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TABLE OF ACRONYMS

CI	Creative Industries
CE	Creative Economy
EU	European Union
GDP	Gross Domestic Product
GETHAM	Gaziantep Regional Industrial Design and
	Hybrid Modeling Center
ICT	Information and Communication Technologie
IKSV	Istanbul Foundation for Culture and Arts
İTÜ	Istanbul Technical University
İZKA	İzmir Development Agency
KOSGEB	Small and Medium Enterprises Development
	Organization of Türkiye
MoCT	Ministry of Culture and Tourism (RoT)
MoIT	Ministry of Industry and Technology (RoT)
NGO	Non-governmental organization
R & D	Research and Development
RoT	Republic of Türkiye
PMM	Presidency of Migration Management
SME	Small and Medium-Sized enterprise
SuTP	Syrians Under Temporary Protection
TDZ	Technology Development Zone
TOSYÖV	Turkish Craftspeople, SMEs, Self-Employed
	and Directors Foundation
TÜBİTAK	Scientific and Technological Research
	Council of Türkiye
UNCTAD	United Nations Conference on Trade and
	Development
HIGD	United States Dollar

TABLE OF BOXES

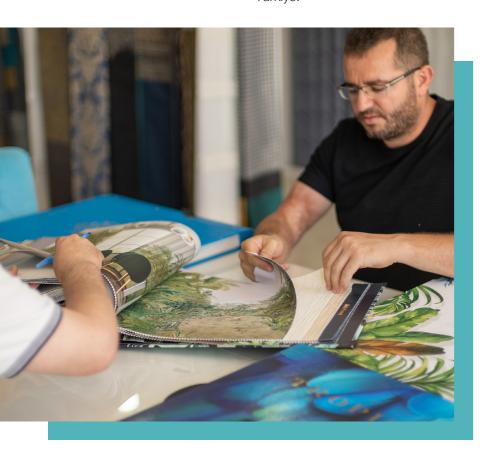
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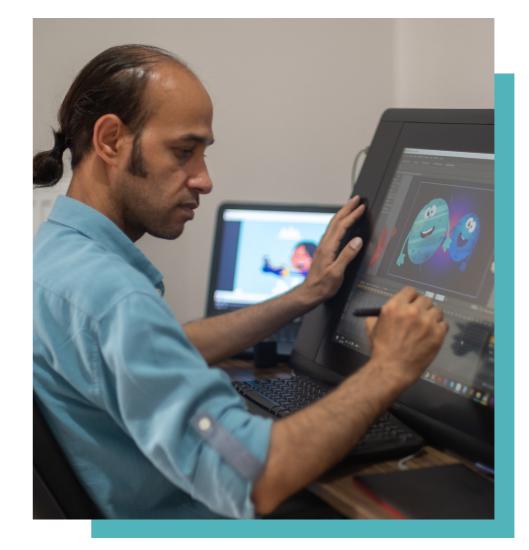
PREFACE AND ACKNOWLEDGEMENTS

This report was created by Köprü through a sub-grant awarded by Building Markets Türkiye. Köprü is a local, grass-roots organization founded by Turkish and Syrian experts with the mission to contribute to the livelihoods of communities affected by migration influx through creative industries. The research team of Köprü consists of Özge Dursun, Founder and Executive Director, Asli Bilge, Ph.D., Co-founder and Program Director, and Saad Alnassife, Köprü Advisory Board Member and Founder of SMM Construction Company. The team conducted research between April and June 2022 in six cities in Türkiye.



Founded in 2004, Building Markets builds, and connects competitive local small and mediumsized enterprises (SMEs) to supply chain and investment. Building Markets has been working to bring visibility and opportunity to Syrianowned SMEs in Türkiye since 2016 as a core component of its work to create jobs and stability and localize the aid response to the Syrian crisis. The organization also works to build the capacity of local civil society organizations in Türkiye through organizational management and technical expertise. Building Markets commissioned Köprü to research and write this report, which takes a pioneering look at the contribution and impact of Syrian enterprises within the creative industries in Türkiye, as part of its efforts to engage with local civil society organizations and strengthen their research capabilities.

Building Markets and Köprü would like to gratefully acknowledge the support of the United States Government, which provided funding for this project.



Türkiye is hosting the world's largest refugee population in the world according to the United Nations (UN), most of them Syrians.

OVERVIEW

Türkiye is hosting the world's largest refugee population in the world according to the United Nations (UN), most of them Syrians. Now, over ten years since the start of the conflict in Syria, the Syrian community in Türkiye has already founded thousands of businesses to the great benefit of their community and the Turkish economy. The aim of the present research is to contribute to the existing literature on the Syrian SMEs and their part in the Turkish economy by drawing an introductory map of the Syrian businesses operating in the Creative Industries (CI). These are the sectors that place creativity at their core; they are recognized for their significant role in sustainable development.

The creative economy is growing at a fast pace in the world and in Türkiye, creating more wealth and jobs than the traditional sectors. The central inquiry in the study was whether Türkiye's flourishing CI scene was followed by a similar growth of creative jobs on the Syrian side. The assumption was that the CI are crucial for the refugee community, not only for its economic benefits but also for its part to play in social integration and in the preservation of the cultural heritage.

This research focused on several sectors: among them are traditional crafts that Syrian enterprises revitalized in Türkiye with the knowledge and skills they brought from their country. The arts, entertainment, and broadcasting were observed as means of expressions of cultural diversity. Finally, the digital sectors were put under the spotlight with their great potential for growth.

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METHODOLOGY

The contribution of the Syrian creative sectors to the economic development in Türkiye is hard to measure, given the high percentage of freelancers and unregistered firms that fall outside the formal business ecosystem. For this report, Köprü began by analyzing data from Building Markets' business network, which includes comprehensive business information from 2.845 small and medium-sized companies (SMEs) in Türkiye with refugee impact. Of these, 280 are listed under the CI, such as stone carving, jewelry, media, architecture, ICT, publishing, art spaces, and other similar sectors, based on the Turkish Ministry of Culture and Tourism's list.¹

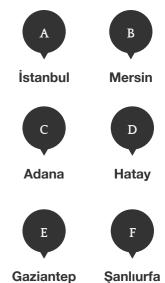
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In addition to the data analysis, the research team conducted in-depth interviews with 25 SMEs, individuals, and stakeholders working in creative sectors, selected through Building Markets' and Köprü's database and networks, focusing on the cities of İstanbul, Gaziantep, Hatay, Adana, Şanlıurfa, and Mersin. These six cities were selected because they contain the highest number of Syrian enterprises² and have considerable Turkish creative industries input.³

The interviewees were asked about their work environment, why they chose the area they were in, the growth of their business, export activity, marketing preferences, and what they need to expand their business and life in Türkiye, among others. These questions were mainly asked to understand if the CI enterprise was set up through a preference or necessity of being a Syrian in Türkiye and/or how that identity affected the business endeavors. See Annex I and Annex II for a complete list of interview questions.

Findings were analyzed and cross-checked with desk research and blended with Köprü's extensive experience in the CI and refugee issues; the results were presented in this report.

