Identifying the Constraints Among Syrian Refugee Workers in Accessing Better Employment Opportunities in and Outside Agriculture

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Introduction

Turkey has been hosting an increasing number of refugees and foreigners seeking international protection, particularly since the conflict in Syria with around 3.8 million Syrian refugees currently being hosted in the country. This large number of refugees in the country has increasingly led to challenges in development, particularly as Syrian refugees have settled not only in the relatively well-developed provinces such as Istanbul, Ankara and Izmir, but also in provinces with existing development challenges close to the southeastern border of Turkey with Syria. The increasing number of Syrian refugees in these provinces has led to higher competition for employment and social services, among others, with refugees providing an alternative workforce to natives particularly for less paid and informal jobs.

Moving beyond humanitarian assistance to integrating refugees into the formal labor market has emerged as an important policy priority in Turkey, but a significant share of refugees remain in the informal sector. The Government of Turkey aims to enable Syrians under Temporary Protection (SuTPs) to become economically active, improve their living and working conditions, graduate from social assistance, and contribute to the Turkish economy. To this end, since 2016, the Government of Turkey has allowed SuTPs to obtain work permits and thus work formally. Despite this policy commitment, available evidence suggests that most refugees work in the informal sector. The Turkish Red Crescent (TRC) Livelihoods Survey (2018) found that around 86 percent of the refugee population works in informal jobs, and recent work based on the 2018 Turkey Demographic and Health Survey finds that about 98 percent of married men and women refugees work in the informal sector. Finally, since formal employment for Syrian refugees can only be possible through a work permit, the low number of work permits also indicate that the vast majority of work-able Syrian refugees must be in the informal sector (only 62,369 work permits were issued in 2020). 4

Agricultural sector can potentially absorb a significant share of the refugee population, but the quality of jobs is low with high informality. While the share of agriculture in gross domestic product (GDP) in Turkey has been declining, falling from 12% in 1998 to 5% in 2021, agriculture still represents about 20%

¹ Source: Ministry of Interior Directorate-General of Migration Management, data as of April 2022. Syrian nationals, as well as stateless persons and refugees from Syria, who came to Turkey due to events in Syria after 28 April 2011 are provided with temporary protection by the Government of Turkey. The term "Syrians under temporary protection – SUTP" refers to refugees protected under this regulation. For ease of reading, they will be referred to as "refugees" in this note.

²TRC Livelihood Survey 2018; International Crisis Group. 2018. *Turkey's Syrian Refugees: Defusing Metropolitan Tensions*. Europe Report No. 248.

³ Demirci, M., and M. G. Kirdar. 2021. "Labor Market Integration of Syrian Refugees in Turkey". Center for Research and Analysis of Migration Discussion Papers No. 38/21. Please note that the dataset used in this study, the Turkish Demographic and Health Survey, collects information on informality only for a subset of individuals, and the authors restrict information to 18- to 49-year-old women and their 18- to 59-year-old husbands.

⁴Source: Ministry of Labor and Social Security Directorate-General of International Labor Force

of employment.⁵ Structural, institutional, and policy constraints such as low productivity, limited domestic market integration, and distinct dualistic patterns in farm structures - where small-scale family farms with unpaid labor and relatively large farms operate in parallel - act as binding constraints on growth and employment generation. These factors result in unfavorable working conditions, including high rates of informality in the sector, with wages often below the national minimum and inadequate worker protections. The ad-hoc, seasonal nature of employment with the predominance of labor brokers acting as intermediaries between farmers and workers, combined with the costs of registration and formal contracting, provide little incentive for employers to become formal employers. As a result, about 85% of employment in agriculture is informal, whereas it is about 30% in Turkey overall.⁶ These conditions also mean that the native Turkish population is increasingly leaving the sector to work in the service sector in urban areas. Given the relatively low education levels among refugee workers and the low supply of native workers in agriculture, the sector has the potential to absorb a significant share of the refugee population. Providing opportunities for formal employment in agriculture therefore indirectly contributes to improving the economic integration of refugees in Turkey.

Combining a review of the available literature with the analysis of available data sources, this note identifies potential factors contributing to informal employment of refugees, with specific emphasis on agriculture. The next section provides an overview of the labor market characteristics in Turkey, followed by the challenges refugees face in obtaining formal employment. The note then focuses on the agriculture sector, with emphasis on the challenges against formal employment for native and refugee populations. The note concludes with policy recommendations.

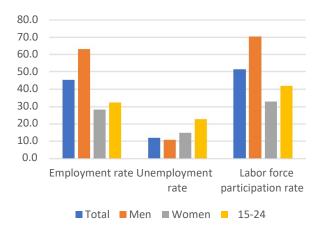
Labor market characteristics in Turkey

Turkish labor market is characterized by low participation and employment rates, and persistently high unemployment, particularly for vulnerable groups. Despite high growth since early 2000s, job creation in Turkey has not been sufficient to fully absorb the supply of workers. Real GDP growth was 5.4% annually between 2002 and 2017, and despite economic shocks, it was about 11% in 2021. Employment also increased, as approximately 7.2 million jobs were created between 2004 and 2018, an increase of about 43%. However, the rate of job creation has been slower than the number of labor market entrants, demonstrated by persistently high unemployment rates, particularly among youth: unemployment rate among youth ages 15-24 has increased dramatically since the beginning of 2018, reaching about 23%, while total unemployment was at around 12% in 2021 (Figure 1). In the meantime, participation rates remain slightly over 50%, driven by men at about 70%, whereas women's labor force participation has consistently been around 30%. Similarly, employment rates for women and youth remain far behind that of men, with about 32% for youth and mere 28% for women in 2021, compared to about 63% for men.

⁶ Source: Turkstat

⁵ Source: Turkstat

Figure 1. Employment rates, unemployment rates and labor force participation rates for men, women, youth and total population in Turkey, 2021



Source: Turkstat LFS

The long-term decreasing trend in informality has slowed substantially since 2018.

Informality decreased from 48% in 2005 to 33% in 2018, but this trend has been stagnating since 2015 with about one third of employment remaining informal. Informality reached 45% among women in 2019 before the Covid-19 pandemic hit. Finally, informal employment is more common in provinces with high Syrian refugee population, especially the provinces in the southeast.

