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The economically rich refugees: A case study of the business operations of Istanbul-based Syrian refugee businesspeople

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Abstract

In sharp contrast to the orthodox understanding of refugees as resourceless and disadvantaged victims, this article examines the impact that business operations of Istanbulbased Syrian refugee businesspeople have on their host economy, as well as determining which factors contribute to overcoming the social and legal challenges that prevent them from building their livelihoods. Since the impact of refugees on host countries is one of the main factors in a two-way process of integration between hosts and migrants, the analysis also takes into account the Turkish businesspeople's perspectives on Syrians. I argue that a reinvestigation of the diverse socio-economic make-up of refugees is crucial for examining refugees' impact on host countries and for the planning of refugee policies, since the strategies refugees apply for overcoming (or alleviating) the challenges they encounter in the host countries are closely related to their pre-refuged capital and can be transferred to the host countries.

INTRODUCTION

Syrians who left Syria and relocated to its neighbouring countries after the 2011 conflict are, in general, considered to be, and treated as, 'refugees'—that is, resourceless and disadvantaged people. This is not dissimilar to the orthodox understanding of refugees since the context primarily originates from violent situations back home. Nevertheless, in the refugee wave to Turkey, thousands of Syrians were businesspeople and have re-established their businesses after relocating. They too experienced the same disaster as their fellow countrymen, yet they

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have clearly shown their economic resilience. For instance, thousands of Syrian companies have been established in Turkey and the capital outflow from Syria to Turkey has reached billions of US dollars (Amos, 2013; TEPAV, 2019). Yet, the situation of Syrian businesspeople within the refugee waves has scarcely been examined, other than with regard to their motivations and challenges in conducting business in Turkey (Alrawadieh, Karayilan, & Cetin, 2019; Atasü-Topcuoğlu, 2019; Shneikat & Alrawadieh, 2019).

Arguing against the common conception of refugees as resourceless and disadvantaged victims, this article sheds light on that image by demonstrating the impact that business operations of Istanbul-based Syrian refugee businesspeople have on their host economy, as well as determining which factors contribute to overcoming social and legal challenges which prevent them from building their livelihoods. The reason for choosing Istanbul as the research site was due to a high population not of Syrian refugees in general, but of Syrian refugee businesspeople. Before the 2011 Syrian crisis, there were only 44 Syrian-owned companies registered in Istanbul (Istanbul Chamber of Commerce 2015). However, there were 4,874 Syrian companies established in Istanbul between 2010 and June 2018, which is a hundredfold growth in less than nine years (Kadkoy, 2020: 121). Furthermore, Syrian-established companies in Istanbul account for 48.85% of all Syrian companies in Turkey (Kadhoy, 2020:120–121). Syrian-established companies in Istanbul invest in all kinds of sectors, but predominantly in retail, manufacturing and service (Güven et al., 2018: 56).

Various studies and reports have indicated an extreme need for the Turkish government to develop a long-term and integrated policy regarding Syrians in Turkey (Akar & Erdoğdu, 2019; Cagaptay & Menekse, 2014; İçduygu & Şimşek, 2016). Aiming to contribute to the studies on integration and refugee entrepreneurs, the article takes into account the concept of 'refugee entrepreneurship' – which demonstrates the economic resilience of refugees' settlement (Gold, 1992; Wauters & Lambrecht, 2008) – while including the fact that class plays an important role in the integration process of refugees into the host country (Pedersen, 2012; Şimsek, 2018). Research with a class-based approach to refugees has mostly focussed on children, youths, students, women and workers (Bevelander & Pendakur, 2014; Buchanan et al., 2017; Çelik & İçduygu, 2018; Senthanar et al., 2020; Tösten, Toprak, & Kayan, 2017). Some research has engaged with the concept of refugees' agency in order to demonstrate their ability to settle into host lands (Hirschon, 1998; Horst, 2005; Malkki, 1995). Other research shows that refugees go down in terms of class or employment due to their refugee status in host countries (Pedersen, 2012; Senthanar et al., 2020). As suggested by Engzell and Ichou (2019), their pre-migration social position is important for immigrants evaluating their success in the host country. However, studies on refugees have rarely paid attention to those who had been from the economic upper/upper-middle class in their home country and have preserved their economic status after relocating to the host lands.

