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DOLLAR & SENSE PODCAST

To help Syrian refugees, Turkey and the EU should open more trading opportunities

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DOLLAR: Hi, I'm David Dollar, host of the Brookings trade Podcast, "[Dollar and Sense](#)." My guess today is Kemal Kirisci, a senior fellow at Brookings who's just completed a study of the Syrian refugee crisis. And in particular, he has a proposal for how Turkey and the EU can cooperate to deal with the crisis. So welcome to the show, Kemal.

KIRISCI: Thank you, David.

DOLLAR: So let's start with some background on the Syrian refugee crisis. What's the origin, how many people are we talking about, how long has this been going on, where are people going?

KIRISCI: The background is very complicated. I'll try to make it as simple as possible. It goes back to 2011 when the civil society in Syria began to protest against the regime in Damascus in the context of what was then called the Arab Spring.

You will recall regime change in Tunisia, in Egypt. So the expectation was that the regime in Damascus would also be replaced by a regime that would be more sensitive to the demands of the public. This did not happen. Instead, the regime resorted to a very high level of repression and use of military force against its own public which led to displacement within the country at first and then subsequently abroad as well, especially to countries surrounding Syria itself. And in 2015, the conflict took a new turn when Iran and Russia intervened as well as the Islamist extremists groups were gaining the upper-hand and looked like they were about to overthrow the regime in Damascus.

So today, as a result of these developments, we have more than five and a half million refugees in Jordan, Lebanon, and Turkey, and approximately about a million of Syrians who ended up in Europe, together with a large number of Syrians displaced within the country.

And as you may be following the recent news, the Syrian military and the Syrian regime with the support of especially Russian air power is beginning to push towards the north gaining increasing control over the northwestern corner of Syria where the opposition and civilian populating associated with the opposition had been –dare I say – dumped. And this is where we stand right now.

DOLLAR: So do we know how many of these Syrian refugees are in Turkey itself?

KIRISCI: In Turkey we have very specific numbers because all the Syrian refugees and another asylum seekers are registered. The current figure is about 3.6 million Syrians, and then there is an additional 400,000 asylum seeker and refugees from other nationalities in Turkey.

DOLLAR: Okay. So you have 3.6 million Syrian refugees in Turkey. What are the prospects for big group of that people to go back to Syria or go forward toward Europe – thinking of Turkey as kind of a transit point?

KIRISCI: The expectation...the resolution of a refugee problem or situation has what they call in refugee regime issues three durable solutions. One of them is that they remain in the country they fled to and become integrated and eventually become citizens. Or they are resettled into third countries and ideally voluntarily go back to the country where they came from once the situation improves there.

The resettlement option has been closed for some time. In the case of Syrian refugees, but as well as other refugees around the world. Local integration is a solution that host countries are very reluctant to allow for. If there is interest we can go into the details of it.

And then many refugee situations have reached a protracted situation which means that it has been more than five years that displacement has occurred and none of these durable solutions are emerging.

In the specific case of Syrian refugees, very small numbers of them have been accepted to the United States. A little bit more to Canada, and some in the context of the EU-Turkey agreement that was reached in March 2016.

But if we look at the UNHCR report, United Nations High Commissioner for Refugees, it's the agency that is responsible for overseeing refugee situations around the world, resettlement falls much shorter than the one percent of all refugees that UNHCR each year aspires to resettle.

The return situation for Syrians in Turkey and in Lebanon and Jordan is a very complicated one

because the regime in Damascus considers them in their discourse and narrative as traitors, and, at times even worse, terrorists. And though without going into the details of it, the Russian government has been pressuring the regime in Damascus to make it possible for refugees to return. The government has been very reluctant and in cases where return has occurred to the government-controlled parts of Syria, human rights NGO's such as Human Rights Watch and Amnesty International have reported that some of these refugees, returnees, especially the younger ones, have been maltreated.

Now in the case of Turkey, Turkey has established control in certain pockets of Syria – northern parts of Syria. There has been return to those pockets. The Turkish government cites the figure of 365-plus thousand Syrians going back. But UNHCR figures put it around 70,000-80,000, and UNHCR calls such returns self-organized as opposed to voluntarily returns, sustainable returns.

And as you would be, and maybe our listeners are aware, the situation in Syria is still very fluid in terms of what kind of a solution will emerge. The Geneva process is still failing to reach a conclusion and agreement that would allow for Syrian refugees to return to Syria.

One last very quick point. Public opinion surveys in Turkey, particularly one called the Syria barometer, shows that a good proportion of Syrian refugees in Turkey consider themselves integrated into Turkey and when asked also indicate that they do not have immediate plans to go back to Syria unless the situation there improves to the extent that they would feel secure enough to go back and also to have a sustainable return to Syria.

DOLLAR: Okay. So, Kemal, that was a very clear exposition of this problem. It's unlikely that large numbers are going to go back to Syria as you just explained. Even that 360,000 number from the official Turkish figures going back, that would be about 10 percent, meaning 90 percent are still in Turkey. And then prospects for them moving forward to either Europe or the United States are not very good.