Covid-19 exacerbated these existing challenges.Existing labor market vulnerabilities were exacerbated by the pandemic, as a result, formula informula and application and applications.

female, informal and unskilled workers were affected the most. While unemployment rates

for these groups were not dramatically affected, significant movements from employment to out of labor force was observed, particularly in the case of women and youth. Rapid economic activity in 2021 stimulated by credit expansions by the government helped alleviate some of these impacts, and recovery was faster for women and youth compared to the informal workers. In addition, despite these movements, unemployment did not decrease significantly in 2021, decreasing only slightly from about 13% in 2020 to 12% in 2021.

Identifying the constraints against formalization of Syrian refugees in Turkey

Syrian refugees work under significantly worse conditions, and are significantly less likely to be formally employed compared to natives. About 62% of Syrian men and only 6% of Syrian women have paid jobs, compared to about 69% for Turkish men and about 22% of Turkish women, according to TDHS data. For women, some of this difference can stem from the low labor force participation, as estimates find that the labor force participation rate for Syrian women is around 14%, whereas it is about 38% for native women. Working Syrian refugees are less likely to be employers: Native (married) men are about 10 percentage points more likely to be self-employed, and about 5 percentage points more likely to be employers compared to Syrian refugee (married) men. While refugees tend to work part-time with a

⁷ Demirci, M., and M. G. Kirdar. 2021. "Labor Market Integration of Syrian Refugees in Turkey". Center for Research and Analysis of Migration Discussion Papers No. 38/21.

⁸ Pinedo-Caro, L. 2020. "Syrian Refugees in the Turkish Labor Market: A Socio-Economic Analysis". *Sosyoekonomi* 28(46), 51-74. The author finds similar labor force participation rates among Syrian and native men: about 81% for Syrian refugees compared to about 78% for men.

⁹ Demirci, M., and M. G. Kirdar. 2021. "Labor Market Integration of Syrian Refugees in Turkey". Center for Research and Analysis of Migration Discussion Papers No. 38/21. The authors restrict the sample to married men and women for these analyses.

higher percentage compared to natives,¹⁰ if they work full time, they work longer hours.¹¹ Finally, almost all working refugees (98% of both married men and women) work informally,¹² whereas informality hovers around 30% in general in Turkey.

Syrian refugees in the labor market tend to be younger and live in more crowded households compared to natives in Turkey. ¹³ A recent analysis using Turkey Demographic and Health Survey (TDHS) finds that the share of refugees below the age of 30 is considerably larger compared to the natives (55% compared to 35%), and that refugee men and women are more likely to be younger than natives (Figure 2). Household sizes are considerably larger for refugee households. First, average household size is about 4 for natives and about 7 for refugees. Furthermore, the composition of the household is quite different: refugees from different families seem to share the same house, probably to reduce per-capita housing expenses, whereas individuals from the same family are more likely to occupy the same household for natives.

Low levels of education and skills compared to natives, including language skills, contribute to low rates of formal employment among Syrian refugees in Turkey. Refugees have lower education levels compared to natives (Figure 3): 26% of native men and 23% of native women have higher than a high school degree, whereas this share is 9 and 7% for refugee men and women, respectively. On the other hand, 16% of refugee men and 24% of refugee women do not have a primary school degree, whereas this share is 4% for native men and 14% for native women. A survey focusing on the Syrian ESSN beneficiaries in Turkey also finds that around 15% having at most a high school degree among Syrian ESSN beneficiaries, and the majority of these degrees are from Syria. Additionally, among ESSN beneficiaries, 14% have no formal education and 39% have only attended primary school. Many Syrian refugees in Turkey also lack the language skills that could make them productive for several jobs, importantly but not limited to the jobs in the service sector.

¹⁰Demirci, M., and M. G. Kirdar. 2021. "Labor Market Integration of Syrian Refugees in Turkey". Center for Research and Analysis of Migration Discussion Papers No. 38/21.

¹¹Pinar, Ezgi et al. 2019. "Syrian Migrants and Labor Market in Turkey: A Survey on the İstanbul Textile Manufacturing Sector", in Gaye Yılmaz, İsmail Doğa Karatepe, Tolga Tören (Eds.): *Integration through Exploitation: Syrians in Turkey Labor and Globalization*, edited by Christoph Scherrer, Volume 17.

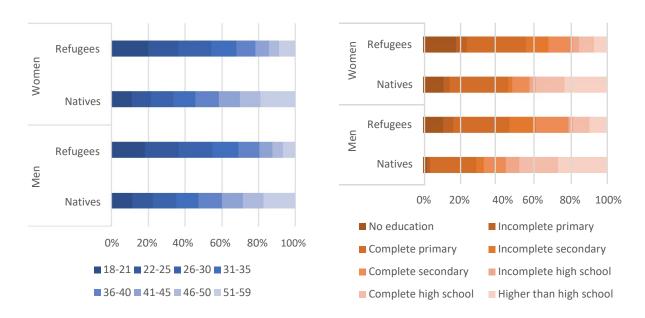
¹²Demirci, M., and M. G. Kirdar. 2021. "Labor Market Integration of Syrian Refugees in Turkey". Center for Research and Analysis of Migration Discussion Papers No. 38/21.

¹³Demirci, M., and M. G. Kirdar. 2021. "Labor Market Integration of Syrian Refugees in Turkey". Center for Research and Analysis of Migration Discussion Papers No. 38/21.

¹⁴Turkish Red Crescent. 2018. Livelihoods Analysis. Unpublished.

¹⁵ Turkish Red Crescent. 2018. *Livelihoods Analysis*. Unpublished.

Figure 2. Age distribution of natives and refugees (ages 18-59) Figure 3. Education distribution of natives and refugees (ages 18-59)



Source: Demirci, M., and M. G. Kirdar. 2021. "Labor Market Integration of Syrian Refugees in Turkey". Center for Research and Analysis of Migration Discussion Papers No. 38/21 using Turkey Demographic and Health Survey (TDHS) 2018 micro data.

Syrian refugees are more likely to work in sectors and in conditions that lead to high informality even before the refugee influx (Figure 4Error! Reference source not found.). Syrian refugees work in sectors that are traditionally more likely to employ informal workers, such as textiles, clothing, agriculture and construction, with textile and clothing as the most popular sectors in more developed provinces such as Istanbul, Ankara, Bursa and Gaziantep according to available evidence. In less developed provinces with opportunities in agriculture, Syrian refugees are likely candidates for seasonal agricultural labor, which is almost always informal. Child labor is also quite common, particularly among boys: about 17% of 12-14 year-old and about 45% of 15-17 year-old Syrian refugee boys were in paid employment in 2018.

