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Refugee Entrepreneurship: An Analysis on Türkiye

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1 Introduction

Migration causes socio-economic change in terms of both the receiving country and the immigrant. In the context of both sociological and economic change, the inclusion of the migrant in the economy in the country of immigration brings interesting results. In addition, refugee, a new concept that has increased in popularity with the increase in migration studies around the world, has begun to be analyzed academically from different perspectives.

People voluntarily leave their countries for various reasons such as political persecution, war, violence, economic crisis, natural disaster, sociological and cultural reasons, or they are forced to leave their own countries in terms of safety of life and property. In addition, people who want to live in better living conditions and leave their own countries to other

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countries with high welfare levels, legally or illegally, can be counted among the reasons for migration.

It can be said that there is some confusion of concepts in daily usage related to migration. Today, the concepts of immigrant and refugee are confused with each other. In both concepts, although an immigrant leaves his/her country for a long time, the situation of necessity causes these two concepts to be separated from each other. When the definitions of both concepts made by national and international organizations are examined, “free will” and “personal comfort” are the keywords for the concept of immigrant. In other words, it is understood that the immigrant uses his free will to reach more comfortable living conditions while migrating. Refugee, on the other hand, emerges as a result of “migration made out of fear of being persecuted due to race, religion, nationality, political opinion or membership of a particular social group”. In this context, a refugee is a stateless person who does not want to return to his country of citizenship due to the aforementioned fears (Eren & Çakran, 2017: 4–5).

This fundamental difference between a migrant and a refugee causes differences in terms of employment and business establishment activities in the countries they go to, and therefore requires analysis separately. Refugees who migrate to another country after the problems they experienced in their own country regarding the safety of life and property work in different jobs to make a living in the country they go to. Regardless of the mental and physical health of the refugees, they are employed in cheaper labor-based jobs compared to their peers in host countries. Refugees can thus be seen as a source of factors of production for the host country. Because refugees go by forced migration, they cannot take the necessary diploma and professional qualification documents with them to work in good working conditions in the host country. In addition, they cannot take the necessary funds and capital with them to start a new business. This situation pushes refugee immigrants to work in self-employed groups after a while or causes them to establish small-scale businesses. In this context, refugees also provide resources to the host country as entrepreneurs, which is another factor of production.

According to Wauters and Lambrecht (2006), the fact that there is market discrimination in the labor force in the countries where refugees

go and that they are inferior in terms of qualifications and skills to the residents in that country cause refugees to set up their own businesses and increase the number of self-employed people. A new concept called “refugee entrepreneurship” enters the literature as a result of refugees taking over and operating businesses in host countries or establishing new businesses in their new environment by considering ethnic background-based needs. Refugee entrepreneurship is seen as a tool to improve economic and social integration (Dabić et al., 2020).

On the other hand, when refugees in the host country start a new business or take over existing businesses, they face many difficulties in registering and settling compared to the citizens of the host country and planned migrants. These difficulties hinder the social integration of refugees and new initiatives. According to Desiderio (2014), the difficulties posed by the governments of the host countries prevent the increase in socio-economic revitalization, the growth of the national economy and the increase of competition, employment creation, and the realization of urban and regional innovation. Social integration of refugees to host countries (integration can be achieved faster this way) can be used as a policy tool in times of economic depression.

Wauters and Lambrecht (2006) show that refugees have a higher potential to seize opportunities, take risks and start a business compared to their host peers in many countries. This event is described as a positive result of migration. Refugees’ gender, age and experience have an impact on entrepreneurship compared to their host peers. High age and experience are important factors that affect risk taking and undertaking the initiative. Migrants and refugees can potentially venture in sub-sectors with low profit margins that do not require documents and have no procedures. However, the fact that refugees face more obstacles than immigrants creates difficulties in increasing refugee entrepreneurship. In this situation, it is seen that the demographic approach is effective on refugees.

The cost of refugee entrepreneurs is quite low as they employ their own family members and relatives. While the small businesses created by refugees are realized at very low cost, they make large contributions to the host countries’ economies from unemployment to the utility grid. Fostering refugee entrepreneurship can increase both refugee integration into society and entrepreneurship (Wauters & Lambrecht, 2006). These

immigrant-founded companies can carry their own cultural characteristics as well as companies that fill the gap in the host country's market.