I argue that a reinvestigation of the diverse socio-economic make-up of refugees is crucial for examining refugees' impact on host countries and for the planning of refugee policies since the social composition of refugees is not only diverse, but it also goes beyond the simple impression that refugees are economically weak. Also, the strategies refugees apply for overcoming (or alleviating) the challenges they encounter in the host countries are closely related to their pre-refugee capital that can be transferred into the host countries. This research does not aim to investigate how refugee businesspeople successfully transfer their skills and become successful in a host country; rather, it focusses on the contribution and strategies of those who make it and who engage in their business operation in Istanbul. Thus, this paper contributes to the study of refugee integration.

INTEGRATION AND REFUGEE ENTREPRENEURS

Literature on integration agrees for the most part that integration of refugees into host societies can bring positivity. In addition to facilitators of refugees integrating into host countries (Alencar, 2018), various challenges have also been identified which impede integration (Alrawadieh, Karayilan, & Cetin, 2019; Mestheneos & Ioannidi, 2002). Acknowledging the critical debate on integration, for not falling into the pitfall of 'dispensation'

of integration' (Schinkel, 2018), rather to be more inclusive by not neglecting the non-migrants in the process of integration (Klarenbeek, 2019), the definition of integration in this paper borrows from Ager and Strang's (2008) work. Ager and Strang's (2008) indicate that one of the themes of integration is the connection with locals, in addition to migrants' employment, citizenship and rights, and structural barriers in the hosts. One of the main factors for integration is the refugee-host relationship (Jacobsen, 2001), which, it has been argued, is influenced by the impact of refugees on the host society (Berry, 2008). Studies which suggest a negative impact of refugees on hosts contend that, once refugees enter the host lands, crime rates might rise, the local environment might be damaged, refugees might become an economic burden, and the local traditional culture might break down as a consequence of the social interactions between the refugees and the host population (Black, 1994; Salehyan & Gleditsch, 2006; UNHCR, 1997). On the other hand, studies have stated that refugees may have a positive economic impact on the local economy since the influx of human resources and economic capital can contribute to the host societies (Jacobsen, 2001). Additionally, other scholars argue that whether the refugees' impact on the host countries is positive or negative depends on other factors, such as the hosts' access to power or other resources (Jacobsen, 2002; Whitaker, 2002).

Research on the impact of Syrian refugees on Turkey can also be categorised into the three categories mentioned above: negative (Ceritoglu et al. 2015; Esen & Binatlı, 2017), positive (Akgündüz, Berg, & Hassink, 2018; Cagaptay & Menekse, 2014) and dependent (Akgündüz, Berg, & Hassink, 2015; Azevedo, Yang, & Inan, 2016). Nevertheless, studies related to the impact of refugees on host countries are not immune from the presumption that refugees are people who are of an inferior socio-economic status. Moreover, they lack sensitivity towards the intersections of a diversified socio-economic make-up of refugees and the impact they have on host countries. Even the studies on host labour markets which have a more specific focus on labour class refugees still do not break away from the idea that refugees are people from socio-economically inferior groups (Akgündüz et al., 2015; Esen & Binatlı, 2017; Yalçın & Yalçın, 2019). This oversight might miss the dynamic outcomes of refugees in terms of what influences they have made on the host society, and it leads to pessimistic expectations regarding refugees' impact on their hosts.

It has recently been suggested that the impact of refugee entrepreneurs on host countries is an important yet understudied domain (Desai, Naudé, & Stel, 2020). As stated by Rezaei and Goli (2020), although different types of entrepreneurs might have some similar features, there is a need to differentiate among them. The mobility of refugees distinguishes them from immigrant entrepreneurs, since the former have less freedom of mobility than the latter (Desai, Naudé, & Stel, 2020). It has been argued that the emergence of refugee entrepreneurs was mostly due to the discrimination and challenges they faced from the locals and their entrepreneurship (Kloosterman & van der Leun, 1999; Shneikat & Alrawadieh, 2019). In terms of the difficulties they face, funding access and legal restrictions have been widely discussed (Meister & Mauer, 2018; Sandberg, Immonen, & Kok, 2018; Wauters & Lambrecht, 2008). It has been suggested that refugee entrepreneurship is a strategy for integration and that it can be easier to integrate into host societies based on economic resources (Şimsek, 2018). Social capital has been argued to be another element of success in the integration of entrepreneurs into local societies, in the study of both transnational entrepreneurs and refugee entrepreneurs (Ratten et al., 2017; Rezae et al., 2019; Zapata-Barrero & Rezaei, 2019). Additionally, the establishment of businesses by refugee entrepreneurs might lead to competition with local businesspeople (Lyon, Sepulveda, and Syrett 2007).