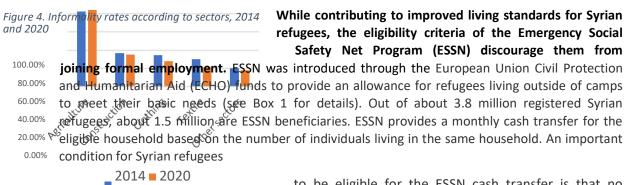
When Syrian refugees do want to join formal employment, there is limited demand from employers to employ them through a formal contract, even when they have a high education level. First, on top of the limited job creation prospect in the Turkish labor market in general, provinces in the Southeastern regions with relatively high Syrian population have a lower job creation capacity compared to the more developed provinces in the West and Northwest of Turkey. For relatively higher skilled jobs with a higher probability of formal employment, employers may find it relatively more difficult to verify the skill levels, and therefore expected productivity, of refugees. ¹⁸ This is especially true in the case of Syrian refugees who could not bring their degrees or certifications with them to Turkey. As a result, employers may not

¹⁶Dedeoglu, S. and Sinem Sefa Bayraktar. 2019. "Refuged into Precarious Jobs: Syrians' Agricultural Work and Labor in Turkey", in Gaye Yılmaz, İsmail Doğa Karatepe, Tolga Tören (Eds.): *Integration through Exploitation: Syrians in Turkey Labor and Globalization*, edited by Christoph Scherrer, Volume 17.

¹⁷ Dayloglu, M., Kirdar, M.G., & Koc, I. (2021). The making of a "lost generation": Child labor among Syrian refugees in Turkey. *IZA Discussion Paper* No: 14716. The analysis in the paper shows that the employment rates among Syrian children was much lower in Syria before the conflict.

¹⁸Without a certification of skills, employers may also be more likely to statistically discriminate against refugees. Taste-based discrimination can also be another factor inducing employers to pay less wages to an otherwise similarly skilled refugee (see Becker 1971).

be willing to pay as high as the official minimum wage and the premiums and taxes associated with formally registering workers, which makes Syrian refugees a more likely candidate for the lower paid, informal jobs that require lower skills levels. In fact, there is evidence that the inflow of refugees has led to the displacement of Turkish citizens from the informal labor market towards formal employment. A recent assessment also finds that, for Syrian refugees with university degrees, the inability to verify their degrees and informal work arrangements result in their returns to schooling being five times lower compared to that of formally employed Turkish citizens. A recent analysis finds that the employment gap between Syrian refugees and natives in Turkey gets larger as education of the two groups increases.



to be eligible for the ESSN cash transfer is that no individual working in the household should be formally employed. In other words, an ESSN-eligible household loses all cash transfer if one household member starts working formally. With the current amount of transfer,

source: LFS 155 TL, and assuming that an average Syrian household has 7 members, ²² the ESSN amounts to 1085 TL per household on average. Given that the minimum wage for 2022 is 4250 TL, this implies that, leaving all other benefits of formal employment aside, a beneficiary household can decide to join the labor force only if the total earnings per month in the household through informal jobs is less than 3165 TL. While we do not have information on average wages in the informal sector for 2022, a similar calculation could be made for 2020, where all information is available. With the ESSN payment of 120 TL per person in 2020, and an average of 7 household members, ESSN would pay 840 TL per month for each household on average. In 2020, the net minimum wage was 2324 TL, implying that an individual in a beneficiary household would decide to join formal employment if the total earnings of the household from informal jobs was less than 1484 TL. On the other hand, average wage for an informal job was 906 TL per month in 2020. ²³ Therefore, if two or more people from the same household were able to work in the informal

¹⁹Del Carpio, X., and M. Wagner. 2015. "The Impact of Syrian Refugees on the Turkish Labor Market." World Bank Policy Research Working Paper No. 7402.

²⁰Pinedo-Caro, L. 2020. Syrian Refugees in the Turkish Labour Market: A Socio-Economic Analysis. *Sosyoekonomi. Vol. 28(46), 51-74.*

²¹Demirci, M., and M. G. Kirdar. 2021. "Labor Market Integration of Syrian Refugees in Turkey". Center for Research and Analysis of Migration Discussion Papers No. 38/21.

²²Demirci, M., and M. G. Kirdar. 2021. "Labor Market Integration of Syrian Refugees in Turkey". Center for Research and Analysis of Migration Discussion Papers No. 38/21. The authors calculate the average household size using Turkey Demographic and Health Survey (TDHS) 2018 micro data.

²³Source: Household Labor Force Survey 2020 Micro Dataset

sector, benefitting from ESSN and staying informal would have made a Syrian refugee household better off compared to getting a formal job with a minimum wage and losing ESSN.

Box 1. The Emergency Social Safety Net (ESSN) Program

The Emergency Social Safety Net Program (ESSN) is funded by the European Union Civil Protection and Humanitarian Aid (ECHO) and is implemented by the International Federation of Red Cross and Red Crescent Societies (IFRC), the Turkish Red Crescent (TRC) and the Ministry of Family and Social Services (MFSS). The program aims to provide an allowance for refugees living outside of camps to meet their basic needs, and offers monthly cash transfers to eligible households among foreigners living in Turkey. Evaluations are initially conducted through the system with household visits planned in the first year of benefitting from the transfer. Factors including formal employment status, family structure, number of individuals living in the household, and age, gender and disability status of the individuals are considered for eligibility. Households should satisfy one of the following criteria to be eligible:

- 1. Single adult (between 18 and 59) females with no other people in the family.
- 2. Families with four or more children
- 3. Families that have a high number of dependents (i.e. children, elderly and disabled). This is determined as families that have at least 1.5 dependents for every adult (between 18 and 59).

Ministry of Family and Social Services is responsible for the evaluation and checking of eligibility for ESSN through household visits as well as monthly checks through the system. Household visits aim to verify the information submitted through the system. On the other hand, the Ministry of Family and Social Services investigates whether household is still eligible for the transfer, and transfers are immediately stopped if at least one condition of eligibility is no longer verified. These conditions are any changes in the household structure that might result in ineligibility, registration in formal employment, registration of a high value asset in the name of any household member, granting of Turkish citizenship to the main applicant, or moving to a new address with failure to notify the Ministry.

