

# Integrating refugees into the Turkish labour market

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**The granting to Syrian refugees in Turkey of the right to access formal work was a first step towards their economic integration but a number of challenges remain. With support from the international community, the Turkish government is taking action to overcome some of these.**

Turkey hosts nearly 3.3 million registered refugees, mostly from Syria. The country has shown exemplary openness, and has made considerable efforts to support Syrians despite the strain on social services. It has facilitated their access to critical public services including health, housing, education and social assistance.

Recognising that refugees cannot rely solely on social assistance, however, the government of Turkey passed a regulation in January 2016 to allow Syrian refugees<sup>1</sup> to obtain formal work permits. The goal was to help Syrian refugees be economically independent, graduate from social assistance, and contribute to the Turkish economy.

Economic development varies widely across Turkey and in some cases divergence between regions has increased over the last few years. Rising general unemployment (peaking at 13% in early 2017) and persistent youth unemployment (with a national average of around 19%)<sup>2</sup> highlight that the number of jobs available is insufficient to absorb all job seekers.

Ominously, many of the provinces with a large population of Syrians relative to the local population and to the total Syrian refugee population in Turkey are among the most disadvantaged, having significantly lower density of formal businesses, low net formal job creation, a less educated

population, lower labour force participation and higher unemployment rates than the national average. Statistics compiled by Turkey's Disaster and Emergency Management Agency, the Ministry of Health and the World Health Organization suggest that at least half of the over two million working-age Syrians work informally. Of these, most are men; the percentage of women working is low, peaking at 7% among women aged 30 to 44.

### Barriers to formal economic integration of refugees

Refugees currently receiving cash support from the EU-financed cash transfer (social assistance) programme risk losing benefits if they work formally. There are also location-related disincentives since the place in which a refugee is registered determines where they can seek formal work. Therefore, many Syrians who have moved to more dynamic labour markets such as Istanbul, Ankara and Izmir cannot seek formal employment there unless they change their registration location – a cumbersome and costly administrative procedure.

Low education levels and limited data on the types of skills and experiences of Syrians living in Turkey are further barriers to facilitating their employment. Data from before the war show that in the provinces near the Turkish border, Syrians' educational attainment was low compared with that of Turkish people. Around 20% (from Aleppo and Idlib) were educated to secondary- or post-secondary levels. Estimated figures are lower (15%) for people from Raqqa and higher (40%) for those from Lattakia. In Turkey, on average around 45% of people have completed secondary or post-secondary education. Syrian refugees' lower levels of education and lack of recognised or formally documented skills are associated with the low issuance of formal work permits.

The Ministry of Labour (MoLSS), Turkish Public Employment Services (ISKUR), the World Bank and the European Union are collaborating on two joint programmes to adapt services that are already available to Turkish citizens in order to support Syrians. These programmes, Employment Support for Syrians under Temporary Protection and Host Communities, and Strengthening Economic Opportunities

for Syrians under Temporary Protection and Host Communities in Turkey, were designed in 2017. Their activities are aimed, respectively, at addressing supply-side challenges (relating to employability) and demand-side challenges (relating to employment and economic activity) and will be implemented from 2018 to 2021. During the current pilot phase of each project the aim is for services – and, where possible, jobs – to be provided to 15,700 people; the systems now being set up will later provide for thousands more.

### Labour supply-side activities

'Supply-side' activities in the case of Syrian refugees in Turkey address challenges which hinder their access to formal work (namely, access to a work permit), as well as employability challenges that hinder job placement. Activities include language training, setting up systems for assessing skills, counselling and job search assistance in Arabic, and a variety of financial incentives and support. Beneficiaries can also be referred to the Vocational Qualification Authority for validation of their foreign credentials or assessment of their educational level and work experience.

There is a need for better information to be provided to job seekers about how to obtain a work permit, and for improvements to the still largely manual application and issuance processes. 15,022 work permits were issued by MoLSS to Syrian refugees between January 2016 and November 2017, which was fewer than expected and is indicative both of information barriers faced by refugees and employers and of IT system-related issues hindering the processing of permits. The Employment Support for Syrians under Temporary Protection and Host Communities programme focuses on conducting outreach campaigns via multiple channels and languages to improve knowledge of the process, and on improving the IT system.

Many efforts to provide language and vocational skills for Syrian refugees have been made by various humanitarian and development actors from the first years of their arrival. Some of these efforts were effective in imparting valuable skills that

helped many refugees enter the economy, albeit mostly informally. However, many of the programmes offered were limited in scale, designed largely outside government institutions, almost fully dependent on external funds, and not built on the existing system of labour integration used for the local population. As a result, many training courses delivered were not formally recognised by the Turkish national education system, making it difficult for refugees to secure relevant credentials or formal credit for such training.

As part of the programme, ISKUR has been mandated to help refugees enter the formal labour market, building on its experience of providing employment support services for over three million Turkish citizens annually.<sup>3</sup> It is designing a tool to assess refugees' language, cognitive and technical skills; with this information, ISKUR can help Syrian refugees find jobs, and identify those who require additional training prior to being integrated into the workplace. As with the local population, the training programmes to be offered to refugees will be delivered by public training providers or private training providers certified by the Ministry of National Education, accompanied by a financial stipend for participants.

