

# A Descriptive Study on Syrian Entrepreneurs in Turkey

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**Abstract**—Immigrant entrepreneurship arises from the start of entrepreneurial activity by immigrants in the country they relocate to. The future prosperity and stability of the refugee-hosting countries depends on the mutual social and economic benefits between the residents and the refugees. Syrian refugees and workers in host countries necessitate efforts to assist their residents and refugees in meeting their daily needs, contributing lawfully to local and possibly regional economies through trade, and instilling hope in their future. This study investigates the effects of Syrian refugee entrepreneurs on host communities' business sectors, focusing on Turkey. Specifically, we examine entrepreneurship in general and its role in the country's economy. Because Turkey is the most popular resettlement destination for Syrian refugees, this study will shed light on the challenges of successful migrant entrepreneurship in Turkey and their role in the business sector. The research relies on a mixed-method approach which helps identify recurring themes, favorable results, and conflicting results across methods, allowing us to draw accurate conclusions. The study will adopt a quantitative method in collecting numerical data from Syrian refugees in Turkey. The self-administered survey would be translated into Arabic to ensure that the respondents understood the questions and possible replies. The research will use survey questionnaires to gather the majority of the data. These surveys would have closed-ended questions with nominal ratio and Likert scales. The data will be analyzed using linear regression and the Statistical Package for Social Sciences (SPSS) to ascertain the role of Syrian entrepreneurs in the business sectors of Turkey. The research will use the findings to make future recommendations. Syrian entrepreneurs, among the migrant entrepreneurs, contribute to the labor market, the majority of whom are young people. This research noted the significant participation of Syrian immigrant women in the entrepreneurship sector. The previous experience of Syrians in the field of trade and running their own business plays a vital role in the success of their business in the host countries. The study shows that Syrian entrepreneurs could integrate effectively into the various Turkish business sectors and could rely on themselves, open and manage their projects, and market them in the Turkish market. Syrian entrepreneurs consider that the investment and labor laws, commercial arrangements, and facilities for obtaining financial resources in Turkey need to be more flexible and available to immigrant entrepreneurs.

**Keywords**—Entrepreneurship, immigration, Syrian, Turkey, refugees, investors, socio-economic benefits, unemployment.

## I. INTRODUCTION

SYRIA'S migration was one of history's most significant waves of displacement. Since the onset of the conflict in Syria in March 2011, an estimated 12 million Syrian refugees have fled their homes. Syrian refugees are the world's largest refugee population. Most Syrians have sought sanctuary in Turkey, with over 3.6 million refugees [1]. The Syrian refugee

crisis continues to be the worst worldwide relocating catastrophe nearly 11 years later. Research shows that 2.7 million out of the registered 5.7 million refugees in Syria reside in Lebanon, Egypt, Jordan, Iraq, and Turkey. Families are still having difficulties accessing resources, maintaining their health, and living their everyday lives as a result of COVID-19, which makes them even more vulnerable [2].

Most refugees, mainly Syrians, have invested in host communities, including Turkey, Egypt, Iraq, Lebanon, and Germany. Most refugees struggle in the labor market, but most have thrived as great entrepreneurs [3]. Fasani et al. assessed the performance of refugees in the EU countries' labor market [3]. The findings indicated that about 11.6% of the refugees have lower chances of having a job, and about 22.1% have reduced employment chances. Abebe argues that refugee entrepreneurship has increased and become more beneficial to host communities due to the drastic growth of scientific research and scholarly mobilization [4]. Refugee entrepreneurship has become the most vital emergent phenomenon.

Since limited studies have been done on the role of refugee entrepreneurs in business sectors in the host communities [5], this study extensively explores how Syrian refugees, among other refugees, play a role in the business sectors of the host communities as entrepreneurs. Since Turkey has received the most significant number of Syrian refugees, this study examines the role of Syrian entrepreneurs in the Turkish business sector. It will try to contribute to defining the general characteristics of migrant entrepreneurs, the most important incentives and challenges that hinder this sector, and provide general recommendations that other countries can benefit from to develop the migrant entrepreneurship sector.

This study focuses on the segment of Syrian entrepreneurs forcibly displaced from Syria because of the Syrian crisis that began in 2011 and continues until now and settled in Turkey. It aims to shed light on the role of immigrant entrepreneurship in the business sectors.

## II. LITERATURE REVIEW

### A. The Concept of Migration

The people who migrate affect culturally, economically, politically, and demographically, regardless of the reasons (voluntary-compulsory) of migration. Their religion, culture, language, and race characteristics affect the population structure of the countries they migrate both qualitatively and

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quantitatively [6]. Immigrants do not represent a single population.

The concept of immigration has many meanings. It refers to the person representing many types of migration, from forced to voluntary, regular to irregular, and permanent to periodic [7].