Monthly cash transfers are delivered through bank accounts opened for each household. As of May 2022, the program provides 155 TL per individual in each eligible household. An additional payment is made every three months, where households with 1 to 4 people will receive 600 TL, 5 to 8 people receives 300 TL, 9 people or more receives 100 TL. In addition, applicants who are identified as most vulnerable according to set demographic criteria are eligible for an alternative, Complementary-ESSN program that provides 250 TL per individual in each eligible household instead of the 155 TL provided by the ESSN program.

Legal and institutional barriers also play an important role in limiting access and incentives for Syrian refugees to join formal employment. Turkey implements a relatively strict policy in providing access to labor market for refugees. First, Syrian refugees are provided with an ID when they enter the country and they are supposed to stay in their assigned province with no permission to travel, limiting their mobility to access jobs. Regulations in Turkey stipulate that any refugee can only be formally employed through a work permit, and applications can only be made under the sponsorship of an employer. In addition, the

worker is required to have spent at least 6 months as a registered refugee in Turkey, ²⁴ and there are certain sector and occupation restrictions on the type of jobs they can take. Finally, employers can formally employ refugees up to 10% of their total number of workers. All these restrictions limit the number and type of formal jobs available to Syrian refugees.

Limited access to information and low language skills implies that Syrian refugees face problems in accessing public employment services such as job search assistance, job counseling and active labor market programs in general, although recent efforts have improved access. World Bank projects in collaboration with the Ministry of Labor and Social Services and the Turkish Employment Agency have been contributing to improving access to these services for Syrian refugee jobseekers. For example, in the project "Employment Support Project for Syrians Under Temporary Protection and Turkish Citizens" (P161670), the Turkish Employment Agency provides job counseling, language and vocational training and access to the on-the-job training program to Syrian refugees and host community members in four provinces of Turkey with high numbers of Syrian refugees (Adana, Gaziantep, Istanbul and Sanliurfa).

Rules and conditions regulating formal employment, and in particular the minimum wage regulations, can impede formal employment of refugees as well as the native population. Formal employment requires registering the worker to the Social Security Institution, which implies paying at least the minimum wage. Employer submits the registration to the Social Security Institution on behalf of the employee and makes all relevant payments including employer's and employee's share of premiums and taxes. The total payments to the government in the form of premiums and taxes amount to more than 35% of the gross wage, making it highly costly for the employer to consider formally employing workers. In addition, official net minimum wage increased by about four times and the total cost to employer by over 3 times since 2014 in nominal terms. Available evidence shows that these developments have led to firm destruction, resulting in increases in informal employment, particularly in low productivity firms with small profit margins, operating with higher labor shares and facing stronger market competition. 25

Formal employment in agricultural labor market: an important challenge for Syrian refugees as well as the native population

Despite decreasing in importance, agriculture still employs a large share of workers, but long-standing structural, institutional, and policy constraints limit the ability of the agricultural sector to generate additional on-farm employment and provide favorable working conditions. While the share of agriculture in gross domestic product (GDP) in Turkey has been declining, falling from 12% in 1998 to 5% in 2021, agriculture still represents about 20% of employment. On the other hand, the seasonal nature of work in the sector and the use of intermediaries (labor brokers) to hire workers on a day-to-day basis, combined with the costs of registration and formal contracts, provide little incentive for employers to fully

²⁴Syrian nationals, as well as stateless persons and refugees from Syria, who came to Turkey due to events in Syria after 28 April 2011 are provided with temporary protection by the Government of Turkey. Individuals must register to the Ministry of Interior Presidency of Migration Management to obtain this status.

²⁵ Acar, A., Bossavie, L., and Makovec, M. 2019. Do Firms Exit the Formal Economy after a Minimum Wage Hike?". *World Bank Policy Research Working Paper* No. 8749.

formalize themselves and the workers they employ. Further long-standing structural, institutional, and policy constraints such as low productivity, limited domestic market integration, and distinct dualistic pattern in farm structures act as a binding constraint on growth and employment generation. These factors result in unfavorable working conditions, including wages often below the national minimum and inadequate worker protection. In fact, a recent survey of farmers in Bursa found that only 17 out of the 647 farmers surveyed have formal workers.²⁶

Workers in agriculture are relatively older compared to the average in the labor market, suggesting agriculture might not be an attractive sector to work for relatively younger populations. Mean age of those working in agriculture was 46.5 in 2020, whereas it was 40 considering all sectors, with those over 50 making up a disproportionately large percentage of workers in agriculture compared to the average of all sectors (Figure 5). A recent survey of agricultural workers and farmers found that Turkish workers find it difficult to work in agriculture due to heavy work conditions and reliance on physical strength and that the more skilled workers in agriculture tend to move out of town for jobs outside of agriculture. Combined with low wages, workers in agriculture guide their children to work in non-agricultural sectors, while farmers also confirmed the difficulty of finding Turkish agricultural workers.

Given the relatively low skill levels among refugee workers and low supply of native workers in agriculture, the sector has the potential to absorb a significant share of the refugee population. While refugees may be less competitive for jobs in manufacturing or services given their relatively low skills composition, agriculture is well suited to provide them with employment opportunities. This potential is further reinforced by the existing exemption of work permit requirements for refugees working in agriculture (see Box 2).

Box 2. Work permit exemption for refugee employment in agriculture

The Government of Turkey allows refugees to work without a work permit for Syrian refugees who are seasonal agricultural or animal husbandry workers. The exemption is less costly both in terms of monetary and time costs compared to a obtaining a work permit. First, individuals themselves or their employers can apply for the exemption document, as opposed to the requirement that employer needs to sponsor an application for a work permit. Second, unlike a work permit application, there is no application cost. All applications are concluded within the day of applying for an exemption, and individuals can also apply to receive an exemption to work in another province than the one they are registered in. The exemption document is valid for a year, and refugees can opt to register in the Social Security Institution depending on their preferences, but this is not a requirement.