Refugee entrepreneurs who are going to establish new businesses choose the vacant sectors in the host countries, have low costs and do not expect high profits, thus affecting the prices positively and ensuring that the businesses have a long life by appealing to a wide audience, because the competitive factor in these markets is not on quality but on price (Rath & Kloosterman, 2000). Under these conditions, businesses that do not accept a low profit margin will have a short lifespan. Keeping the costs low and the profit margin low is important in order to compete in the market in the businesses that refugee entrepreneurs take over or have newly established.

It can be said that developing countries were caught unprepared for refugee migration, as the rise in refugee reception costs and the refugee concept has profoundly affected these economies. To reduce refugee-related costs and ensure refugee integration, policymakers in host countries support self-employment and new businesses, even using it as a policy tool to resolve the economic crisis, because refugee entrepreneurship can help counteract market disruption and urban decline. From this perspective, challenging regulations should be eliminated to support both local and refugee entrepreneurs and reduce costs.

The policies of the host countries and the refugees' desire to live more comfortably and act independently in the host country are among the factors that positively affect refugee entrepreneurship. The support of international organizations, public institutions and banks in the host country for small- and medium-sized business support for refugee entrepreneurs to open a new business or take over an existing business and facilitate their operation increases refugee entrepreneurship. However, support for small- and medium-sized enterprises is limited in the start-up phase and does not guarantee the continuity of the business.

According to Alrawadieh et al. (2021), entrepreneurship is not only about customers. It also creates a platform for social exchange with employees, suppliers and competitors. The relationships and social bridges established between host communities and refugee entrepreneurs make refugee entrepreneurs feel welcome and help them enter the mainstream market. Thus, the market difficulties faced by refugee

entrepreneurs are also eliminated. The importance of social integration in refugee entrepreneurship is increasing at this point. Public institutions, organizations and non-governmental organizations have great importance in the responsibility and cost of the necessary preparations for ensuring social integration and ensuring the linguistic and ethnic harmony necessary for refugees to live in harmony with the citizens of the host country.

Refugees who want to have a high living standard contribute to the economy of the host country. For example, refugees who reach the level of welfare they want prefer private institutions for better health and education services. And thus, the social assistance programs provided by the state to refugees come to an end and the costs that have a negative impact on the state are reduced. In this respect, it can be said that refugee entrepreneurship, which starts with the establishment of an environment of trust between the citizens of the host country and the refugees, has costs as well as contributions to the host country.

Entrepreneurship is important for refugees and the host country. Entrepreneurship by refugees helps them to feel safe and to adopt the country they live in with the increase in social security. If the host country is in the developing country group, the refugees' starting new businesses, seeing the deficiencies in the national market and filling the gaps by taking risks lead to innovations and changes in the economy of the host country.

Since the establishment of new jobs in the host country's economy will increase job opportunities, a decrease in unemployment rates is expected. Another contribution of refugees to the host country is to establish trade links with their own country and with other countries. Thus, it contributes positively to the international trade of the host country.

Supporting refugee entrepreneurship, which contributes to the host country in addition to its socio-economic costs, affects a large part of the society. Appropriate incentives will help develop support to expand entrepreneurial activities for the transformation of refugee entrepreneurs, their immediate families and the wider community (Alrawadieh et al., 2021).

Refugees' employment in untouched sectors in cheap labor meets the demand of these sectors and stimulates the economy. The emergence of new business opportunities with the new businesses that emerged with

the inflow of individual capital to the host country reduces the rates of informal work and unemployment in the country. The fact that refugees are young brings a new dynamic population to countries with a high average age.

Refugees have positive contributions to the host country such as entrepreneurship, as well as negative socio-economic effects. For example, provocation and conflict events may occur between the citizens of the host country and the refugees. In the long run, an increase in smuggling rates may be observed. The state, which wants to cover the increased costs with the arrival of refugees, can increase its tax obligations. In order to reduce labor costs, the market may deteriorate due to the competition between businesses that employ refugees and businesses that do not. The right to diploma equivalence, which is not granted to refugees, can create problems in education. The right to work in many professions may not be granted because they do not speak the language of the host country, and the establishment of certain transaction restrictions (incentives and credits) for refugees in the banking sector can be cited as the main obstacle. These obstacles and the resulting negativities damage the economy and demographic structure of the host country. As a result, economic growth and migration are in a mutual relationship.

