



Working Papers

Paper 133, March 2017

How do Syrian refugee workers challenge supply chain management in the Turkish garment industry?

Emre Eren Korkmaz

This paper is published by the International Migration Institute (IMI), Oxford Department of International Development (QEH), University of Oxford, 3 Mansfield Road, Oxford OX1 3TB, UK (www.imi.ox.ac.uk).

IMI does not have an institutional view and does not aim to present one.
The views expressed in this document are those of its independent author.

The IMI Working Papers Series

The International Migration Institute (IMI) has been publishing working papers since its foundation in 2006. The series presents current research in the field of international migration. The papers in this series:

- analyse migration as part of broader global change
- contribute to new theoretical approaches
- advance understanding of the multi-level forces driving migration

Abstract

There is an increasing interest in the working conditions of Syrian refugees in Turkey. Apart from the Turkish government, many agencies of the United Nations (UN), as well as various non-governmental organisations (NGOs) and transnational corporations (TNCs) implement programmes and projects to tackle the varying needs of Syrian refugees. Rather than solely objectifying refugees as a vulnerable group, paying attention to their contribution to industrial relations is crucial in order to acknowledge refugees as active agents capable of changing their lives and the structures within which they operate. Syrian refugees follow a survival strategy based on their social networks that also affects and changes the living and working conditions of local people, and existing labour relations. This working paper focuses on the relations between the informal and formal sectors in Turkey and how such relations have affected the survival strategies of Syrian refugees. In turn, it also attempts to assess how the participation of Syrian refugees in the informal economy has changed these historical relations between formal and informal employment. The paper will initially provide a general picture of the employment of Syrian refugees in Turkey and then share fieldwork observations.

Keywords: Syrian refugees, Turkish textile-apparel sector, supply chain management, child labour, ethical trade, labour networks

Author: Emre Eren Korkmaz, Newton International Fellow, International Migration Institute, University of Oxford, emre.korkmaz@qeh.ox.ac.uk

Contents

	The IMI Working Papers Series	2
	Abstract	2
1	Introduction	4
2	Informal economy vs. formal economy	5
3	The changing character of the informal sector as a result of refugee movement	7
3.1	The legal framework	7
3.2	Labour networks for the refugees	8
4	Observations from the field	10
4.1	Research design	10
4.2	Research findings.....	11
5	Conclusion	15
6	References	17

1 Introduction

The working and living conditions of Syrian refugees in Turkey attract attention from many different actors. Apart from the Turkish government and its bureaucracy, many agencies of the UN, various international NGOs, local NGOs and TNCs take actions and implement programmes and projects to tackle the various needs of Syrian refugees. As the protracted war in Syria has been continuing since 2011 and as Turkey hosts the largest number of refugees in the world, there is also a growing specific interest in the legal employment of refugees in Turkey.

However, within the context of Turkey's own complicated political, economic and national security agenda, together with the conflicts in the Middle East and the rise of anti-immigrant political currents in Europe and the US, proposing just and fair policies for the 3.5 million refugees the country hosts (Sozcu, 2017) is a difficult task and necessitates a sensitive and comprehensive approach. From another perspective, international media coverage exposing the living and working conditions of refugees trigger new initiatives and collaborations to tackle the refugee question. For instance BBC 1's Panorama investigation, 'Undercover: The Refugees Who Make Our Clothes'¹ has drawn attention to the informal refugee labour and child labour in Turkey, engaged in production for well-known international brands. The programme, broadcast on 24 October 2016, has led to many debates about ethical trade, the exploitation of vulnerable people, and Turkey's informal sector (MacIntyre, 2016).

The mass movement of Syrian refugees into Turkey began in 2011. Today Turkey hosts approximately 3.5 million refugees, the world's largest refugee population, of whom 3.2 million are from Syria (Sozcu, 2017). 290,000 Syrians reside in 26 state-run camps, and the rest live in almost all parts of Turkey and try to survive by their own means (Goc Idaresi, 2016b). As a consequence of the protracted war in Syria, the mass movement of refugees fleeing conflict zones still continues. However, there are millions of Syrians who have now been living in Turkey for years, and who are building their lives and futures in Turkey. This necessitates a dual approach towards Syrians in Turkey, considering them simultaneously as both refugees fleeing their countries due to civil war, as well as active economic agents looking for opportunities to work or invest.

The reasons for which refugees and asylum seekers flee and the risks they encounter are also multiple. They include fleeing war and conflict zones in search of safety and security, going to countries where they might find a job and welfare, escaping destroyed economies, poverty, hunger, inequality and environmental disaster in their homelands. Millions of people are directly affected by all these crises, and each individual has the right to have his or her basic rights and liberties recognised, including that to a safe and secure place to work and live.

In this paper, a general picture of the employment of Syrian refugees in Turkey will be provided. Here it is important to understand the relations between the informal and formal sectors in Turkey and how such relations have affected the survival strategies of Syrian refugees. In turn, one should analyse how the participation of Syrian refugees in the informal economy has changed these historical relations between formal and informal employment in the Turkish textile-apparel sector. Rather than solely objectifying refugees as a vulnerable group, paying attention to their contribution to industrial relations is crucial in order to acknowledge refugees as active agents capable of changing their lives and the structures within which they operate. Syrian refugees follow a survival strategy based on their social networks that also affects and changes the living and working conditions of local people, as well as existing labour relations.

¹ Documentary available at: <https://www.youtube.com/watch?v=3tf6qc51Kbw>

The findings shared in this paper are partly based on observations and fieldwork carried out between August and December 2016. The fieldwork was conducted as an integral part of the Turkey Programme of the Ethical Trading Initiative (ETI). ETI is a London-based multi-stakeholder alliance of transnational corporations, trade unions and NGOs. One of the main focuses of the ETI Turkey Programme is to deal with the legal and decent employment of Syrian refugees in the textile-apparel sector and the author of this paper contributes to this Programme as a migrant-refugee specialist.²

The aim of this paper is to clarify the reasons behind the low level of applications for work permits from Syrian refugees residing in Turkey in 2016. In January 2016 these legal work permits began to be granted to those Syrians who have been under ‘temporary protection’ by Turkey³. Despite the hundreds of thousands of refugees who are estimated to work in the textile industry, only 13,298 refugees were granted work permits by the end of 2016, of which only approximately 2,000 were given for workers in the industrial sectors, including the textile-apparel industry; the rest were given for workers in the service sector (Anadolu Agency, 2017).

