Refugees in Turkey: Effects on Labour Market, Political Constraints, and Recommendation

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ABSTRACT

The Syrian Civil War has killed hundreds of thousands of people, and forced over 10 million Syrians out of their homes. Many of them have found refuge in Turkey, making it the largest refugee-hosting country in the world. However, the refugee crisis isn’t the only problem that Turkey is currently facing. Turkey’s economy has been declining since 2018 and with the added burden of the refugees, the situation for both Syrians and Turkish citizens look dire. With no quick strategy out, the governments and citizens have turned on the Syrians, blaming them for the bad economic situation and their loss of jobs. This paper will analyze past and current data to assess the impact of refugees on the Turkish labour market. There is a positive correlation between the arrival of the Syrian refugees and Turkey’s economic and labour downturn; however, there are many contributing factors to the downturn and the correlation does not necessarily suggest causation. The paper will then suggest possible solutions to ameliorate Turkey’s economic crisis without causing a humanitarian crisis for the refugees, focusing on integration rather than deportation.

Keywords: Syrian Refugee, Syrian Civil War, Refugee Crisis, Refuge Policy, Turkish Economy, Informal Economic Sector
Introduction

A refugee crisis is an issue that poses many political and economic issues for many nations. Currently, the challenge is greater than ever with 80 million people forcibly displaced by conflicts across the world. The war in Syria alone has caused 6.6 million to flee the country and an additional 7.6 million internally displaced. Due to its close proximity to Syria, Turkey has become one of the first stops for refugees, making it the largest refugee-hosting country in the world. Turkey is home to around 3.6 million registered Syrian refugees along with close to 320,000 other persons of concern of other nationalities. With so many vulnerable people who are all in need of food, shelter, healthcare, and most importantly, jobs, arriving suddenly, the Turkish government was unprepared. Even now, 10 years since the crisis started, there is still uncertainty with how to best deal with the refugee crisis.

In this paper, I analyze the effects of refugees on the Turkish labor market and the reasons why the government intervened. Due to an inability to get work permits, refugees have to work in the informal sector. The government struggles to accurately measure the contribution of the informal sector to the economy. Many Turkish citizens, especially women and low-skilled labourers, work in the informal sector, and the arrival of the Syrians have caused major displacement of Turkish workers, as they are more willing to work for lower compensation.

Prior to the arrival of the refugees, a persisting economic crisis had yet to be resolved. With the burden of Syrian refugees combined with a worsening economy caused by previous debts and problematic economic policies, the sentiments of Turkish citizens feel towards the refugees are changing for the worse. President Recep Tayyip Erdogan is well aware of this and despite formally being a champion for refugees, has seized the opportunity to turn Syrians into scapegoats to appease the public. As a result, the Turkish government has increased its efforts to encourage ‘voluntary’ returns of over a million refugees back to Syria. In reality, however, the refugees are being arrested and forced to leave against their will, even if they technically still have the right to remain under previous agreements. Not only is this method unethical, it is also costly and inefficient in the long run.

Background

Refugee Crisis

While there were only around 8,000 refugees in Turkey when the Syrian war started in 2011, a year after the conflicts broke out, the numbers of refugees began to increase dramatically. By 2019 a verification of registered Syrians under temporary protection successfully registered the data of more than 2.7 million Syrians. The highest concentration of refugees in Turkey are currently found in Gaziantep, Hatay, Sanliurfa, and Mardin, where each province hosts more than 300,000 refugees. Unsurprisingly, most refugees are located on the Turkish-Syrian border, but recent data has shown that they are spreading out with the second concentration in Istanbul. When the crisis started, Turkey had a generous open-door policy. Before 2014, the refugees had just been labeled as “guests” and no proper protection measures were taken. This means that many refugees were employed informally then and possibly even now. The reason being that Turkish leaders initially believed that the flow of refugees would be limited and temporary; clearly that was not the case. After the number of refugees started increasing rapidly in 2012, Turkey tried to bring its border and the influx of refugees under control using occasional border closings. However, after a series of terror attacks carried out by


3 Ibid.

Kurdish fighters that claimed the lives of hundreds of Turkish citizens and tourists, the government started to seriously tighten their border control. Before 2016, refugees could enter Turkey from anywhere without visas or any strict testing. Due to the increased security measure, they were now required to do so only through official posts and by land. Anyone who did not abide by the new regulations would be sent back or deported. However, even with the tightened border control, many Syrians are still arriving in Turkey, and while the EU provides aid, President Erdogan is still struggling to accommodate all the incoming refugees while also navigating Turkey’s current economic crisis.7

