press and social media, and do not question the reliability of this information. Their curiosity is limited mainly to how much aid is provided to the Syrians, whether they will return to their country, whether they enjoy privileged access to university, and whether they pay contributions for health services. It should be noted that these questions reflect the misguided and inaccurate information circulated in media channels.

There is also a concern among businesspersons about the disproportionate increase in the Syrian population compared to the host community population. Moreover, as the aid to Syrians is expressed in billions of dollars, hate is starting to become an issue. The comments of the company representatives and the issues they are focusing on clearly indicates the fragility of the social cohesion between Syrians and Turkish host communities.

The food companies felt that chambers of industry and commerce should take on a role in providing information regarding refugees.

<sup>12</sup> [https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-ankara/documents/genericdocument/wcms\\_625183.pdf](https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-ankara/documents/genericdocument/wcms_625183.pdf)



## GAZIANTEP

- ☀ Companies producing hand-made regional specialties are in need of masters of Turkish delight production, packaging staff, dried fruit roll masters, sweet sausage masters, baklava masters, production officers and unqualified workers for dried nut sorting.
- ☀ Enterprises operating in the powdered drink sector are in need of unqualified workers for packaging.
- ☀ Although the bulgur, flour and pasta sectors do not have extensive labour needs, they are still in need of qualified and unqualified labour.
- ☀ Baklava producers have difficulty in finding service staff (waiters).
- ☀ Many other enterprises lack technical staff graduated from vocational high schools, and mechanical maintenance and electrical maintenance operators.
- ☀ Some enterprises are in need of export staff with a knowledge of Arabic.



## ISTANBUL

- ☀ Enterprises in Istanbul are having difficulty in finding packaging staff, technicians, export specialists, waiters and service staff.
- ☀ Other positions identified in Istanbul are roasters, sievers, machine repairpersons, welders and forklift operators.
- ☀ With the transition to Industry 4.0 and automation technologies, large companies have difficulties in finding personnel who will work with robotics and software.



## ANKARA

- ☀ With the transition to Industry 4.0 and automation technologies, large companies have difficulties in finding personnel who will work with robotics and software.



## KONYA

- ☀ The enterprises interviewed in Konya, in contrast to other provinces, stated that the demand for labour has been increasing in the last few months but there is no employment deficit.

### 3.1.2 Textiles and Ready-wear

According to the statistics of the Social Security Institution (SGK, 2017), 6.3% of all **registered employees** are employed by the textiles and ready-wear sector.<sup>13</sup> According to the SGK data, **women** make up 29% of all employees in the textile sector and 48% in the ready-wear sector. Thus while the rate of women's employment in some other sectors is less than 15%, women account for nearly half of all employment in textiles and ready-wear. The enterprises interviewed for the current project prefer woman employees for reasons of continuity, commitment and attention.



The textiles and ready-wear sector is known as a labour-intensive sector. In addition, the labour turnover rate in the sector has always been high. While this rate is 5% in the synthetic sack sector, it reaches 40% in the ready-wear sector. Enterprises state that they are frustrated by workers going absent without notice. Thus, employment always has a direct impact on quality and efficiency in this sector.

The need for intermediate and qualified staff in the sector persists, and the quality of **vocational training** and its relevance to the actual needs of the sector is of great importance, as is the case for the other target sectors of this survey. The graduates of the vocational high schools generally prefer not to work in the sector but to continue their education at university or to choose a different field. Some of the enterprises in the sector were found to have established their own training centres to solve these problems, but these units have not proved an efficient solution due to the rapid labour turnover.



## FINDINGS OF THE FGDS AND BILATERAL INTERVIEWS

Interviews were conducted with six ready-wear enterprises and five textiles enterprises in Istanbul and eight textiles enterprises in Gaziantep. Focus group discussions were held with the participation of ready-wear sector enterprises in Istanbul and the textiles sector in Gaziantep, and nine companies participated.

One of the sectors in which Syrians are most extensively employed is textiles. The sector is active in many parts of Turkey, and the level of employment of Syrians varies. Syrian refugees are mainly employed in small businesses. A smaller number of Syrian refugees are working in large enterprises. Cases of unregistered employment, which is common in small enterprises, are observed in large enterprises as well.

In Istanbul, companies that are working with multinational companies or targeting European markets are implementing "social compliance" rules and standards at work.

A study was conducted in December 2015 by the Centre for Work and Human Rights in the United Kingdom to determine the level of employment of Syrians in large enterprises in the textiles sector. According to the study, Syrian workers were employed in four factories belonging to top suppliers manufacturing on a world scale. It was established that 16 factories were using unregistered Syrian employees and three factories were using child labour. Three out of ten brands stated that they were working with civil society organizations and developing recommendations for solutions, and that they have contacted government officials to make legal arrangements to prevent unregistered labour.<sup>14</sup>

A number of academics working in Istanbul University (Mutlu, et al. 2018) recently conducted a field study of the impact of Syrian refugees on the labour market in the textiles sector in Istanbul. It was found that the Syrians are familiar with textiles production as this activity was conducted in Syria before the war. It was also observed that the Syrian workers are younger and fulfil the need for unqualified labour at very low cost. There are more young Syrian textiles workers, especially qualified workers, than young Turkish workers.

<sup>13</sup> [http://www.sgk.gov.tr/wps/portal/sgk/tr/kurumsal/istatistik/sgk\\_istatistik\\_yilliklari](http://www.sgk.gov.tr/wps/portal/sgk/tr/kurumsal/istatistik/sgk_istatistik_yilliklari)

<sup>14</sup> <http://www.fes-tuerkei.org/media/pdf/D%C3%BCnyadan/2017/Du308nyadan%20-%20Suriyeli%20Mu308ltecilerin%20Tu308rkiye%20I307s327gu308cu308%20Piyasasina%20Etkileri%20.pdf>



The study indicates clearly that Syrian workers are paid less than Turkish workers. The highest-paid workers are male Turkish workers followed by female Turkish workers, Syrian men and Syrian women. The finding that all the Syrians are unregistered workers is coherent with the observation that Syrians are working without any social insurance or work permits in all sectors. The two main perspectives of Turkish textiles workers are that the presence of the Syrians reduces pay rates in the labour market and increases the housing rents in the areas affected. Turkish textiles workers are observed to have negative views on the question of providing Syrians with permanent work permits or citizenship.<sup>15</sup> These same positions were taken by the enterprises interviewed for the survey as well. They stated that workers believe that “the Syrian workforce has reduced their wages”.

During the interviews, representatives of enterprises in sub-sectors such as knitwear and ready-wear emphasized that they are already contributing to social peace by employing people excluded by society (drug addicts, ex-convicts, etc.). In this sector, people with no qualifications can become packaging staff or ironing and button workers in a week and machinists in a month. The same logic could also be applied to the Syrian worker context to promote their access to the labour market and so contribute to social cohesion.

There is a shortage of foreign language-speaking administrative staff in export-related positions. Other positions mentioned for which shortages arise are engineers with a good knowledge of English, R&D and design personnel, and domestic sales personnel. There are insufficient personnel for machinery, dying, design and the production line. Other potential areas of employment in the sector are weavers, yarn operators, twisting operators, transfer operators, ready-wear operators, wiring workers, designers, dispatchers and warehouse staff. It was found that the employment gap for blue-collar workers is mainly concentrated in positions such as electrical operator, machine operator and bobbin case worker and in areas like machinery, logistics and quality control.