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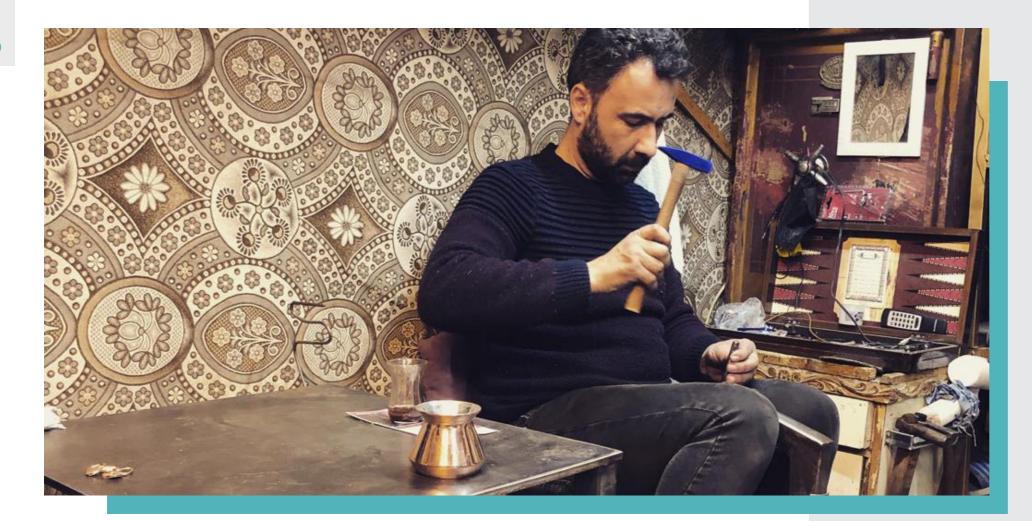


2.845

small and medium-sized companies (SMEs)

280

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EXECUTIVE SUMMARY

Refugees in Türkiye, most notably Syrian refugees, brought a specific set of creative skills that were on the brink of disappearing in the host community. Traditional crafts, such as stonemasonry, copper smithing, wood carving, and jewelry crafts, had fallen victim to rapid urbanization and modernization in the country. With the arrival of Syrian masters, who have preserved traditional techniques, the crafts saw a revival in the country. The traditional crafts are noticeably enriched with new Syrian masters, who work with different carats, techniques, and models, and their

production output is exported from Türkiye to the world. Meanwhile, Syrian artists work on creating space and influence within the Turkish entertainment and art industry, which is considered a booming area with increasing export potential; however, contrary to Syrian crafts, Syrian art and culture are gaining little visibility in the host society. At the same time, Syrians are engaging in digital sectors of the CI, such as the software and gaming industry which has a global appeal and reaches millions of people through its innovative products.

This research found that Syrian entrepreneurs in the CI face many barriers to economic participation and developing successful businesses in their sectors. These barriers are not unlike the factors affecting Syrian SMEs in non-creative industries. They include:

- Restricted mobility, both within Türkiye and internationally
- Language barriers as many Syrians have limited Turkish language skills
- Unfamiliarity with the administration and legislation of Turkish business management
- Having to obtain and renew work permits at each employment point
- Difficulty accessing financial instruments

The CI, especially in the high-tech realm, proposes solutions to some of these problems. Mobility in the virtual world is more of a reality than ever now, and new media is full of undiscovered modalities for everyone, not just refugee societies. New financial instruments, loyalties, blockchain-based transaction technologies, and freelance working opportunities are all part of the new order, generally referred to as Industry 4.0. Therefore, in addition to the valuable craftsmanship that the Syrian population carried with them to Türkiye, young Syrians have some of the ideal conditions to expand into the high-tech side of the CI.

Specific to the CI, the main challenges that this research uncovered were:

- Lack of skilled labor, especially in the high-tech areas
- Lack of investors or investment-friendly conditions
- A need to develop networks, especially with the local population
- Meeting the design needs of local and global luxury market—especially in traditional crafts
- No recognition and thus no directed policy development for Syrians in Cl in Turkey.

Both Turkish and Syrian communities are relatively young populations, and the new digital creative sectors are visibly booming on the Turkish side. Consequently, the IT services, software, and gaming industry are promising sectors for Syrian enterprises that share similar skills and visions with their Turkish peers. Growth in these areas is more likely to be symbiotic than in traditional crafts as the basic skills are similar. Still, language abilities, networks, and directions of creativity are different between Syrian and Turkish creatives. If an ecosystem that benefits from both sides' strengths can be formed, these sectors can also be great steppingstones to much more lucrative modalities, especially with the right direction and investors.

The Creative Industries in Türkiye



The "creative economy" is an evolving concept defined by the UNCTAD as an economy "based on creative assets potentially generating economic growth and development" that "can foster income generation, job creation, and export earnings while promoting social inclusion, cultural diversity, and human development."4 It also "embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives."5 At the core of the creative economy reside the CI: Advertising, architecture, arts and crafts, design, fashion, film, video, photography, music, performing arts, publishing, research and development, software, computer games, electronic publishing, TV/radio, galleries, museums and cultural heritage.

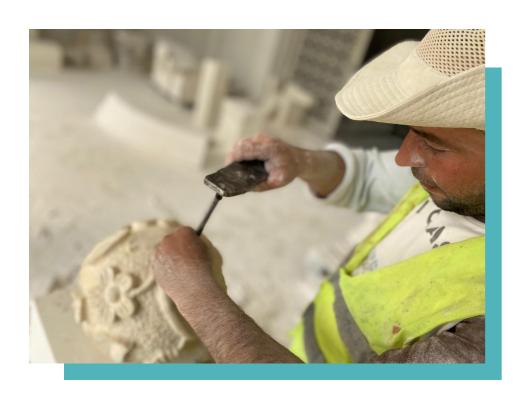
The sectors of the CI support sustainable development as creative goods and services growth outpace other industries. According to experts, the creative economy is expected to reach a global valuation of 985 billion USD by 2023 and represent ten percent of global GDP before 2030.

a. CI Growth in Türkiye

Türkiye has been highlighted for exceptional growth in creative industries in recent years. It has become a net exporter of innovative products, and its share is rising. It generates remarkable examples such as the film and TV industry's worldwide reception, festivals, fairs, and growing global recognition of its art. The Turkish technology start-up ecosystem has been upsurging in the numbers of unicorns and the pace at which they multiply. Data from 2022

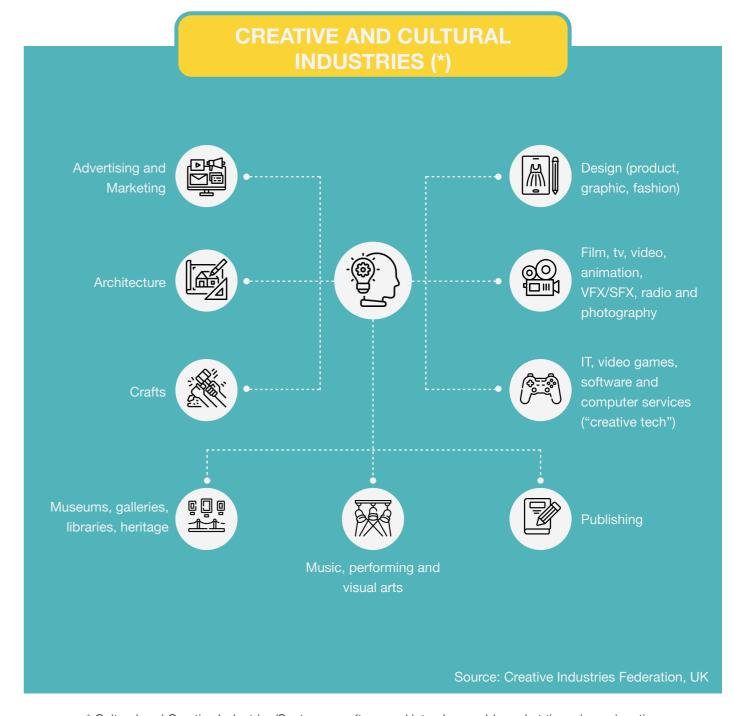
highlights that the drivers of the creative industries in Türkiye are the game industry, fintech, software industry, and e-commerce.