**Economic Crisis**

President Erdogan has been in power since 2014 and prior to being elected as president, he was the prime minister from 2003-2014. In 2018 Turkey was known as having one of the fastest-growing economies in the world, having gained an upper hand over economic giants like China and India in 2017, even gaining a 7.22% growth in its GDP in the second quarter of 2018.8 However, this strategy, composed of unrestrained borrowing, has caused deficits in both Turkey’s fiscal and current accounts. While meant to be ‘temporary’ and changed in order to develop less reliance on external borrowing, the strategy still exists today. The first real warning that this could be problematic came in 2011 when the lira’s value started to decline as a result of inflated foreign debts.9 No real damage was done though, due to many national banks lowering interest rates for expansion. In the summer of 2018, however, the problem could no longer be avoided. The lira fell to 7.24 liras per US dollar following the arrest of US pastor Brunson and a threat from President Trump to destroy the Turkish economy, which caused a complete halt in foreign funding of Turkey.10 Despite calming the situation down, future disagreements with Washington and the direct interference by President Erdogan in Central Bank policies caused the crisis to escalate. President Erdogan’s economic regulations in response to the resulting crisis, which include restriction of the national bank from raising interest rates in spite of inflation already being three times its target, did not seem to improve the situation.11 The president, however, seems hopeful that things will work out and continues to hold out against any attempt to raise interest rates in order to curb the crisis. Unfortunately, the pandemic has only worsened Turkey’s economic outlook, for the government responded with aggressive policy accommodations that rely on excessive credit growth and sale of the central bank’s foreign-exchange reserves. This attempted to offset the capital outflows but only led to a further 40% loss in the lira’s value.12 Such a loss made all Turkish citizens take a big hit, and the already problematic refugee crisis became more magnified. President Erdogan has claimed that as of 2020, Turkey has spent close to $40 billion on aid for close to four million Syrian refugees.13 This statement angered many Turkish taxpayers during the current economic downturn and Syrians have now been made the official scapegoats of the economic crisis. The Turkish media has also taken to reporting unsubstantiated facts, claiming that Syrians had priority over Turkish citizens in public hospitals and when receiving government pensions.14

7 Ibid.
10 Ibid.
Politics

Domestic Concerns

In Turkey only 2.4% of Syrian refugees live in camps, while the rest live in cities with native citizens. Istanbul hosts the highest number of refugees, with 548,000 registered Syrians in 2019. Studies of the current sentiments of the Turkish public show that the Syrians are unwelcomed and often resented. In a poll conducted in 2019, 68% of Turkish respondents expressed discontent with the Syrian presence—a 10% increase from 2016. Another poll conducted by the Piar Research group in the same year found that Turks had ranked solving the Syrian refugee crisis the second most important problem after the economy. Even Syrians, who are already registered to live in Istanbul, have found that their initial welcome is fraying, especially as the government introduces new deportation legislation. Faced with a collapsing economy and the highest increase in unemployment rate in nearly a decade (14%), the Turkish public have decided to turn on Syrians.

The government never intended for the Syrians to stay for an extended period of time, and with the growing dissatisfaction from Turkish citizens and the current economic situation, the government has been increasing its efforts in sending them back to Syria. Back in 2016 a deal was struck between Turkey and the European Union. A deal that would give Turkey $6.6 billion in aid, visa-free travel for its citizens in most of Europe and the eventual resumption of negotiations with Turkey on membership in the European Union.

In exchange, Turkey would accept all of the refugees sent back from the rest of the EU. However, Turkey had ratified the Geneva Convention in 1951 with a geographical clause, which limited refugee status to people fleeing “events in Europe.” This meant that the four million Syrians could not be considered refugees in Turkey, but instead “guests” under temporary protection. Many human rights organizations had opposed the 2016 deal, stating that Turkey was an unsafe/unfit nation to be hosting the refugees. The continuous economic downturn and unsystematic way of Turkey’s refugee policies have made numerous nations skeptical about providing further aid and deterred investors from financially supporting Turkey, leading to even further deteriorating economic conditions in Turkey.

International Concerns

Many EU countries were petrified by the idea of the migrants flooding into the rest of Europe, so they turned a blind eye toward the conflict in Turkey. Under President Erdoğan, the situation is worse than ever. In no-man’s-land on the border between Greece and Turkey, thousands of refugees are kept from entering the nations. The countries are hoping that the prolonged disparity will push asylum seekers back across the River Evros. Both nations are using tear gas, physical violence, and various other methods to discourage Syrians from seeking asylum. The authoritarian Turkish government has even started to detain their own journalists and citizens for reporting or expressing dissatisfaction with the government’s actions. While the policy regarding Syrians in Turkey has not changed, policy changes in Istanbul are actively trying to send the Syrians away. By August 20, those who are not registered as being under temporary protection in Istanbul are still eligible for temporary protection but they have to register in a different Turkish province or face deportation. The government claims that they are supporting voluntary returns, but many of the returnees state that they have been forced to sign the ‘voluntary return’ form.


\[18\] Ibid.


\[21\] Ibid.