Individuals working in agriculture have lower education and skills compared to the employed population in Turkey, and farmers find that native workers who are willing to work in agriculture lack the relevant skills. Those employed in agriculture have relatively lower education levels with about 16% with no formal education and about 50% with a primary school degree (Figure 6). Farmers report that among those people who are willing to work, they lack the relevant skills for the task, which leads to crop

 $^{^{26} \}hbox{Bossavie et al. 2022. Preferences over Labor Market Formalization among Farmers in Turkey. unpublished.}$

²⁷ Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

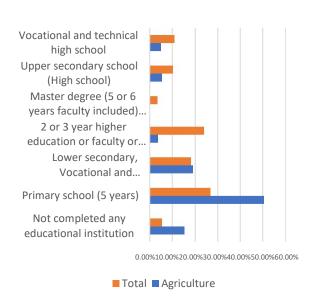
²⁸ Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

losses. For example, a recent study finds that while the majority of farmers (about 80% of those surveyed) employ workers who are not family members, they require a mix of crop- and task-specific technical skills and transferrable skills such as reliability, speed and endurance as well as communication skills.²⁹ On the other hand, generally find it hard to employ workers for long durations because they find that workers do not have the mix of skills that make them productive for different tasks in the farm throughout the harvest year.³⁰

Figure 5. Age distribution of total employed population and those employed in agriculture (2020)



Figure 6. Education distribution of total employed population and those employed in agriculture (2020)



Source: LFS 2020

While in principle the influx of refugees should benefit Turkish farmers by lowering wages, evidence suggests that farmers are concerned about the lack of technical and soft skills among the refugee workforce. The arrival of refugees has benefited some Turkish farmers on account of access to a new pool of labor, lower wages, and a boost in production. For example, a study in 2016 states that Syrian refugees settling in the region positively affected agricultural production and reduced labor wages leading to increased production in Mersin and Adana. However, as the majority of the refugee population is unskilled, this has not contributed to addressing the significant shortages of skilled and semi-skilled labor reported in agriculture. Interviews carried out with farmers in a recent study indeed indicate that farmers are concerned with the quality of the work of refugees, lack of language skills and unfamiliarity with agricultural work, and their commitment to regular work. Many also state their willingness to provide training for refugees but cite a lack linkages to relevant training institutions.

²⁹Source: Bossavie et al. 2022. Preferences over Labor Market Formalization among Farmers in Turkey. unpublished.

³⁰Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

³¹Development Workshop. 2016. "Seasonal Agricultural Production Report on the Current Situation in Turkey, Foreign Migrant Workers"

³²Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

³³FAO (Food and Agriculture Organization). 2018. *Turkey: Syrian Refugee and Resilience Plan 2018–19.* FAO, pages 5–6.

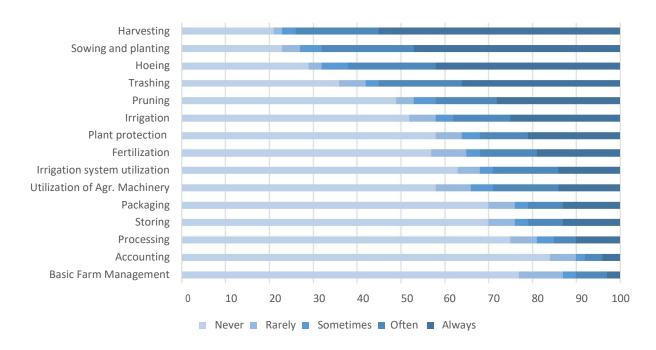
The vast majority of workers in agriculture are informal and workers earn significantly lower than they do in other sectors, partly due to the nature of the type of tasks demanded from them by farmers. 84% of employment was informal in agriculture in 2020, compared to about 34% overall in Turkey. The high informality rate also limits the capacity to make higher earnings in the sector: in 2020, an average worker in agriculture made about 1,000 TL in a month, or about one third of an average worker in Turkey. In addition, about half of all workers in agriculture are unpaid family workers compared to only about 10 percent overall in Turkey. On the other hand, even formal workers earn less in agriculture compared to the other sectors (about 2,270 TL in 2020 compared to about 3.520 TL). ³⁴ In addition, workers are more likely to work part time or seasonal in agriculture since a higher percentage of workers are demanded during peak harvest periods: in a recent survey, farmers stated that 55% of the workers they need throughout the year is for harvest, whereas they do not need workers for tasks that require higher skills and for longer duration, such as farm management or processing or packaging of products (Figure 7). A recent survey of farmers in Bursa also confirms the short-term nature of the majority of jobs in agriculture: Whereas a farmer employs about 40 workers throughout the year, only about 5 of these are long-term workers.³⁵ The type of tasks requested as well as the crop type are also important determinants of the daily wage received. Data from the 2019-2020 harvest year shows that the average daily wage received by a worker was about 85 TL, which was close to the daily gross minimum wage of 2019, though significantly lower than the daily gross minimum wage in 2020 (85.28 TL/day in 2019 and 95.10 TL/day in 2020). 36 However, daily wages were as low as 65 TL/day for tomato production, whereas it could get as high as 185 TL/day for tea production (Figure 8). Similarly, daily wages differ significantly based on the task: for example, less than 70 TL/day is paid for cutting, whereas daily wages for loading is more than double that amount, or 144 TL/day (Figure 9).

³⁴Source: Turkstat Household Labor Force Survey Micro Dataset 2020

 $^{^{35}}$ Source: Bossavie et al. 2022. Preferences over Labor Market Formalization among Farmers in Turkey. unpublished.

³⁶ Source: Development Workshop. 2020. Wages in Agricultural Production Activities in Turkey (2019-2020).

Figure 7. Tasks demanded from workers by farmers



Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

Figure 8. Average daily wages for agricultural workers according to agricultural product (all tasks)

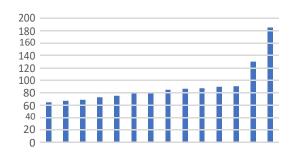
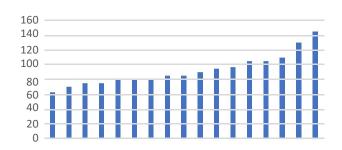


Figure 9. Average daily wages for agricultural workers according to tasks (all agricultural products)



Source: Authors' calculations using data presented in Development Workshop. 2020. Wages in Agricultural Production Activities in Turkey (2019-2020).

