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Labour Market Impact of Syrian Refugees in Turkey: The View of Employers in Informal Textile Sector in Istanbul

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Abstract

In less than a decade, Turkey has become home to some 4 million Syrians due to the bloody conflict across much of its southern border. That only a fraction of those refugees live in designated camps with the overwhelming majority spread about the country has led to hostile sentiments among some natives who blame Syrians for taking away their jobs. Still, research about the impact of Syrians on Turkish labour market outcomes is too limited. Empirical findings analysing micro-level data find either no impact or just abysmal changes to natives' formal employment rates but rather declines in rates of informal employment. This paper presents the findings of a three-month fieldwork in Istanbul's informal textile sector. Looking at the issue from the view of employers, it shows that "on average" country-level findings of the empirical analysis might be quite simplifying and sometimes inconsistent depending on the context. By just looking at the issue in a specific/neighbourhood setting, namely informal textile sector in a rather homogenous urban neighbourhood where the main competition in jobs are between Kurds and Syrians, this study shows that employment rates of natives declined in that specific field due to other factors independent of the Syrians and interestingly even predating their arrival to Turkey. The war-fleeing migrants are understood to have rather taken jobs no longer desired by the natives and generally paid lower wages than natives for doing them. This study particularly raises the role of skill gaps in the local market, changes in the meaning of work in the local population and informal-formal sector interdependence due to price pressures by global value chains in understanding the effect of refugees on locals' labour market outcomes.

Keywords: Syrian refugees; labour market; textile sector; informal labour; employers.

Introduction

Since the civil war began in 2011, millions of Syrians have fled their homes and majority of them migrated to neighbouring countries. (Yazgan *et al.* 2015) As a result, Turkey has become the world's largest refugee shelter with its open-door policy for Syrians. (Togral-Koca 2015; Sirkeci 2017) According to the UNHCR Population Statistics, the highest number of Syrian refugees are living in Turkey (63.9% of Syrian refugees worldwide as of December 2018) and the UNICEF has also declared Turkey the country with the highest number of refugee children in particular. As only a small proportion of this population is hosted in temporary accommodation centres (only 63,518 out of 3.6 million registered Syrians, as of April 2020), social and economic consequences of having this big influx of Syrians in Turkish cities already strained under high level of unemployment and income inequality particularly after 2015 would not be completely unexpected.

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The recent availability of data about the population distribution of Syrians among Turkey's different regions has allowed researchers to analyse the effect of Syrians on various social, economic and political issues. The impact of Syrians on the natives' labour market outcomes has also received some attention as those migrants have been accused of seizing jobs from natives and suppressing their wages through increased competition. A simplistic theoretical framework suggests that immigration leads to an increase both in labour supply and demand with the former shifting more than the latter, which in equilibrium causes a decline both in natives' wages and employment rates. However, empirical literature offers an ambiguous effect of immigration on natives' labour market outcomes. The early strand of literature argues that immigration has only negligible effects on the wages and employment of the native population in the short run as immigrants were argued to be poor substitutes for the native workers (Antonji and Card 1991; Goldin 1994; Pischke and Velling 1997). Therefore, the effect of immigration on natives' labour market outcomes was argued to prevail only in the long-run (Friedberg 2000; Weiss *et al.* 2003; Cohen-Goldner and Paserman 2011). Borjas *et al.* (1996) criticised those findings as they did not consider the spill-over effects of migration, such as internal displacement of native workers. The second strand of economic literature employed a different theoretical approach, which assumed that immigrants and natives were close substitutes for each other. Unlike the earlier literature, those papers suggested a sizeable effect of immigrants on the labour market outcomes of natives (Card 2001; Borjas 2003; Angrist and Kugler 2003; Borjas and Katz 2007; Card 2009; Ottaviano and Peri 2011).