According to the enterprises, unemployment insurance payments discourage individuals from working in a decent and formal manner. During the period immediately following redundancy, when they receive TRY1,200 per month from the State, individuals tend to work illegally (without social insurance). This issue swells the unregistered workforce and also results in substantial labour turnover rates. The same pattern is observed among the Syrians benefiting from the Emergency Social Safety Net (ESSN) programme<sup>16</sup>.

The sector prefers to recruit white-collar staff on the basis of personal references or through job websites or websites such as Peryön and LinkedIn. The public employment agency ISKUR, references and advertisements are the main channels of recruitment for blue-collar workers. The staff manager of a carpet company stated that they have started a Whatsapp group to be able to share information with other Organized Industrial Zone (OIZ) enterprises and seek personnel.

The sector also faces employment migration. Textiles sector workers are migrating to the security sector or to shopping malls. The conditions and salaries that these two sectors provide constitute an obstacle to employment in the textiles sector. This is why enterprises have started to prefer to employ Syrians and women.

Half of the enterprises included in the interviews and discussions stated that they have a history of trade with Syria, and some reported that they continued to do business for 3-5 years after the crisis. There was a period when business stopped altogether, but within the last 2-3 years the trade has revived.

During the interviews, the enterprises also made the following statements, which are not entirely relevant to the current context:

Many companies interviewed stated that the Syrians should be registered as soon as possible in order to ensure work peace and social justice. In fact, the Syrians are overwhelmingly registered; the registration and verification of Syrians is being conducted by the DGMM.

It was emphasized that every Syrian should be registered, and that a Syrian foreign labour law should be enacted. In fact, a Regulation on Work Permits for Foreigners under Temporary Protection was issued in January 2016.

The procedures for obtaining work permits for Syrian refugees should be facilitated by the state. This will remove all obstacles to the employment of Syrians. In fact, it is possible for companies to apply for work permits online, and the amount of paperwork is not excessive.

Some companies prefer to employ Syrians who have obtained a Turkish identity card; however, they are also able to recruit through websites established by Syrians. The enterprises also aim to limit the level of employment of Syrians. The work permit issue, cultural adaptation, language skills, foreign trade training, work

experience, age and gender are the most important factors that the enterprises consider when hiring Syrians.

It was emphasized that the State should inform the private sector about the profile of the Syrians to facilitate the recruitment of suitable employees from the Syrian community.

The enterprises in the sector obtain their information about Syria in general from Syrian neighbours, the Syrians around them, the social media, the Gaziantep Chamber of Commerce, the Gaziantep Chamber of Industry, word of mouth and the press.

While some business owners state that Syrians are generally fond of life and its pleasures, and determined to work, others have the opposite perception. Some enterprises criticize Syrians for not having business ethics, behaving rakishly in the social arena, or failing to adapt to the rules of the country that they live in. They add that this kind of behaviour makes society feel uncomfortable. One of the enterprises, claiming to be familiar with the Syrians, stated that the problem stems from cultural differences not laziness. According to this company, Syrians tend to work five hours within an eight-hour shift and to linger around during the remaining 3 hours, whereas in its own work place only a one-hour lunch break and two fifteen-minute tea breaks were included in an eight-hour shift. The same enterprise stated that the Syrians have started to adapt better in the last two or three years.

Enterprises are curious about topics such as retirement conditions. In addition, they report that when Syrians

obtain their work permits, they tend to transfer to other enterprises on the basis of very small differences in wages. This raises questions about loyalty and continuity.

Some enterprises are curious about where the situation of the Syrians is going. They also want information about Syrian households and security matters.

Some enterprises are not willing to make long-term plans or to invest in people who will eventually leave. However, there are also enterprises that believe the Arab markets have a serious potential and that the right people (Syrians) can generate opportunities for trade with the countries in question. These companies intend to employ Syrians but may be unsure which channels to use to get access to persons with Arabic language skills. It was recommended that a unit that can provide such a service should be established under the umbrella of the chambers of industry and commerce.

Another view is that even the integration of people from other regions of Turkey can take up to 15 years. Turkey has not managed to become an industrial society and has still not decided which path to follow. Within this context, the continuity of the Syrian presence and Syrian labour is a big question mark.

To promote the employment of women from both the Syrian and host communities, enterprises recommended improving conditions by providing nurseries, shuttle services, women’s changing rooms and so on. In this way it will be possible to employ women and retain woman employees.



## GAZIANTEP

- ☀ The main employment areas in the sector are weavers, yarn operators, twisting operators, transfer operators, ready-wear operators, wiring workers, designers, dispatchers and warehouse staff.
- ☀ For blue-collar workers, the main employment shortages identified are in positions such as electrical operator, machine operator and bobbin case worker and in areas like machinery, logistics and quality control.



## ISTANBUL

- ☀ There is a shortage of foreign language speaking administrative staff in export related positions. Other positions mentioned are engineers with a good knowledge of English, R&D and design personnel and domestic sales personnel.
- ☀ Machinery, dying, design and production line personnel are needed.

<sup>15</sup> Mutlu, vd. (2018), Inclusion of Syrian Refugees to the Textile Sector in Istanbul, Labour and Society Journal, <http://www.calismatoplum.org/sayi56/mutlu.pdf>

<sup>16</sup> The Emergency Social Safety Net (ESSN) programme aims to help the most vulnerable of these refugee families. The scheme provides refugees with an ESSN debit card which gives them access to a fixed amount of money every month. They can use the money to pay for whatever they need most for their families, such as food, fuel, housing, medicines or utility bills. Refugee families receive TRY120 (currently about EUR16) per family member.

### 3.1.3 Furniture

In the furniture sector, the numbers of entrepreneurs and employees has increased since 2012. In 2015, there were 177,944 employees in 43,057 enterprises, accounting for 4.78% of overall employment in manufacturing industry realized in Turkey.<sup>17</sup> The average number of employees per enterprise was 4.1 persons. The number of enterprises and employees per province are presented in the table below. **Istanbul, Bursa, Kayseri, Ankara, İzmir, Antalya, Kocaeli, Adana, Gaziantep** and Düzce have the largest numbers of employees. According to the companies interviewed in Istanbul, the sector plans to employ a further one hundred thousand people.



Table 9: The number of enterprises and employees in the furniture sector per province

No	Provinces with the highest numbers of employees	No. of enterprises	No. of registered employees	Employees per enterprise
1	Istanbul	5,638	35,962	6.4
2	Bursa	2,131	24,450	11.5
3	Kayseri	1,071	21,819	20.4
4	Ankara	2,491	15,055	6.0
5	İzmir	1,800	13,133	7.3
6	Antalya	857	4,526	5.3
7	Kocaeli	315	3,963	12.6
8	Adana	505	2,542	5.0
9	Gaziantep	307	2,246	7.3
10	Düzce	92	1,989	21.6
11	Sakarya	221	1,795	8.1
12	Manisa	180	1,771	9.8
13	Denizli	258	1,301	5.0
14	Hatay	353	1,231	3.5

Source: TurkStat, Work Statistics (2018)

<sup>17</sup> <https://www.tobb.org.tr/Documents/yayinlar/2018/MobilyaSektorleriMeclisi.PDF>

**Ankara** is an important centre for furniture production. According to the Turkish Statistical Institute (Turkstat), Ankara is second only to Istanbul in terms of its total employment level and the number of enterprises. The furniture sector in Ankara is synonymous with the Siteler district, where there are estimated to be more than 10,000 enterprises. However, these enterprises are mostly labour-intensive, and the number of companies engaged in large scale production is relatively low. According to TurkStat statistics, the ratio of 2.7 persons per enterprise is below the average for the sector.