### *B. Refugee Concept*

The International Refugee Organization actively resolved the international refugee crisis between 1948 and 1951 as it emerged as a significant concern immediately following World Wars I and II.

A refugee is "someone unable or unwilling to return to their country of origin owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion" [8], according to the 1951 Refugee Convention, a key legal document. So, someone seeking refugee status but whose application has not yet been resolved is an asylum seeker.

### *C. Immigrant Entrepreneurs*

The concept of entrepreneurship evolves. According to Audretsch, "entrepreneurship is seen as a process of creating wealth in the society and, in the case of a single firm, replacing old goods and services with new ones and replacing old ones, and this process is called innovation" [9]. Entrepreneurship is important because it provides new employment opportunities and creates awareness about economic activities among people. For these reasons, entrepreneurship can help improve the economic and social conditions of ethnic and minority groups. The importance of entrepreneurial firms for society in creating new jobs is evident.

Independent companies that are at least 51% held by immigrants are known as immigrant-owned companies [10]. Three key elements comprise the entrepreneurial process: opportunity, resources, and teams. Entrepreneurs should be able to recognize market possibilities and be prepared to seize these chances by providing the required goods and services. The opportunity comprises fixed qualities associated with a good or service, such as dependability, appeal, and timeliness [10]. Many business owners view finance as a necessary starting point for every company. However, Timmons and Spinelli contend that a firm needs a good "opportunity" with excellent and qualified team members to succeed in the long run [10]. The team members and the entrepreneur's leadership are critical factors in a startup's success. It should have people on it who have skills like working well in a team, professional experience, creativity, drive, flexibility, communication, leadership, courage, etc. [11].

When migrants grab a chance to invest in the market, migrant entrepreneurship may also succeed in that. Typically, they receive the required human resources from their families, who work together as devoted teams. These groups concentrate on attaining their objectives in the corporate realm as well. Entrepreneurship is a solution to market integration at the local and macro levels [12]. At the macro level, immigrant entrepreneurs create jobs and support the emergence and sustainability of economic growth in the community and the

nation. Individually, entrepreneurship speeds up immigrants' assimilation into the labor market more than other businesses do. Therefore, we can say that starting a business is an excellent approach for immigrants to integrate into the community [13]. It offers several benefits to new immigrants that make it appealing, including the option of self-employment, a safe existence free from threat, and an increased opportunity of improving mobility. Therefore, a recent immigrant would favor a career route like entrepreneurship; it is more straightforward since they need to do this to advance in society and establish their labor market.

### *D. Syrian Refugees' Entrepreneurship in Turkey*

Since 2011, when the migration of Syrians began in Turkey, thousands of companies have been established in various provinces. Over 10,000 enterprises were started by Syrians in Turkey over eight years, with an average of seven workers, 60% of whom were Syrians [14]. A TEPAV study titled "Syrian Entrepreneurship and Startups for Refugees in Turkey: Benefiting from the Turkish Experience" [14] looks at the distribution of businesses established by Syrians in Turkey by provinces; it mentions Istanbul, where Syrians show businesses. In Istanbul, Syrians established 593 institutions in 2017, 976 in 2018, 563 in 2019, and 287 in 2020. These companies are usually small cafes, restaurants, shops, and workshops with few employees. According to a study by RAND [15], the ability of Syrian entrepreneurs to do business, market to Syrian consumers in Turkey, and their previous relations with Middle Eastern countries are among their success factors. According to RAND, Syrian business people operating in Turkey face several significant obstacles. These include a dearth of Turkish networks, the inability to purchase real estate due to Turkish laws, the inability to transfer guarantees from Syria to Turkey for financing, the difficulty of opening bank accounts, and the inability to access Turkish consumers and financing [15]. The rules and environment provide challenges, including difficulty in obtaining visas and completing paperwork, a lack of proper knowledge of local laws and regulations relevant to the establishment of companies, and a scarcity of native speakers of Turkish.

Over 3.7 million Syrians reside in Turkey, and in 2022, the government of Turkey awarded them Temporary Protection Status. Syrians live in all 81 of Turkey's provinces; nevertheless, the great majority concentrate in either the country's main cities or regions that are geographically near the Syrian border [16]. Only 6% reside in camps, with the remainder residing in Turkey's towns and cities. Kilis, Hatay, Şanlıurfa, and Gaziantep in the southeast have the most registered Syrians compared to the host population, despite Istanbul housing the most Syrians overall. Syrians make up 75%, 26%, 20%, and 22% of the entire populations of these provinces, respectively. However, the information that is currently accessible on the residence, instruction, and employment of Syrian refugees in Turkey is insufficiently thorough, current, or comprehensive [17]. Most of the data came at the national level at registration when Syrians entered Turkey. Over time, many Syrians left their registered provinces

to go elsewhere to work.