The common approach in the literature on refugee entrepreneurs is to mix those who became entrepreneurs after relocating and those who had been entrepreneurs prior to becoming refugees. Some work in informal sectors while others work in formal sectors. Although all of them can be considered refugee entrepreneurs, experienced businesspeople and those who are working in the formal sector have more economic capital and better experience doing business than business newcomers and those who work in the informal sector. This mixed approach not only neglects different socio-economic natures and cannot show essential differences between a start-up and after scaling, but it also underestimates the economic strength that refugee entrepreneurs can bring to – and produce in – the host countries.



Refugee entrepreneurs' integration is strongly related to their livelihoods in host countries, which can be seen from economic, social and legal perspectives. Also, both the refugees' activities and their relationships with the local community are crucial in understanding the formers' impact on the latter. In this study, I analyse the business operations of the economic upper/upper-middle class Istanbul-based Syrian refugees, without neglecting their relationships with the local businesspeople, to understand them in terms of their business outcomes in their host county and in terms of the challenges they encounter from social and legal perspectives. The outcomes of Syrian refugee businesses are directly linked to the refugees' impact on their host countries. A two-way analysis between the host and refugees can provide a more inclusive understanding to show how each sees the impact that refugees have. Limiting the focus to only the economic upper/upper-middle class refugees (in this case, the businesspeople who used to work in businesses and who re-established their companies in Istanbul by registering with the Istanbul Chambers) can demonstrate the specific impact and challenges that Syrian refugee businesspeople face, and the dynamic between the scarcely studied economically strong refugees and the impact that they have on host countries. Although various studies have been conducted on the impact of refugees, it has been argued that the lack of detailed assessment remains an obstacle for understanding the refugee situation (Kadkoy, 2020; Zetter, 2012); the lack of detailed 'ethnographic sensibility' in the research on integration has also been argued to be another drawback (Schinkel, 2018: 14). Through first-hand fieldwork data, this research also adds a more sensitive dimension to the depiction of the diverse socio-economic make-up of refugees in the field of study.

RESEARCH METHOD

The data in this article are based on fieldwork I conducted in Istanbul between mid-January and mid-February 2020. I conducted 42 semi-structured and open-ended interviews with Istanbul-based Syrian refugee business-people and Istanbul-based Turkish businesspeople. Interviews with Syrians took between one and two hours, and interviews with Turks took between 40 minutes and 90 minutes. In order to have a balanced data composition, 21 participants were Syrian and 21 were Turkish. Additionally, I arranged interviews with businesspeople based on their districts in Istanbul in order to most efficiently interview 42 businesspeople in a month. By doing so, I was able to have one to four interviews in the same district in one day. As a male researcher, it was not easy to arrange interviews with women entrepreneurs. Indeed, only one Turkish businesswoman was interviewed whereas the others were all men. Moreover, it has been argued that female entrepreneurs in Arab countries encounter more difficulties than male entrepreneurs and that there are far fewer of them (Ameen & Willis, 2016; Hattab, 2012).

The criteria for the Syrian sample of refugee businesspersons in this research were as follows: those who used to work in business and had been registered in the Syrian Chambers prior to relocating to Turkey, and who are currently registered in the local Turkish chambers. The criteria for selecting Turkish participants were businesspeople who were working in similar fields to their Syrian counterparts and whose business activities were located in the same or neighbouring areas. As such, businesses were mainly located in the districts of Fatih, Başakşehir, Beylikdüzü, Eyüp, Bayrampaşa and Şişli.

This planning of data composition was meant to facilitate the analysis of the Syrian businesspeople's impact on the host society. It also assured that the interviewees were all businesspeople who worked in formal sectors and had been businesspeople pre- and post-2011. As such, the previous mixed approach to refugee entrepreneurs and the economic impact of those Syrian refugee businesspeople who used to, and still are, working in the formal sectors becomes more visible.