In the last decade, there has been a significant increase in employment in the furniture sector. The rate of

increase in the labour force in some sub-sectors has reached 200% or even 300%. The most important factors behind this are the growth in exports and the increase in consumption in domestic markets.

The sector is also in dire need of personnel with vocational skills, or craftspersons. The sector finds vocational schools inadequate for the training of potential artisans that would meet the need in the sector. Even today, representatives of the sector attribute importance to the applied education system of the 1950s and 1960s that was developed by experts and academics from Germany.



## FINDINGS OF THE FGDS AND BILATERAL INTERVIEWS

In the furniture sector, five enterprises were visited in Ankara and Istanbul and a focus group discussion was held in Ankara with the participation of four companies.

The furniture sector is in need of qualified personnel at every stage of production. The greatest needs are in furniture upholstery, polishing and CNC operation.

Furniture manufacturers are familiar with the working styles and culture of Syrians as they have already been employing them, whether formally or informally. The enterprises surveyed emphasized the importance of knowing the Syrians' qualifications in order to place them in the appropriate positions. They underlined that the State should monitor the situation of Syrians working in these establishments.

Syrian furniture masters are mainly employed in Ankara (the Siteler furniture cluster) and in furniture enterprises based in Hatay. In addition, due to the decline in the number of trained staff, enterprises tend to employ Syrians as apprentices. The employment of Syrians in dyehouses – which constitutes a risk to their health due to the chemical processes in use – has closed the employment gap. Syrians also work in furniture carving.

As in the other target sectors, vocational training is an issue in the furniture sector. Enterprises developed their own curriculum for CNC operator training in the framework of an EU project which envisaged employment after the training. However, they were unable to reach potential candidates for the training and failed to achieve the expected results.

Syrians, who are known to be good at furniture production, are being employed informally in Ankara and are seen as a cheap source of labour. The neighborhood around the Siteler district hosts a large number of Syrians. They have even come to refer to it as “Little Aleppo”. Currently, however, due to the economic slowdown, neither host community members nor Syrians can find jobs. There have been cases of job seekers from the host community filing complaints about enterprises employing Syrians rather than locals. Although these complaints could lead to a fine of TRY7,000 for the enterprises, there has been no effect on informal employment.

On the other hand, Arabic-speaking staff have enabled enterprises working with the Syrian market and involved in border trade to expand into additional markets.

The companies in Siteler stated that there are many hard-working Syrian refugees although there are also Syrians who do not really intend to work. There are also individuals who create trouble. As there is no background information regarding these individuals, the employment of Syrians is considered to be a matter of “luck”. The enterprises in Istanbul expressed a need for information on the social aid provided to the Syrians and on work permit regulations.



### GAZIANTEP

The furniture sector is in need of qualified personnel for every stage of production.



### ANKARA

The areas where staff are most needed are furniture upholstery, polishing and CNC operating.

### 3.1.4 Machinery

In 2015, the Chamber of Mechanical Engineers carried out an inventory study of the machinery sector. A total of 1,410 enterprises were included in the study. According to the results of this research, 62% of the enterprises were located in the Marmara, Thrace and Aegean regions, 24% in Central Anatolia and the Western Black Sea region, 10% in the Mediterranean and the Southeast, and 4% in Eastern Anatolia and the Eastern Black Sea region.

A high proportion of machinery manufacturing enterprises are located in the Marmara and Aegean regions. The availability of raw materials, the skilled workforce, the transportation facilities, the marketing opportunities and the advantages of the infrastructure have attracted the machinery manufacturing sector to this region. Manufacturing is mainly conducted in organized industrial zones and on small industrial estates. In recent years, provinces such as **Gaziantep, Mersin, Adana, Çorum, Çankırı, Bolu, Konya and Eskişehir** have gained in prominence due to the benefits and incentives on offer.

The sector has the potential to employ a qualified labour force. Qualified labour accounts for 32.1% of employment in the sector, and unqualified labour for approximately 67.9%:

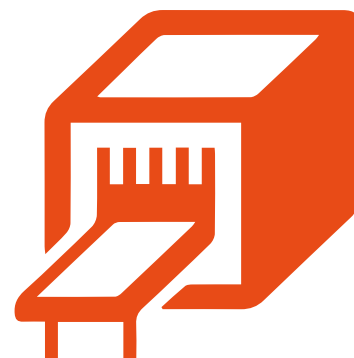
**Table 10: The number of employees in the machinery sector and their share in the total according to level of qualification**

Level of qualification	No. of persons employed	Share of total (%)
Engineers	4,608	1.8
Graduates of vocational schools	78,813	30.3
Unqualified	176,300	67.9
<b>Total</b>	<b>259,721</b>	<b>100.0</b>

Source: Turkish Employment Agency Data (2015)

The inability of the sector to find qualified staff, intermediate staff and apprentices is attributed to the education system. The enterprises interviewed agree that the education system should be similar to the system in force in the 1980s and 1990s. Vocational school graduates or engineers are employed but have to be trained by the enterprises. During the interviews, it was underlined that the sector is constrained by the fact that young people prefer desk work or work in the service sector to jobs in manufacturing.

In the years to come, sales and marketing engineering will be an important field for this sector, but there is no educational infrastructure in place that can provide the necessary competencies. Already, companies have been encountering challenges in finding sales and marketing engineers.



## FINDINGS OF THE FGDS AND BILATERAL INTERVIEWS

In the machinery sector, 22 companies were interviewed in the four target provinces and one focus group discussion was held in Konya. The companies interviewed included a construction machinery distributor, plastic injection machine manufacturers, recycling machine manufacturers, an IMLY robot manufacturer, a machinery and automation machinery representative and filling machine manufacturers.

In Gaziantep, the metals and machinery industry developed in the context of the food, textiles and plastics industries. Gaziantep is an important centre for milling machinery, agricultural machinery, textiles machinery and spare parts. Sub-sectors with a significant share in the manufacturing sector in Gaziantep are milling machinery, carpet supply industry machinery, fancy yarn twisting machinery, thread fastener machinery, BCF spinning machines, plastic shoe injection machinery, agricultural machinery, safes, pressure vessels and escalator systems.

In Konya, the machinery sector has replaced the automotive supply industry, which was important in the past. Agricultural machinery, milling machines, grinding machines and construction machinery are among the main products of the sector. The number of companies manufacturing all kinds of machinery is on the increase.

In Ankara, there are companies manufacturing in various sub-sectors within the machinery sector. Construction machinery manufacturing is mainly concentrated in the OSTİM (Organized Industrial Zone) region. Enterprises engaged in production for the defence industry are also prominent.