In 2021, Turkish technology companies received 1.5 billion USD in investment.¹⁰ In just the first three months of 2022, the total investment in Turkish technology companies reached 1.28 billion USD.¹¹ The gaming industry demonstrated a boom after İstanbul based Peak Games led the way when Zynga acquired it in 2020 for 1.8 billion USD. There was a significant increase in creative economic activities between 2010 and 2017. During this period, the value added by these industries increased 25%, their employment increased 43%, and the number of enterprises increased 34%.12 Despite the growth, the start-up ecosystem in Türkiye is still at its beginnings in terms of investment, according to comparative data.¹³



Istanbul is a creative city and the center of investments. With its capital in Gaziantep, the south-eastern region has a traditional economy with few investments or attention to new creative sectors. It is also interesting to note that businesspeople in the region do not believe innovation may be produced there. One SME that produces custom-made electronic parts in Gaziantep explains that they produce innovative spare parts for carpet machinery for the numerous carpet producers in the city. Still, they could not convince them that these spare parts could be made in Gaziantep, and they continued to buy from Istanbul. Gaziantep has several gaming companies that identify a need for investment, but investors do not fully understand the potential of the game companies in that region.¹⁴





^{*} Cultural and Creative Industries/Sectors are often used interchangeably and at times in conjunction

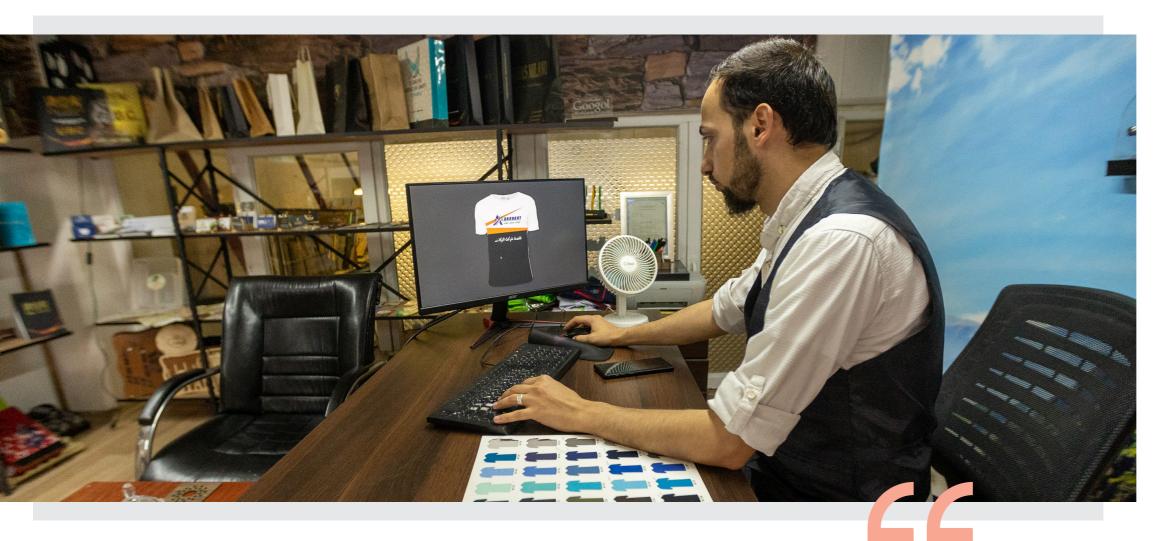
b. Supporting Systems and Strategies for the CI in Türkiye

According to the latest data from the Ministry of Industry and Technology (MoIT), Türkiye is supporting its Cls on governmental and private levels with 92 Technology Development Zones (TDZ), 1.244 research and development (R&D) centers, and 323 design centers.¹⁵ The TDZs, usually sub-institutions of universities, offer incubating centers for technology startups and entrepreneurs and allow for tax exemptions. Other examples of private and public sector enterprises include GETHAM, an R&D center, and incubator in Gaziantep.¹⁶ It was specifically designed to help SMEs and entrepreneurs to develop technological, strategic, and innovative (value-added) products in the region.

Support schemes are also available in administration facilitation, tax exemptions, and direct and indirect support through the Scientific and Technological Research Council of Türkiye (TÜBİTAK), with KOSGEB, and several Development Agencies (DA).17 On the other hand, CI or related concepts are not included in the Ministry of Industry and Trade's (MoIT) policy papers, legislations, or the last four strategic plans. 18 In 2022 the CI was included in the Ministry of Commerce (MoC) support program that showcases the state's growing awareness about the relevant sectors' role in the development plans in Türkiye. 19 In a similar attempt, the Union of Chambers and Commodity Exchanges of Türkiye (TOBB) has a Council of the CI, founded in 2017 to increase the competitiveness of the creative sectors and represent them on the governmental level.



DRIVERS OF INNOVATION IN CREATIVE INDUSTRIES Changes in the culture Effect of social 01 05 of entrepreneurship Proximity of products, Changes in the 02 06 geo-economic 07 03 The role of Big Data technologies Changes in the Spread of IT and the attitude and 04 Internet of Things expectations of the Personalisation of Decreasing carbon 09 12 product and services 11 10 Circular design and products and services additive manufacture Produced by KOPRU.NGO, 2022



c. Syrian Contribution to the CI in Türkiye

According to the United Nations High Commissioner for Refugees (UNHCR), Türkiye hosts the largest number of refugees worldwide, with most refugees from Syria.²⁰ As of July 2022, the country is home to over 3.5 million Syrians under Temporary Protection (SuTPs).²¹ Together with those in the country under foreigner status and those who obtained Turkish citizenship, Syrians are the single largest immigrant community in Türkiye.