As the work permit is applied by the employer in order to employ a refugee, rather than given directly to the refugee, this research aims to understand the factors that lead to an unwillingness of behalf of employers to legally employ Syrian refugees. Workshops, focus groups meetings and in-depth interviews with stakeholders (TNCs, Turkish suppliers, trade unions and NGOs) provide valuable information to understand the de facto reasons affecting the employment of Syrian refugees within Turkey. Such debates among and observations of different stakeholders within the textile-apparel industry in Turkey about the employment of refugees further shed light on traditional relations between the formal and informal sectors in Turkey, which intersect with issues around the employment of refugees.

This paper firstly presents a brief debate about the relation between informal and formal economies, then describes the Turkish legal framework on refugees, and examines the role of labour networks for refugees in finding jobs. The following sections will further elaborate on the question of how the massive employment of refugees in the informal sector has changed the traditional relations among the formal and informal sectors, and how this movement has affected the supply chain management model of the Turkish textile-apparel industry. Lastly the observations and findings of the fieldwork will be shared in detail.

2 Informal economy vs. formal economy

Before discussing how the influx of Syrian refugees into the Turkish labour market has affected the traditional business relations and supply chain management of TNCs, it is necessary to define and briefly explain the basic characteristics of the informal economy. The informal economy, which may also be called undeclared work, is defined as that which produces legal goods and services without

² It is important to underline that all opinions and arguments presented in this article are the author’s own, and do not represent, nor have any binding relation with ETI or its Turkey Programme. The opinions presented are not those of ETI and the author is not a direct employee of ETI, contributing to its Turkey Programme as a contracted consultant.

³ The Law on Foreigners and International Protection (LFIP) came into force in April 2013. According to the LFIP, those refugees coming from Syria are given temporary protection until they can find a new and safe third country of residence. While Turkey has made a geographical distinction by only accepting people coming from Europe as ‘refugees’ and deeming those from outside it ‘conditional’ refugees, those arriving from the East are supposed to be treated equally based on the 1951 and 1967 UN refugee conventions, to which Turkey is a signatory.

being registered with the authorities (Eurofound, 2013). This enables businesses not to pay tax and other social costs, but also means they are not legally protected. The definition of the informal economy as producing legal goods and services is a significant point in order to separate these products from criminal undeclared work, such as drug trafficking.

The informal economy is observed in all parts of the world, both in the Global North and Global South. It is estimated that out of a global working population of 3 billion, approximately 1.8 billion people work in the informal economy (Flexibility@work, 2014). However there are significant differences with regard to the percentages of the informal economy in different countries. For instance, in the UK, it is estimated that the informal economy is 10 per cent of GDP (Williams, 2014b) whereas in Brazil, 92.9 per cent of all start-up businesses operate in the informal economy, a figure which reaches 99.3 per cent in India. Some of these businesses are formalised while some others continue to operate in the informal economy (Williams, 2015).

There are two main ways in which the economy can be ‘informal’. The first is where a workplace or company is informal, meaning it is unregistered with the authorities. In the second, employees may themselves be informal, i.e. they may work in a legal, registered workplace but they do not have any legally binding employment contract with the employer, and their social security contributions are not paid by the employer. This may also include ‘envelope payments’, i.e. where a worker’s salary is registered as being lower than the actual salary, meaning that some portion of the wages are undeclared (Flexibility@work, 2014). There may be different consequences to the informal economy. For authorities, this might mean the loss of tax revenues; for consumers this might mean unsafe products as a result of a lack of official audits; for employees this might mean long working hours, low wages, poor health and safety conditions and lack of freedom of association, and for employers this might mean not being covered by legal protection for their operations (Flexibility@work, 2014).

In general, the informal economy is described as having exploitative conditions for workers, who do not enjoy legal rights and freedoms. This exploitation includes child labour, long working hours, poor health and safety conditions, increased risk of occupational accidents and low wages. However research demonstrates the fact that this does not reflect the whole informal economy (Williams, 2005). Such ‘sweatshop’ working conditions can be widely observed in the informal economy but may be observed in the formal economy as well. All formal workplaces and registered workers do not necessarily operate under decent conditions.

The informal economy is a heterogeneous labour market and it is important to note that within the informal economy there is a division into core and periphery. All informal/undeclared work does not necessarily mean poverty wages and inferior working conditions. Research shows that revenue gained from the informal economy depends on the economic and social conditions of people engaging in undeclared work. People with higher education, skills, better social conditions and networks may earn a higher amount via their undeclared productive activities in comparison with their legal incomes. These are generally well-paid, autonomous and non-routine activities (Williams, 2014b). In contrast, at the informal economy’s periphery, informal jobs are poorly paid and exploitative. In general poor people taking part in the informal economy earn less than formal workers and even less than the legal minimum wage, which does not help them to liberate themselves from poverty (Williams, 2005). Therefore arguments defending the fact that poorer populations are more likely to engage in informal work and which view the informal economy as a tool that reduces inequality does not give the full picture (Williams, 2014b).

There are four main forms of informal employment in the Turkish economy. The first is waged employment. Based on their skills, waged workers may work under sweatshop conditions, but this is not always the case. A technical expert within the informal economy, for example, may earn above the salary he or she would earn in legal employment. The second form is self-employment, the commonest form within the informal economy. Self-employment could have two opposing consequences: companies have the potential to make large-scale capital investments, but they may reproduce poverty as well. The third form is paid favours. Based on personal networks, people may use their skills outside their workplaces to do a job as a favour, for which they are paid. The last form is family work, seen particularly in agriculture, in which family members work without any salary and without any registration.