**Temporary Work Permits**

While Syrian refugees were allowed to enter Turkey in 2011, the nation did not expect them to stay for so long or arrive in such large numbers; thus, the work policy set out for the refugees was less than favourable. According to Turkey’s Regulation on Work Permits of Foreigners under Temporary Protection Act, foreigners under temporary protection can apply to the Ministry of Labour and Social Security for a work permit six months from the date on which they registered as being under temporary protection status.23 At the workplace for which the work permit is requested, the number of temporary protection workers cannot exceed 10% of the Turkish citizens employed, unless the employer proves that there is no qualified Turkish citizen in the province who can perform the job being done by the foreign worker. Migrants under temporary protection also cannot be paid less than the minimum wage. Maximum of one migrant under temporary protection may be permitted to work at a workplace that employs fewer than ten.24 While this policy may seem to allow for the employment of refugees, the requirements for a work permit were difficult and complicated. Not only does the refugee need to be recognized as someone under protection or have an ID, but also employers must apply on their behalf, pay taxes and social security, and pay at least the minimum wage. Theoretically, refugees who enter the country through official borders and have passports can apply for residency and work permits, but in reality, the policy makes it harder for the refugees to establish themselves in Turkey and serves as a deterrent for their long term stay.

Most employers prefer to not go through the complicated process needed to hire Syrian refugees; thus, only 60,000 work permits were issued by 2019.25 According to a report by the UNHCR, “Assessments indicate that over 64% of urban Syrian households now live below the poverty line, including 18.4% who live below the extreme poverty line.”26 Many Syrians under temporary protection are increasingly exposed to risks and vulnerabilities that come from informal employment and poverty, such as exploitation, poor working conditions, and the general inability to become self-reliant. While they do have access to free healthcare and education, poverty, coupled with language difficulties, means that at least 40% of children have to remain out of school.27 This becomes another barrier to Syrians entering the workforce, as the children would never be properly trained or educated. As a result, Syrians often have no choice but to rely on informal work.

**The Informal Sector**

The existence of an informal sector makes it particularly challenging for the government to regulate its economy. The informal sector supports economic activity that falls outside the regulated economy and tax system, such as street vending or unregistered taxi services. Businesses in the informal sector can usually adapt quickly to changing economic conditions because they can layoff or hire additional workers anytime they want; labour relations are based on personal and social relations instead of formal contracts and regulation. Turkey has an informal sector that is equal to 25–30% of official GDP and is the nation with the largest informal sector relative to GDP among the Organisation for Economic Co-operation and Development (OECD) members, an intergovernmental economic organisation founded in 1961 to stimulate economic progress and world trade.28 29 From the 1950s through the 1980s, many Turkish citizens without higher education and were from rural areas had to seek work in the manufacturing industry, which prompted a mass migration into big cities. However, after 1980, the development of new

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24 Ibid.


27 Ibid.


technology and the subsequent employment trends brought on by it led to a lower employment rate of low-skilled workers. But, with nowhere else to go, the workers migrate to cities anyway. So, with a high supply and low demand of low skilled workers, the expansion of the informal sector, especially in megacities like Istanbul, became inevitable.

Due, in part, to difficulty obtaining temporary work permits and the complicated refugee hiring process, the arrival of refugees has caused the size of the already large informal sector to increase. When thinking about the informal sector, most would attribute it to unqualified workers with limited education. However, as highlighted by Dr Ximena V. Del Carpio’s and Professor Mathis Wagner’s research, many Syrian refugees are unable to get formal work despite being overqualified, indicating that the government has no intention of promoting their long term stay. While officials may claim this as a way to ensure citizens keep their jobs, this approach has caused lowered wages and large-scale displacements of Turkish workers in the informal sector: approximately six natives for every ten refugees. This has created unrest among citizens who are outraged at their loss of work and the substantial decline in the Turkish economy. Women are the group most affected, as most women in Turkey are of low status and do not have access to higher education. The existence of refugees and the informal sector is not all bad, though. With the high influx of Syrians who are willing to work as long as they can get paid, Turkey can increase its production possibilities. A production increase can translate to more formal jobs opening up, which is beneficial to the economy. Nonetheless, due to the economic crisis in Turkey, the citizens are not able to wait for new jobs. Therefore, the only way to go about solving this issue would be for the government to increase its efforts in either regulating the informal sector, or finding some other way to integrate the earnings and workers into a semi-formal system.


Gender%20Gap%20in%202014%20countries%20and%20in%20women%20other%20aspects%20in%20Turkey%20in%2020151.