In this study, the entrepreneurship status of refugees living in Türkiye, which has accepted a large number of refugees in the last ten years, is examined. The attempts made by refugees in Türkiye to meet their livelihoods after their migration, the difficulties and advantages they encounter in their activities are analyzed quantitatively and qualitatively. In this context, in the next section, the literature on the subject is examined, and in the third section, the refugees in Türkiye and the businesses they have established are examined with numerical data.

2 Literature Review

In recent years, the political and economic negativities experienced worldwide have increased immigration and refugees. This increase has also brought an increase in academic studies on the subject. When the studies are examined, it is possible to say that one of the preliminary

studies belongs to Wauters and Lambrecht (2006). Wauters and Lambrecht (2006) conducted a theoretical and empirical analysis on refugee entrepreneurship in their study of refugees arriving in Belgium. In their research among refugees, 25% of refugees stated that they want to start their own business, and they can do this by starting a new business, taking over an existing business or operating it. It can be said that refugees, who have such a high entrepreneurial potential and a dynamic population, face more obstacles in establishing and running a business than other types of immigrants. It has been emphasized that as of 2003, entrepreneur refugees are close to 1.5%. As a result of the study, the authors emphasized that refugee entrepreneurship should be supported and thus integration would be ensured.

In their study, Obschonka and Hahn (2018) examine the increasing uncertainty in the lives of refugees as a result of migration, the rapidity of change and their capacity to adapt to the changing environment. According to the results of the study, refugees from different cultures pose challenges to the society in the host country. The biggest of these difficulties is experienced in the adaptation process. In the host country, refugees are oriented toward entrepreneurship after completing the integration process and providing self-sufficiency. It is shown that entrepreneurship is at the beginning of the cognitive and personal reasons of refugees. Because at the end of a certain process, the refugee becomes an entrepreneur by taking risks.

Eryılmaz (2019), who defines the current era as the “age of migration”, emphasized in his study that there is a risk of life on the basis of asylum activity and that it is carried out obligatorily. In the author’s study, while revealing the cognitive, behavioral, emotional and social differences between refugees and immigrants, he reported that the economic structures of the host countries, especially in terms of economy, were negatively affected by this situation.

According to Kutlu (2019), the host country is affected sociologically, demographically and economically in the new process entered with the host country’s acceptance of refugees. According to the author, with the arrival of Syrian refugees in Türkiye during the migration process that started in 2011, Türkiye experienced the process in an economically and sociologically difficult and exhausting manner.

Atasü-Topcuoğlu (2019) focused on the small-scale entrepreneurial activities of a group of refugees in the host country. As a result of 24 interviews with refugee entrepreneurs, they analyzed the opportunity structure, capital forms and integration of refugee entrepreneurship. According to the findings, the informal economy facilitates the start of refugee entrepreneurship, but limits the continuity of business and the economic and sociological integration of refugees into the host country.

Dagnelie et al. (2019) examined refugee entrepreneurs in the USA in their study. The authors emphasized that refugee entrepreneurs help refugees from their home countries enter the labor market by hiring them. And they examined the economic contribution of this aid to the host country in their studies. In the research conducted on refugees who were settled in the USA between 2005 and 2010 and who were not affiliated, it was stated that a successful integration process is more important than the participation of refugees in the labor market. Because, evidence has been presented that refugees who are unsuccessful in the labor market will go to political radicalization in the society with minority psychology. Removing barriers to entry of refugees or asylum seekers into the labor market has been observed to reduce crime rates (committed by refugees) in the host country. As a matter of fact, the entry of refugees into the labor market accelerates the integration process and reduces the crime rates involving refugees.

Shepherd et al. (2020) examined the social resilience of Palestinian refugee entrepreneurs in Lebanon to the problems they face. In the data obtained by regularly interviewing 110 refugees who were born in refugee camps or continue their lives as adults for 15 months, it was found that the connections of refugees who live outside the refugee camps and are entrepreneurs accelerate the language learning process and increase social inclusion and social capital. In addition, it has been determined that refugee entrepreneurs living outside the refugee camps have achieved resilience results that those living in these camps cannot reach. These findings provided information that refugees achieved positive personal functioning in the face of difficulties (Shepherd et al., 2020).