Self-employment is also widespread within the Syrian refugee community in Turkey. There are many new businesses run by Syrian entrepreneurs, mainly in the service sector, such as restaurant chains. For instance Syrian foreign direct investment sky-rocketed in 2016 due to the investments of Syrian refugees (Finansgudem, 2016). There have been many media reports on local reactions to the self-employment of refugees in many Turkish cities, as the local businesspeople complain of unfair competition between local businesses and Syrian businesses, the latter of whom have no obligation to pay taxes. Against this backdrop this paper deals specifically with the refugee workers in the textile-apparel industry, which itself is part of the periphery of the informal economy. Placing it in this peripheral zone reflects its widespread exploitative working conditions, including the use of child labour and the paying of wages lower than the minimum wage.

3 The changing character of the informal sector as a result of refugee movement

3.1 The legal framework

In Turkey, the Law on Foreigners and International Protection (LFIP) came into force in April 2013. In accordance with this law, Syrian refugees are given temporary protection until they are settled in a new and safe third country of residence (Directorate General of Migration Management, 2014). While Turkey has made a geographical distinction by only accepting people coming from Europe as ‘refugees’ and deeming those from outside it ‘conditional’ refugees or ‘people under temporary protection’, those arriving from the East are supposed to be treated equally based on the 1951 and 1967 UN refugee conventions, to which Turkey is a signatory. However, Turkey’s insistence on preserving the geographical distinction hinders the integration and naturalisation processes of those seeking refuge from the East (İçduygu and Millet, 2016), based on international and domestic laws. It furthermore allows the Ministry of Council/Government to use this as an opportunity to select certain refugees to whom to grant citizenship based on various reasons such as their skills, political and cultural affinity or for security reasons (Sardan, 2017). The result is that all refugees do not enjoy the same rights in Turkey.

Since January 2016, those Syrian refugees under temporary protection who have been in Turkey for more than six months are permitted to apply for work permits. According to the Regulation on Work Permits of Refugees under Temporary Protection, the act that governs this process, refugees cannot be paid less than the minimum wage. There must furthermore be a maximum workplace quota of 10 per cent of refugees, meaning the number of refugees in a workplace cannot exceed 10 per cent of the total workforce. Work permits are issued at the request of an employer prior to signing an employment contract with an employee, and refugees must be treated as equal to local workers and must enjoy the same rights and liberties (Goc Idaresi, 2016b). Only 13,298 refugees had been granted work permits by the end of 2016 (Anadolu Agency, 2017). As of September 2016, the number of work permits granted

was 5,500. There is an increase in the ratio of applications for work permits, however this is still low in a context where approximately half of the Syrian refugees in Turkey are of working age (Kaymaz and Kadkoy, 2016). So the question is to understand the reasons behind such a low level of applications for work permits, when there are so many workers to whom this new regulation applies.

For a long period of time Turkish authorities insisted on viewing Syrian refugees as temporary residents because they did not expect that the war in Syria would continue for so long. The government had focused on the provision of their basic needs, while turning a blind eye to the informal employment of refugees which, furthermore, meant that fewer families would be dependent on government benefits. However, in the case of the work permits, Turkish authorities began to give more emphasis to medium- and long-term planning and the formal employment and entrepreneurship rights of Syrian refugees.

3.2 Labour networks for the refugees

Turkey, with its population of 80 million, is an important industrial centre and attracts migrants from neighbouring countries as well as from farther-flung countries, including those in Africa, due to its transportation links. Aside from its large industrial and service sectors, it has a significant informal sector. Although evidence suggests there has been a gradual decline in the informal economy, as it is undeclared it is difficult to measure it precisely; however, the official estimate is that the informal sector comprises 33 per cent of Turkey's economy (Dunya, 2017). The main reason for the decline (from 50 per cent a decade ago) is the implications of migration from rural areas and agricultural sectors. Since the 1980s there have been fewer people working in agriculture in Turkey and a linked increase in the country's urban population as more people migrate from rural to urban areas. Official campaigns, inspections and sanctions have also decreased the urban informal economy. In urban areas, the major share of the informal economy is in the construction sector, although trade and manufacture, including the textile-apparel sector, also has an important share of the informal economy (Eurofound, 2013).

However, the flexibility of the informal sector, which due to its nature is not required to obey laws and regulations, enables refugees and irregular migrants to pursue survival strategies based on employment or entrepreneurship. For instance Baird (2015) explains how Nigerian migrants in Istanbul use the flexibility of the informal sector to shift from sweatshop employment conditions to entrepreneurship, a phenomenon also seen among refugees and migrants in Turkey. Recent research carried out by Kaya and Kirac (2016) demonstrates that informal labour networks facilitate the relationship between refugees seeking jobs and local employers. So refugees may migrate from border regions within Turkey to Istanbul or other industrial centres with crucial information about the availability of employment and other related issues such as accommodation. According to official reports, between 2013 and 2016, the number of Syrian refugees in Istanbul increased from 85,000 to 400,000 (Göç İdaresi, 2016a). However we do not observe thousands of people desperately looking for employment on the streets of Istanbul; rather, labour networks facilitate (generally informal) employment for these people. Therefore identifying and understanding such labour networks is crucial to opening new channels of legal, formal employment.

This process is not, however, an easy task. Based on fieldwork observations, Syrian refugees are forced to work under poor conditions, with low wages (generally half of the minimum wage), for long hours. As most of the refugees are from rural areas in Syria, they tend to be unfamiliar with the concepts of industrial relations. Another significant problem is the language barrier. Added to the informal, exploitative conditions, employers often prefer to employ refugee children instead of adults, who can learn the job and language quickly, perhaps more quickly than adult workers, and who equally will not oppose the given conditions. It is not just employers, but also their families, dependent on the wages they bring, who force children to accept the given working conditions (Kaya and Kirac, 2016).