All those research was, however, dealing with the effect of rather voluntary migration to developed countries in a non-experimental setting, which had various disadvantages about their identification due to self-selection bias and, instrumental variables strategy has been employed to address this problem. The usual way of explaining how the labour market outcome of natives are affected by migration influx (informal/formal employment, labour force participation, unemployment and so on.) is through shares of immigrants at the level of analysis together with some other control variables. However, immigrant sorting into regions with higher economic potentials also causes biased findings in this type of methodologies. Using a quasi-experimental setting in both developed and developing countries, some researchers have investigated the effect of involuntary mass migration flows on the natives' labour market outcomes and the majority of those studies have found either no or just negligible effect. Card (1990), for example, analysed the labour market effect of a sudden 7% increase in the labour supply in Miami and concluded that it had virtually no effect on the wages and unemployment level of less-skilled natives. Hunt (1992), likewise, studied the effect of the 1962 Repatriates from Algeria to France and showed only a minor effect on the unemployment (0.3 percentage points increase) and wages (average annual salaries are found to decrease by at most 1.3%) of non-repatriates.²

As the civil war in Syria resulted in a massive refugee outflow, a natural experiment setting was born for analysis of the effect of Syrian refugees on natives' labour market outcomes in a number of neighbouring countries including Turkey. Ceritoglu *et al.* (2015), for example, used a difference-in-differences strategy at the NUTS2-level in Turkey to investigate the effect of refugee inflow on the labour market outcomes of native population aged between 15 and 64. They find that the likelihood of working in the informal market for natives dropped by 2.2 percentage points in the treatment regions that had over 2 per cent refugee population as a share of its total population and, 1.1 percentage points of that decline are argued to have left the labour force with another 0.7

² For other examples also see Carrington and de Lima 1996; Friedberg 2001; Mansour 2010; Glitz 2012; Aydemir and Kırdar 2013; Maystadt and Verwimp 2014; Cohen-Goldner and Paserman 2011; Baez 2011; Ruiz and Vargas-Silva 2015.



percentage points staying as unemployed and the remaining 0.4 percentage points switching to a formal job. More interestingly, they found that these effects were not through job separation of natives but rather through diminishing their job-finding probability. Del Carpio and Wagner (2015) used an IV strategy to investigate the effect of Syrians on natives' labour market outcomes and like Ceritoglu et al. (2015) they also studied individuals aged 15 to 64. They claimed that Syrian refugees in Turkey caused a statistically significant effect on the displacement of informal, low-educated and female workers.³ Moreover, Bagir (2018) found statistically significant and negative effect of Syrian refugee influx on the wages and employment of the low-skilled and less-experienced workers analysing the Household Labor Force Surveys.

Despite economic contributions of Syrians in Turkey⁴, they are blamed to have negative economic effects according to the perceptions of native population in Turkey. A particular survey showed that Turkish people were concerned about their labour market conditions being changed after the arrival of Syrians, and a striking 69% of them agreed in 2014 with the statement "Syrians take our jobs" (Erdogan, 2015). When they were asked about their concerns in the future in a following survey in 2017, 51.4% of natives favoured the idea that the Syrians will seize their jobs (Erdogan, 2017). Besides, only 8.2% of the respondents agreed with the statement "Syrian refugees are beneficial for the Turkish economy" in the 2017 Syrian Barometer survey of more than 2,000 natives.

This paper is a humble attempt to understand the effect of Syrians in the informal textile sector and see if the common beliefs in the Turkish society and findings of the regional empirical analyses would also be supported in a micro field study. With this aim, I conducted a three-month fieldwork in 2016 in informal textile ateliers⁵ in Kucukkoy, a district of Istanbul famous with sweetshops⁶ where the neighbourhood is rather homogenous in terms of its ethnic background and competition for jobs in those ateliers are mainly between Kurdish and Syrian residents. In-depth interviews were completed mainly with the owners of ateliers in order to understand how their production and hiring/firing has changed after the arrival of Syrians. However, interviews were also conducted with both Turkish/Kurdish and Syrian employees⁷ to triangulate the information taken from employers about the salaries and working conditions. Although this study cannot be generalised to all the sectors in Turkey or even over the textile sector in different regions, it aims to contribute to the literature by reflecting on the issue from a unique point of view – that of employers in the informal sector.

Background

The inflow of Syrians to Turkey was rather at low levels in late 2011 (it was 8,000 in December 2011) but the figures rapidly grew since 2012 and reached to 3.6 million in April 2020. The

³ Also see Akgündüz et al. (2015), Binatlı and Esen (2016), Koyuncu (2016), Lordoğlu and Aslan (2015), ORSAM and TESEV (2015), Korkmaz (2017).