Regarding the Syrian businesspeople, nine of them had taken part in my previous research on the transformation of the Syrian business community after the 2011 uprising, which had included interviews between 2014 and 2015. Based on these established networks, I used a snowball approach in order to increase the sample to 19. Additionally, I attended one social event with the Syrian International Business Association (SIBA) in Turkey, as a result of which I interviewed a further two businesspeople. With regard to the Turkish businesspeople, a Turkish



lawyer and the son of an Istanbul governor introduced me to three Turkish businesspeople. Based on these original three, the snowball approach was applied again.

Interviews with Syrian businesspeople were conducted by me in Arabic. In terms of the interviews with Turkish businesspeople, two were conducted in Arabic, three were conducted in English, and 16 were conducted with the assistance of two Turkish-English interpreters. Interview questions related to the scale of their businesses, their relationships with Turkish/Syrian businesspeople, and how Turkish/Syrian businesspeople considered their investments in Istanbul. Keeping in mind that the language barrier with the Turkish informants might impede the accuracy of the data collection, I worked closely with the two Turkish-English interpreters before, during and after the interviews. I had met the two Turkish interpreters prior to the interviews and ensured that they translated the interview questions into Turkish without losing the original meaning. During the interviews, I asked the questions in English while the interpreters translated them into Turkish. While the interviewees were responding in Turkish, the interpreters would translate directly into English. The interpreters and I would meet after the interviews to verify the accuracy of the information obtained.

The analysis of the data is based on coding reflecting economic, social and legal dimensions as the key themes for business operations of Syrian refugee businesspeople in Istanbul. Ethical approval was gained from the university's ethics committee, while the names of interlocutors were anonymised as per their requests.

ECONOMIC DIMENSIONS: SCALES OF THE BUSINESS

The economic impact that refugees have on host countries can be seen at local and national levels. Locally, refugees may influence the labour market, the prices of local goods and increase competition in the markets (Akgündüz et al., 2015; Orhan, 2014). Nationally, refugees may raise the national budget and boost host country's cross-border trade (Kirişci, 2014; Orhan, 2014). The economic outcome of the Istanbul-based Syrian business-people's investment can be preliminarily demonstrated by the number of employees, tax payments and export of products from the companies of the interviewees. The total number of employees working for the 21 interviewed Syrian business companies is 1,024; their monthly tax payment is more than 25 million Turkish Lira (TL); most of their customers are Arabs; and seven of them export their products to Europe and other Arab countries.

It has been argued that a rise in unemployment is one of the main negative consequences that come with refugees to host societies (Esen & Binatlı, 2017). People from lower classes are especially affected by the arrival of refugees in terms of job markets (Akgündüz et al., 2015). Many Turkish interviewees agree with the idea that the arrival of Syrians is damaging the labour market in Turkey. The idea that 'refugees are stealing our jobs' is also prevalent in the Turkish media (International Crisis Group, 2018; Orhan & Gündoğar, 2015). This article does not aim to engage with the debate of whether refugees increase host country unemployment or not. However, by looking at the numbers from the 21 Istanbul-based Syrian companies, a different perspective emerges. The employment of 1,024 workers in those companies shows that Syrian refugee businesspeople are creating new job opportunities in Istanbul since none of their companies were established prior to 2011.

Refugees are often considered as struggling for their livelihood, and host governments and/or NGOs provide them with aid. As stated by a Turkish businessman who is working in international trade, 'The good and rich Syrians have already left Turkey for Europe. The rest of them are the bad and poor ones. In helping those Syrians, our government has spent \$45 billion USD since they began arriving', (Interview 23 January 2020, Istanbul).

Similar sentiments were also mentioned by other Turkish businesspeople I interviewed. The Turkish government indeed made great financial efforts to alleviate the struggles of Syrians in Turkey. However, not all Syrians who seek refuge in Turkey receive aid. When asking Syrian businesspeople about their capital, not one said that they had received grants or aid from the government. Rather, they explained that all the money they were using for their investments was self-funded. One Syrian businessman who owns a food factory explained:



I came here with my own money [in cash], and built up this factory. I drove my car here from Aleppo, with the cash in my car. Just to start up this factory, I spent \$1.5 million USD, and every month I need to pay \$8,500 USD rent. I also pay \$30,000 USD in tax each month, and that's not even including my labors' insurance.