This demonstrates that the granting of the right to gain a work permit does not solve the problem of informal labour in Turkey, including that of child refugees.

Before going further, however, it is important to bear in mind that such informal employment and child labour issues are not new problems for the labour market in Turkey. The informal sector has been active for decades and child labour has been used widely in many industries, including the service sector (Tutuncu and Zengin, 2016). The movement of the Syrian refugees and their participation in the labour market has made these problems much worse and much more complex. In the garment-textile-leather sectors, in addition to one million formal workers, it is estimated that almost one million more workers are employed informally (Dogan and Palamutcu, 2013). Here it is important to understand that informal workplaces, i.e. those that have not been registered, are not common in Turkish industry. The most frequent way in which people operate in the informal sector is by not registering some employees in a workplace. So the workplace is legal, but while some employees are registered with the social security system, others are not. These informal workers do not have the legal right to receive the minimum wage and their employers do not pay taxes and other social security contributions, creating a competition between the formal and informal sectors in Turkey.

From another perspective, there is also a history of collaboration between both types of economies. As the Turkish garment industry relies on providing low-cost and quality products in a speedy way, there has been a long-standing relationship between the formal and informal economies. As formal workplaces are generally suppliers to transnational brands, they usually comply with the requirements of Turkish law, international standards and the codes of conduct imposed by international brands. When a violation of these regulations or requirements is reported, it is easier for stakeholders to take measures for remediation. However there are no such binding rules in the informal sector. In order to produce low-cost, quality products rapidly, formal companies, mainly the authorised suppliers of TNCs, have been mobilising large networks of other workplaces, many of whom employ informal workers, in order to meet deadlines. In the past, when such orders had been received, given that the workforce was almost entirely composed of Turkish citizens, it was easier to register these informal workers for a temporary period, hence complying with the necessary legislative requirements and codes of conduct of the transnational retailers. With the movement of Syrian refugees into Turkey, however, the character of 'informality' has begun to transform. Before, both informal and formal workers were in the vast majority Turkish citizens, who offered the flexibility for employers to shift from informal to formal conditions and vice versa. This process has now become more complicated since the informal sector now also accommodates a sizeable Syrian refugee population. Before January 2016, the employment of Syrians under temporary protection did not have a legal basis; the Regulation on Work Permit of Refugees under Temporary Protection introduced the right to acquire a work permit for these workers. But this development has also brought with it new bureaucratic procedures which, in fact, eliminate the flexibility offered by the previous arrangement.

As the informal sector mainly employs refugees, this has caused an ethnicisation of the sector. This means that we begin to associate informal employability with certain ethnic groups. For instance, instead of talking about 'informal workers', people within Turkey begin to talk about 'Syrians'. As the informal sector is mainly producing for the domestic market, it does not necessarily work with exporters and does not therefore have to accept the conditions imposed by international brands. The only actor which could take steps to rid the sector of these exploitative practices is the state. This ethnicisation of the informal sector has directly affected the business as usual of global supply chain management in the Turkish textile-apparel industry. The next chapter will demonstrate how refugees are challenging the traditional relations between the formal and informal sectors, and how these changing circumstances affect supply chain management.

4 Observations from the field

4.1 Research design

The author of this paper contributes to the Turkey Programme of ETI as a migrant-refugee specialist. ETI is a multi-stakeholder initiative, an alliance of various TNCs including Inditex (Zara group), H&M, M&S and Next; trade unions (IndustriALL Global Union, and all Turkish affiliates within the Turkey Programme) and NGOs including Oxfam and Care. The ETI Turkey Programme Steering Committee is composed of three Turkish employer associations representing Turkish suppliers, trade unions, local NGOs and Turkish representatives of ETI-affiliated brands-retailers⁴. This group represents almost 70 per cent of the total export of the Turkish textile-apparel industry. The events and meetings organised by ETI with all stakeholders for the purpose of understanding their experiences and expectations of the employment of Syrian refugees in the Turkish textile-apparel industry have provided valuable inputs to this research.

Within the framework of the Programme, firstly separate workshops were organised for each stakeholder group. A workshop was organised in August 2016 with Turkish trade unions in Istanbul and another one in October in London with the corporate social responsibility (CSR) departments of the ETI-affiliated transnational retailers participating in the Turkey Programme. Also in October one workshop was organised in Izmir and another in Istanbul with senior management from approximately 200 supplier factories. In the supplier workshop 20 groups were formed and each group of 10 participants discussed industry problems, including the refugee issue, for one hour, and then they presented their opinions to the general audience. The ETI team including the author of this paper organised these events but did not take part in the debates of the participants.

The second step was the Launch Conference of the ETI Turkey Programme on 29 November 2016 which brought together 120 delegates and included representatives from all stakeholder groups. In this conference, aside from its panel discussions, 12 mixed working groups of all stakeholders, composed of 10 participants in each group, were formed and they discussed industrial problems and their expectations from the ETI Turkey Programme, with a specific focus on the refugee question. Then all working groups presented their opinions.

One focus group meeting was conducted with trade unions, one with transnational retailers-brands, 20 with Turkish suppliers and 12 with mixed groups. The author of this article also conducted semi-structured in-depth interviews with an employer association, a trade union, an NGO and also with the Ministry of Labour's Directorate of International Workforce in December 2016. These interviews focused on their specific policies towards Syrian refugees and their expectations from the future employment of refugees. It is important to note that these events were not originally designed for academic research. However as a member of the organiser team and as an observer, for the author such workshops with small groups of people representing corporations and associations operated as focus group meetings and are therefore well-suited to academic analysis. The semi-structured in-depth interviews were conducted to bring a deeper understanding of the outcomes of the focus groups and workshops. Findings from these workshops and focus groups have been compared to other recent

⁴ The members of the Steering Committee are: Turkish business associations (TGSD), Turkish Clothing Manufacturing Association, Turkish Textile Manufacturers Association (TTSIS) and Istanbul Garment and Textile Employers Association (IHKIB); retailers Asos, H&M and Inditex; IndustriALL Global Union, representing four Turkish industry trade unions; NGOs women's rights advocate KEIG and refugee-migrant supporters HRDF.

research on Syrian refugees in Turkey to build a fuller picture of the changing character of the informal sector within Turkey as a result of refugee movement.