So you've got millions of refugees in Turkey, and we have seen this story before, frankly, where

refugees get stuck in a particular local and they're not likely to move.

Now you mentioned that some of them consider themselves integrated into Turkish society, the Turkish economy. So to what extent is this community integrating into the existing Turkish economy?

KIRISCI: One of the engines of integration is of course employment – access to livelihood. But that is a very complicated issue right now because, though we don't have reliable data on this, Turkish bureaucrats, officials themselves, have cited in confidences that just about one million Syrian refugees are employed informally in the Turkish economy and a little less than 100,000 of the Syrian refugees have work permits and are legally employed.

The challenge here – there are a number of challenges here – one of them is that those Syrians who are employed informally of course lead a very precarious life. They don't enjoy sustainable access to livelihood. The informality opens the way to exploitation that needs to be borne in mind, but also, in an economy that is already suffering from high unemployment, the entry of Syrian refugees into the informal Turkish labor market depresses wages and that becomes an important driver of resentment amongst the Turkish public. And again, public opinion surveys show that more than 80 percent of the Turkish public wants to see them being returned to Syria and 70 plus percent of them believe that Syrian refugees take away jobs from them.

So that presents to us a very complicated picture that is still awaiting to be addressed. Given the reality as you underlined it, they are not about to return back to Syria and the prospects of resettlement remains very, very low.

DOLLAR: So now you have a specific proposal for how Turkey and the EU can cooperate. You just gave some really useful background. The figure you cited on the number of people who actually have work permits and can be in the formal economy, that's a very small percentage.

These Syrian refugees, this is potentially a plus for the Turkish economy. It's hard to get people to understand that. There's always this fear that immigrants take away jobs. Lots of evidence that in

general immigrants also create demand, they create jobs, and can be a boon to the Turkish economy.

What is your specific proposal for the EU and Turkey?

KIRISCI: Actually, against all odds, the international community – especially through UN agencies such as the UNDP and the Food and Agricultural Organization, the International Organization for Migration, UNDP I think I already mentioned as well as the UNHCR – are involved in projects to support this livelihood access for Syrians. What they are doing is they are trying to improve the employability of Syrian refugees through Turkish language courses but also through vocational training and through exposing Syrian refugees to the skills for looking for jobs. But the number who benefit from such efforts is very limited and it is only in the couple of thousands that have been placed into jobs into employment through these projects. And a lot of these projects are also supported by the funds that the European Union makes available to Turkey through what is known as FRIT, the Facility for Refugees in Turkey.

Now in December 2018, as a result of the European migration crisis of 2015 and 2016 that led to the big UN summit on migration and refugee movements in New York, in December 2018, the global compact on refugees was adopted with only Hungary and the United States not acceding to that compact. All other EU countries, member states, have acceded to this compact and supported it.

Now the logic behind the compact is that the international protection of refugees is an international responsibility and that the international community should do more, especially given that those durable solutions are not available, or adequately available, in supporting host countries. And the compact makes a string of suggestions. One of those suggestions is the idea that major developed countries in the international community should offer trade concessions to countries that are housing large number of refugees for the products that involves refugee labor.

So my research, my project and the report that has just come out and I presented it in Brussels, advocates the idea that the European Union should provide trade concessions to Turkey in the

agricultural sector. I say this for a number of reasons.

Firstly, a large number of Syrian refugees are currently employed in the agricultural sector of Turkey, usually in very difficult, dare I say if not appalling conditions, which also makes the condition for local labor very difficult too because of the competition there.

Secondly, even though Turkey has increasing levels of unemployment, the agricultural sector is recognized to have inadequate skilled labor or semi-skilled labor because of migration from rural areas into urban centers but because also of aging amongst farmers in Turkey.

Thirdly, a good proportion of the Syrian refugees in Turkey come from the rural parts of northern Syria with experience in the agricultural sector.

Finally, the European Union has a customs union with Turkey. It is a union that only covers industrial goods. So Turkish industrial goods, exports, enter the European internal market freely. This was an agreement reached in the mid-1990's and has been hugely beneficial to the Turkish economy and has helped the Turkish economy to grow, its industry to grow, but also has been a source of employment. And in Brussels I actually highlighted this point and underlined that I consider this customs union from the mid-1990's as one of the best migration policies that the European Union has ever adopted if you think where we would be today if there had not been such a customs union between the two sides. But that customs union does not cover agricultural goods. Instead, between the two sides, there is what you would call preferential trading agreements. And Turkish agricultural goods face a string of restrictions from quotas, tariffs but also non-tariff barriers.

So in the report I developed through conversations with Turkish bureaucrats, officials, but also civil society and UN agencies in Turkey on the one side, as well as officials at the European Commission in Brussels, a string of recommendations that could open up the internal market of the European Union to Turkish agricultural products in return for Turkey making sure that Syrian labor is formally employed, properly employed, in the production of those agricultural products. And those agricultural products can

be fresh vegetables and fruits in the sense of tomatoes, oranges and cucumbers, et cetera. But it can also be what is called processed agricultural goods, such as pasta, chocolate, biscuits, jam, olive oil, etc.