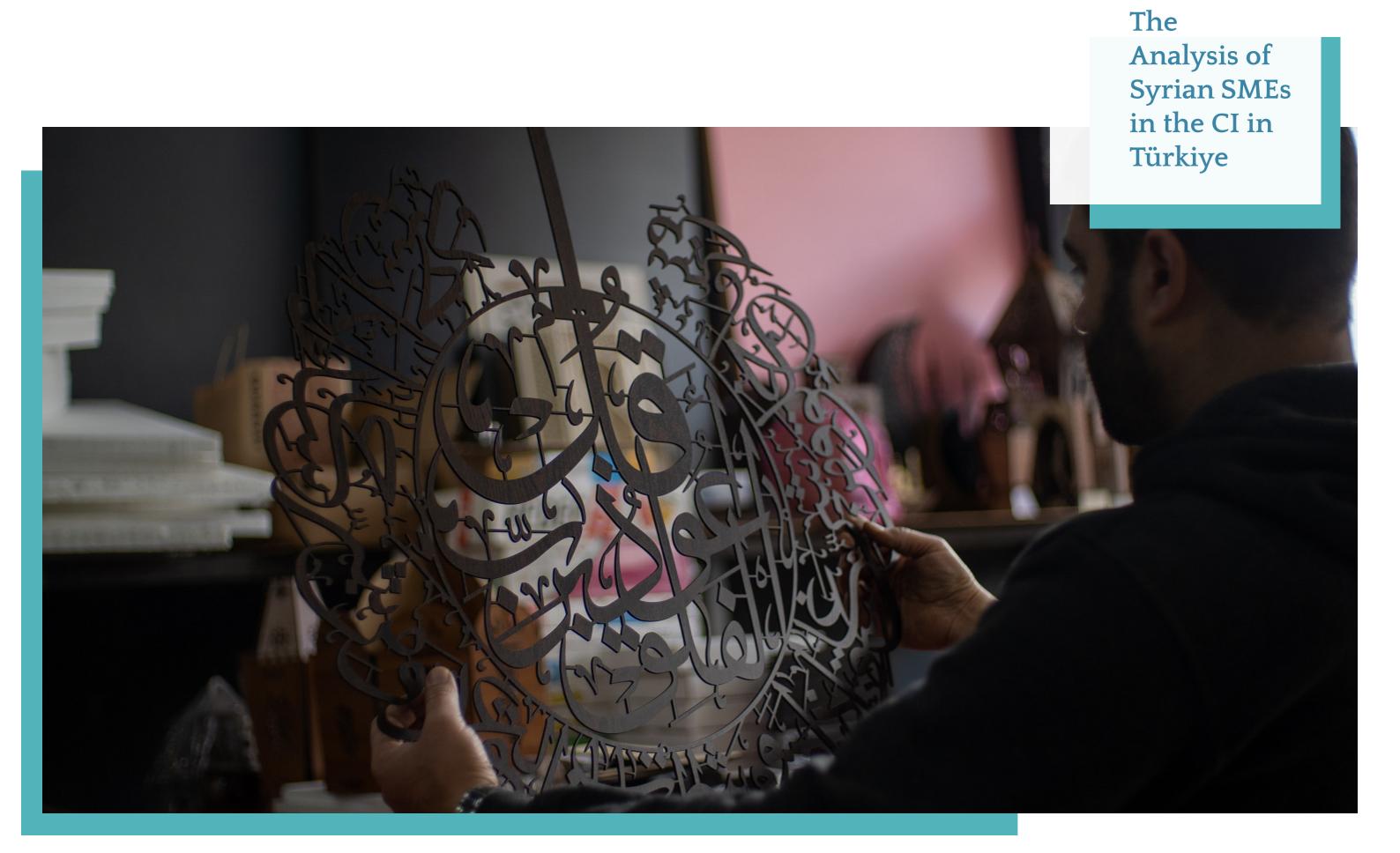
The economic impact of refugee enterprises within creative industries is twofold: the financial benefit for themselves and their households and the positive effect on the Turkish economy. Many young Syrians attend Turkish schools, speak Turkish, and understand Turkish economic and legal procedures.²² At the same time, many Syrians live and work in refugee communities with few interactions with broader Turkish

society or the Turkish business community. This research study revealed a need for skilled labor, adequate funding, suitable environments like incubators and creative industry clusters, and an overall building up of a refugee start-up ecosystem. The central theme that emerged in this study was the need for stability in the creative sectors.

As of July 2022, the country is home to over 3.5 million Syrians under Temporary Protection (SuTPs). Together with those in the country under foreigner status and those who obtained Turkish citizenship, Syrians are the single largest immigrant community in Türkiye.

Global trends, such as increased distance working, the gig economy, and the growth of Industry 4.0 are developments that encourage the Syrians in Türkiye to initiate enterprises in the CI, according to the findings of this research. A 2018 UNESCO study found that the creative and cultural industry is increasingly hyperlinked, multimedia-based, and interactive.²³ Startups and entrepreneurs find space to provide solutions to the needs of the large refugee community in Türkiye and extend their services to the Arabic-speaking regions. A large portion of the companies contacted for this report provided services exclusively for Arabic-speaking communities.

This report claims that the skills and vision brought by Syrians in Türkiye will be seen in two main streams. First, in the form of traditional crafts (if the right conditions are met) as they have the potential to become a global success. And second, the ICT (information and communication technologies) sector on mobile applications, programming, web design, software for businesses, and media services initially designed for the refugee community have started to grow beyond it. And coupled with the global trends and the booming interest in gaming in the Turkish ecosystem, it is a strong possibility that crafts, and ICT will be significant sectors for the Syrian community in Türkiye.





a. Exports

All of the SMEs who participated in this research are engaged in exports, most often to Arab Gulf countries. One company is an exclusive software exporter for the health sector out of their office in Mersin Teknokent. This model of no interest in the domestic market marks a profile of a company that has carried its whole business network from Syria to Türkiye while continuing to export to its (possibly extended) global network.

In some ways, there is an attitude toward turning misfortunes into benefits. Refugee enterprises are using their diaspora network effectively, "without which they could not survive," as one claims. Networks expand into all the countries where

community members have spread. Another advantage to the exporting peers in Türkiye is to be an Arabic speaker and understand the Arabic-speaking market demands. Arabic is not the preferred foreign language in Türkiye, and the foreign trade is concentrated elsewhere.

Out of Building Markets' database of over 2.800 companies, 280 are in the creative sectors. Out of these 280 companies, the average turnover for the previous year was 14.250 USD. 130 companies have export activities, and 67 have ten or more employees. The highest number of employees for one company is 75.

+2.800

companies

280

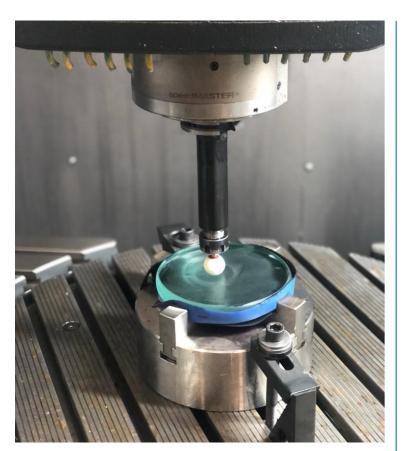
creative sectors

14.250 USD

the average turnover for the previous year

These companies export to the Arabic-speaking markets: of the 280 companies in their database, which are active in creative industries, 200 responded that their main clientele was foreigners. Looking at the countries they export to, among the 130 companies that listed their export markets, 80% of them listed at least one Arabic-speaking country in their list of export markets. Türkiye's biggest export markets are Germany, the United Kingdom, and the United States, 24 whereas the exporting countries for SMEs in Building Market's network included Morocco, Qatar, Eastern Africa, the United Arab Emirates, Saudi Arabia, and Syria.

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b. Business size

Most of the research group is within the micro category, with fewer than ten employees. Only seven businesses in the analyzed network have more than ten employees. One is a mid-size company with more than 100 employees. However, this data reveals the restrictions of being a Syrian in Türkiye. First, all foreigners, including Syrians under Temporary Protection, must obtain a work permit that is valid for a particular time and granted for that specific job. In addition to losing some of the benefits provided to SuTPs, these factors mean many Syrians prefer to work without being registered.