In the International Crisis Group study, we see that 20-30% of Syrians in Turkey do not care about literacy, while 10% care about literacy but have never received literacy training. In addition, in 2018, almost to one-third of Syrian children who were of school-age but were residing in Turkey were not registered in a school. Before the crisis, on the other hand, the vast majority of Syrians had some college education, and the country's illiteracy rate was far lower than 20%. In 2010, just 4.6% of people aged 15 years and older had finished high school or more, while 59.7% of those aged 15 years and older had only completed elementary school or lower. Because so many Syrians with more advanced degrees may have fled to western countries before settling in Turkey, the general low level of education among the population may be accounted for by this migration [18].

UNHCR registered in Turkey were granted 132,497 work permits between 2016 and 2019, including work permit renewals, showing that some of these refugees managed to obtain employment despite obstacles to formal employment. One million Syrians reportedly labor informally, without any rights or benefits provided by the law, and 45% of those who are temporarily protected from danger live in poverty, according to sources. Furthermore, there is a lot of child labor. Most of them are employed in low-skilled occupations including farming, manufacturing, construction, hairdressing, and textile production [19].

The Turks have generally shown more tolerance for Syrians. Syria's presence was not a major political issue. Since many Syrians were able to find work, there was little social turmoil. In spite of Turkey's general support for Syrians, research reveals a rising risk of future issues. Recent public opinion polls demonstrate overwhelming opposition to Syria's presence in Turkey, which is related to the country's increased nationalism. Many Syrian-populated areas have expressed concern over a lack of government assistance. The majority of Syrians receive financial aid from the government without contributing is another fallacy surrounding refugees [18].

### III. METHOD

To understand an exploratory quantitative study that aims to uncover more information about specific situations, experiences, and knowledge is the most effective way to reach this research goal. As part of the study, 44 Syrian refugees participated in the survey, self-administered by the researcher in October and November 2022. The questions and answer options of the self-administered survey were translated into Arabic to make it easier for the respondents. Primary data were collected through closed-ended questions using a nominal, ratio, and Likert scale. Many participants interested in the study had not answered the questionnaire before. SPSS was used to perform a linear regression analysis of the data.

We selected the sample of the research group from Turkey, and obtained the contact information of these companies through personal relationships. We used snowball approach to select a sample of 44 Syrian immigrant entrepreneurs. In other words, you can contact other immigrant business owners via

their referrals. We used convenience sampling to select participants who could be reached during the study, as the study population is large and diverse. In addition to being discretionary, subjective, and valuable, the sampling method is how we make an editorial decision about who will participate in the study. It was difficult to anticipate which subjects would be accessible during data collection, so this approach seemed reasonable.

The survey asked respondents questions that quizzed them about various topics, including demographics, type of business, access to funds and loans, their ability to market the products, and the legal and commercial arrangements.

## IV. RESULTS

### A. Descriptive Statistics

There were 44 participants from Turkey representing 100% (n = 44), 68.3% of them (n = 30) based in Gaziantep, while 31.8% (n = 14) based in Istanbul; 45.5% (n = 20) were female, and 54.5% (n = 24) were male; 75% (n = 33) were between the age of 20 and 30 years, 15.9% (n = 7) were between the age of 31-40 years, and 4.5% (n = 2) between the age of 41-50 years.

TABLE I  
 DEMOGRAPHIC INFORMATION

| Variable                          |                     | n  | %     |
|-----------------------------------|---------------------|----|-------|
| Gender                            | Male                | 24 | 54.5  |
|                                   | Female              | 20 | 45.5  |
| Age Group (Years)                 | 20-30               | 33 | 75.0  |
|                                   | 31-40               | 7  | 15.9  |
|                                   | 41-50               | 2  | 4.5   |
|                                   | More than 50        | 2  | 4.5   |
| State/Province                    | Gaziantep           | 30 | 68.2  |
|                                   | Istanbul            | 14 | 31.8  |
| How long have you been in Turkey? | Less than 1-3 years | 21 | 47.7  |
|                                   | More than 5 years   | 12 | 27.3  |
|                                   | 3-5 years           | 11 | 25.0  |
| Total                             |                     | 44 | 100.0 |

### B. Integration into the Labor Market

The Syrian entrepreneurs had opened several businesses in Turkey. Majority of the businesses were labeled as others having 31.8% (n = 14). Specifically, the participants who indicated that the other businesses in the interviews were limited liability businesses, restaurant, food field, candies shop, Syrian shawarma restaurant, Arabic sweets sold on the street, perfume trade, restaurant for oriental cooking and sweets and food technology. In the handicraft businesses, sectors like shoe making accounted for 20.5% (n = 9) while the didactic sector accounted for 13.6% (n = 6), and 11.4% (n = 5) went to the informant sector, and 9.1% (n = 4) to retail trade and commerce that included mobile phone stores and clothing stores. Some entered into the mechanic sector which accounted for 4.5% (n = 2) which was similar to medical for 4.5% (n = 2) and transport, and technological business sectors being the least with 2.3% (n = 1), 2.3% (n = 1).