There are significant regional differences in wages for similar tasks in agriculture, particularly as the number of migrant and refugee workers has increased. Daily wages for harvesting can range from 50 TL/day in Sanliurfa to as high as 185 TL/day for tea harvest in Rize.³⁷ Differences in wages are visible for

³⁷Source: Development Workshop. 2020. Wages in Agricultural Production Activities in Turkey (2019-2020).

the same task for the same crop: for example, a worker harvesting olives was paid 75 TL/day in Manisa, and over 100 TL/day in Bursa.³⁸ It is also claimed that the insertion of Syrian refugees into the agricultural workforce has almost prevented any increase in daily wages as they accept lower wages compared to natives for the same tasks.³⁹

Discrimination against refugees also plays a role in hindering employment conditions of refugees in agriculture. Some farmers indicated they do not want to hire refugees at all because they believe refugees perform badly at work because of the work hours and work culture in Syria, without having hired any refugees, indicating the potential for statistical discrimination. This unfavorable impression is in fact despite the fact that about half of the refugees that currently work in agriculture were already working in agriculture in Syria, and the vast majority of them have significant work experience in agriculture in Turkey, including blending, planting and packaging of agricultural products. Available evidence shows that Syrian refugees work seven days a week for nine hours each day, exceeding the limits imposed by a formal employment contract. There is also evidence that, for the same type of tasks, Syrian refugees receive lower wages compared to refugees. For example, in Mersin in 2021, farmers paid 100-110 TL/day for general agricultural tasks to native workers, whereas they paid 75 TL/day to refugee workers (Table 1). Similarly in Izmir, a native male worker was paid 102 TL/day for general agricultural tasks where refugees do the same tasks for 70-90 TL/day. Majority of refugee workers (67%) also confirmed these differences in wages according to ethnicity and/or gender.

Table 1. Daily wages for native and Syrian men and women workers in agriculture

Province	Native worker		Syrian refugee worker		Task
	Women	Men	Women	Men	
Bursa	80-100 TL	100-110 TL	80-100 TL	100-110 TL	General agricultural tasks
	-	150 TL	-	150 TL	Pruning
Gaziantep	80-90 TL	80-90 TL	80-90 TL	80-90 TL	General agricultural tasks
İzmir	88 TL	102 TL	70– 90 TL	70– 90 TL	General agricultural tasks
	-	170 TL	-	170 TL	Pruning, carrying
Mersin	100-110 TL	100-110 TL	75 TL	75 TL	General agricultural tasks
Adana	80-100 TL	80-100 TL	80-100 TL	80-100 TL	General agricultural tasks
Adıyaman	80-100 TL	80-100 TL	80-100 TL	80-100 TL	General agricultural tasks

Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

³⁸Source: Development Workshop. 2020. *Wages in Agricultural Production Activities in Turkey (2019-2020).*

³⁹ Dedeoglu, S. and Sinem Sefa Bayraktar. 2019. "Refuged into Precarious Jobs: Syrians' Agricultural Work and Labor in Turkey", Gaye Yılmaz, İsmail Doğa Karatepe, Tolga Tören (Eds.): *Integration through Exploitation: Syrians in Turkey Labor and Globalization*, edited by Christoph Scherrer, Volume 17.

⁴⁰ACC Training Needs Assessment Report

⁴¹Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

⁴² Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

Labor brokers fulfill the important task of labor matching for seasonal work in agriculture, but they create significant obstacles in improving work conditions and accessing formal employment for agricultural workers. Brokers fulfill the job matching function in agriculture in Turkey. Their activities fill an important gap as public employment services provided by the Turkish Employment Agency do not extend to the rural areas. In agricultural labor markets, farmers are likely to use brokers to recruit particularly short-term workers, for example, farmers in Bursa hired about 40% of their workers through a broker, ⁴³ and a recent assessment found that about 80% of surveyed farmers are satisfied by the performance of labor brokers. 44 Brokers act as the bridge between the farmer and the worker and arrange all the logistical requirements for workers to complete their tasks in the farm during the agreed time period. In exchange, when a broker is used for job matching, farmers provide the total payment to the broker, who extracts a share of the total payment (about 5 to 10%)⁴⁵ for his or her services, further reducing the final amount received by the worker. Broker activities in agriculture fills a gap in the agricultural labor market, particularly for seasonal workers as they lack the knowledge to find where agricultural jobs are located. However, they create an additional cost item for workers who already are strapped for cash, and there is evidence that they delay payments to workers despite the fact that they receive the relevant payments on time from the farmers. 46 Furthermore, labor brokers stand as an important obstacle in accessing longer term employment with better conditions by breaking any direct relationship between the farmer and the worker, making it impossible for the worker to negotiate his or her rights with the farmer, or for the farmer to get to know the worker better to be able to offer longerterm (or formal) employment. The inability to form a direct relationship with the worker causes inefficiencies for the farmer as well, because a worker trained to complete tasks in their farm may not show up for work the next day if the labor broker assigns him or her to a different farm on that day.

Use of labor brokers is more common for refugee agricultural workers due to language barriers, further breaking any direct links with their employer, the farmer. Despite indicating they do not have trouble communicating with, or adapting culturally or socially into the native populations, most Syrian refugees use labor brokers to access jobs in agriculture.⁴⁷ A qualitative assessment of the language levels of Syrian refugees in agriculture suggests the lack of language skills might be the reason for choosing to work with labor brokers, as is the lack of knowledge on how to locate jobs.⁴⁸

Despite efforts to regulate broker activities in agriculture, vast majority of labor brokers in agriculture are not registered and their activities cannot be regulated. To prevent exploitation of seasonal workers by labor brokers, the government of Turkey initiated a process to register brokers and regulate their activity through the Turkish Employment Agency. There is a fine (26,786 TL – about 1800 USD – in 2022)

⁴³Bossavie et al. 2022. Preferences over Labor Market Formalization among Farmers in Turkey. unpublished.

⁴⁴Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

⁴⁵Source: Yılmaz, M., Sayın, C., and Bozoğlu, M. 2021. "Mevsimlik gezici tarım işçiliğinde tarım aracılığının rolü: Giresun ili fındık örneği". *Mediterranean Agricultural Sciences*, 34 (2), 189-194.

⁴⁶Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

⁴⁷Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report.

⁴⁸Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report.

associated with engaging in broker activities without permission from the Agency, and with matching workers to farmers without a contract (1,334 TL – about 90 USD – in 2022). Registered brokers are also not allowed to receive any payments from the workers. In practice, though, a small minority of brokers in agriculture are registered to the Turkish Employment Agency. While the total number of brokers in agriculture is not known, it is estimated that about 95% of brokers are not registered in the Turkish Employment Agency. According to official records, there were 1,661 registered brokers in Turkey at the end of 2021, whereas the number of brokers were estimated to be about 2,000 in Adana alone.

Women make up a higher percentage of workers in agriculture compared to the other sectors, particularly among refugees, and they are more likely to be informal, earning relatively lower wages.