The enterprises stated that there are no vocational training programmes in the milling sub-sector, although there are plans to establish such a department in some vocational schools.

The sector mainly employs unqualified or semi-qualified staff. The enterprises interviewed generally stated that the bulk of employment opportunities are in the production departments. However, automation is reducing the need for unqualified labour while creating opportunities for qualified personnel capable of managing the automation processes.

The enterprises expressed their frustration at the difficulty of finding technically qualified individuals. It was emphasized that even applicants trained at vocational schools or universities are not well qualified.

Moreover, individuals prefer desk jobs to working in workshops. It was suggested that a communication strategy should be developed to promote jobs in this area and that social media channels should be used to encourage people to work in the machinery industry.

The turnover rate is also high in the machinery sector. Even though enterprises are making efforts to increase the capacities of their employees through certified training courses, the trained staff may choose to transfer to other enterprises for slightly higher salaries. The enterprises are tired of training personnel and then losing them. Machinery manufacturers in Konya do not face any recruitment issues but they too are unable to ensure the continuity of the personnel. Employees who gain experience either leave to establish their own businesses or move to other companies – sometimes in other provinces – in return for higher salaries.

Key areas of employment in the sector are modelling, moulding and plastics production. CNC universal bench operators are widely employed. Staff are also needed for positions as technical drawing technicians, welders, painters and assembly officers. Difficulties are experienced in finding qualified personnel to be machinists, mounters and welders. The low level of interest in vocational high schools affects the supply of labour for intermediate positions in the sector such as electricians, turners and welders.

In addition, the agricultural machinery sub-sector is in need of personnel with specialized knowledge, particularly mechanical, agricultural and metallurgical engineers, and designers.

Enterprises in this sector usually fill vacant posts through ISKUR or on the basis of personal references. Some enterprises obtain services from human resources web sites and private employment agencies.

The interviews and discussions revealed that during the early years of the crisis, the Syrian refugees created an opportunity for low-cost employment. However, the enterprises soon realized that the employment of Syrians was unsustainable and caused various problems. Thereafter, the tendency to employ Syrian refugees decreased gradually. An adequate knowledge of the Turkish language and a legal work permit are considered sufficient for employing Syrians.



One company with a distributor in Syria lost all its sales due to the Syria crisis. When the distributor relocated to Egypt, the enterprise started doing business with this country instead.

An enterprise owner in Ankara stated that he previously employed a Syrian refugee and offered him a partnership. Having established a trading enterprise with this individual as a partner, the enterprise is now trying to enter Arab and African markets.

Two other enterprises have worked with Syrian employees but terminated their contracts due to their inability to adapt to the business environment within the enterprise. The common factor here was the working hours. The enterprises observed that these individuals did not want to perform their duties. One enterprise owner expressed sadness at the refugees' situation but added that employing them would not be good for the business.

According to the machinery sector representatives, the more qualified and experienced refugees have migrated to Europe. However, it is still necessary to benefit from the labour of the Syrians in Turkey. The Syrians are expected to have work ethics and display continuity at work.

Three of the six enterprises which took part in the focus group discussion in Konya have Syrian employees. In one enterprise, one Syrian is working in the export department and another is working as a painter. The Syrian refugee working in the export department was recruited after applying to a newspaper advertisement. Another enterprise has five Syrian employees working as blue-collar workers.

In another case, refugees employed by a supplier enterprise were transferred to the enterprise surveyed together with all its other employees. Other enterprises have Syrians working as technicians and repairers.

Until 2018, enterprises in the sector were recruiting Syrian workers to meet their employment needs. However, since the second half of 2018, the economic slowdown and mass lay-offs in the sector have resulted in an increased demand for jobs from the host community, and enterprises have preferred to employ Turkish citizens. The enterprises stated that they were not currently facing any difficulties in finding personnel, and did not need to employ Syrians.

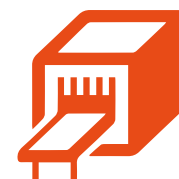
The enterprises in Istanbul are curious about the demographic changes in countries following the Syria crisis. The enterprises stated that they received most of their information about refugees from the media. Enterprises expressed interest in the Turkish language abilities of the Syrian refugees as well as their qualifications, professional competencies and levels of education. In addition, information about security issues and family profiles is considered essential.

Enterprises expect such information to come from public institutions. They agree that public sector referral can increase employment and that ISKUR could be responsible for this.

Except for two enterprises in Konya, the enterprises did not report any problems with regards to the employment of Syrians. As long as the individual fulfils the requirements and holds a certificate, it does not matter whether they are Turkish or Syrian. Only one enterprise considered the employment of Syrians to be risky, due the concern that they might return to Syria at any time. It was underlined that a knowledge of Turkish and Turkish references are crucial in selecting Syrians for employment.

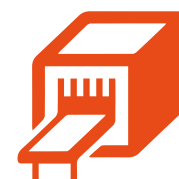
The two enterprises manufacturing agricultural machinery are opposed to the employment of Syrian refugees. They believe that domestic employment should be encouraged. One of these enterprises described the Syrians as "ungrateful people who have not fought for their country". The representative of the other enterprise stated that its business has declined and it cannot take on any more staff, whether Turkish or Syrian. The representative of another enterprise raised concerns about the demographic structure of society. According to a piece of research this person has read, the Syrians will be the majority group in the country soon and the employment of every ten Syrians makes six host community members unemployed.

An enterprise in Gaziantep wanted to know whether Syrians have any experience in the machinery sector. The enterprise also wondered when the Syrians will return to Syria, adding that if they are to stay in Turkey permanently, they should be registered and integrated into the labour market. This company feels that it has no need for Syrian workers and is more in need of qualified staff. However, it might consider a Syrian with a knowledge of Turkish and English for its export department.



## ANKARA

- ☀ **The sector lacks technical sales and marketing staff. There is no infrastructure for technical sales personnel. It is observed that personnel in the sector who have technical skills lack communication skills and vice versa.**
- ☀ Vocational school graduates and engineers are employed and trained by the enterprises. Sales engineering will be an important field in the years to come.



## KONYA

- ☀ **The key employment areas in the sector are modelling, moulding and plastics production.**
- ☀ There are also significant needs for technical drawing technicians, welders, painters and assembly officers.
- ☀ **There are difficulties in finding qualified personnel for the posts of machinist, moulder and welder.**
- ☀ There is a need for intermediate personnel such as electricians, turners and welders.
- ☀ **The agricultural machinery sub-sector is in need of personnel with specific knowledge of the field.**
- ☀ Machinery, agriculture and metallurgical engineers and designers are needed.

### 3.1.5 Plastics

The plastics industry represents 7% of added value in the manufacturing industry. The plastics sector is closely related to the chemicals industry and interacts with the textiles sector as well. According to statistics from the Union of Chambers and Commodity Exchanges of Turkey (TOBB), direct employment in the plastics industry, including machinery, raw materials and finished products, exceeds 300,000 people. The province with the highest number of people employed in the sector is **Istanbul**, followed by **İzmir, Gaziantep, Bursa** and **Adana**.