⁴ For example, World Bank (2015) report shows that 26% of the newly established firms in 2014 had either Syrian ownership or capital.

⁵ There were also a few registered ateliers but either some of their workers did not have social security registry or they were employing Syrian refugees in the time of fieldwork.

⁶ Atşalanı, Esenler and Merter are also districts with lots of textile ateliers (both formal and informal) who pay in weekly/monthly basis. Çağlayan is another district of textile ateliers but they usually work on daily basis. In other words, they pay their workers daily given the number of pieces they complete in a day and they have worse working conditions. All these regions are famous with employing Syrian refugees.

⁷ It was too difficult to talk with employees as there was always a time pressure in their work as they were paid according to their performances which was measured by the number of pieces they were completing. For those, I had a chance to talk, I either talk to them during their lunch or tea/coffee breaks or while they were working.

introduction of identity cards for Syrians in December 2014 made it easier to measure the total population of Syrians living outside the camps though it is widely suspected that even 3.6 million remains an underestimation as there are believed to be Syrians living in Turkey without any registration due to various concerns⁸. In addition to enabling a more proper count of Syrian refugees in Turkey, these cards also provide direct access to health, education and aid. However, the cards are provided given the province Syrians reside in and they are invalidated if their holders move to another province without the approval of the Directorate General of Migration Management within the Interior Ministry in Ankara. This also means that Syrians who live in a province other than where they are registered can neither benefit from the free public services nor apply for a work permit.

In January 2016, Syrians are allowed to apply for work permits. Its conditions are explained in the law 'Work Permits of Foreigners Under Temporary Protection' (*Geçici Koruma Sağlanan Yabancıların Çalışma İzinlerine Dair Yönetmelik*) published in the Official Gazette. It is stated that Syrians under temporary protection are able to apply for a work permit six months after getting their temporary protection ID cards. However, those working in the agricultural sector are exempted from the work permit application. There are also eligibility rules related with the firm they plan to work. For example, the total number of Syrians in a firm that will employ a Syrian worker with a work permit cannot be more than 10% of native workforce. There are also restrictions of employing Syrians in small firms. The legislation stipulates that only one Syrian refugee can be employed formally at firms with a size of less than 10 employees. These quotas can be eliminated only if the firm owner proves that there is a scarcity of native workers able to work in the same position with Syrian worker for the previous four weeks of work permit application. Furthermore, it must be noted that those work permits are not permanent and the application must be renewed at each time Syrian workers change their work places. Besides, not Syrians but the company owners are asked to apply to the provincial head office of the Turkish Employment Agency Directorate General. So, in fact, the Syrian work permit provided by Turkish authorities should rather be seen as a 'permit to employ Syrians'. Strikingly, the total number of Syrians with a work permit is only 34,573 as of April 2020.⁹ Saying this, the majority of Syrians in Turkey work in the informal sector without any social security registration and insurance. In addition to working in the informal sector, as Kayaoglu and Erdogan (2019) present, employment rate of Syrian refugees in Turkey is around 40 percent where half of those employed work either in irregular/seasonal jobs or as unpaid family workers.

Data and Methodology

Empirical analyses in this paper use the primary data collected during three-month fieldwork (between April and June 2016) in the neighbourhood of Kucukkoy in Istanbul where it is impossible to escape the deafening noise of textile machines used in small and medium-size informal ateliers scattered around. I talked with the owners of nine ateliers and also had conversations with twenty-one Syrian and twelve native textile workers. The average age of Syrian interviewees was 22, although it was 34 for the native sample. Moreover, the proportion of female workers in the native sample was much higher than the Syrian sample. Only two individuals in the Syrian sample were women. This was mainly because of the comparatively low levels of Syrian women in the research

⁸ See Deniz et al. (2016) who argued that many Syrians in the border cities were afraid of being labeled as traitors by their secret service once they will be registered in Turkey. Therefore, those who had a plan to return Syria were preferring not to register.