(Interview 30 January 2020, Istanbul)

The total amount that the interviewed companies' monthly tax payment comes to is more than 2.5 million TL. That does not include rent, worker's insurance, other business expenditures and daily living cost. Foreign companies operating in Turkey are required to pay around 400 TL per month for hiring accountants, whether they are earning or not (Interviews 2020). Also, the minimum capital required to open a company in Turkey is 10,000 TL according to local regulations (Investment office, 2018). There were 9,977 formally registered Syrian companies in Turkey between 2010 and June 2018 (Kadkoy, 2020: 120). If they were all paying the minimum rate to hire accountants with the minimum funding capital, the total amount of their spending on accountants would be almost 4 million TL per month (around \$600,000 USD), with almost 100 million TL (around \$15 million USD) for their minimum funding capital in Turkey. Comparing this minimal tax payment made by Syrian companies to the billions of US dollars that the Turkish government has spent on supporting Syrians in Turkey makes it seem like the minimal tax payment is not huge. However, the fact that such a group of taxpayers exists among the refugee community is more important than the quantity of tax that they pay.

Boosting local trade with refugees' home countries has been covered in previous research. Refugees have a better understanding of their own countries, and they already have established social networks there (Taylor et al., 2016; White & Tadesse, 2010). The president of the Mersin Chamber of Commerce and Industry states that trade between Mersin and Syria increased 331% in 2014 due to the arrival of Syrian businesspeople (Gonultas & Bagrik, 2014). Nevertheless, data on Syrian businesspeople's trading suggest that export destinations are not limited to their home country. Rather, some interviewed Syrian businesspeople export goods to other countries including European, Gulf and other Arab countries. Iraq and Saudi Arabia had been two of Syria's top-five export trading partners between 2006 and 2010 (World Bank, 2020). Turkish exports to these two Arab countries between 2011 and 2019 witnessed export growth, compared to that of 2010. This implies that trading between Syrian companies and the two Arab countries was, to a certain extent, re-established in Turkey after relocation and contributed to the overall Turkish trade to these two Arab countries.

Some news and official reports have written about the establishment and existence of Syrian businesspeople in Turkey. That being said, most Turkish informants' impressions of Syrian businesses in Istanbul were that they were small with 'low-cost' products, or only in the restaurant industry, or that they did not exist. Only a few Turkish informants felt that Syrian businesses in Istanbul were good for the local economy. The misconception around Syrian businesses can be explained by the limited interaction between the Syrians and the Turks. Only a few Turkish informants had business trading with Syrians prior to 2011. Some got Syrian customers after 2011. Most report that they have had no business deals with Syrian businesses at all.

On the other hand, few interviewed Syrian refugee businesspeople have had Turkish customers either. The range goes from a small portion of Turkish customers at one end to half at the other. The Syrians usually described Turks as hard-to-deal-with for business, not only in terms of the different culture, but also that Turkish people never buy things from Syrians – they only sell to them. This shows that Syrian businesspeople cannot enter fully into the local Turkish market and do not interact with Turks in their daily business, especially in selling goods.

The economic performance of Syrian businesspeople suggests that they can generate positive results to the host economy. Locally, these Syrian businesses have created job opportunities in Istanbul and paid taxes to the local authority. Nationally, their performance shows that they have contributed to the government's tax income and international trade. Their strategy for creating employment for Syrian refugees is mostly in sectors which they mostly worked in Syria before (see Table 1) and to target a parallel Syrian/Arab market. The opinions of Turkish and Syrian businesspeople of each other suggest that interactions between them are rare and that there is a great gap in mutual understanding. Economically speaking, although Syrian refugee businesspeople are operating their