Alrawadieh et al. (2021) emphasized the importance of entrepreneurship in the integration of refugees into the host country. According to the authors, Syrian refugees choose Türkiye as a developing country and

England as a developed country. Despite the cultural and social difficulties they face, Syrian refugees develop themselves with the socio-economic structure of the host country. For this reason, the policymakers of the host country should consider the results of the tourism industry and hospitality activities in the country when making socio-economic decisions. Entrepreneurship is the best way to increase the integration of refugees and increase the welfare level of refugees in the host country.

According to Jiang et al. (2021), refugee entrepreneurs exposed to devastating events in their country can very well observe the opportunities of production processes in the host country. In the study, the movements of refugee entrepreneurs are examined in three steps as conceptualization, objectification, and enforcement, and it is observed that these movements are heterogeneous. In addition, it is also revealed that the conditions of the host countries cause disruption in the investment activities of refugee entrepreneurs. Having a temporary status in the host country causes refugees to be unable to focus on time and space. For this reason, expansionary and pioneering steps should be taken for entrepreneurs so that refugees in the host country can recover and adapt to the society they live in.

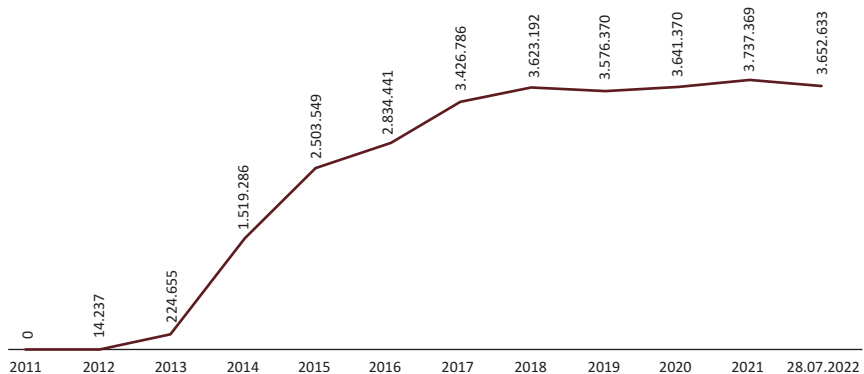
Barth and Zalkat (2021) examined the socio-economic integration status and needs of refugees in Sweden after the mass migration crisis that started from the Middle East to the EU in 2015. After this crisis, the government allowed refugee entrepreneurship in the agriculture and food industry. In this study, 25 entrepreneurs in Southern Sweden were surveyed. Within the scope of the study, the stages of rural entrepreneurship (start, growth and exit) were examined. As a result of examining the entrepreneurial activities, which are the focal point in the countryside, the first finding is that refugee entrepreneurs who settled in the countryside are more hospitable, but their distance from the city causes them to stay away from modern life, technical and distribution opportunities. Secondly, while refugee entrepreneurs experience more difficulties than non-immigrant entrepreneurs, they have to motivate themselves to overcome this deficiency. The third result is that refugee entrepreneurs are unaware of the support and opportunities provided by the host state and use their family and personal networks for support.

3 Refugees and Enterprise Activities in Türkiye

Türkiye, as in previous periods, due to the political and military events in Syria in the last ten years, the wave of immigration to Türkiye has caused a large number of refugees to spread to different parts of Türkiye. Looking at the country distribution of irregular migrants in Türkiye as of June 2022, it can be said that they are Syrian, Iraqi, Pakistani and Afghan nationals. In addition to these, it was seen that Moldova, Iran, Georgia, Myanmar and Palestinian refugees also took refuge in Türkiye during this period.

It can be said that it is worth examining in terms of the number of Syrian refugees among these refugees. Because, according to official figures, it is seen that around 3.7 million Syrians live in the country. This situation has led to the need for refugees to make commercial ventures both to earn a living and to provide products specific to their own culture or traditions (Graph 1.1).

As of June 16, 2022, there are a total of 3,724,240 Syrians in Türkiye, including 50,043 in temporary housing centers and 3,674,197 outside temporary housing centers. Istanbul is the most Syrian-inhabited city in Türkiye with 544,296 people, while Gaziantep is in second place with



Graph 1.1 Syrians under temporary protection by years. Source: Presidency of Migration Management, <https://www.goc.gov.tr/gecici-koruma5638>, access date: 28.07.2022.