⁹ See <https://multeciler.org.tr/turkiyede-calisma-izni-verilen-suriyeli-sayisi/>



field. During the interview, a 19-year-old Syrian man from Aleppo who once had a dream of becoming a doctor gave a clue about this gender imbalance:

“The life style here in Turkey is very different than ours. For example, here women are working side by side with men. It is not appropriate for us [*Syrians*]. We prefer our women to stay at home and take care of domestic work. If they work, they should work in places where there are only women. But Istanbul is very expensive. It is not possible to maintain a family life with just one wage. If you see a Syrian woman working outside, you would be right to assume that their financial situation is extremely bad.”

However, this view is rejected by a Syrian Kurdish woman aged 32 who was working in one of the informal textile ateliers. She claimed that this kind of view depends on the culture and argued that Syrians from Aleppo, particularly from rural areas, are more conservative. Still, among nine ateliers that were visited, only two Syrian women workers were observed and the rest of Syrian workers were men, with a sizable proportion being below age 18.

Since it is very difficult to enter in the informal businesses for a fieldwork, personal links are used to find connections. A childhood friend was chief-worker in one of the ateliers and he helped me to build a trust with his employer who was my first interviewee. He then referred me to the owner of another atelier and a longer chain of interviewees emerged in the same manner. Apart from this snowballing technique, random data collection was also used but it was more difficult to get the consent of employers in those ateliers as they were suspicious of my motivations and worried that I could report them to authorities. Visits to the ateliers are ended when saturation is reached, in order words, after realising that owners or managers of those ateliers were giving similar answers to research questions. During the fieldwork, the views of owners in hiring and wage-setting decisions for Syrians are questioned. Qualitative content analysis is employed to categorise and identify major themes from the narratives which are presented below.

Saying this, one must also note the limitations regarding the sample. First of all, the data is just collected in one district therefore its results should not be generalised for the impact of Syrians in other districts and sectors. Second, the study focuses on the viewpoints of employers as the research question of this paper was to understand how Syrians changed the employment and payment behaviours of firm owners. Therefore, employees are only interviewed shortly¹⁰ to triangulate the already collected data about their wages and working conditions. Thus, their full views are missing in this study and a planned future research will focus on their aspects.

Still, the paper has two main contributions. First, it addresses an important issue in a field which is comparatively very difficult to collect data and, it is the first study analysing the effect of Syrians in the informal sector in Turkey using a qualitative data. Second, it aims to contribute and give insight to the existing studies about the role of migrants in the local labour markets by looking at the issue with a different lens, namely forced migration and informal economy nexus.

Hiring Decisions of Textile Atelier Owners

When employers are asked about the widely-argued displacement of native workers because of Syrians, interestingly all of them suggested that they were already seeing their workers quit textile

¹⁰ Another reason of conducting shorter interviews with employees was their very tight work schedules. Informal employees working in the field area had only two 10-minute breaks before and after the lunch break. Moreover, their lunch break was maximum 1 hour. As they were also working non-stop, it was not possible to conduct longer interviews. Moreover, except 2 employees, the researcher is not allowed to talk with employees during the work hours.

jobs before the arrival of Syrians. Majority of employers turned out being thankful for the presence of Syrians since they argued to have difficulty filling up positions domestically before. For example, a 38-year old manager with an experience of almost 15 years in the textile sector has put it as bluntly as the following:

“When the Syrians came, no replacements or transfers happened. We had too few a workforce before Syrians. So, we had a low production capacity. Syrians added a supportive force to production. In short, we didn’t lay off workers because of Syrians... We need skilled labour at contracted sewing business. It makes no difference if by Turks or Syrians, what really matters to us is that we could produce as much as we are supposed to.” (manager, 38 years old, male)

Besides, they have argued that the young generation in Turkey does not want to work in the textile sector and as the textile work requires good physical health on top of apprenticeship training, firms are preferring to employ the young population though there is not enough labour supply among natives, as employers claim. For example, a 65-year old business owner who started to work as a textile employee himself during his childhood and later built his own atelier gave the following testimony in visible disgust towards young native labor force:

“My girl, I’m 65 years old and I’m still working but youngsters don’t. Let’s go outside now together and we’ll see many of them drinking beer, smoking pot or taking drugs. People say there’s unemployment in Turkey. Not at all! Go ask all firms and they will complain of scarcity of workers. I would hire the next Syrian coming through this door because there are no Turkish workers in the market anymore. No workers, really! People got used to being comfortable elsewhere.” (65 years old owner, male)