TABLE 1 The information of the Syrian refugee businesspeople

| Type of business ^a | | Business scale | | | |
|---------------------------------|----------------------------------|---------------------|-------------------------------------|----------------|-------------------------------|
| Pre- relocation in Turkey | Post- relocation in Turkey | Number of Employees | Tax ^b (TR/ per month) | Export to | Customers |
| С | С | 1 | 1,000 | | 50% Syrians +50% Turks |
| С | С | 2 | 1,200 | | Arabs |
| С | С | 2 | 1,200 | | Arabs |
| С | С | 2 | 2,500 | Africa | Arabs |
| С | С | 7 | 143,900 | Arab countries | Arabs |
| С | С | 10 | 1,000,000 | | Arabs +Some Turks |
| С | С | 12 | 8000 | | Arabs |
| С | С | 21 | X | | Arabs |
| С | С | 24 | Χ | | Arabs |
| С | С | 27 | 9,785 | | Arabs |
| С | C+I | 125 | 270,000 (custom tax) | Arab countries | 65% Arabs +35% Turks |
| С | C+S | 300 | X | | Arabs |
| I | 1 | 7 | Χ | Gulf | Gulf |
| С | 1 | 12 | 17,268 | Arab countries | Arabs |
| С | 1 | 15 | 201,460 | 70% Europe | 70% Europeans+30% Turks |
| 1 | I | 30 | 57,560 | Arab countries | Arabs |
| S | S | 2 | Χ | | Arabs |
| С | S | 5 | 5,000 | | Arabs (mostly Syrians) |
| S | S | 10 | 10,000 | | 80% Arabs +20% Turks |
| S | S | 50 | 200,000 | | 90% Arabs (Gulf)+Europeans |
| 1 | S | 360 | 575,600 | | Arabs |
| Total | | 1,024 | 2,504,473 | | |

^aC indicates commercial, I indicates industrial, and S indicates service.

businesses with positive contributions in the same city as the Turkish businesspeople, the latter still have mostly negative impressions of them. Essentially, Syrian and Turkish businesspeople in Istanbul work in a parallel since trading between them is limited.

SOCIAL AND LEGAL DIMENSIONS: DISCRIMINATION, CITIZENSHIP AND REGULATIONS

A host country's social conditions and legal framework regarding refugees affect the integration of refugees into their society. Socially, a refugee's experience living in a host country can be impeded or improved depending on

^bThe tax here indicates the average monthly payment of Syrian refugee businesspeople regarding their business tax, without including their facilities and insurance for workers.



whether the relationship between the refugees and locals is unfriendly or is harmonious. This applies in terms of their settlement and integration as well (Fussell, 2014; Kira et al., 2010; Miraftab, 2000). Legally, it has been argued that having a more comprehensive policy towards refugees facilitates their later integration into the host societies (Nyaoro, 2010). Regarding the integration of Syrian refugees in Turkey specifically, those refugees with higher economic sources, it has been argued, are in better positions to integrate (Şimsek, 2018). Even though Syrian refugee businesspeople have been actively investing in Istanbul and are living in a wealthier economic situation, this does not make them immune from discrimination by the locals or from regulation difficulties in their business operations, or from getting help in acquiring citizenship. Yet, these difficulties may be overcame or tolerated by the economic capital and by their social status as business professions.

Only a few of the interviewed Syrian businesspeople stated that they are not discriminated against by the locals, whereas most affirm that they encounter unequal treatment in their daily lives. They claim that the discrimination they face is not from the government, but rather from their daily interactions with staff in public and private institutions. One businessman who opened a factory producing packaging machinery says:

Sometimes the government issues regulations encouraging us [businesspeople] to invest here, like the one where they said that anyone who opens a factory here will receive 50,000 TL from the government as an incentive. We went to the bank, but the staff member just told us 'no', that he had never heard about this incentive. Even when we showed the regulations

(Interview 22 January 2020, Istanbul)

Syrian businesspeople encounter different kinds of discrimination from local staff in banks and government administration, as well as from people in the streets. Despite this, the businesspeople further stated that when the local people whom they are interacting with find out that they are businesspeople, and that they are investing in the country, the local people's manner of interacting takes a 180-degree change. One Syrian owner of a marketing company stated:

Once I went to the bank. When the staff member first saw my Syrian passport, he did not seem happy. But when I told him that I wanted to withdraw thousands of US dollars, he opened his eyes and told me that he did not expect to see Syrians withdrawing that amount of money. He then changed the way he interacted with me.

(Interview 31 January 2020, Istanbul)

Another Syrian owner of a construction company said: 'sometimes, you need to teach them a lesson [to let them know that you are rich]' (Interview 5 February 2020, Istanbul). By showing their wealth attributed from their status as businesspeople to the locals who possessed a negative idea of Syrians, to a certain extent, Syrian businesspeople leverage the unpleasant treatment from the locals.