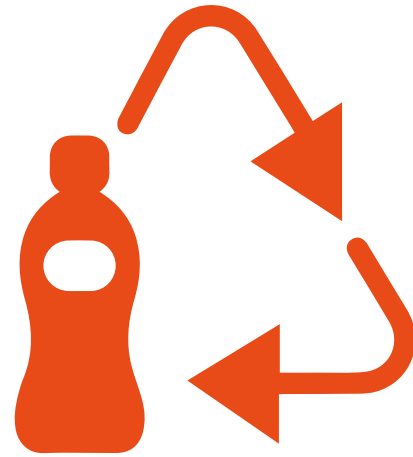
The plastics industry is one of the most important sectors for Gaziantep in terms of capacity, employment and added value. The manufacture of plastic packaging materials, film, bags, household goods, boxes, cases, buckets, bottles and similar items is a growing industry in the province. A substantial proportion of all the PVC door/window profiles manufactured in Turkey are produced in Gaziantep. A rubber industry has also emerged in Gaziantep to supply machinery manufacturers.

Enterprises in the plastics sector in Ankara have specialized in different areas. For instance, while some companies manufacture goods exclusively for the construction sector, others produce only machinery spare parts or automotive sector inputs. Specialization has reduced the competition in the local market but enhanced communication and cooperation among the sub-sectors. The enterprises stated that respect among enterprises has increased, and that each is currently striving to be the best in its field. The enterprises are now competing with European businesses.

The majority of the enterprises interviewed in Konya have expanded to foreign markets due to the decline in profitability in the local market. These enterprises are eager to increase their export market shares in the near future. Enterprises in both Konya and Gaziantep are of the opinion that enterprises that do not expand to foreign markets and produce innovative products will eventually be forced to close and that only smart businesses will continue to exist in the sector.

The level of employment of qualified personnel in the plastics sector is higher than in other manufacturing sectors, where the ratio of qualified workers is approximately 25%. The share of human resources in the enterprises' overall budget amounts to 15-25% while the cost of electricity accounts for 15-20% and the cost of raw materials for 55-60%.

Enterprises underline that their employees only learn the business after they start working, since most university graduates do not acquire the skills and qualifications required during their education.



## FINDINGS OF THE FGDS AND BILATERAL INTERVIEWS

In the plastics sector, eleven interviews were held in the four target provinces and one focus group discussion was held. The plastics sector value chain includes polymer manufacturers, merchandise manufacturers, machine manufacturers and moulders. Interviews were conducted with enterprises producing PVC additives, polymer coated glass fiber, plastic injection and moulding operations, plastic colouring and machinery, and operating in the recycling sector in Istanbul.

The representative of an enterprise manufacturing plastic kitchenware stated that recruitment is a crucial issue in the sector, and that they have problems finding unqualified workers. They complained that the workers have no work ethics and that production is affected by workers skipping work without any permission or reason. They added that increasing the numbers of qualified workers might make it possible to increase production.

According to the enterprises interviewed, the main problem in employment is to ensure employee satisfaction at the workplace. Although they pay higher than minimum wage, the enterprises face difficulties in finding workers. They add that this situation has been going on for 7-8 years and that unemployment insurance payments and the provision of basic needs by municipalities have discouraged individuals from working.

Another enterprise in Gaziantep complained about a lack of qualified and experienced personnel. The workers employed through ISKUR were insufficient. The enterprise is in need of extruder machine operators/flexo-printing operators/cutters (It is possible to work with cutting machines after two months' training), and quality control and packaging staff. It believes that when these needs are fulfilled, it will be able to increase its capacity and output.

With respect to vocational training, the same issues were raised in the plastics sector as well. The inadequate infrastructure of the vocational high schools directly affects the employability of young workers. One of the enterprises interviewed has provided its own training in the vocational high school and employed four students who took part. The owner of the company underlined that the infrastructure of these schools can be enhanced though the provision of financial support for refurbishment and infrastructure related needs.

The enterprises in Konya stated that the situation regarding unqualified workers varies and that they might sometimes face employment shortages. A

company operating in Konya stated that it had to organize buses to Karaman and Iğın to bring workers to the facilities between May and September 2018.

The sector faces shortages of qualified personnel to work in areas like exports, design and risk control, unqualified workers for collecting/packaging, cutting, pressing and printing, and mid-qualified workers for moulding, injection, induction, extruding etc.

The enterprises interviewed in Gaziantep had a commercial relationship with Syria before the crisis. Enterprises in Istanbul and Konya also had business with Syria until the crisis began. They stated that they were selling goods to Syria and were satisfied with this trade, but that the business ended due to the crisis. Syria was an important market for reaching customers in other Middle Eastern countries but the crisis made this difficult.

The enterprises underlined that the additional workforce which became available after the crisis actually met the need for labour created by investments in Gaziantep.

They pointed out that although the Work Permit Regulation for Foreigners under Temporary Protection sets a quota of 10% for the employment of Syrian workers in a company, this ratio is 50% in the Organized Industrial Zones. The companies also observed that Syrians are no longer willing to work for lower wages. Syrians that are not registered with ISKUR or using formal channels to find a job have created their own job markets in the districts.

The enterprises interviewed in Ankara emphasized that some branches of the sector are engaged in heavy and dangerous work and that employing Syrian refugees for such tasks creates occupational health and safety risks. They therefore argued that the state should provide incentives for the training of the workers and certification of their qualifications, so that they are able to carry out heavy and dangerous work.

One of the enterprises interviewed in Ankara stated that local workers treat newcomers or foreign workers badly. They underlined the importance of employing qualified Syrians with sufficient knowledge and experience in the sector to win the respect of the Turkish workers. Otherwise, for unskilled labour, it would make more sense to select Turkish workers.

The enterprises are curious about the population, gender, age and educational background of the Syrians. Their main sources of information are TurkStat,



newspapers, TV channels and chambers of industry and commerce. There is a need to conduct a study of the profiles of the Syrians and then provide sufficient information through official channels.

The enterprises in Gaziantep stated that the Syrians are generally modest people who are good at performing their jobs. They said that they have had Syrian employees with work permits for 4-5 years. The Turkish employees initially excluded these people, but the enterprises have managed to resolve the issue.

Enterprises located in the OSTIM and Ivedik districts of Ankara, however, complained that the Syrians do not respect hygiene rules at the workplace and need guidance in this respect. Some enterprises in Istanbul mentioned that, although they do not employ Syrians, they do provide financial assistance.

The enterprises stated that they do not discriminate by religion, language or race. Particularly important factors in recruitment were: work permit procedures, work experience, age (since it is difficult to train people older than 40), the commitment and integrity of the workers, and language skills. They added that they would prefer woman workers as they are more committed and organized, but that this is unfortunately impossible due to the nature of the work.

### 3.1.6 Chemicals

The share of the chemicals sector in manufacturing industry is approximately 9%. The Turkish chemicals industry consists of facilities producing chemical raw materials and consumer products such as petrochemicals, soap, detergents, fertilizers, medicines, paints and varnishes, synthetic fibers and soda. A significant proportion of the companies operating in the sector are small and medium-sized enterprises. There are also large domestic and multinational companies operating in the sector in Turkey.

As the chemicals industry is a capital-technology intensive sector, labour-intensity is low. Approximately 300,000 people are employed in the chemicals sector.<sup>18</sup> While the share of labour in the cleansing product sector is 25%, in unit cost, this rate falls to 5% in the food and cosmetic chemicals sector.