4.2 Research findings

4.2.1 'Defensive approach' and commonalities

Before moving on to the particular comments of stakeholders about the employment of Syrian refugees in Turkey, it is necessary to elaborate some common opinions the interviewees and workshop participants had on the employment of refugees. These opinions prevent the formal employment of refugees and can be seen as part of a 'defensive' approach towards the legal employment of Syrian refugees. This approach, as defended by stakeholders, essentially raises barricades by which stakeholders are being tempted to only pay attention to those workplaces from which they source, or are responsible for; concentrating on keeping those safe – and 'clean' in the widest sense of the word – within international standards. Such an attitude might have been acceptable pre-January 2016, when it was illegal to employ Syrian refugees under temporary protection. Consequently, it was not officially possible for an authorised supplier to employ a Syrian refugee or for any union to recruit Syrian members. Now, however, Syrian refugees can be formally employed in all tiers of the supply chain and temporary work permits received via the application of an employer to the e-state portal.

This 'defensive' approach coalesces around a couple of broad arguments. Firstly, participants generally argue that Syrian refugees are only in the country temporarily. That refugees are planning to leave Turkey for Europe and do not want to be legally employed for fear of losing legal ways to move to Europe: if you have a formal job, this argument goes, then why are you moving country again? While this plan for onward movement might be the case for some refugees, various studies show that the majority prefer to reside in Turkey due to ethnic, religious and cultural affinities, and legal pathways to Europe are extremely limited (Kaya and Kirac, 2016; Deutsche Welle Türkçe, 2015).

Other arguments focus on the business logic. Most Syrian refugees are unskilled workers so they are not familiar with the industry and industrial concepts and do not know the Turkish language. Employing Syrian refugees would therefore necessitate the employment of Arabic-speaking staff and the provision of extra training, leading to an additional financial burden. Despite having some validity, these too are only partial truths. 3.5 million refugees have not suddenly descended on the Turkish labour market *en masse* desperately searching for work. There are hundreds of thousands of refugees who are already being employed in the Turkish textile sector, but under informal conditions of employment. Even if they are being exploited, refugees have already gained needed employment skills and knowledge of the garment sector, and there are also many sections in textile plants that employ unskilled workers.

Therefore a common observation from all the meetings and interviews that took place is that some partial truths and subjective perceptions produce an unwillingness to employ refugees. When these two arguments are considered in tandem – the belief that refugees do not prefer working legally, and that employing them legally would incur additional costs for business – the industry stakeholders are broadly speaking not prepared to deal with the employment of Syrian refugees. Another key finding from these workshops and focus groups is that participating brands and suppliers do not employ refugees in their workplaces, nor do participating trade unions have refugee members. This is an interesting outcome – if none of these stakeholders have any direct industrial relations with the refugees, one should ask why they feel the need to discuss this issue and, furthermore, why they participate in a programme on the employment of refugees. Perhaps the answer lies in the fact that, for the participants of the workshops and interviews, both employing refugees and not doing so brings problems that are outlined in detail below.

On a related point, another important finding is that despite the millions of refugees who have been living in Turkey since 2011, and despite the fact that hundred thousands of them are employed in the textile-apparel sector, neither employers' associations nor trade unions have any comprehensive and detailed policies towards refugees. Despite the many meetings on this issue that have been held by many actors, they tend to have limited engagement with the refugee question. Transnational retailers in general have also been slow to deal with this issue, although a handful of TNCs including Inditex (Zara Group) and H&M have been addressing it since 2014. However, recently, as a result of international media coverage and demands of the transnational retailers, employers' associations and trade unions are in the process of formulating new policies and projects.

4.2.2 Stakeholder approaches

Here firstly the opinions of trade unions, NGOs and transnational brands-retailers will be briefly explained and then the comments of the suppliers will be analysed, which are largely responsible for the recruitment of refugees in their workplaces.

In the Turkish apparel and textile industry four trade unions are active as members of the three largest confederations. Union density is relatively low in the Turkish textile sector: according to the Ministry of Labour (CSGB, 2016) in July 2016 there were 985,106 total registered workers in the industry and the number of union members was 91,080, approximately 10 per cent. However, based on the collective agreement law in Turkey, there are no industry-wide agreements and a union may serve its members solely if the union signs a collective bargaining agreement with a company. To begin the negotiation process and to sign the agreement, the trade union has to pass two thresholds: firstly a 1 per cent industry threshold, meaning that at least 1 per cent of all workers in that industry must be recruited by that union, and then a 50 per cent +1 workplace threshold, meaning the union needs to organise a majority of the workers to call on the employer to undertake collective bargaining (CSGB, 2014). As a consequence of thresholds and the detailed procedures of bargaining periods, the rate of union members covered by collective agreements in the textile sector is approximately 3 per cent (Celik, 2015). As unionised companies do not employ refugees and as unions cannot recruit informal workers, there have not been any refugee union members in the sector. Additionally, considering the laws and regulations and also the organisational capacity of trade unions, they do not have any specific policy to organise refugees or demand from employers that they employ refugees in the unionised workplaces.

Trade union officers accept and recognise the basic rights and liberties of refugee workers; however they also argue that their informal employment is a threat to labour relations and the wage bargaining of local people. Taking the comments of the union officers as a whole, it is not difficult to observe a 'local worker-refugee worker' distinction. This may even be stated as 'our workers and them'. However, unions support policies and programmes aimed at refugee workers to legalise and improve their working conditions, which might eliminate the unfair competition between workers based on low wages and poor working conditions. So local workers can preserve their jobs and companies may employ refugees when they cannot find a local worker for a position.