About 41% of those employed in agriculture were women in 2020, decreasing from about 46% in 2014, compared to about 31% for all sectors in 2020.⁵² Unlike in other sectors, Syrian refugee women make up a large proportion of the agricultural workforce among refugees, with about 43%. On the other hand, despite a higher share in employment, they consistently earn lower wages than men: On average, a woman in agriculture made about 860 TL a month compared to about 1200 TL for men in 2020. Some of this difference stems from the fact that women are more likely to be informal in agriculture (about 94% compared to about 75% for men) and that a higher percentage of them work as unpaid family workers (81% of women in agriculture are unpaid family workers compared to only about 20% for men). A recent survey of farmers also confirms these findings, as about 60% of farmers state that they pay women lower than men, with a higher incidence in the Western provinces compared to the Southeastern ones.⁵³

Presence of children in the farms is quite common among both native and refugee workers, either in the form of child labor or as a result of the inability of their parents to arrange childcare for them.

Children aged 5 to 17 are part of the informal workforce in the agricultural sector. Estimates suggest nearly 220,000 children (ages 5-17) work in the agriculture sector which accounts for nearly one-third of all working children in the country. A recent study conducted in six provinces in Turkey found that about half of farmers employ children between 9-17 years working to conduct relatively delicate tasks that require smaller hands, earning the same wages for these tasks with adults, and that an important reason farmers are not willing to formalize some of their workers is the inability to formalize their children workers. Even when they are not working, children can be present in agricultural lands when their parents are unable to arrange childcare for them. Problems in refugee children's access to education is documented in exiting studies on refugees, for example, a recent evaluation finds that only about 30% of 15-year-old girls attend school compared to about 87% of natives of the same age, and that the gap is even larger for boys with about 13% for Syrian refugees and about 89% for natives. When Syrian refugees cannot send their children to school, agricultural work becomes an option where they can earn quick and

⁴⁹ Source: Keskin. D. 2022. "Tarımda İş Aracıları Yasal Yükümlülüklerini Yerine Getirebilir mi?". *Development Workshop Academy*, *2* (3), *January 2022*.

⁵⁰Source: Turkish Employment Agency website, retrieved on May 12th, 2022.

⁵¹Source: Keskin. D. 2022. "Tarımda İş Aracıları Yasal Yükümlülüklerini Yerine Getirebilir mi?". *Development Workshop Academy, 2 (3), January 2022*.

⁵²Source: Turkstat Household Labor Force Survey Micro Dataset 2014-2020

⁵³Source: ACC Training Needs Assessment Report. The assessment included 6 provinces: Adana, Adiyaman, Bursa, Gaziantep, Izmir and Mersin.

⁵⁴TURKSTAT Child Labor Force Survey, 2019

⁵⁵Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

⁵⁶Pinedo-Caro, L. 2020. "Syrian Refugees in the Turkish Labor Market: A Socio-Economic Analysis". *Sosyoekonomi* 28(46), 51-74.

informal wage on a daily basis.⁵⁷ School closures during the COVID-19 outbreak exacerbated this problem as children that would otherwise be at school could not be left alone at homes and brought to the farms instead.

Living conditions and access to protection for agricultural workers is generally poor both for natives and refugee populations. A recent study found that particularly short-term, seasonal workers live under dire conditions with access to only basic accommodation and low hygiene standards. In addition, although they have been in Turkey for relatively long periods, Syrian refugees working in agriculture live in unfavorable conditions: About 70% of Syrian refugees working in agriculture have been living in Turkey for at least five years, ⁵⁸ but a non-negligible share lives in tents with no access to heat or running water, ⁵⁹ where the rest reside in rented apartments, often sharing them with several other families. ⁶⁰ Since seasonal workers need to travel to different destinations to find work, they cannot send their children to school. Informal employment also implies that they do not have access to the health insurance provided through formal employment, although access to some health services is granted to the Syrian refugees with identity cards provided by the Ministry of Interior.

Earnings in agriculture is not sufficient to provide a living, particularly for Syrian refugees. About 85% of refugees surveyed stated they cannot make ends meet with the amount and the frequency of wages given to them. A simple calculation verifies this point. Assuming that the average refugee earned about 100 TL/day in agriculture in 2021, which is towards the higher end of daily wages of Syrian refugees according to Table 1, and for 20 days a month, they would have earned about 2000 TL a month, making it below the poverty line for a family of four in 2021, and much lower than the poverty line for the average Syrian refugee family, which has 7 household members (see section above). Furthermore, many refugees receive wages not on a daily basis, but with a lower frequency like weekly, monthly or on a seasonal basis, making it more difficult to streamline their cash flows for providing daily needs.

Given these harsh conditions, both native and refugee workers in general would prefer to be formally employed if they were given the opportunity. ⁶⁴ This finding is particularly interesting since access to formal employment prevents workers to benefit from some types of social assistance. In particular, native workers who are formally employed are not eligible for the General Health Insurance scheme, formerly known as the Green Card program, which allows them to benefit from free healthcare services without premium payments. As explained in the previous section, the opportunity cost of formal employment

⁵⁷Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report.

⁵⁸Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report.

⁵⁹Development Workshop. 2016. "Fertile Lands, Bitter Lives: The Situation Analysis Report on Syrian Seasonal Agricultural Workers in the Adana Plain."

⁶⁰Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report.

⁶¹Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

⁶²This is calculated assuming a poverty line of 5.5 USD PPP. The poverty line for 2021 was 561.2 TL per person per month.

⁶³ Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543) Training Needs Assessment Report

⁶⁴Source: Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543)
Training Needs Assessment Report. The assessment included 6 provinces: Adana, Adiyaman, Bursa, Gaziantep, Izmir and Mersin.

seems even greater for Syrian refugees who are beneficiaries of the large cash transfer program, ESSN, which provides a monthly transfer for each individual in the household.

While the agricultural sector provides support mechanisms for farmers, these interventions aim to reduce the costs of production and do not incentivize skills development or formal employment of agricultural workers. The Government of Turkey provides area-based agricultural support payments, deficiency payments, livestock support payments, agricultural insurance support services, and project-based rural development support, with the main objective of ensuring food security in Turkey. In other words, policies focus on reducing the costs of farmers while neither aiming to improve the productivity nor the working conditions of agricultural workers. Indeed, analysis shows that these subsidies create distortions that work against productivity improvements and competition and tend to be regressive. ⁶⁵ In addition, agricultural employers are largely exempt from labor market regulations and seasonal agricultural employment is out of the scope of formal employment requirements, implying that in their current form the Government's employment subsidies ⁶⁶ do not apply to the agricultural sector.