Recommendation

I believe that the most effective solution to the issues faced by Turkey is not to deport the refugees. Deportation will neither decrease debts, nor end the economic crisis. This would result in other nations finding more fault with Turkey and putting additional strain on already tense political relations. So, instead of adding fuel to the fire, Turkey should focus on regulating the informal sector and integrating refugees. This approach will not only be a more effective move towards solving the refugee crisis, but also help curb the economic crisis and bring about long term stability.

One of the main issues with the labour structure in Turkey is unemployment and the existence of an abnormally large and unregulated informal sector. As discussed, informal sector earnings are not part of the official GDP and therefore, are not subjected to taxes and other government regulations. This means that the government is unable to capitalize on profits that could be used toward boosting the economy. Prior to the arrival of Syrian refugees, many Turkish citizens, mainly women, relied on informal work for financial support. After the arrival of refugees and increased presence in the informal sector, Turkish workers lost their jobs. With the dire state of the economy, both citizens and refugees have become unable to properly support themselves, which has led to a reliance on government aid and support--this effectively traps citizens and refugees in a cycle of unemployment and poverty. So, while the informal sector provides easy access to employment and cheap labour, it is not a viable option for future economic prosperity. In the case of refugees, loosening work permit restrictions would be a good first step. The government can start by reviewing restrictions surrounding refugee work permits. This would not only reduce the size of the informal sector, but also lead to Syrians being less reliant on government aid. In addition to providing work permits, the government should also look into implementing vocational training programs. These programs would help refugees and low-skilled Turkish labourers in the informal sector. A significant reason for the large informal sector in the first place is the high unemployment and low literacy rate for women in Turkey. So, these skill-building programs can help improve the overall productivity and efficiency of the entire labour force in Turkey.
The next step would be to better integrate the refugees. Implementing regulation on the informal sector and giving Syrians work permits is one small solution, but if citizens continue to have anti-refugee sentiments, then it would be very hard for the government to approve these policies. Most refugees in Turkey are living among citizens and would be potentially working with them, so it is important that the integration process is dealt with systematically to limit civil unrest. To move forward, I propose a three-step plan: Information, Integration, and International Coordination.

1. **Inform:** With the crisis showing no signs of slowing down, there has been barely any room to dispel previously established prejudices that people have against Syrian refugees. Educating civilians on the different cultures is vital to dispelling stereotypes and erasing irrational fear. Campaigns that help educate civilians on the different cultures and true situation of refugees will help ease tensions. These lessons need to be taught in classrooms as well as to the general public, and they can be done through government organization with the help of already established NGOs that are dedicated to the cause.

2. **Integration:** In Turkey most of the refugee population already lives in cities among Turkish citizens. There have been claims that refugees are getting preferential treatment from the government; however, the rumours are unfounded and in order to move forward towards integration, accurate news needs to be reported. The government should also put more effort into integration instead of emphasizing the fact that the refugees are ‘guests’ and will leave eventually. They should allow refugee children to attend schools alongside Turkish children and establish more opportunities for community interaction.

3. **International Cooperation:** International cooperation and coordination between nations, the UN, and NGOs is vital to solving the refugee crisis. Turkey hosts one of the largest refugee populations in the world, and it is unreasonable that they should have to shoulder all of the responsibility. While it is understandable that other nations have their own domestic concerns and limited resources, it is the same situation everywhere. However, the solution of pushing refugees into other countries or forcing them back to Syria is only a short and highly immoral solution. So, Turkey could ask for more international cooperation: not only in terms of monetary aid, but also in accepting refugees.

**Constraints**

In order to implement the solutions mentioned above, there needs to be cooperation from the Turkish government, Turkish citizens and the international community. The Turkish government itself is the biggest problem at the moment. The current president is often seen as a polarizing force, but there is no sign of him stepping down anytime soon. Labour policy reforms and integration strategies usually require the government to take action, and nothing can be done without their cooperation. Another problem is the public sentiment. The citizens elect government representatives, and the government influences the citizens with their party ideals. So, in order to ensure the future success of the labour and social reforms, there needs to be change, cooperation, and contribution from both the government and its citizens.

**Conclusion**

The problem of Syrian refugees is an ongoing issue in Turkey, and it is clear that it will not be ending anytime soon. The economic burden refugees place on Turkey is apparent; however, to blame an entire economic crisis on them is unreasonable. The biggest concern that the citizens have about refugees is that they are taking their jobs and depleting the nation of money by relying on government support. Even so, there has been no conclusive evidence of refugees replacing Turkish citizens in the formal workforce, and instead data shows that many refugees are working in the informal sector or unable to find employment due to government regulations. Solving the issue of the informal sector and refugee unemployment would automatically lead to Syrian refugees relying less on government support. Therefore, the focus of the government should be to change labour policies and integrate refugees because by doing so will prove to be more effective in the long run.
References