Technology and automation have become a priority as robots are expected to become part of the production process. Robots are expected to replace the unqualified and semi-qualified labour force, while it could be challenging to find qualified personnel to lead the automation process.

In the chemicals sector, the same challenge is observed with respect to vocational training, which are not perceived to meet the needs of the labour market, especially when it comes to the training of intermediate staff. Vocational high schools and vocational schools are not able to attract students with potential and skills, and even if they do attract such students, they are unable to provide the training necessary. There is a high demand for an increase in the number of technical high schools and universities providing education in polymer chemistry. Companies in the sector are in need of specialized staff to enhance their production capabilities. If the sector succeeded in closing the employment gap with appropriate staff and made efficient investments in R&D, it is said that it would be able to take over the leadership of the export world.



#### GAZIANTEP

The key areas for employment are extruder machine operators/flexo-printing operators/cutters, and quality control and packaging staff.



#### ISTANBUL

Areas the sector faces employment gaps are: qualified personnel for export, design, risk control etc., unqualified workers for collecting – packaging, cutting, pressing and printing

Mid qualified workers are needed for moulding, injection, induction, extruder, etc.



#### KONYA

The enterprises in Konya stated that the situation regarding unqualified workers varies and that they might sometimes face employment shortages



### FINDINGS OF THE FGDS AND BILATERAL INTERVIEWS

The sector is mainly in need of machine operators, chemists, wet wipes operators, diaper operators, chemical and food technicians, and mechanical engineers.

Sector representatives believe that production, quality and sales will increase significantly if employment shortages are overcome.

Due to the high circulation of staff in packaging departments, the companies report a need for unqualified woman workers. The unwillingness of male employees to work in this area is cited as the reason for preferring women.

Of the companies interviewed, the company manufacturing chemicals for the food and cosmetics

In the chemicals sector, four interviews were held in Istanbul and Gaziantep, and one focus group discussion was held with the participation of two companies in Istanbul.

The enterprises interviewed in Istanbul have a staff consisting mainly of blue-collar workers (80%), most of whom are men. Due to the economic slow-down, they are focusing on production capability rather than recruitment. The sector seems to be closing its doors to employment, especially for communities under temporary protection.

<sup>18</sup> (<https://ticaret.gov.tr/data/5b87000813b8761450e18d7b/Kimya.pdf>)

industries was established after the crisis. The enterprise manufacturing cleaning materials had no previous trade operations with Syria since Syrian companies already had the capacity to supply the soap market. However, after fleeing to Turkey, the Syrian tradesmen closed down their operations in Syria and continued their business in Gaziantep, which had a positive effect on the sector in Gaziantep. The company reported that security conditions are affecting the trade between Turkey and Syria more than they were three years ago.

It became clear that the participating enterprises were expecting commercial intelligence about their Syrian customers. The enterprises did not appear to intend to increase the numbers of their Syrian staff. One enterprise stated that they have employed Syrians in their export department but had great difficulty in obtaining work permits. Another enterprise preferred to hire Turkish citizens because it favours Turkish citizens over "foreigners".

In the meantime, one of the enterprises turned out to be misinformed about the rules for employing Syrians,

believing that they had to pay more than the minimum wage to employ a Syrian with a work permit. One enterprise said it is open to employing Syrians who are food or chemical technicians and export staff who speak Arabic, English and Turkish.

The main priority of the enterprises when employing Syrians is the work permit. The other qualifications required are knowledge of Turkish, work experience, cultural values, gender and level of education.

The newly graduated engineers working in the sector are considered to be weak as the curriculum does not provide the vocational skills actually needed in the companies. The senior engineers are preparing additional curricula to support the new graduates.

The enterprises were concerned about the hygiene conditions of communities under temporary protection living in temporary accommodation centres. Enterprises producing hygiene products are willing to contribute to the hygiene conditions of refugees as a social responsibility project.



## GAZIANTEP

**The sector is in need of: machine operators, chemists, wet wipes operators, diaper operators, chemical and food technicians, and mechanical engineers.**



## ISTANBUL

**The company that manufactures cleaning materials lacks machine operating personnel.**  
**Due to the high turnover of staff in packaging, there is a need for unqualified workers and especially woman workers, who are found to be more committed to their work.**

# 4

## CONCLUSION

**Based on** the finding of the online survey, which received responses from 27 sectors, and the focus group discussions and bilateral meetings with companies in seven sectors, the following challenges, needs and opportunities have been identified as elements which could constitute the basis for the programming of livelihoods activities targeting the engagement of the private sector for both local and Syrian businesses and the employment of Syrians without causing social tension between the two communities.

### 4.1 CHALLENGES

The private sector is exposed to inaccurate and misguided information regarding the Syria Crisis response and the Syrians. The issues which they would like to learn more about are directly related to the kind of news which is circulated through mainstream media and news channels and social media, including topics like free university entrance for Syrians, payments to Syrians by the Turkish government, the demographic effect of the Syrian population on the local population, and security issues.

On the other hand, lack of employment opportunities is often considered an important factor in driving inter-community tensions: while 51% of Turkish respondents indicated that unemployment was the most pressing issue, 71% said that "Syrians are taking away jobs from people in Turkey."<sup>19</sup> At the same time, there is an increase in acknowledgement and understanding that Syrians may not return to Syria in the near future. This risk of tensions related to the labour market has the potential to undermine the implementation of the government policy framework and the prospect of social inclusion and self-reliance of Syrians under temporary protection.<sup>20</sup>

This could provoke not only prejudice against employing or doing business with Syrians but also the adoption of unsatisfactory problem-solving methods within companies in the event of tensions between Syrian and Turkish workers. Tensions among the staff could result in the laying off of the Syrians to avoid conflict.

The majority of the enterprises state that work permit application procedures are rather difficult and take a long-time, and some report that they have failed several times.

The lack of access to information about the profile of the Syrians in Turkey could also affect recruitment processes within companies, including those which would like to employ Syrians. Enterprises usually use informal ways of recruiting such as references or referrals from other companies or acquaintances. Alternatively, the Syrians find jobs themselves by approaching companies directly. The use of these recruitment channels rather than formal channels such as ISKUR tends to lead to informal employment.

Access to accurate information would also help to eliminate prejudices against Syrians in the private sector.