Farmers are aware of the benefits of formalization and there is evidence they might be willing to hire workers formally, but they lack the relevant information on how to formally employ workers. There is recent evidence that farmers are in principle not against hiring workers formally, and this is true particularly for farmers who currently have long-term workers. Given that the practice of formalization is quite rare in agriculture, including farmers themselves, it is not surprising that farmers lack knowledge on which steps to take to formally employ workers, or on the costs of formalization. A recent survey found that about 62% of farmers are not at all aware on which steps to take to register a worker, and about 92% do not know the procedures to register a refugee worker specifically. In addition, available evidence shows that farmers either do not know or underestimate the costs associated with formalizing workers: about two thirds of surveyed farmers indicated they do not know what it might cost to formally employ a worker beyond the net wage, while the remaining farmers significantly underestimated the cost of formalization. On the other hand, farmers are well aware of the many benefits of formalization, for example, 85% are aware that formal employment would provide workers with health insurance and 35% know that workers will be covered under accident insurance.

⁶⁵World Bank. 2018. Leveraging Farmer Organizations to Improve the Efficiency of Agricultural Value Chains in Turkey. Summary of Findings and Recommendations. Draft. Washington, DC: World Bank.

⁶⁶The Government of Turkey implements over a dozen subsidies to cover a part (but not all) of the registration costs for formal employment. Generally, these subsidies are used as a means to reduce the high formalization costs for employers, as social security premiums alone cost more than 35 percent of the gross wage, with additional costs for income and stamp taxes. Wage subsidies that cover part of the net wage are limited and apply primarily to cover the increase in employers' costs with the particularly high increase in the minimum wage in recent years.

⁶⁷Bossavie et al. 2022. Preferences over Labor Market Formalization among Farmers in Turkey. unpublished.

⁶⁸ Bossavie et al. 2022. Preferences over Labor Market Formalization among Farmers in Turkey. unpublished.

⁶⁹Bossavie et al. 2022. Preferences over Labor Market Formalization among Farmers in Turkey. unpublished. This question asked the cost of formalization for a worker that is given 200 TL/day. The true costs are approximately 60 percent of the net wage and therefore the total cost of hiring a worker formally at 200 TL per day is approximately 320 TL.

⁷⁰Bossavie et al. 2022. Preferences over Labor Market Formalization among Farmers in Turkey. unpublished.

Policy recommendations

Recommendation 1. Implement integrated labor policies that address both demand and supply side challenges

It is essential to improve the skills of refugees, including not only technical skills, but also on language skills and soft skills that would make them more productive for agricultural jobs. To this end, vocational and on-the-job training programs could be considered that can train workers on crop- and/or task-specific technical aspects, in addition to providing trainings on communication in the context of agricultural work, and in Turkish. Soft skills trainings can focus on soft skills highly demanded by farmers, such as teamwork and being organized, for example by showing up in the farm on time.

On the other hand, improving skills may not lead to increased and higher quality employment if farmers cannot provide jobs in the first place. Therefore, improving employment conditions in agriculture poses a double-sided challenge where increasing labor demand is as essential as improving worker skills. To this end, interventions that can increase the demand for products produced by farmers, as well as interventions lowering the cost of formal employment for farmers can play a significant role. Interventions across the value chain, for example to develop connections with markets, can be considered for the former, whereas wage subsidies can reduce the cost of formal employment for farmers that are willing to employ workers formally, but cannot due to financial constraints.

Recommendation 2. Improve job matching facilities in the agricultural labor market, and inform Syrian refugees on how to access them

Establishing mechanisms to match farmers and workers in agriculture is essential for developing an employment relationship between (refugee) workers and farmers. For example, the project *Agricultural Employment Support for Refugees and Turkish Citizens Through Enhanced Market Linkages (P171543)* implemented by the Agricultural Credit Cooperatives of Turkey plans to use a matching algorithm, based on insights from matching theory and information on worker preferences and farmer needs. As part of this Project, detailed information on worker preferences (for example over work location, types of tasks, crops as well as times of the year they are available to work) as well as skills and experience is being collected to create a database of workers. Similarly, a farmer profiling exercise is being carried out to collect information on hiring needs for their farm (e.g. tasks they are looking to hire for, skill requirements, preferences over worker attributes etc.) which will be used to create a database of vacancies. Using this information, a matching algorithm will be developed which will support the allocation of workers to the most suitable jobs taking into account both the preferences of workers as well as the needs of the vacancy. Developing such intermediation services which make systematic use of the preferences of workers and the needs of farmers may result in higher quality matches, higher net wages for workers in the absence of intermediary fees, improved worker productivity, increased satisfaction among both workers and

farmers, thereby increasing job tenures. This, in turn, may make farmers more willing to invest in their workers and could result in improved work conditions as well as increased formalization.

Recommendation 3. Develop an exit strategy from the ESSN and incentivize Syrian refugees to seek formal employment

A comprehensive graduation policy from the ESSN is necessary to incentivize Syrian refugees to start considering formal employment and integrating into the labor market in Turkey. To this end, a graduation policy should be developed, and widely distributed so that the Syrian refugees are aware of the need for integration. The strategy should also include mechanisms through which the Syrian refugees are informed about the benefits of formal employment, and the ways to achieve it, including information on work permits or exemption procedures for agricultural work. Finally, the strategy should include tailor-made counselling services.

Recommendation 4. Inform farmers on the benefits of formalization as well as the procedures and costs associated with it, and generate mechanisms for support

Informing farmers on the costs and benefits of formalization is essential for farmers to take on the task of formally employing (refugee) workers. To this end, information interventions can be developed focusing on providing information on and awareness of formal employment in agriculture.

Recommendation 5. Develop mechanisms to address child labor

The issue of child labor is complex with many dimensions, and should be dealt with a comprehensive policy package involving education, health, social protection and social services aspects among others. Approaching from merely an agricultural labor market perspective, sensitization of farmers is essential as farmers should be responsible for not allowing child labor in their workplace. Workers can also be informed on the potential costs of child labor on the child's future, and in cooperation with local and international NGOs working in the sector, on the potential ways children can be kept off farms, including possibilities of childcare. Grievance mechanisms should also be established, which should also be able to take complaints in Arabic for the benefit of Syrian refugees.