Even though larger companies assert that having Turkish staff would help their business, they note that these employees are more costly.



c. Work environment

Creative industries businesses generally work in an all-refugee environment; only four in the analyzed network also have Turkish co-owners or employees. Anecdotal evidence suggests that advertisement, media, video services, software, IT, and gaming companies employ only refugees. As for the target customers, only one software company was commissioned by the local municipality, one works with one of the biggest communication companies in Türkiye, and several others stated that they have Turkish clients alongside Arabic-speaking ones. Even though larger companies assert that having Turkish staff would help their business, they note that these employees are more costly. Among the creative industry firms, women entrepreneurs are scarce.



d. Networks, marketing, and targeted customers



are essential in marketing in Türkiye and abroad. These businesses use social media, especially Facebook and WhatsApp, to stay connected with other Syrians worldwide. In the digital sector, most customers were from Arabic-speaking communities. For example, on the Digital-İstanbul website, a customer can find prominent companies from online food services to fintech solutions, but everything is in Arabic.

This research revealed that refugee diaspora networks

This research revealed that refugee diaspora networks are essential in marketing in Türkive and abroad.

On the other hand, the firms in this study had a low membership level in local business associations, aside from the obligatory membership in their city's Chambers of Commerce. The exception to this rule was the Turkish-Syrian partnerships, such as the construction and architecture companies that predominantly work with and market to local clients.

e. Building a Business in Türkiye

Most interviewees asserted that they had been doing better financially while in Syria and that being in Türkiye did not positively impact their line of business. Seasoned businesspeople had to start from zero, leaving their lucrative companies and constructing their enterprise in uncharted waters, with little help from society or governmental agencies.

On the other hand, technology enterprises, software, and IT sector start-ups appreciate new opportunities in Türkiye. Türkiye's politically less restricted environment and a relatively developed economy, compared to Syria, helped them grow their business. It can also be claimed that some individual refugees turned their hardship into an advantage by disrupting their expected life course, particularly in some female stories. Rising Turkish start-up success is undoubtedly a model for refugee startups.

As much as Syrians share that they like their life in Türkiye, they know the advantages of building international businesses. At the same time, while growing their businesses in Türkiye, there is an undertone of a desire to return or at least have a connection with Syria. The Gulf region, especially Dubai, with its developed start-up ecosystem, may be where the intellectual migration may be directed if the mobility restrictions for Syrians in Türkiye persist.

f. Utilizing Support Schemes

SMEs do not fully benefit from government or NGO support schemes. Often a requirement to obtain support, the registration of the employees to social security is considered advantageous but also too difficult to complete. Only one of the interviewees had a TÜBITAK scholarship and another a KOSGEB grant. In many cases, the company lacks the appropriate skills or data to complete them, including low Turkish language capacity, or it employs unregistered staff, sometimes including the entrepreneur. In other times, the program works in a way that it refunds the costs after supplying certain documents, and usually, they are not willing to invest that amount or do not have it without being sure that it would be reimbursed.

BUILDING MARKETS NETWORK ANALYSIS: SMES IN THE CREATIVE INDUSTRIES 200 150 100 50 80% 71% 34% 24% **Foreign Clientele** More than 10 employees **Exporter** Based in Istanbul Of these 95 of the Have clientele The largest exports, 80% of that is foreign, companies are company has 75 even if they based in Istanbul, employees and them export to Arabic speaking reside inside while 43 are in is an all-male Turkey (generally Gaziantep and 18 staff countries

in Mersin

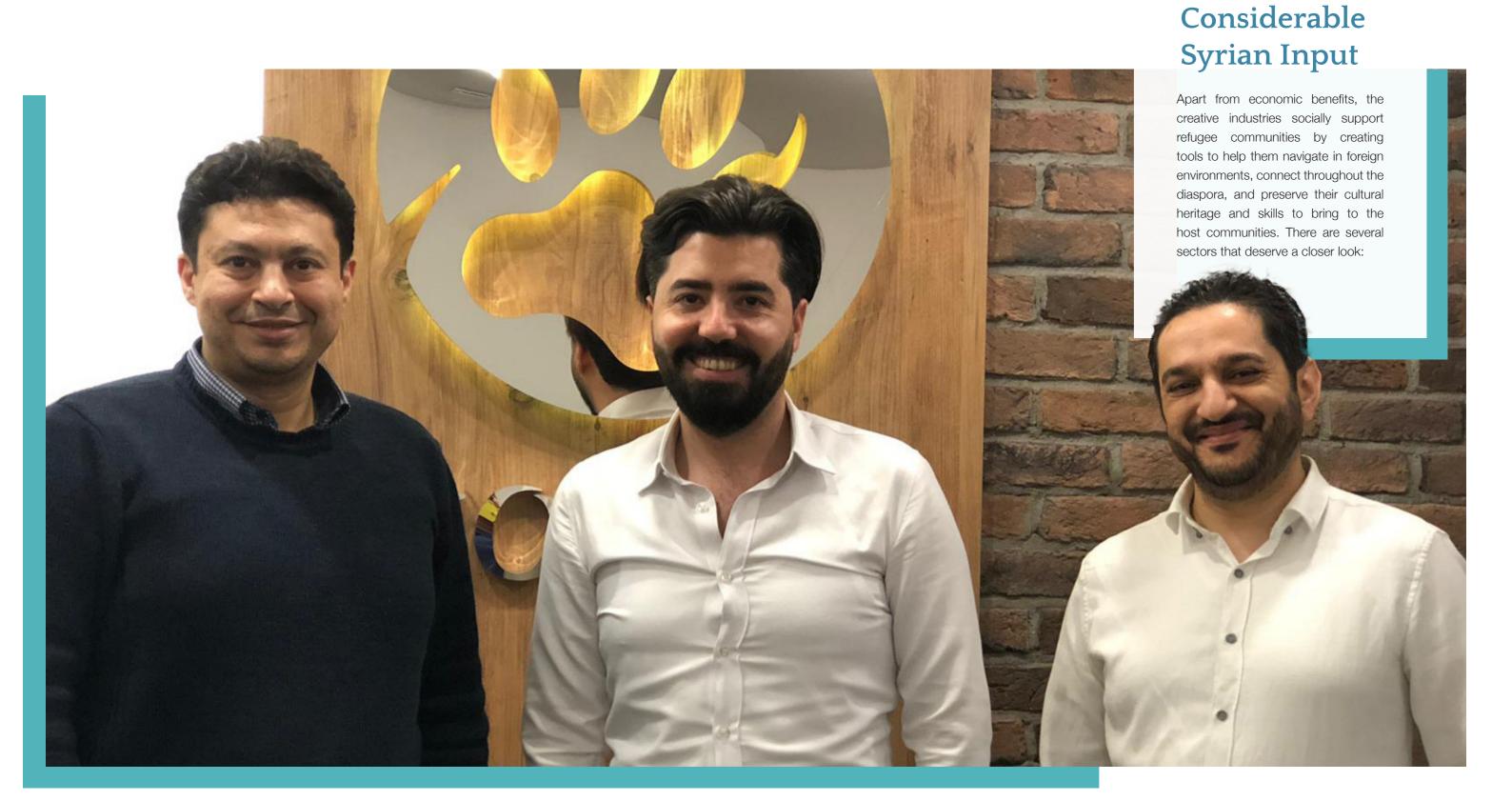
Arabic speaking)

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Closer Look

Sectors with

on the CI



a. Traditional Crafts of Syrian Artisans in the Turkish Market

In the realm of creative industries by Syrians in Türkiye, stonemasonry, shoemaking, woodworking, copper work stand out in the Southeast when examining the value that the refugee influx brought in. The traditional crafts in Türkiye have been known to have lost momentum.²⁵ A 2015 project called "Crafted in Istanbul" was organized to highlight this fact and to bring traditional crafts together with modern design.²⁶ In the years that followed the significant influx of Syrians to Türkiye, the techniques that Syrian craftspeople had preserved and transferred to Türkiye were being appreciated by their peers, especially

in the areas where the crafts were at the point of disappearing; meaning that the apprenticeship tradition was largely abandoned in the past few decades and thus the craftspeople were often less than a dozen: notably in stone masonry, traditional soap making, shoemaking, woodworking, and Islamic arts, among many.²⁷ Traditional handcrafts that depend on artisanship, such as coppersmiths, tailors, and wood carvers, are most likely to find a market in the traditional souks of the city centers, thriving off the tourist movement.