However, these accusations of employers should be approached with caution considering the working conditions in these ateliers. Both native and Syrian employees complained about the working conditions but stated that they have no other options. Workers do not have social security registration and their wages are generally lower than or equal to minimum wage. Moreover, Syrian refugees, but particularly those who do not have temporary protection cards, are paid much lower than natives. In some cases, their payments are even delayed or at worst not paid. These wage differences between Syrians and natives are also documented by Aksu Kargin(2018) in the case of Hatay and Gaziantep provinces. Apart from lower payment without insurance, these ateliers do also have worse working conditions which operate generally in the basements. A Kurdish employee in one of these underground ateliers told his situation openly;

“Look at this place. Who will be willing to work here? I do it because this is the job I do since my childhood. I wish I continued my education so that I would not be in this dust and had a better job.” (38-year-old, employee, male)

This problem of labour supply scarcity is even more severe in informal ateliers as they are usually doing sub-production or contract manufacturing (*fason* in Turkish) type of production and, this requires them to have a certain level of production completed at each day otherwise they are not able to get next order from the ‘boss firms’¹¹ as they call it. High price pressure from

¹¹ These are contracted firms who get orders from international companies or from internal market but not able to complete the job themselves due to the price pressure by the ordering firm. So, they order certain stages of the job to different informal textile ateliers who do it cheaper which enables them having enough margin to make profits.



international companies leads formal textile ‘boss firms’ to work with informal ateliers. For example, if a jacket has to be produced by a maximum 20 TRY (which is set by the international ordering company) and if this order cannot be produced by the formal firm because of their costs, then they work with an informal atelier who agrees to do the job for 12 TRY. This way enables them to keep getting orders and making profits. The field research also found that there are specific employees in formal textile firms who visit informal ateliers and get price offers for a particular order. Thus, the interdependence of formal and informal textile sector breeds the informality in Turkey and causes the price pressure on informal ateliers which is, according to some employers I interviewed, an important reason of low wages they pay for their workers. Decreasing labour supply from the native population partly due to bad working conditions seem to open a door for Syrian refugees to work in these informal jobs as many of them are ready to work at any job to survive in urban areas. Saying this, it was remarkable that all of the employers complained about the lack of labour supply from the native population without mentioning the low wages or bad working conditions in their ateliers which can be illustrated by the quotation below:

“Frankly, we have difficulty finding Turkish staff in textiles sector since there is scarcity of them looking for a job. We hired Syrians because Syrians came to us looking for a job. We would have hired Turks if they had come. For instance, we replaced 4 Syrians with another 4 Syrians while we hired 2 Turks past month.” (38 years old, manager, male)

There were some concerns about the role of retail sector in urban areas and the rise of shopping malls in city centres on attracting the young lower-educated population. The textile atelier owners did generally declare that young people are no more willing to be involved in hard work but rather willing to have a job in shopping malls and be paid the minimum wage anyway. When I compared the ‘bad’ working conditions in their ateliers with the environment in shopping malls such as being less noisy, shinier, cleaner and less-demanding physically, some employers claimed that those retail sector jobs do not teach the youth any skills. As exemplified in the interview cited below, many of them criticised the young population about their choices:

“Our fellow citizens here don’t work. All of them are at coffeehouses. We can’t find new recruits. Nobody wants to develop any skills anymore. They prefer to work as a security guard than at textiles. So much so, it’s like we are producing one day but unable to do so the other day. We will end up being more and more dependent on imports eventually.”(owner, 37 years old, male)

Interestingly, improving the working conditions did not seem to be on the agenda. It seemed that this working conditions were also faced by employers themselves once they were employees in textile ateliers. This could also be another reason of harshly criticising the youth who are claimed to disfavour textile jobs. Except one case, all the rest were once child labourers in the textile ateliers.