However after the Launch Conference, Deriteks (the Leather and Textile Workers' Union) took some steps in January 2017 to convince employers of unionised workplaces to employ Syrian refugees. Deriteks has been supporting refugees in the Tuzla-Istanbul region for a long time but now they identify those refugees working in the sector informally and advise unionised companies to employ these workers in their companies. Some companies have already accepted this offer and this is a small but crucial first step taken by trade unions to encourage the employment of Syrian refugees under fair working conditions.

NGOs play a more observational role in the Programme and contribute to its policies from their fields of specialisation, such as the rights of children, the rights of women, the rights of refugees, and human rights in general. It is not in the scope of this paper to provide a detailed analysis of NGOs with regard to their perspective towards refugees. However, there are many international and local NGOs focusing on delivering services and dealing with refugees in their daily lives. Therefore they are the ones who have the greatest knowledge of the living and working conditions of refugees and they have concrete experience in pursuing policies and projects. There is also an increasing interest from NGOs in focusing on the employment conditions of refugees, and a particular focus on issues concerning child labour and female labour force participation. There are ongoing projects for skills training and providing networks for employment.

TNCs mainly deal with the employment of refugees issue via their departments of social compliance and corporate social responsibility. There are a few brands that have worked on the refugee employment question for a long time, and they collaborate with and support some NGOs dealing with refugees. In general there is a growing interest from transnational retailer brands to implement projects and policies aimed at the refugees. There are some retailers who openly invite their suppliers to employ Syrian refugees; however, such calls have not had much effect on suppliers until now. These TNCs' policies towards refugees have encouraged their suppliers in Turkey to think over this issue and take some action, and we see that TNCs can act as the main motivator to mobilise their local suppliers – and accordingly local trade unions – to deal with this issue.

The media coverage and the work of NGOs and international agencies to expose and report refugees working under vulnerable conditions has impacted on the decisions of TNCs to take further steps about the refugee question. As a consequence of the hierarchical structure of the global supply chains of transnational corporations, even though they do not directly own production units and employ workers in Turkey, they have responsibilities for the working conditions of their suppliers. Therefore not to be exposed by the media and to avoid possible negative campaigns, TNCs tend to formulate projects aimed at refugees and to train and mobilise their suppliers on the refugee question.

4.2.3 Contradiction between TNCs and suppliers

Although it is mainly the TNCs who trigger debates and projects on the refugee question, their positive approach is challenged by the suppliers in Turkey. It was interesting to witness in all workshops and in all focus groups that there was a united demand on the part of suppliers for fairness and justice with regard to their relations with transnational retailers. Suppliers were critical of the working methods of the global supply chain management of TNCs, seeing them as operating unfair purchasing practices.

First of all, one must understand that these suppliers are the authorised suppliers of transnational brands. This means they are producing for transnational garment retailer brands, mainly those from Europe and the US, and their production sites are regularly audited by those TNCs' staff. These suppliers sign contracts with the brands and are directly responsible for delivering products at the right time and of an agreed quality. As the number of suppliers and sub-suppliers cannot be controlled by TNCs, a distinction is made between 'authorised' and 'unauthorised' suppliers in order to determine the level of responsibility of brands. As one might expect, all those suppliers which were found to have been employing an informal workforce, as exposed by the media and by NGOs, were defined as unauthorised suppliers by the TNCs.

Secondly, suppliers unanimously stated that they do not employ Syrian refugees. However, interestingly, they argue that the refugee question is the biggest problem within the industry, and that it is a threat to sustainable business, so certain steps should be taken to resolve the issue. They are resistant

to employ refugees in general because of the reasons mentioned above, categorised as the ‘defensive approach’. Furthermore, as they are directly responsible to TNCs and are regularly audited, their human resources policies are basic and sustainable, and they have a generally conservative approach to preserving their workforce, opting not to introduce radical changes that might disrupt peace in the workplace.

The main reason for which suppliers advocate for fairness and justice in their treatment by TNCs lies in the expectations that the TNCs have of them. Transnational retailer brands aim to decrease costs and delivery times, while increasing the quality of products from their suppliers. As there is a fierce competition between various countries such as Turkey, China, Bangladesh, India and many others to attract orders from brands, and as these transnational brands are global players, they benefit from this competition to lower costs. Turkey’s main advantage in the textile-apparel industry is its quality, as textile manufacture is a traditional industry within Turkey, coupled with its geographical proximity to Europe, allowing orders to be delivered in a short time.

How do these three expectations for suppliers – of being cheap, producing good quality products, and doing so quickly – come together? The answer lies in the historical relation and collaboration between the formal and informal sectors in Turkey’s textile-apparel industry. As explained previously, the authorised suppliers of TNCs mobilise a large network of sub-suppliers to meet their deadlines. In order to make TNCs happy by complying with their rules and codes, suppliers could shift informal workers to formal status temporarily until the order has been fulfilled. However with the involvement of hundred thousands of Syrian refugees in the labour market on an informal basis, such collaboration has broken down. It is not easy to obtain work permits for these workers (as it was for Turkish workers) as it is a lengthy process and very expensive. The fee per work permit is 500 TL (approximately 100 GBP) and, furthermore, it is not possible to shift an employee back into informality once the work permit is issued.