The customs union allows these products to enter the internal market of the European Union but taxes the agricultural part and portion of the product. So I also advocate that those taxes be lifted or reduced for the products of those companies that also employ Syrian refugees. And there are a couple of other recommendations I put forward, but time is limited so I'll stop here.

DOLLAR: So economists consider migration and trade to be substitutes in many circumstances and so you've just given a very clear example of this. Developing countries almost by definition do not have enough good jobs in the formal sector. That's one of the things that creates pressure for out migration and moves to more advanced economies. And that tends always to be relatively small numbers and those people often get a very big boost to their income when they move to an advanced economy.

Trade on the other hand creates more good, formal sector jobs in developing countries, tends to influence a much larger number of people. So this is a very clear example. I noticed from your writing that there is an example already in the Jordan and the EU.

KIRISCI: Yeah.

DOLLAR: It's always good to have a real world example to illustrate that this is feasible, so could you just say a little bit about the Jordan-EU example?

KIRISCI: I'm really glad you brought it up because it is precisely that example that motivated me to think along the lines I have just described earlier on. The EU-Jordan compact was reached early in 2016 in the midst of the migration crisis. And the compact is considered as an innovative way of addressing this protracted refugee situations through precisely trade concessions of the kind you've just described earlier on.

What the European Union-Jordan compact says is that in return for 200,000 work permits that

the Jordanian government would make available to Syrian refugees, the European Union would allow certain of Jordan's industrial goods, mostly textile, free access to the internal market.

However, there is a catch there, and that's the 200,000 work permits. Over the past three years, only 145K has been issues so far. So the European Union is still waiting for the difference to be covered before it opens up its markets to Jordanian goods. And this has been a major challenge and a kind of a disappointment in terms of giving life to this innovative idea in a very effective manner.

Secondly, the authors of the compact maybe failed to appreciate the complexity of the Syrian refugees availability for jobs that have been limited to certain geographical locations in Jordan and I understand as an effort to try to address now these two challenges. But I was definitely inspired by this EU-Jordanian compact when I developed the project and as well as the recommendations, bearing in mind that Jordan and Turkey are somewhat different in because of the EU-Turkey customs union that already allows for industrial goods to enter the internal make of the EU.

DOLLAR: So my last question for you, Kemal, is about politics.

KIRISCI: Yes.

DOLLAR: Is there broad support for your proposal in Turkey and in the EU? And I'm sure there is some opposition. Where is the opposition coming from?

KIRISCI: I'm afraid the opposition is not just some. There is quite a bit of opposition on both sides. In the EU, the opposition has a lot to do with the very poor relations between the European Union and Turkey, accompanied by the way in which the European public and politicians are very uncomfortable with the way in which the Turkish government and particularly the Turkish president threatens the European Union by threatening letting go refugees to the European Union. This creates a very negative feeling and attitudes toward Turkey.

Thirdly, on the European Union side, there is also the rise of the right. The rise of the right and populism is very much centered around anti-immigrant feelings including anti-refugee politics. That is

the picture that complicates the European Union side.

On the Turkey side, it's the other way around. The Turkish government, and especially the president, publicly accuses the European Union in not sharing this burden with Turkey adequately. And the fact that over the last couple of years the Turkish economy has not been doing well, hand-in-hand with this development, the public is increasingly uncomfortable with the presence of refugees in Turkey leading to the government to adopt policies that have faced a lot of pushback in brackets to force them to go back into Syria, especially into parts of Syria that the Turkish government is controlling through military interventions there.

So that picture – the picture in the EU and the picture in Turkey – creates a very unfavorable political environment for pushing these ideas forward. But – and a very big but – when I talked to Turkish officials, civil society and UN agencies, as well as Turkish academics and well-informed people, they all recognize the reality. The reality that these refugees are here to stay, and something needs to be done if a major crisis is going to be averted in the especially political and crime sense of the word and I use crime in the rogue sense of the word here including terrorism of course. And on the European side, especially through my interviews at the European Commission, and also discussions that I have had with members of the European parliament but other experts, they have exactly the same recognition too. They recognize that not only because of the global compact on refugees, but because of this reality, that they need to better cooperate with Turkey. So I would like to be able to conclude that there is support for at least some of the recommendations in this report.

Moving forward, the challenge will be to find ways of mobilizing support for it and finding the politics that is positive in its approach to this reality. And I remain cautiously hopeful about it and in March we are hoping to have a number of major events in Istanbul and in Ankara with stakeholders and experts focusing on which of the recommendations we should prioritize and how to move forward in mobilizing support for the implementation of these recommendations.

DOLLAR: I'm David Dollar and I have been talking to my colleague, Kemal Kirisci, about the terrible situation with Syrian refugees – particularly in Turkey but in other locations – and an interesting proposal for how a new trade agreement between the EU and Turkey could actually make things substantially better for the refugees. So thank you very much, Kemal.

KIRISCI: Yeah. Thank you, David.

DOLLAR: Thank you all for listening. We'll be releasing new episodes of [Dollar & Sense](#) every other week. So, if you haven't already, make sure to subscribe on Apple Podcasts or wherever else you get your podcasts and stay tuned.

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