When I tried to understand their hiring decisions and how ethnicity plays a role, I realised that they were all very much profit oriented. In other words, majority of them did not care whether their workers are Syrian or Turkish but they rather have expectations about their daily performances. Given their earlier experiences, on the other hand, some of those atelier owners displayed prejudices about Syrians and their working styles claiming that Syrians are used to live and work in comfort. For example, an informal atelier owner explained this as follows:

“Most of them (Syrians) are not willing to work. They are lazy people like our new generation. They offer bad quality production even if they work and because of that I wouldn’t hire Syrians.” (owner, 37 years old, male)

There were also various concerns about the work performance of Syrians in comparison with the native workers. All of the ateliers had a very tough work schedule. On average, they start working at 8 am and finish at 7 pm. There is a one-hour lunch break in the afternoon and twice a 10-minute coffee/tea break during the day. Imagine working in a very dark, noisy place filled with a thick smell under such a schedule, you can understand how difficult it is to keep up with this work routine. However, as owners of the ateliers I interviewed had all started to work in textile companies themselves at a very young age (mostly as child workers), it seems that they internalised this work schedule so much that it was rather shocking for them if, for example, Syrians demand extra tea/coffee breaks. One employer stated that:

“Syrians got used to comfort. They wouldn’t work like Turkish workers. They are calm and they don’t worry if the day’s quota is readied or not, if they make money or not. While they were in Syria, they could live with just a single-family member’s income. They got used to that comfort.” (owner of an informal textile atelier for 5 years, male)

However, this view has been criticized by a 17-year-old Syrian employee who argued that:

“We are not lazy but life conditions in Turkey is so tough. I was a high school student in Syria and was not planning to be an employee in such an atelier. War caused this. My father was a textile worker in Aleppo but there they were starting to work around 11 am and finishing late. So, they were still working long hours but conditions were better and they were paid better. Here we try to obey the rules but not easy to be changed so fast. For example, child labor was not common in Syria. Boys were helping their fathers or working in a firm to learn a profession. Here you see many Syrian children working with very low wages. And, everything is according to tight rules. Even cars are parked in an order. Culture is different here.”

In addition to concerns related to work performance of Syrians, there were also some considerations about the insecurity or risk of hiring a Syrian refugee. It was sometimes about the lack of registration in Istanbul or concerns about how the survival strategies of Syrian workers handicapping them as they try to decide about their production plan. For example, they complained a lot about low levels of loyalty by refugees as they were argued to change work places often if they are offered slightly higher wages elsewhere. Interestingly, low wages or Syrian refugees hardship living in Istanbul in crowded families were not questioned. Employers had rather positioned themselves as people who made favours to Syrians and gave a ‘bread’ to them and, therefore expecting loyalty in return of whatever their wages. You can see those feelings clearly from the quote below:

“I don’t hire Syrians. Not because they don’t do any work but because they quit and go elsewhere the moment they are offered 50 lira more. They are opportunistic. They want higher salaries. For instance, I had a Syrian machine operator and I was paying him 500 lira a week. He was offered 550 elsewhere and he left, letting me down.” (owner of the atelier for 16 years, male)



This lack of trust towards Syrian workers created extra roles for the previous or well-performing ‘loyal’ Syrian workers because they act as job finders for their fellow Syrian friends. Employers are found to prefer hiring new Syrians through already established contacts. Those early workers, irrespective of their ages, have usually better knowledge of Turkish language which also makes them a bridge between employers and Syrian employees. Thus, they at least help solve the problems related with the language at the early periods of employment. These issues are often raised in my interviews and the following quotes might help to understand their role better:

“I wouldn’t hire a Syrian now because it doesn’t work out. There were two kids once. I didn’t know one of them was Syrian while I was hiring him. He spoke Kurdish well. Then I learned he was Syrian. Later, my Kurdish-speaking staff quit and that Syrian boy was left here. We cannot communicate with him anymore, losing time trying to explain him all the work.” (owner of the atelier for 16 years, male)

“When hiring, we apply standard procedures for Turks like asking for a clean criminal record but we cannot do the same with Syrians. Current Syrians bring fellow Syrians in for a job. So, it’s mostly through such recommendations for them.” (a 38 years old manager with an experience of almost 15 years in the textile sector, male)