Acquiring citizenship is a hotly debated topic for Syrian refugees in Turkey (Akcapar & Şimsek, 2018; Baban, Ilcan & Rygiel, 2017), yet there is currently no official data on the actual number of Syrians who have received Turkish citizenship. However, the Turkish government has stated that they are prioritising citizenship applications for skilled Syrians in Turkey (Makovsky, 2019). Although Syrian refugee businesspeople are in a much better financial position, only five of the twenty-one businesspeople had acquired citizenship. Out of those who had not, all stated that they do not know why they have not gone through the process. These Syrian businesspeople complain that delayed citizenship applications have also complicated the expansion of their businesses. Many explain that they have no rights or that it has been extremely difficult to travel abroad to attend trade fairs and meet customers. Citizenship is not only a legal status they are aiming for, rather, and more importantly for these purposes, having citizenship directly affects the operations of their businesses in Turkey. Delays in the process, or what seems like an impossible to achieve result, in acquiring citizenship frustrate many.



Accessing the local judicial system is another issue which Syrian businesspeople find difficult, and sometimes do not even want to go near. Even though they have lawyers for their companies, when business quarrels with local Turkish businesspeople arise, Syrian businesspeople will usually just take the loss rather than go to court. As one Syrian businessman who works in marketing stated:

We are foreigners here. We might speak some Turkish. But even when we are right in quarrels, this does not mean that we can rely on our rights from the court here in Turkey. We do not have confidence in the judicial process because it is costly and time-consuming. And more importantly, we are foreigners

(Interview 11 February 2020, Istanbul)

The most frequent opinion of Syrian businesspeople on local regulations is that they are unclear and unstable. For instance, regulations related to working permits for Syrian workers, regulations on Syrians travelling within Turkey and regulations on citizenship are just three examples that businesspeople have mentioned in interviews. It was only in 2016 that the Turkish government issued regulations requiring Syrians to have work permits in order to work in Turkey. As such, since that moment Syrian businesspeople have been worried about recruiting Syrian workers (Leghtas, 2019). Also, on July 22, 2019, the Turkish government decided to ban Syrians from travelling freely within Turkey to other provinces which are not registered on their *kimlik*, the ID card for Syrians in Turkey (BIA News Desk, 2019). This has been a major complaint of Syrian businesspeople as it creates a clash of interest with their workforce. Many of their Syrian workers may not have their *kimlik* registered in Istanbul and would thus have to travel across provinces. This leads to a loss of skilled workers in their businesses, which then has a negative effect on their companies. Finally, on 18 September 2018, the Turkish government issued new regulations for foreigners who can receive Turkish citizenship through investment in Turkey (Investment Office, 2018). However, as mentioned earlier, the actual numbers for Syrian businesspeople who have received citizenship are much lower than expected as a result of this regulation. Despite whatever it might say, the reality is that it is not effective.

Taking an opposite perspective – that is, how Turkish businesspeople see Syrian businesspeople acquiring Turkish citizenship – some stated that there is no effect. They believe that the low number of grants of citizenship is due to the low number of Syrians who might successfully qualify. Then, there are Turkish businesspeople who disagree with Syrian businesspeople acquiring citizenship. This disapproval might derive from their impressions of Syrian businesses in Istanbul. Comments such as 'our government is treating them better', 'they do not need to pay tax' or 'they do not need business permission to run their companies' came up frequently during interviews. For example, a Turkish restaurateur in the Fatih District expressed how he felt about the Turkish government providing privileges to Syrians over Turks:

Syrians can open their shops here directly, without any permission. If we [Turkish businesspeople] break the law here, we have to pay a fine. But Syrians don't. Since they are not required to pay such costs, like fines and taxes, of course they can save money [to expand their businesses]

(Interview 24 January 2020, Istanbul)

Similar statements about Syrian businesspeople breaking the law or receiving privileges by local authorities are not uncommon. However, when asked from where and how they knew of this, the answer was always the same, 'We heard it from others'.