Enterprises wishing to fill vacancies for low-skilled individuals prefer to hire Syrians informally, regarding them as a "cheap labour force". The Syrians for their part tend to accept informal work since they do not want to lose the social benefits provided to them, particularly in the framework of the ESSN programme. Once the Syrians are employed, this assistance is no longer available to them. In the absence of any guarantee about the likely duration of a formal job, the refugee chooses not to work, or to work informally instead, in order not to lose his/her assistance. This tendency is also alluded to in a report prepared by the UNDP, ILO and WFP, which states "...although there are yet no systematically evidence, the anecdotal data shows that vulnerable communities and refugees are frightened to lose the assistance of the state once they are legally employed..."<sup>21</sup>

Enterprises see Syrians as temporary and they are not willing to invest in improving their vocational skills. At the same time, most enterprises, regardless

<sup>19</sup> Istanbul Bilgi University – Attitudes towards Syrians in Turkey-2017 (March 12, 2018), available at <https://goc.bilgi.edu.tr/en/our-researches/25/dimensions-of-polarization-in-turkey-2017/>

<sup>20</sup> EU Facility, Needs Assessment Final Report, October 2018. In 2014, 55% of Turkish nationals thought that most/all refugees would return, now 70% think that all/most will stay. The EU Needs Assessment confirms that "there is an increasing public perception among the host population that Syrian businesses and workers enjoy advantages over their Turkish counterparts and that livelihoods are thus being undermined, which can be detrimental to social cohesion"

<sup>21</sup> Jobs Make the Difference: Expanding Economic Opportunities for Syrian Refugees and Host Communities, United Nations Development Programme (UNDP), the International Labour Organization (ILO) and the World Food Programme (WFP) (2017)



of sector, complain about high turnover. The main reasons for this are the working conditions and pay rates and the unwillingness of individuals to work in manufacturing industry. Turkish sector representatives who participated in in-depth interviews have the same “temporary” approach. The perception of employment as likely to be short term or temporary leads employers to regard work permit procedures and costs as a burden on their enterprises.

Meanwhile, the “temporary” status of the Syrians affects the plans of Syrian businesspersons with regards to Turkey. The report prepared by the UNDP, ILO and WFP also mentions<sup>22</sup> that the perception of “being temporary” – which is related to the possibility of relocation, whether that means returning to Syria or leaving for investment in other Arab countries – restrains Syrians in Turkey

## 4.2 NEEDS

Access to the labour market, which would make the Syrians self-reliant, is one of the main tools for social cohesion between the two communities. In this sense, the private sector needs guidance, particularly in terms of access to accurate information and ways of solving tensions among their staff. Chambers of industry and commerce have already been attributed a role in providing accurate information regarding the Syria crisis response and Syrians. The necessary guidance could be provided through the development of the capacities of the chambers and of other relevant business associations and governmental agencies. Capacity building would enable these to serve the Syrian business community as well. The chambers in Southeastern Anatolia have developed several good practices such as the Syrian Desk of Gaziantep Chamber of Commerce.

It is clear that there is still a need to provide information about work permit application procedures and the fact that they are facilitated by the MoFLSS through an online system.

Enterprises would like to learn more about the Syrians. Their requests include demographic information and information about the Syrians’ educational backgrounds, vocational skills and experience. Access to information would facilitate the matching of private-sector vacancies with job seekers through formal channels and would contribute to the prevention of informal work.

Both the online survey and the FGDs and interviews reveal that enterprises are willing to take on qualified

<sup>22</sup> Ibid.

<sup>23</sup> FRIT Office of the Presidency of Turkey and MoFLSS Exit Strategy from the ESSN Program, December 2018

from increasing their investments and establishing new businesses. Moreover, both the present survey and the mapping exercise of Syrian-owned businesses conducted by UNDP in late 2018 show clearly that commercial relations between the Syrian businesses in Turkey and local companies are quite limited (Only 3.7% of local businesses have partnerships with Syrian businesses and only 3.4% of Syrian businesses have local partners). In general, local companies do not see Syrians as potential customers either. Only 13% of the local enterprises that participated in the online survey have plans to target Syrians as potential customers.

The failure of vocational training to meet the needs of the labour market is an issue raised by enterprises in all the sectors covered by the survey. Certification is another issue to be resolved, especially for jobs classed as heavy and dangerous work. Companies are observed to be developing their own solutions with regards to the deficiencies of vocational education by providing in-house training for their new recruits regardless of their educational backgrounds.

Syrians with technical skills and to employ Syrians in their export departments to expand their export markets.

The tendency to employ Syrians informally in low-skilled jobs needs to evolve in the direction of formal employment and decent work. In the absence of decent working conditions, high turnover will remain a challenge. The process of phasing out the ESSN programme will reduce the inclination of Syrian beneficiaries to work informally so as not to lose their social benefits. The ESSN phasing out process is expected to push a substantive number of beneficiaries towards formal employment. This is one of the three priorities of the ESSN phasing out strategy defined by the MoFLSS and the FRIT Office of the Presidency of Turkey.<sup>23</sup> This priority will also be another driving force for the private sector to be engaged in the response while promoting formal employment for the Syrian community.

ISKUR services could be used efficiently by developing appropriate communication strategies targeting employers and employees to promote formal employment and facilitate work permit applications. ISKUR can also boost formal employment by guiding refugees towards potential job opportunities (470,000 vacancies in the ISKUR database).

Interaction between local businesses and Syrian-owned businesses should be promoted through B2B events that will be a platform for cooperation between businesses in targeting both the local market, which includes 3.6 million Syrians as well as around 400,000 refugees and asylum seekers of other nationalities, and new export markets in Arabic-speaking countries.

## 4.3 OPPORTUNITIES

Nearly 60% of the enterprises surveyed want to be informed about the professional skills and profiles of the Syrian refugees and the possibilities of doing business with the enterprises established by the Syrians.

This interest will lead to job placements and new partnerships between the two business communities provided efficient mechanisms are put in place to facilitate the interaction between businesses, employers and job seekers.

Syrians have now taken the lead in foreign entrepreneurship in Turkey<sup>24</sup>. According to the statistics of the Union of Chambers and Commodity Exchanges of Turkey (TOBB), the number of businesses with Syrian partners increased from 81 in 2011 to 1,599 in 2015. Between 2010 and 2018, 9,978 companies were established by Syrians, of which 7,367 are wholly owned by Syrians and 2,611 have Syrian partners (joint capital).<sup>25</sup> However, the number of unregistered enterprises may be much higher. The estimated number of Syrian-owned enterprises of all sizes and descriptions is over 10,000. The main sectors of Syrian investment are restaurants, construction, trade, textiles, real estate, tourism agencies, transport and the food industry (Karasapan, 2016). There is a great potential for both local and Syrian business to grow their businesses by establishing partnerships with each other. Chambers of industry and commerce, business councils and business associations could be the bridge between the two business communities.

The study of Accentturo et al. (2012) and Ottaviano et al. (2015) points out that refugee movements generally increase imports from the country of origin while refugees also tend to increase exports to their country of origin by eliminating language barriers and providing access to market intelligence. In the case of the Syrian refugees in Turkey, although trade with Syria has been affected negatively, enterprises have used the language and commercial skills of the refugees as an opportunity to access Arabic-speaking markets.

Partnerships can also be developed by facilitating the participation of Syrian businesses in trade fairs in Turkey and abroad. According to the survey results, trade fairs are one of the main channels used by local companies to establish new partnerships. However the majority of the Syrian owned enterprises interviewed in the Mapping Exercise do not participate in trade fairs due to challenges related to travel permits, costs and lack of information.