In terms of the substitutability of Syrians in those textile ateliers, many employers argued that they never can be seen as substitutes to the native workers because they always have a concern in their minds about the uncertainties of hiring them. Interestingly, employers did not seem to question their low payments to Syrians or having an efficiency wage to make sure they stay long term in their ateliers. They were rather willing to have them work at the condition that is offered by the employer. If Syrians bargain about their wages, they were even accused of being cunning and, as one interviewee put it, ‘learning the rules’ in Turkey. Overall, employers were also not sure about long-term stay of Syrians in Turkey and this, as they argued, prevents them from hiring more Syrians in their workforce. In other words, employers I interviewed were not willing to hire Syrian refugees as workers but they were feeling obliged to do it simply because of low labour supply from the native population, as you can also understand from the statement below:

““We could have expanded our Syrian workforce to cut salary and thus expenses but it wouldn’t be wise to build an only-Syrian workforce since they don’t have papers. It’s like they may work here for two days and tell us they are going to Germany on the third. Or they would go back home once the war is over. Imagine a statement on an armistice or the end of war coming out, there wouldn’t be a single Syrian left here. We would experience a 50% drop in production when every other Syrian goes home in such a scenario. And even if we could replace them with Turks, it would take time to train the newcomers.” (owner of an informal textile atelier for 12 years, male)

The Effect of Syrian Refugees on the Wages of Native Workers

In addition to learning more about the hiring process and current problems of those small ateliers, I also wanted to understand how the Syrian influx affected the wages of natives. In that aspect, there were interesting findings. Although the popular belief suggests a negative effect of Syrians on the wages of native employees¹², the labour process in the informal textile sector seem

¹² Syrian Barometer 2017 and 2019 show that majority of natives have negative perceptions about the impact of Syrians on the labor market. Moreover, as listed in the Section 1, microeconomic analyses provide evidence of the negative wage effect of Syrians on the low-educated, less-experienced workers who are mainly employed in the informal sector.

to work in a different way. Wages are already low in those informal jobs¹³ and there is an obvious lack of labour supply which makes it difficult, if not impossible, to decrease the wages of native workers by employers as they are in need of keeping their already hired workers to be able to finish their daily production on time.

Moreover, I found out that some native employees asked to have higher wages when they see that a Syrian employee starts working next to them with almost the same wage. There were even cases where Turkish employees quit because the employer rejected to give a pay raise to them after recruiting Syrians. These kinds of reactions and demands for a wage increase by native workers put employers in difficult positions, as they argued, in terms of hiring Syrians:

“Most Syrians are lazy. And since it is like that, Turks began to complain about being paid the same although they are far more productive, asking for pay raises. We were negatively affected as a result.” (owner, 5 years of experience, male)

“It turned out bad that they came. How so? Skilled workers got angry and quit because of them. Why? Once a Syrian comes, you kind of have to hire him to increase production or just hire him because you are sorry for what happened in Syria. You say ok let me give him this much of salary and he would work. Then your current employees start to complain about how much that Syrian is paid although he is not skilled at the job first. I lost 5-6 workers because they got angry like that. Alas, we already gave them pay raise from 1100 to 1300 Turkish lira a month but then the government raised the minimum wage to far above. How could we cope with that?” (owner, 12 years of experience, male)

As it can be understood from the quotations above, salaries paid to native employees were already low and in many cases lower than the minimum wage. Although employers of informal textile ateliers blame Syrians for native's demand of a higher wage, native workers interestingly claimed that their low wage is not because of Syrians but because of employers who do not pay enough. One interviewee even mentioned his sorrow for Syrian workers because, according to him, they are paid so low and cheated by employers. Thus, the interviews with employees showed that, on the one hand, wages of natives did not increase because Syrians were ready to work at lower prices, and this led some natives quit their jobs. And, on the other hand, Syrian employees argued that they are paid lower than their native colleagues and, in some cases, their payments are postponed for months or not paid at all. Not being paid on time causes these workers to stay in those ateliers with a hope to get their payments. Saying this, the accusation of some employers about Syrians unexpectedly changing their workplaces and therefore abruptly crippling their production capacity is questionable.