Nonetheless, Syrians who practice these crafts must in some cases fight discrimination. For example, despite their positive reputation in the region, Syrian coppersmiths are not represented in the traditional souk of Şanlıurfa while their Turkish peers are. Meanwhile, in Gaziantep, Syrian coppersmiths have gained a significant standing.²⁸

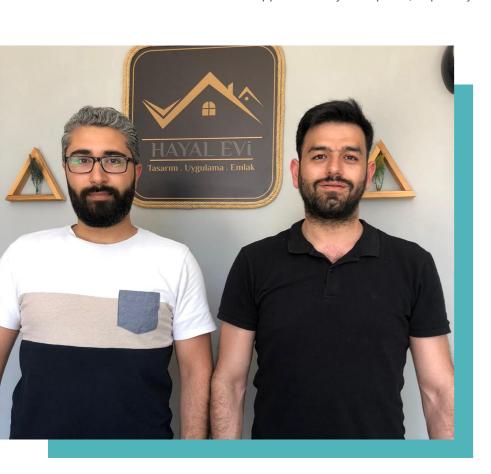
This study revealed that while many crafts are sole proprietor operations, in the mid-size and larger-sized segments of the creative industries, there are jewelry makers, shoe/slipper makers, soap makers, clothes, and art makers from Syria. In addition, these findings show that despite all the challenges, these businesses gained a footing in their corresponding Turkish business ecosystem and will continue to grow and expand.



(photo courtesy of Rozana FM)

BOX 1: JEWELERS AND SYRIAN GOLD

In a workshop in central Gaziantep, nearly 20 workers produce Syrian gold jewelry for Arabic-speaking clients. Apart from the two bosses with Syrian passports, they are all SuTPs. Their production will be sold to the family in Istanbul, who will export to an Arab market. Syrian jewelry producers and sellers moved their craft to Türkiye from Syria, helping make Türkiye a net exporter of "Syrian gold." The Syrian gold jewelry is different from the Turkish, the former is 21-carat gold, and the latter is usually 22 carat-gold (together with other 24-18,14 carats).²⁹ The difference resides not only in carats. The shop owner explains that Arabic-speaking clients' design preferences are also different. In Istanbul, there are about 100 registered Syrian goldsmiths and over 50 in Gaziantep.30



For example, Syrian construction companies specializing in stone carving, a traditional art in Syria and Türkiye that has a flourishing presence in the Turkish market. However, since 2021, this sector has suffered from sky-rocketing supply-chain prices. At the same time, registered companies are challenged by the unfair competition of other unregistered refugee construction teams that cut costs to an impossible level. Most of the interviewees seemed to have been looking at international markets because of the fluctuations in the Turkish market, not wanting to let their businesses crumble.

In the Cultural and Creative Industries Inventory prepared by the Turkish Craftspeople and SME Businesses Foundation (TOSYÖV), architecturerelated creative industry enterprises came up as the highest revenue and value-added sub-sector in the main cities. This was explained by the large construction sector of Türkiye, but also as a vulnerability to macro-economic shocks.31 And indeed, the Turkish economy depends on construction.32 However, the devaluation of the Turkish lira and rising prices hit the sector hard. Syrian architects in Gaziantep see their clientele shrinking, leading them to find new solutions, like exporting goods to Middle Eastern countries.

Mersin provides opportunities in the construction sector as the city is preferred by Arab and newly arrived Ukrainian investors who find a haven under the Mediterranean sun. Several successful Syrian architect firms work in Mersin with foreign and occasionally Turkish investors but complain that they have meager profit margins.



BOX 2: PETEK NATURAL STONE

The economic crisis also hit Petek Doğal Taş company, a successful Syrian and Turkish partnership in Mersin that produces natural stone and handmade mosaics. The CEO, Ammar Wazze, belongs to a family who worked in the stone business for generations. The international firm has production and offices in Saudi Arabia and Dubai and is a net exporter. The mosaics and rustic, a Syrian craft made with small size carved stones, are made by 40 Syrian and Turkish women and men who generally work from home. However, their stone production fell drastically with the economic crisis. Wazze explains that with the recent anti-Syrian climate in Türkiye, he cannot foresee the future and refrains from investing further.

INTERVIEW RESULTS



Profit Margins

Apart from the gaming sector, profit margins are thin. Unregistered businesses and lack of legal framework create layers of unjust competition



Networks

Arabic-speaking communities
mostly acting as satellite
networks within the Turkish
ecosystem. Social media and
internet connections replace the
role of sectoral associations and
organizations



Business Models

All interviewees stated they have export or international activities. However their engagements with local community is very low. Hiring locals is expensive and at times there is a language barrier against cooperation.



Support Schemes

INGO and incubator programs are used among our sample rather than public ones. In terms of public schemes; one company received KOSGEB funds and one TUBITAK grant out of the group.



R&D

R&D activities are very restricted. None of our interview group have applied or received a patent for their products.



Female Participation

Out of the 25 interviewees, 3 were female. In and outside the interviews, the discussions pointed to women mostly worked as individual artists, reporters and were reluctant to start businesses.



Growth

All companies in the research group foresee growth in the coming years. All of them plan on staying in Turkey.

Produced by KOPRU.NGO, 2022

b. A new generation of Syrians in the spotlight

Refugee networks in the 21st century surpass national borders through the usage of the internet. They form companies not only to meet their specific needs as a community but also to benefit from the business environment they have entered in. Digitalization has reinforced more gig work, disrupting traditional work conditions. As digitalization increased, permanent creative work declined. In addition, the recent disruptive global pandemic crisis reinforced social isolation and thus distance working.³³ While that means

that there are many more opportunities in the gig economy, especially for refugees, forcibly displaced, or people without papers, it also means more competitive rates and fewer costs associated with outsourcing. These features of the creative industry today are double-edged swords for the refugees: it is positive to access work opportunities globally with a laptop and an internet connection, but it is also globally competitive and precarious.

The potential of digitalization and the gig economy is not unnoticed by investors or social enterprises. Many incubators help entrepreneurs and start-ups in Istanbul and the rest of Türkiye. Bina Incubator³⁴ and a new addition to the Istanbul scene in 2022, Core Istanbul Business Hub,³⁵ are funded by Arab capital and target young Arab entrepreneurs and start-up beneficiaries in the Middle East and North Africa.