ISKUR's active labour market programmes for Turkish citizens – such as on-the-job training, entrepreneurship training and cash-for-work programmes – are also being modified in order to be provided to Syrians. During on-the-job training, the participant is employed, with the programme financing the net minimum wage and covering insurance premiums for accidents at work, occupational diseases and health insurance. Receiving on-the-job training

and obtaining Turkish work experience can help beneficiaries remain employed or facilitate their transition to another job.

For those who are the least employable, cash-for-work programming is more suitable, although it is the last resort because it does not, alone, lead to permanent employment. The target populations are women and young people aged 15–29, residing in selected localities. ISKUR finances the gross minimum wage and work permit costs for these workers. Those taking part in cash-for-work programmes are given extensive support to develop familiarity with the workplace, increase motivation and build their networks. Refugee job seekers will be provided with continual support through counselling, job-search assistance, and support when starting a new job, delivered by trained counsellors from ISKUR, and supported by interpreters when needed.

### Labour demand-side activities

An important challenge faced by all stakeholders investing in skills training is the gap in knowledge of the occupations and skills most in-demand by employers, especially in locations where most Syrians reside. The limited availability of reliable information has hindered training providers from designing and imparting appropriate skills programmes to encourage sustainable employment. The first activity as part of the Strengthening Economic Opportunities for Syrians under Temporary Protection and Host Communities in Turkey programme is the creation of a data-based system that assesses employers' demand for occupations and skills, with a special focus on provinces with the greatest numbers of refugees. The information gleaned from this exercise can guide training providers, with changing demands being continuously monitored.

Promoting economic activity and entrepreneurship is also at the core of the demand-side activities. Such activities are being designed jointly by the World Bank and the Government of Turkey to promote entrepreneurship, business start-ups and formal job creation among Syrian refugees and Turkish citizens residing in selected local communities.

Syrian women, particularly those coming from border provinces where very low levels of



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education are common, are unlikely to become economically active in standard private sector wage employment. Thus, the social entrepreneurship support project within the wider demand-side interventions includes an activity targeting women who are bound to a specific location (either within their home or their city) for cultural or family reasons. It promotes the creation of social enterprises to produce goods for sale. Activities include technical assistance to support the government and local authorities to develop and implement a sustainable business model for social enterprises engaging self-employed females, financial support for the creation of the social enterprise, business-related support, and support to document the experiences of social enterprises for scaling-up similar initiatives. The model will prioritise sustainability to ensure that more women become economically active after the initial investment.

About 6,000 formal businesses were established by Syrians in Turkey as of 2017, a figure rising to 20,000 when informal businesses are included.<sup>4</sup> As part of the programme, and with the support of development partners, a micro-grants scheme is being designed jointly with the government to encourage Syrian entrepreneurs to set up and register new businesses or to formally register currently operating informal businesses. A second micro-grant scheme is being designed to target existing Syrian- or Turkish-owned formal businesses located in areas where large numbers of Syrians reside to enlarge their production capacity in order to hire new workers. The pilot phase of the programme will enable the effect on new business and job creation to be measured.

### Evidence and monitoring

During the preparation of the various programmes, expert teams relied on the evidence available from Turkey and around the world. However, the lack of assessments and impact evaluations of labour-related programmes targeting refugees limited the team's ability to build on previous experience, either in Turkey or in similar contexts. Fortunately, all stakeholders agreed on the importance of learning from this experience

to guide future work in Turkey and elsewhere. The teams have therefore designed a strong monitoring and evaluation framework and will undertake periodic assessments. Two lessons have emerged to date.

First, it is critical to identify contextual barriers to employment and employability from the outset in order to address them early on. There is a clear advantage to having knowledge early on about the disincentives for institutions to promote formal employment, for employers to offer formal employment, and for workers to seek formal employment, in order to set out realistic expectations of regulatory changes and investments, and to preempt unexpected (negative) behaviours.

Second, investments to serve people should be made in such a way that they are sustainable and increase the efficiency of spending and effective use of resources. As early as possible, actors should seek to ensure the strengthening of national systems rather than create separate structures that depend on external financial and technical support. In so doing, development practitioners can support governments in strengthening their institutional systems for the provision of critical services, ensuring the sustainability of investments, and better supporting refugees in their transition to self-reliance and to becoming contributors to the economy.

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1. Officially referred to by Turkey as 'under temporary protection' but for ease of reading referred to here as 'refugees'. Law No. 6458 on Foreigners and International Protection, adopted in 2013, and Regulation No. 29153 on Temporary Protection of Syrians, which entered into force in 2014, regulate their protection. Syrians who entered the country after 27 April 2011 were retroactively placed under temporary protection.

2. [www.turkstat.gov.tr](http://www.turkstat.gov.tr)

3. ISKUR (2017) Annual Report <http://bit.ly/ISKUR2017>

4. Karasapan O (2017) 'Syrian businesses in Turkey: The pathway to refugee integration?', Brookings Institution <http://bit.ly/Syrian-businesses-Turkey-2017>