463,387 people and Hatay is in third place with 430,639 people. As a proportion, the province with the highest proportion of Syrian residents compared to the domestic population was Kilis with 42.8%. As of December 31, 2021, the proportion of Syrians under temporary protection in the country's population is 4.26%. According to TURKSTAT data, as of December 31, 2021, the number of people who have a residence permit or have a work permit is 1,792,036 (<https://multeciler.org.tr/turkiyedeki-suriyeli-sayisi/>).

People's attitudes toward the employment of Syrian refugees in Türkiye are not very optimistic. According to a study, 67.2% of the respondents stated that Syrians should definitely not be allowed to work in Türkiye. The rate of those who stated that they should be allowed to work if they registered with the tax office and paid tax was 20.6%, while 8.5% said that they should be allowed to work only in certain business areas. The rate of those who said that if they opened workplaces where Turks would work, they would be allowed was 1.7%. Looking at these rates, it can be said that the Turkish people are very concerned about the entry of Syrian refugees into business life.

In the report published by the Ministry of Labor and Social Security of the Republic of Türkiye for the year 2020, statistical data on foreigners who were granted work permits between 2011 and 2020 can be seen in Chart 1.1. Between 2011 and 2020, 757,658 foreign nationals were granted work permits. As of 2020, of the 123,574 permits granted, 62,369 were given to Syrians, 9721 to those from Turkmenistan and 4383 to those from Uzbekistan.

In the same report, it is seen that 21,676 people who were given work permits in 2020 were literate, 9369 people were primary school graduates, 16,721 people were secondary school graduates, 36,582 people were high school graduates, 3021 people were associate degree graduates, and

Chart 1.1 Number of work permits issued to foreigners by year

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	17.466	32.279	45.823	52.295	64.521	73.549	87.182	115.837	145.232	123.574

Source: Work permits of foreigners, Ministry of Labor and Social Security, 2020.

23,721 were four-year university graduates. The number of people with a master's degree or higher is 3347.

The number of work permits issued for working as domestic employees is 23,627, and the number of permits issued for wholesale trade is 9476. The number of permits issued for the manufacture of clothing items was 8158 and the number of permits issued for the manufacture of textile products was 5359.

According to the statement of the Ministry of Commerce of the Republic of Türkiye, as of February 26, 2019, at least one partner of 15,159 companies is a Syrian national. It is reported that these companies owned or co-owned by Syrians are micro-scale firms employing five or fewer personnel (Erdoğan, 2020: 121). The Ministry informs that the largest number of these companies are located in Istanbul, Gaziantep, Mersin, Hatay and Bursa, and they operate in the wholesale and retail sector. It is stated that 10,046 Syrians are employed in companies established by Syrian citizens, in the report on Syrians in Türkiye, which was published by the US-based organization Building Markets in 2020. It has been suggested that the companies founded by Syrian entrepreneurs employ an average of seven people, and about 60% of those employed are Syrian.

4 Conclusion

Natural disasters and human-caused events worldwide have caused the concept of migration to become a popular topic both in daily life and in academic literature. Finally, the tension between Russia and Ukraine caused Eastern and Central Europe to be affected by the migration wave. Türkiye has been a country constantly receiving immigrants due to geographic problems since the late 1980s, but has faced a rising wave of immigration after 2011. Refugees who came by immigration have had an impact on the socio-economic structure of Türkiye. From an economic point of view, it is certain that incoming migration brings labor potential. In this context, it is possible to see an increase in the factor of production. Another economic effect of migration is that it increases entrepreneurship and the number of entrepreneurs.

Considering theoretical explanations, it can be said that entrepreneurship has a positive effect on the integration of refugees into the host country as well as its economic effect. Therefore, increasing/encouraging entrepreneurship can be an important policy tool for policymakers.

In Türkiye, it is seen from the reports examined and the data presented that especially the Syrian refugees have started their entrepreneurial activities in recent years and there has been an increase in the number of businesses especially in the food and textile sectors. At the same time, it is understood from the data that these enterprises provide employment to Syrians at a significant rate. All these can be said to be important in terms of preventing the occurrence of illegal activities and preventing refugees from being involved in crime, in addition to the positive effects of refugees' participation in production. In this context, as a policy proposal, refugee entrepreneurship and thus employment can be increased by providing supports and/or trainings to encourage entrepreneurship of refugees.

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