They are valuable institutions for building the refugee start-up ecosystem in Türkiye, adding to the much-needed network of investors and mentors.

Many ICT companies have workplaces in the technocities of their locality, benefiting from the advantages that such zones offer.

BOX 3: WOLVES INTERACTIVE- STARS OF THE GAMING SECTOR

Wolves Interactive is a gaming company founded in 2016 in İstanbul by Syrian professionals and supported by Syrian investors. Their first game, the "Traffic Tour" launched with a modest investment, went viral and was downloaded 10 million times in the following six months. In the first half of 2022, their nine different games have already reached 100 million downloads, bringing considerable export money and taxes for Türkiye. The CEO and Founder, Mouhamed Wael Dayoub, taught himself to program. Another partner, Khaled Almouhtar, had been working in a gaming company since 2003 in Syria, but "as Syria was an internationally sanctioned country, we couldn't reach what we aimed for [...] Here in Türkiye we are free to develop our business." Wolves Interactive now employs 20 people in two spacious offices, all of them with refugee backgrounds. Dayoub emphasizes that he does not recommend that new companies start outside Techno Cities in Türkiye. There are maybe a handful of gaming companies belonging to Syrians, while many highly skilled Syrians work for established Turkish companies as programmers, animators, and designers. The company appreciates the intervention of institutions like Building Markets that helped them in their networking efforts and showed them ways to grow.

BOX 4: SMART SOLUTIONS FOR THE SMES

Refugee-owned ICT companies give services to businesses to increase their efficiency and assist them in tprocess transforming from traditional to modern competitive firms. They provide services like business analytics, information management, web development, and IT consulting. It is impossible to miss Namaa Solutions however, when researching tech companies. The start-up journey of the owner Mojahed Akil started when he co-founded Gharbatna,

a network and an online application for Syrian refugees who needed help in almost everything, from legal procedures and tax regime to job searches. The company's growth from a small office in Gaziantep to a full-capacity firm with a branch in Istanbul demonstrates the potential of the technology companies. The company now has 120 employees including several start-up projects like T-Live (live translation services), Joann (the Hungry App-online food ordering for authentic cuisines), and many others. Joann is probably the most successful venture of Namaa that achieved two rounds of investments. The next step for the start-up is outside Türkiye. They already have a partnership in Saudi Arabia, and they plan to target Germany. Akil explains that there is no refugee start-up ecosystem in



Türkiye. Foreign individuals and venture capitalists hardly invest in refugee companies. When he set up his company in 2014, he suffered several hardships. Now, as one of the founders of the NGO Digital-İstanbul alongside other entrepreneurs, the target is to build the refugee start-up ecosystem. He has Turkish citizenship now and states that being able to travel in and outside Türkiye served immensely to grow his business.



BOX 5: ARTHERE ISTANBUL

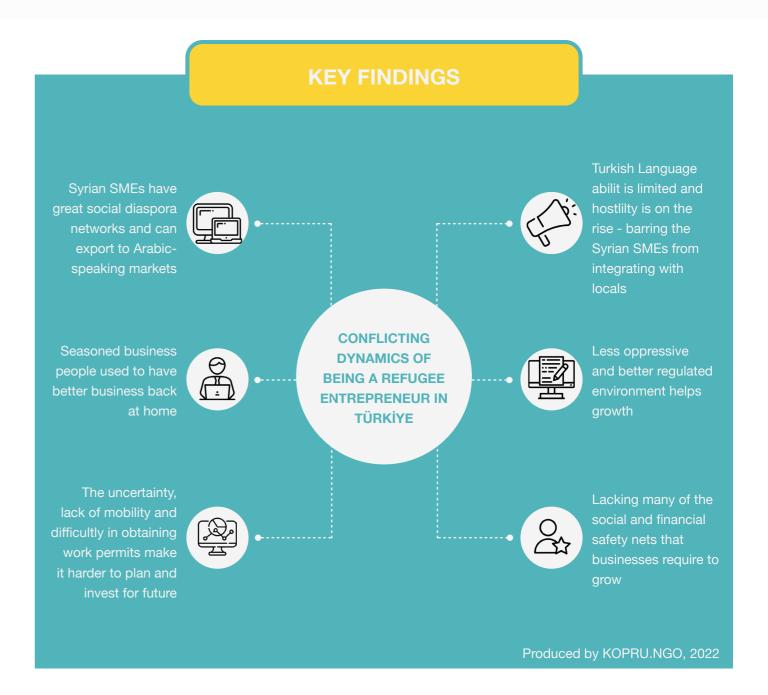
Situated in Istanbul's art district, Kadıköy, Arthere Istanbul is a one-of-a-kind artist hub that supports refugee artists. The organization provides free space for creatives, offers residency programs, and organizes music events where refugee, foreigner, and Turkish musicians come together. It has a music studio, a get-together exhibition space, artists' workspace on different floors, makers' instruments like 3D printers, a dark room for photo printing, etc. Arthere creates a valuable networking environment for artists and introduces them to the likes of collectors, and cooperates with prominent Turkish art institutions such as Istanbul Art and Culture Foundation (IKSV). Arthere also contributes to the economy by allocating funding from various sources.

c. Arts/Media/ Broadcasting/ Entertainment

The cultural input of refugees in the Turkish art scene is limited notwithstanding the example of Arthere İstanbul. Traditional arts attract little attention. Through the research of this report, it became evident that setting up artist hubs in different cities of Türkiye would encourage artists, increase social inclusion and generate funding and networking opportunities, and this would be helped by additional investment in the CI from the government, NGOs, and the private sectors. Independent media with a large audience like Rozana FM based in Gaziantep may be instrumental in organizing cultural festivals for literature, music, cinema, and traditional arts and crafts. Similarly, the publication of more Syrian authors and a broader audience of Syrian music would also bring Turkish and Syrian communities closer together, underscoring similarities in culture. On the one hand, through the healing effect of arts, the host community would better understand and empathize with Syrians, on the other hand, Syrians would feel valued and accepted in the host community.

BOX 6: THE PEACE THERAPIST

Women are underrepresented in the technology side of the creative industries, but one stands out. The website Peacetherapist.com founded by the young computer engineer Jin Davoud. It provides therapy services in three languages, Turkish, Arabic and English especially for people affected by the traumas of war in their home country like herself. She started building her company when her project obtained support from TÜBİTAK, in the form of seed funding and mentoring, which she successfully completed. This gained her a place in the prominent İTÜ Arı Teknokent. Now in Şanlıurfa Teknokent, about to open their branch in Istanbul, the company fulfills an innovative and useful role in the industry.



Problems and Challenges

Throughout the research, the same structural issues that harm Syrianowned creative businesses' growth







While SuTPs are the largest group among Syrians in Türkiye, there are several other forms of status, including those with naturalized Turkish citizenship or those living with a residency permit.

Structural Problems

Business owners need stability and trust in order to invest and expand their business but under the political atmosphere of Türkiye; they are not sure how their "temporary" status will change. There are common problems stemming from the SuTP status that hold back businesses.



Uncertainty

Business owners need stability and trust in order to invest and expand their business



Lack of Freedom of Movement

Every SuTP needs to personelly get a permit in writing from the local authority, for every domestic travel, stating the exact dates and not deviate from it. Travelling abroad is out of question, as there is no way to enter back to Türkiye.

This means that if you are SuTP, you can't spontaneously extend your work trip, or attend important fairs abroad.