<sup>24</sup> İçduygu, A., Diker, E., Labour Market Integration of Syrian Refugees in Turkey, The Journal of Migration Studies, 2017

<sup>25</sup> www.tobb.org.tr

<sup>26</sup> https://www.trtworld.com/turkey/syrians-have-had-a-positive-impact-on-the-turkish-economy-26640/amp?\_\_twitter\_impression=true

According to the report prepared by the Turkish Institute of Statistics (TUIK), the Turkish economy is benefiting from the presence of Syrians, migration had no negative impact on unemployment and average wages in Turkey while Syrians often fill gaps in sectors locals were reluctant to work in, and contributed towards internal consumption, boosting the Turkish internal market. According to the report, Syrian deposits in Turkish banks had reached 1.5 billion liras by 2015. Syrian entrepreneurs have also contributed to job creation and economic growth with around 10,000 companies established by the newcomers, resulting in around 100,000 new jobs for both Syrians and host community members.<sup>26</sup>

The private sector’s perception of the reasons for employing Syrians is shifting. Rather than employing Syrians as a matter of social responsibility and in order to help them gain skills that they can use when they return to Syria, companies are now more inclined to employ them in order to have access to Arabic speaking markets and to contribute to their integration into society. The goal of integration could be supported by raising awareness on how to solve tensions between the two communities within the company, which generally result in the laying off of the Syrian workers to avoid further conflicts.

Increasing awareness about work permit procedures and about the incentives provided by ISKUR and the Social Security Institution from which companies employing Syrians can benefit would promote formal employment.

Vocational training services that meet the needs of the labour market and lead to job placements are an important starting point. It would be valuable to engage the private sector in the planning of vocational training.

Addressing the vacancies in the ISKUR database and interacting constantly with the local private sector would result in more feasible programming and could lead to actual job placements. The table annexed to this study offers a starting point for identifying the skills required for the vacancies at the companies surveyed.

The survey reveals that there are opportunities for women’s employment in the targeted sectors. These opportunities could be used to increase access of women to the labour market and strengthen their self-reliance. The recruitment of women should be supported by ensuring suitable working environments and making facilities such as child-care services, nursery rooms and shuttle services available.



Engaging the private sector, which is the main source of job creation, is a prerequisite for ensuring that Syrians have access to the labour market. The opportunities mentioned above could be used to promote both the employment of Syrians and the establishment of partnerships between local and Syrian business communities without overlooking the needs of host community members expecting to benefit from the same opportunities.





# ANNEX 1



## ANNEX 1

Finally, according to the findings of the bilateral meetings and focus group discussions, the following table indicates the employment shortages by sector and province:

### FOOD



#### GAZIANTEP

- ☀ Companies producing hand-made regional specialties are in need of masters of Turkish delight production, packaging staff, dried fruit roll masters, sweet sausage masters, baklava masters, production officers and unqualified workers for dried nut sorting.
- ☀ Enterprises operating in the powdered drink sector are in need of unqualified workers for packaging.
- ☀ Although the bulgur, flour and pasta sectors do not have extensive labour needs, they are still in need of qualified and unqualified labour.
- ☀ Baklava producers have difficulty in finding service staff (waiters).
- ☀ Many other enterprises lack technical staff graduated from vocational high schools, and mechanical maintenance and electrical maintenance operators.
- ☀ Some enterprises are in need of export staff with a knowledge of Arabic.



#### ISTANBUL

- ☀ Enterprises in Istanbul are having difficulty in finding packaging staff, technicians, export specialists, waiters and service staff.
- ☀ Other positions identified in Istanbul are roasters, sievers, machine repairpersons, welders and forklift operators.
- ☀ With the transition to Industry 4.0 and automation technologies, large companies have difficulties in finding personnel who will work with robotics and software.



#### ANKARA

- ☀ With the transition to Industry 4.0 and automation technologies, large companies have difficulties in finding personnel who will work with robotics and software.



#### KONYA

- ☀ The enterprises interviewed in Konya, in contrast to other provinces, stated that the demand for labour has been increasing in the last few months but there is no employment deficit.

## TEXTILES / READY - WEAR



### GAZIANTEP

- ☀ The main employment areas in the sector are weavers, yarn operators, twisting operators, transfer operators, ready-wear operators, wiring workers, designers, dispatchers and warehouse staff.
- ☀ For blue-collar workers, the main employment shortages identified are in positions such as electrical operator, machine operator and bobbin case worker and in areas like machinery, logistics and quality control.



### ISTANBUL

- ☀ There is a shortage of foreign language speaking administrative staff in export related positions. Other positions mentioned are engineers with a good knowledge of English, R&D and design personnel and domestic sales personnel.
- ☀ Machinery, dyeing, design and production line personnel are needed.

## FURNITURE



### GAZIANTEP

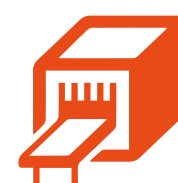
- ☀ The furniture sector is in need of qualified personnel for every stage of production.



### ANKARA

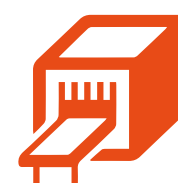
- ☀ The areas where staff are most needed are furniture upholstery, polishing and CNC operating.

## MACHINERY



### ANKARA

- ☀ The sector lacks technical sales and marketing staff. There is no infrastructure for technical sales personnel. It is observed that personnel in the sector who have technical skills lack communication skills and vice versa.
- ☀ Vocational school graduates and engineers are employed and trained by the enterprises. Sales engineering will be an important field in the years to come.



### KONYA

- ☀ The key employment areas in the sector are modelling, moulding and plastics production.
- ☀ There are also significant needs for technical drawing technicians, welders, painters and assembly officers.
- ☀ There are difficulties in finding qualified personnel for the posts of machinist, moulder and welder.
- ☀ There is a need for intermediate personnel such as electricians, turners and welders.
- ☀ The agricultural machinery sub-sector is in need of personnel with specific knowledge of the field.
- ☀ Machinery, agriculture and metallurgical engineers and designers are needed.

## PLASTICS



### GAZIANTEP

- ☀ The key areas for employment are extruder machine operators/flexo-printing operators/cutters, and quality control and packaging staff.



### ISTANBUL

- ☀ Areas the sector faces employment gaps are: qualified personnel for export, design, risk control etc., unqualified workers for collecting – packaging, cutting, pressing and printing
- ☀ Mid qualified workers are needed for moulding, injection, induction, extruder, etc.



### KONYA

- ☀ The enterprises in Konya stated that the situation regarding unqualified workers varies and that they might sometimes face employment shortages

## CHEMICALS



### GAZIANTEP

- ☀ The sector is in need of: machine operators, chemists, wet wipes operators, diaper operators, chemical and food technicians, and mechanical engineers.



### ISTANBUL

- ☀ The company that manufactures cleaning materials lacks machine operating personnel.
- ☀ Due to the high turnover of staff in packaging, there is a need for unqualified workers and especially woman workers, who are found to be more committed to their work.

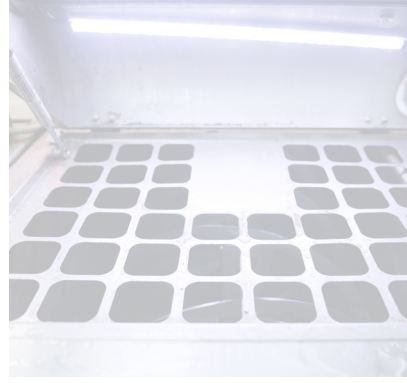


Turkey Resilience Project in Response to the Syria Crisis (TRP)

### JOB CREATION COMPONENT

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Güçlü bireyler.  
Güçlü toplumlar.