This situation, then, outlines the reasons behind the demands for justice and fairness from Turkish suppliers, demonstrating the extreme difficulties they face to continue business as usual within the global supply chain. This is also the reason for which Turkish suppliers contend that the refugee question is the most significant problem within the industry, even though they do not employ any refugees in their workplaces. Therefore for Turkish suppliers, meeting order deadlines at lower costs to provide good quality products for transnational brands is not sustainable. They repeatedly state that they invest in social compliance practices, they are transparent, they are audited by many brands almost every week, they employ certain staff just to deal with long lists of compliance measures from TNCs and they are manufacturing in accordance with all laws and legislations, but they still cannot get a long-term order guarantee from transnational brands, cannot have longer deadlines, and still face pressure to lower prices. However in the workshop with the CSR staff of transnational retailer brands, those individuals were clear that Turkey’s advantage as a country of manufacture is to provide quality, low-cost products in a speedy way. Losing just one of these advantages would very likely lose the Turkish textile-apparel industry future orders because brands will shift their orders to other countries.

Before reaching a conclusion, there is a need to explain one further issue. As formal workplaces in Turkey are perpetually audited to comply with TNCs’ regulations, the number of workers and machines remains low when compared with conditions in some competing countries of manufacture. In Bangladesh, for example, an average workplace employs thousands of employees; in Turkey most of these authorised workplaces employ only tens or hundreds of employees. However they accept orders from transnational brands that could more feasibly be produced by a much greater number of workers and machines. For instance, there may be 200 workers in a workplace but an order received from a brand would likely need to be produced by 1,000 workers within the given time period. So the rest of

the workforce is found through sub-suppliers which are, as previously seen, more likely to employ an informal workforce. As mentioned above, there is a distinction between authorised and unauthorised suppliers for TNCs, and the system in Turkey is commonly for authorised suppliers to mobilise a large network of sub-suppliers.

This reality is known to both suppliers and brands because this is a simple mathematical calculation of the number of machines and number of employees and calculating in how many weeks they can produce the given order. Additionally, as brands demand employers pay at least the minimum wage, and some brands demand the higher 'living wage', together with all necessary taxes and social security contributions, it is also possible to calculate the cost of a product. Therefore as the interviewed suppliers point out on the issue of fairness, it is not possible to pay the living wage to workers and maintain an eight-hour working day if these brands which place the orders also insist on lowering the prices of each product.

To meet these demands can also indirectly cause further exploitative conditions. As a result of the low profit margins suppliers achieve, authorised suppliers rely on distributing their order to sub-suppliers with lower costs. While the authorised supplier pays the 'living wage' and provides a good workplace to a few hundred workers, thousands of other workers are forced to work informally and/or for a minimum wage for extremely long hours. The employment of Syrian refugees under informal and exploitative working conditions in this sense challenges the business as usual model of the supply chain management system.

5 Conclusion

The movement of refugees is generally perceived as a negative development, and people fleeing conflict, losing their loved ones and homes, leaving their country, and having to struggle with almost every daily issue cannot be disregarded. However, refugee movements may also bring positive change to host countries. Focusing on finding solutions to the daily problems faced by refugees could also bring progressive change for the local working population. The mass movement of Syrian refugees into Turkey has made already endemic problems within Turkish industry more complex. Turkey's large informal sector and, within it, child labour, did not begin with the influx of Syrian and Afghan refugees, or even Nigerian and Georgian migrants in the previous decade, however – irregular and illegal employment already existed. Refugees and migrants, who need to work to survive, use their networks to find places in informal workshops within the sector.

Just granting work permits to these refugees does not bring a solution. Work permits need to be supported by the provision of courses to develop skills. In addition, language lessons should be offered and training given on legal rights and liberties. But even these are not in themselves sufficient. For many years, there have been such projects conducted by the Turkish authorities, NGOs and other international organisations followed by the granting of work permits in January 2016. But these endeavours have only ever led to limited progress. The reason for this is that it is not possible to separate out individual aspects of industry-wide issues. The problems that refugees face in the employment market in Turkey cannot be solved unless the problems surrounding labour market participation as a whole is taken into account. That would remain true even if Turkish authorities automatically granted work permits to all refugees as they enter the country. In any case, it is just not possible to immediately mobilise refugees to work in factories as it is not consistent with international law nor with moral values.

Refugees do not leave Syria to earn money. They have left because their country is consumed by civil war and they want to save their lives. On arrival in Turkey, refugees are often traumatised and it is the government's duty to welcome and support them, with the help of NGOs and local communities.

Following such a sudden and dramatic change to their lives, and with the current level of their industrial experience and language proficiency, as newcomers (even with a work permit) they would still be likely to find only informal jobs – or formal jobs with the lowest wages and the worst conditions. This is similar to those Turkish citizens who migrate to metropolitan cities from rural areas, either to find a job or fleeing violence in their hometowns. When a country has a large informal sector (as is the case in Turkey), and if there are no effective inspections, audits and legal enforcement practices, employers of informal workplaces will always find a labour force to exploit. As granting work permits is not the sole solution, and with vocational and language training only providing limited progress, a smooth transition from the informal economy to formal economy is necessary to save children and refugees from exploitation. However, this requires two assurances. First, a process of strict control and enforcement by the authorities, and, second, reform of the garment sector's business model to avoid 'feeding' the informal sector.

This paper has attempted to contribute to the debate on the long-standing, systematic problems of Turkish textile-apparel industry which have become more complex with the involvement of refugees. Different industry stakeholders have played a role in the creation of these problems, so there would not be any meaningful change achieved by insisting on doing business as usual. As just one step forward, the purchasing practices of transnational corporations/brands should be questioned: they apply pressure to their suppliers to produce in a short time at a low cost, pressure which is then transferred to workers by suppliers, and which feeds the informal economy as suppliers strive to produce more in a shorter time with lower costs. A comprehensive approach, as well as collaboration, is needed in order to address the problems of informal labour, and to provide decent work for all workers, irrespective of nationality. Otherwise the risk is that efforts to improve the situation within the textile-apparel sector might backfire, discouraging TNCs from seeking suppliers in Turkey and having a negative effect on the fair, legal employment of workers in Turkey, including Syrian refugees.