Work Permits

The conditions to obtain work permits are ever-changing, they need to be renewed with every job change and there are chances it will be rejected.

Business owners are reluctant to increase their investments when the future of SuTP or Syrians with residency permits is uncertain in their host country based on the changes in political conjuncture. Similarly, any investor who might have invested in their businesses may also shy away when the future

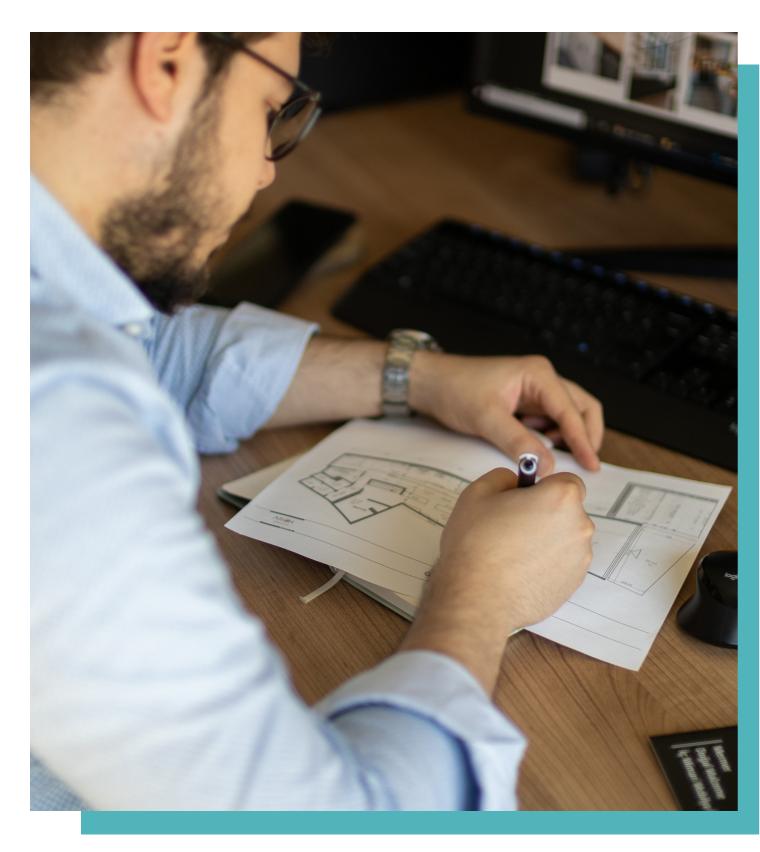
of the Syrians in Türkiye is unpredictable.37

For Syrian SMEs in the CI, some specific challenges include:

- Trouble finding skilled workforce, especially for the digital CI
- Insufficient policies and systems regarding new technologies and copyright issues
- Not enough private investment opportunities.
- Lack of design that would appeal to the global and/or luxury markets
- Lack of operational clusters, hubs or creative cooperatives.
- Lack of sector-specific incentives
- Lack of a consistent governmental policy in the creative realm and specifically Syrians in general

Specifically, being a SuTP in Türkiye means limited freedom of movement outside the city they are in. To travel within Türkiye, they must have permission from their governorate and adhere to an approved itinerary. This makes spontaneous or extended business meetings impossible. They are not able to travel outside of Türkiye if they wish to return to the country so international events are inaccessible for them. While SuTPs are the largest group among Syrians in Türkiye, there are several other forms of status, including those with naturalized Turkish citizenship or those living with a residency permit. Research showed that those with Turkish citizenship tended to have larger companies, helped by the lack of restrictions others face.

Recommendations



The CI has a crucial role to play in economic growth in Türkiye, potentially generating more jobs than traditional industries and having the potential to be more inclusive for youth, women, and refugees. The CI represents sectors that have both cultural and commercial value.³⁸ This report shows that taking adequate legal steps to fit in with their long presence and a healthy future in Türkiye would unleash their creativity and boost investment. The following recommendations contribute to an enabling environment for developing Syrian SMEs in the creative economy in Türkiye.

- To further develop creative industries in Türkiye, careful planning and support from the state is necessary. The CI should be included in relevant legislation, strategic planning, and policy.
- Correspondingly, unconventional, integrative policy responses and inter-ministerial cooperative action are expected to respond to the development objectives. Sector-specific incentives should be diversified and be more inclusive for refugees.
- Universities and higher education institutions should train the workforce with required skills born out of new technologies, such as digital architecture.
- Access to finance is a problem for refugee SMEs. New investment channels should be provided for sectors with great potential to grow, especially in the ICT sector.

- Activities to generate visibility and recognize the contribution of refugees in the CI could increase support from the host community.
- New modalities such as clusters, creative cooperatives, and enterprises that bring together traditional craftsmanship and new technologies can bring high value-added chains.
- Syrian's cultural input should be encouraged by increasing cultural funds for refugee artists. Funding for artist hubs in different cities of Türkiye would support artists, sustain social inclusion and generate funding and networking opportunities.
- The freedom of mobility of the creative actors especially as it fuels networking and creativity, should be facilitated



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ANNEX I: INTERVIEW QUESTIONS

The following questions served to identify companies for inclusion in the research study. They sought to confirm that the SME has a refugee impact, is registered, and is in the creative industries. If a commercially active SME in the creative sector is identified but is not a registered business, we gathered data while detailing that the organization is not registered in the research findings. over 50 in Gaziantep.

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- 1. Nature of the business/production
- 2. Business registration name
- 3. Owner/Responsible name
- 4. Legal status and origin of birth of the business owner (does the business have a refugee impact)
- 5. Foundation year
- 6. Number of workers and employees (Gender distribution of the employees)
- 7. Do you speak Turkish and/or English? Is there anyone speaking languages other than Arabic in your team?
- 8. Are you a freelancer? Are you registered as a taxpayer?
- 9. If there is no registered business, do you intend to form one?
- 10. Do you carry our commercial activities, nonetheless? And what is the volume?
- 11. If the volume is big enough, what are the reasons for not being registered? Do you have enough knowledge about the registration process?
- 12. Regardless of your business status, do you carry out export activities?

ANNEX II: IN-DEPTH INTERVIEW QUESTIONS

The following questions were used to conduct in-depth interviews with SMEs that met the selection criteria (Annex I).

- 1. How do you market your product? (Internet, Word of Mouth, Syrian networks, Business directories, Trade fairs)
- 2. Do you take part in a refugee business association or network? If so, how, and what are the benefits?
- 3. What kind of business relationship do you have with Turkish peers? If you did in the past, what was the reason?
- 4. Do you plan to stay and expand your business in the years to come? If not, where else would you rather carry out this line of business?
- 5. Are you aware of incentives or public support schemes? Do you attempt to benefit from those? If not, can you identify what would help you to do so? If so, please expand
- 6. What was the nature of work previously in Syria? Were you working in the same field?
- 7. Have you received any training or education about this vocation?
- 8. Were there aspects in the environment that used to make it easier for your line of business to operate, before you moved to Türkiye?
- 9. Do you retain your previous network of clients and/or suppliers, or peers?
- 10. Are there any benefits to being in the diaspora or being part of the diaspora in terms of your business?
- 11. Do you carry out R&D activities?
- 12. Have you had any attempts to get a patent? What is the outcome if so?
- 13. What are the needs of your business?

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