In summary, not only does being a wealthier businessperson not remove the 'Syrian refugee' label, protect from being discriminated against, or guarantee acquiring citizenship, but Syrian businesspeople also encounter various regulatory difficulties relating to their business operations. Most Turkish businesspeople do not differentiate between refugees with economic capital from other economically poor refugees. Regarding the relationships between the Syrian and Turkish businesspeople from social and legal perspectives, the lack of interaction



between them is still a social barrier. Turkish businesspeople's impressions of Syrians and their judgements on the legality of Syrians' business operations depend primarily on their impressions rather than data. Nevertheless, Syrian refugee businesspeople do indeed alleviate their own hardship, to a certain extent, through their economic capital and social status. With regard to discrimination from locals, the economic capital the Syrian businesspeople have and their status as business professionals, both of which are successfully transferred to the host country, have been used by Syrian businesspeople while encountering unpleasant treatment from the locals. As for issues with the local judicial system and the inability to expand their business due to the absence of citizenship, Syrian businesspeople continue to struggle against the system. However, they have the economic strength to bear the loss in profit resulting from legal difficulties. This suggests that the economic capital and social status of Syrian businesspeople, to a certain extent, not only improve their material life in the host country, but also alleviate the social discrimination that their fellow countrymen suffer on a daily basis and provide them with the abilities to withstand the legal difficulties they encounter.

CONCLUSION AND POLICY IMPLICATIONS

I have examined the impact that business operations of Istanbul-based Syrian refugee businesspeople have on their host economy, as well as determining which factors contribute to overcoming social and legal challenges which prevent them from building their livelihoods. Although most studies relating to refugees take an approach such that they are seen as disadvantaged and resourceless, this article shows the existence of a group of the economically strong refugees in the massive wave of Syrian refugees to Turkey. This demonstrates that although all Syrian refugees go through various difficult situations in Syria, those who had been from the upper- or upper-middle classes before relocating and could transfer their pre-refugee status after settlement are actively engaging in businesses and producing positive contributions to the host economy. Their economically privileged status does not exclude social and legal difficulties that other refugees encounter. However, their status as business professionals and their economic power alleviates social and legal difficulties, to a certain extent.

The empirical data suggest that Syrian refugee businesspeople have better adaptability than what the common understanding of refugees might suggest since they overcome (or tolerate) the challenges in Turkey through the capital they have transferred with them, mainly their economic capital and the social status as business professionals. This strategy of applying their capitals is closely linked with their pre-refugee status as businesspeople. In terms of an economic perspective, they mostly create employment in similar fields as before, where they have better knowledge and connections. This prompts them to target the Syrian/Arab market which leads to less competition with the local industry. Socially, while facing unpleasant treatment by the locals, they would improve their standing with the locals through the economic capital they have or their social status as business professionals. Although it is impossible for them to affect the local regulations, they do have sufficient economic capabilities to tolerate the possible loss that might occur from their legal difficulties. This is different from previous studies on refugee entrepreneurs which mostly emphasise the importance of social capital (social networks) to facilitate their business operations in host countries. Furthermore, by investigating the scale of their companies based mainly on the number of the workers they have, the taxes they pay monthly to the local government, and the international trade they engage in, it is clear that Syrian refugee businesspeople are contributing positively to the local economy. Finally, although both Syrian and Turkish businesspeople work in Istanbul, they work in parallel with each other and have very limited interaction. The limited interaction leads to a lack of mutual understanding and results in social misconceptions of each other that become barriers preventing Syrian businesspeople from integrating. This is also in contrast to the previous literature which contends that the arrival of refugee entrepreneurs might create competition with local firms. Thus, reinvestigating the dynamic of the social-economic make-up of refugees is crucial for examining refugees' impact on host countries and the planning of refugee policies, since the



strategies refugees apply for overcoming (or alleviating) the challenges they encounter in the host countries are closely related to their pre-refugee capital that can be transferred into the host countries.

Although this research only touches upon the Syrian refugee businesspeople in Istanbul, that is not an indication of a lack of other professionals or socio-economically affluent people among the refugees. For instance, other wealthy people among Syrian refugees in Turkey include doctors, engineers, academics and lawyers, all of whom possess various skills and capabilities attributed to their pre-refugee life.

This research has focussed on the Syrian businesspeople who successfully make it and have established their businesses and does not include those who did not make it or were not businesspeople prior to their emigration. The findings provide two points of departure for future studies: first, how do refugee entrepreneurs manage to transfer their pre-refugee socio-economic status into new business activities after displacement and which factors affect the transformation? Second, how have refugee entrepreneurs adapted their business styles, used their social networks and built transnational businesses after relocating? This study has provided qualitative insights into the impact of refugee businesspeople and their strategies for balancing the challenges they encounter in host countries as well as contributing to the integration literature of refugees. Future research could use quantitative methods so that novel hypotheses can be tested with empirical data.

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