Moreover, although the employers I interviewed argued that they pay all of their workers according to their experience and performance, and not by their ethnicity, they mentioned that there are aware of the abusive behaviours of some other employers in the sector. Many interviewees, for example, argued that there are textile firms where Syrians are paid very low wages or required to continue working in ateliers although not being paid on time. One employer said:

¹³ The field research with workers showed that females (whether Syrian or not) are paid always lower compared to males even if they do similar jobs. On the other hand, the wage is usually lower than the legal minimum wage except in cases where the worker has an expertise or experience. Moreover, our field data showed that Syrian male/female workers are paid lower than native men/women..



“I hear stories of employers who hire Syrians for 2-3 months and don’t pay them their promised salaries, citing bankruptcy as an excuse.” (owner of an atelier since 5 years, male)

Some employers also claimed that labour market conditions of Syrians are changed through gaining more experience and skill in the textile ateliers as if it should not be the case. Syrians are criticized for bargaining over their wages and asking for more. Saying this, it must be noted that the wages offered to Syrians, as observed in the research field, were always lower than their native counterparts. The following quotes are plainly summarising those views of employers:

“Syrians conditionally accept our salary terms. For instance, if we promise them 800 lira a month, they want 900 lira next month. And we do agree to pay raises if their performance gets better. When they first came to Turkey, they were OK with whatever we offered but now they aren’t like that. Now they have a self-confidence and experience of having lived here for so long. Because Syrian-seeking firms increased in number, now they think they could find a job elsewhere. Still, the unskilled among them are accepting anything.” (owner, 12 years of experience, male)

To sum up, although there were concerns about losing native workforce, increasing level of uncertainties due to employing Syrians and low performance of them, employers had a consensus that there is overall a positive effect of Syrians on their sector because they were able to complete their daily orders thanks to them. However, they have many concerns about the future of their businesses such as lower amount of orders from abroad or low profit margins due to price pressure from the international companies. Those employers who were hiring Syrian workers claimed that employing Syrians was in fact a coping strategy for them in such a business environment as can be seen in the following statement:

“If the Syrians hadn’t come, half the ateliers in textiles were closed down and the sector would have been ruined today. So, it was very good for Turkey that they actually did come” (owner, 65 years old, male)

Conclusion

Understanding the labour market effect of Syrian refugees in Turkey is crucial because the popular beliefs about their negative effects both on wages and employment of natives increase tensions in the society. Empirical evidence so far argues that on average Syrians had small but negative employment effects on informal, low-educated and women workers in Turkey. Moreover, those studies suggested that job finding the probability of those groups decreased because of Syrian influx into the country.

This study does not challenge macro-level studies but instead aims to understand the labour process and effects of Syrian refugees in the informal textile ateliers in Istanbul and to see how empirical findings which present ‘on-average’ findings could be different in various contexts such as industry, informality and neighbourhood of firms. The micro findings can be very different from each other. This study suggests that neighbourhood, sectoral conditions and firm dynamics are all related to the effect of Syrian refugees on the wages and employment of natives.

The testimonies presented in this paper suggest that Syrians did not cause a decrease in the wages of natives, but they, in fact, in some exceptional cases even caused an increase. However, lower wages paid to Syrians resulted in zero or small increases in the wages of natives, and this

resulted in quits of native workforce in some cases. Therefore, although employers have argued that Syrian workers have not replaced native workers, lower labour supply of natives for bad working conditions and Syrians' vulnerabilities causing them to accept lower payments caused a higher proportion of Syrians than natives. Therefore, although some employers had concerns about employing Syrians, they seemed to be obliged to hire them due to lack of labour supply from the native population. Syrian workers are eventually argued to have improved the production in those ateliers, and their entrance into the country is rather welcomed by the owners of informal textile ateliers, at least in this regard. It is important to note that employers that are interviewed did not provide any views about improving their work conditions, and they were complaining about the workers who are not willing to work in their ateliers. They somehow internalise these working conditions and argue that these conditions were what they had since their childhood as child workers. Thus, it seems that exploitation of both native and Syrian employees will continue unless inspections for these informal ateliers increase and a voluntary disclosure scheme give them an incentive to formalise and offer better working conditions to employees. Decreasing the level of informality is a very long-term process considering the high level of it in Turkey. Therefore, during the transmission phase, it should also be ensured that employees are paid regularly as promised. This is particularly important for Syrian workers as they do not have any legal institution to ask for their rights since they are employed informally and, in many cases, without a temporary identity card.

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