6 References

- Anadolu Agency (2017) ‘Turkey issues work permits to over 73,500 foreigners’, 18 January, Available at: <http://aa.com.tr/en/economy/turkey-issues-work-permits-to-over-73-500-foreigners/729836>
- Baird, T. (2015) 'Nigerian entrepreneurs in Istanbul, Turkey: Spatial and temporal dimensions of mixed embeddedness'. *International Migration Institute Working Paper* No. 115. Oxford: International Migration Institute.
- Celik, A. (2015) ‘Sendikalaşma gerçekten artıyor mu?’, 27 January, Available at: <http://t24.com.tr/yazarlar/aziz-celik/sendikalasma-gercekten-artiyor-mu,11132>
- CSGB (2016) ‘İşçi ve Sendika Üye Sayıları, 2016 Temmuz Ayı İstatistiği’, Çalışma ve Sosyal Güvenlik Bakanlığı, Available at: http://www.cs.gb.gov.tr/media/3400/2016_temmuz_6356.pdf
- CSGB (2014) ‘Sendikalar ve Toplu İş Sözleşmesi Kanunu, İlgili Yönetmelikler’, Ankara: Çalışma ve Sosyal Güvenlik Bakanlığı, Available at: https://www.cs.gb.gov.tr/media/2057/sendika_yonetmelik.pdf
- Deutsche Welle Türkçe (2015) ‘Suriyeliler Türkiye’de kalıcı’, 18 August, Available at: <http://www.dw.com/tr/suriyeliler-t%C3%BCrkiyede-kal%C4%B1c%C4%B1/a-18654827>
- Directorate General of Migration Management (2014) ‘Law on Foreigners and International Protection’, Publishing Number: 6, Available at: http://www.goc.gov.tr/files/files/eng_minikanun_5_son.pdf
- Dogan, N. and Palamutcu, S. (2013) ‘Tekstil ve Hazır Giyim Sektöründe Nitelikli İş Gücü Yetiştirme Programları’, *2023e 10 kala 3. Sanayi Surasi*, TC Bilim, Sanayi ve Teknoloji Bakanligi.
- Dunya Newspaper (2017) ‘Kayıt dışı istihdam yüzde 33 oldu’, 27 January, Available at: <http://www.dunya.com/ekonomi/kayit-disi-istihdam-yuzde-33-oldu-haberi-347527>
- Eurofound (2013) ‘Tackling undeclared work in Turkey’, Dublin: Eurofound.
- Finansgundem (2016) ‘Suriyeli patronlardan Türkiye’ye Tam Gaz Yatırım’, 20 September, Available at: <http://www.finansgundem.com/haber/suriyeli-patronlardan-turkiyeye-tam-gaz-yatirim/1119599> [Last accessed 1 March 2017]
- Flexibility@work (2014) ‘Bringing the Undeclared Economy Out of The Shadows: The role of Temporary Work Agencies’, Amsterdam: Randstad.
- Göç İdaresi Genel Müdürlüğü (2016a) ‘2015 Türkiye Göç Raporu’, Göç İdaresi Genel Müdürlüğü Yayınları, No. 35.
- Göç İdaresi Genel Müdürlüğü (2016b) ‘Geçici Koruma Sağlanan Yabancıların Çalışma İzinlerine Dair Yönetmelik’, Available at: http://www.goc.gov.tr/icerik6/gecici-koruma-saglanan-yabancilarin-calisma-izinlerine-dair-yonetmelik_333_336_10157_icerik
- İçduygu, A. and Millet, E. (2016) ‘Syrian Refugees in Turkey: Insecure Lives in an Environment of Pseudo-Integration. Global Turkey in Europe’, *Global Turkey in Europe Working Paper* No. 13, Available at: http://www.iai.it/sites/default/files/gte_wp_13.pdf
- Kaya, A. and Kirac, A. (2016) ‘Vulnerability Assessment of Syrian Refugees in Turkey’. Support to Life Association.
- Kaymaz, T. and Kadkoy, O. (2016) ‘Syrians in Turkey – The Economics of Integration’. *AlSharq Forum*, Expert Brief.

- Kubal, A. (2016) 'Refugees or Migrant Workers? A Case Study of Undocumented Syrians in Russia-LM and others v Russia (ECtHT 14 March 2016)'. *Immigration, Asylum and Nationality Law*, 30(3).
- MacIntyre, D. (2016) *Panorama - Undercover: The Refugees Who Make Our Clothes*, BBC, Available at: <http://www.bbc.co.uk/blogs/aboutthebbc/entries/aa0dd313-e50a-4e28-8109-118a7cc3b3df>
- Sardan, T. (2017) 'Suriyelilerin Turk Vatandasliginda Sona Dogru', 30 January, *Milliyet*.
- Sozcu* (2017) 'Türkiye'de kaç milyon mülteci var? Bakan Soylu açıkladı', 15 February, Available at: <http://www.sozcu.com.tr/2017/gundem/turkiyede-kac-milyon-multeci-var-bakan-soylu-acikladi-1680764/> [Last accessed 7 March 2017]
- Tutuncu, A. and Zengin, H. (2016) 'Türkiye'de Kayıtdışı Ekonominin Boyutunun Tahmini', *Doğuş Üniversitesi Dergisi*, 17(2): 195–209.
- UNHCR (2016) 'UNHCR Global Trends 2015', Available at: <http://www.unhcr.org/576408cd7.pdf>
- Williams, C. C. (2015) 'The Informal Economy as a Path to Expanding Opportunities', Centre for Development and Enterprise (CDE), South Africa. Available at: <http://dx.doi.org/10.2139/ssrn.2804172>
- Williams, C. C. (2014a) 'Policy Approaches Towards Undeclared Work A Conceptual Framework', GREY Working Paper, Sheffield: Sheffield University Management School, University of Sheffield.
- Williams, C. C. (2014b) 'The Informal Economy and Poverty: Evidence and Policy Review', York: Joseph Rowntree Foundation.
- Williams, C. C. (2005) 'Formalising the Informal Economy: The Case for Local Initiatives', *Local Government Studies*, 31(3): 335–349.