Syrian entrepreneurs tend to work in small businesses with 36.4% (n = 16), and micro businesses with 45.5% (n = 20),

while 18.1% (n = 8) have a medium-sized enterprise. As well, 52.3% (n = 23) respondents indicated that they had similar businesses in Syria while 47.7% (n = 19) agreed that they did not have similar business in Syria. These findings suggest that the majority of Syrian entrepreneurs have experience.

TABLE II  
TYPE OF BUSINESS

| Variable   | n  | %     |
|------------|----|-------|
| Other      | 14 | 31.8  |
| Handicraft | 9  | 20.5  |
| Didactic   | 6  | 13.6  |
| Informant  | 5  | 11.4  |
| Retail     | 4  | 9.1   |
| Mechanic   | 2  | 4.5   |
| Medical    | 2  | 4.5   |
| Technical  | 1  | 2.3   |
| Transport  | 1  | 2.3   |
| Total      | 44 | 100.0 |

TABLE III  
SIZE OF BUSINESS

| Frequency                            | n  | %     |
|--------------------------------------|----|-------|
| Micro Enterprise (0-10 personnel)    | 20 | 45.5  |
| Small Business (11-50 personnel)     | 16 | 36.4  |
| Medium Enterprise (51-250 personnel) | 8  | 18.1  |
| Total                                | 44 | 100.0 |

TABLE IV  
ACCESS TO FUNDS AND LOANS

| Frequency                        | n  | %     |
|----------------------------------|----|-------|
| Did not think of it as difficult | 19 | 43.2  |
| Never thought of it as complex   | 10 | 22.7  |
| Little complicated               | 8  | 18.2  |
| I thought it was difficult       | 5  | 11.4  |
| I thought it was complicated     | 2  | 4.5   |
| Total                            | 44 | 100.0 |

The majority of respondents with 43.2% (n = 19) did not think the access to funds and loans difficult, while 22.7% (n = 10) of them never thought of it as complex, and 18.2% (n = 8) consider it a little complicated. Just 11.4% (n = 5) thought it was difficult. Meanwhile, 31.8% (n = 14) and 29.5% (n = 13) mentioned that they do not think the marketing of their products difficult, 20% (n = 9) of them thought it difficult and 18.2% (n = 8) considered it a little complicated.

TABLE V  
MARKETING OWN PRODUCTS

| Frequency                        | n  | %     |
|----------------------------------|----|-------|
| Did not think of it as difficult | 14 | 31.8  |
| Never thought of it as complex   | 13 | 29.5  |
| I thought it was difficult       | 9  | 20.5  |
| Little complicated               | 8  | 18.2  |
| Total                            | 44 | 100.0 |

The majority of the respondents with 61.4% (n = 27) never thought the legal terms complex, and 6.8% (n = 3) do not think of it is difficult; on the other side, 18.2% of them thought it was complex, and 11.4% (n = 5) thought it was difficult.

TABLE VI  
LEGAL TERMS

| Frequency                        | n  | %     |
|----------------------------------|----|-------|
| Never thought of it as complex   | 27 | 61.4  |
| I thought it was complicated     | 8  | 18.2  |
| I thought it was difficult       | 5  | 11.4  |
| Did not think of it as difficult | 3  | 6.8   |
| Little complicated               | 1  | 2.3   |
| Total                            | 44 | 100.0 |

TABLE VII  
COMMERCIAL ARRANGEMENTS

| Frequency                        | n  | %     |
|----------------------------------|----|-------|
| Never thought of it as complex   | 33 | 75.0  |
| Little complicated               | 4  | 9.1   |
| Did not think of it as difficult | 4  | 9.1   |
| I thought it was complicated     | 2  | 4.5   |
| I thought it was difficult       | 1  | 2.3   |
| Total                            | 44 | 100.0 |

Almost all of the participants with 75.0% (n = 33) never thought of commercial arrangements complex, and 9.1% (n = 4) of them did not think it as difficult, while opposed to this, 4.5% (n = 2) thought it was complicated.

## V. CONCLUSION

Syrian entrepreneurs, among immigrant entrepreneurs, participate in various sectors of the labor market, and they are primarily young. The Syrian female component is also active in the entrepreneurship sector. Their previous experience in entrepreneurship is essential to their business's success and continuation. The study showed that Syrian entrepreneurs integrate into the Turkish labor market, they can open and manage their projects, they can obtain financing resources and loans, and they can market their products. They do not consider laws an obstacle to opening their businesses and think the commercial arrangements for establishing their projects are simple and manageable.

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