THE REPUBLIC OF TÜRKİYE

SOCIAL SCIENCES UNIVERSITY OF ANKARA

INSTITUTE OF ISLAMIC STUDIES

A DESCRIPTIVE STUDY ON THE FINANCIAL INCLUSION PROCESS OF THE REFUGEES IN TÜRKİYE: AN ISLAMIC FINANCE APPROACH

Master's Thesis

Fatma Yılmaz

Islamic Economics and Finance

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ABSTRACT

Officially, with nearly 4 million displaced people, Türkiye is one of the countries hosting the most displaced people within its borders. This number is too important to ignore for a developing country regarding its social, cultural, and -perhaps most importantly- economic impacts on society. The best solution to minimize the adverse effects in these areas is to offer employment opportunities. Like everyone else, their well-being, social adaptation, and cultural assimilation depend on their living standards. The debate on the use of Islamic microfinance as a tool to combat poverty has continued since the 1970s. Some researchers or institutions have brought Islamic microfinance products to the agenda in specific periods and presented them for governments' use. Studies on promoting Islamic microfinance have primarily been conducted for sensitive elements of community, (for example the poor or refugees, who face more hardships than the rest of the people) and for countries with a high proportion of women who cannot integrate into business life due to financial barriers. This thesis discussed increasing the welfare of refugees in Türkiye through Islamic microfinance by reducing the negative effects of multinationalism. Within the scope of this thesis, a survey-based study was conducted with a group of participants consisting of refugees in Turkey in order to reveal the current socio-economic situation. Descriptive statistics method was used in the interpretation of the research data. Research findings show that the main problems of refugees in Turkey regarding financial inclusion processes are racism (being a foreigner), language barrier, diploma equivalency, work permit, wages/salaries.

ÖZET

Resmî olarak dört milyona yakın mülteci ile Türkiye, sınırları içerisinde en çok mülteci barındıran ülke olarak bilinmektedir. Toplum üzerindeki sosyal, kültürel ve -belki de en önemlisi- ekonomik etkileri bakımından bu rakam gelişmekte olan bir ülke için göz ardı edilemeyecek kadar önemlidir. Bu alanlardaki olumsuz etkilerin en aza indirilmesi için en iyi çözüm istihdam olanaklarının sunulmasıdır. Herkes gibi onların da refah, sosyal adaptasyon ve kültürel asimilasyonu yaşam standartlarına bağlıdır ve bu da doğrudan düzenli bir iş ve gelir ile ilişkilidir. 1970'lerden bu yana İslami mikrofinansın yoksullukla mücadelede bir araç olarak kullanılması tartışması devam etmektedir. Bazı araştırmacılar veya kurumlar belli dönemlerde İslami mikrofinans ürünlerini gündeme getirerek hükümetlerin kullanım önerisine sunmuşlardır. İslami mikrofinansın desteklenmesi ile ilgili çalışmalar çoğunlukla toplumun geri kalan kısmına kıyasla daha çok zorlukla karşılaşan yoksullar veya mülteciler gibi toplumun savunmasız kesimleri ile finansal engeller sebebiyle iş yaşamına entegre olamayan kadınların oranının yüksek olduğu ülkeler için yürütülmüştür. Bu tezde çok ulusluluğun olumsuz etkilerinin azaltılarak İslami mikrofinans aracılığıyla Türkiye'de mültecilerin refahının artırılması üzerine tartışılmaktadır. Tez kapsamında, mevcut sosyo-ekonomik durumun ortaya konulabilmesi için Türkiye'deki mültecilerden oluşan bir grup katılımcı ile ankete dayalı bir çalışma yürütülmüştür. Araştırma verilerinin yorumlanmasında betimleyici istatistik yöntemi kullanılmıştır. Araştıma bulguları, Türkiye'deki mültecilerin finansal kapsayıcılık süreçlerine dair problemlerinin başlıcalarının ırkçılık (yabancı olmak), dil bariyeri, diploma denkliği, çalışma izni, ücretler/maaşlar olduğunu göstermektedir.

LIST OF ABBREVIATIONS

BBA: Bai Bithaman Ajil

B&H: Bosnia and Herzegovina

BMT: Baitul Maal wat Tamweel

FINCA: The Foundation for International Community Assistance

IFI: Islamic Financial Institutions

IMFI: Islamic Micro Financial Institution

IsDB: The Islamic Development Bank

MDG: Millennium Development Goals

MFI: Micro Financial Institutions

MVC: Micro-Venture Capital

NGO: Non-Governmental Organisation

SDG: Sustainable Development Goals

SESRIC: The Statistical, Economic and Social Research and Training Centre for Islamic Countries

SHG: Self-Help Groups

TDV: Turkiye Diyanet Foundation

UN: The United Nations

UNHCR: The United Nations High Commissioner for Refugees

VC: Venture Capital

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1. INTRODUCTION

1.1. Background of The Study

Islamic microfinance is a way to provide development tools to society by supporting entrepreneurs through its products that directly participate in production or business. Islamic microfinance is an opportunity, especially for developing countries. It provides multiple alternatives to people for achieving financial support sources. This method keeps alive the real economy by engaging productivity over and above it supports individuals for empowerment. In favor of this useful financing modality, it is possible to revive the idle labor force in society, projects expected to be implemented, and inert funds. Hence, Islamic microfinance supports the economic balance of social groups and is a booster of the weak link in the community.

When we say the weak link of society in the economic and sociological sense, the issue of immigration/refugees, which is one of the most common issues on the agenda today, comes to mind. Today (2022), approximately 103 million people around the world have been forced to migrate, according to recorded figures. (UNHCR, 2022). Most of these forced migration stories are about war, conflict, civil war, etc. is welded. According to the data obtained, 72% of this number of refugees in the world are citizens of only 5 countries. You can see these 5 countries and the number of refugees from these countries in the table below.

Table 1: Top Five Countries with The Most Refugees in The World

	Original Country	Number of People from The Country
1	Syrian Arab Republic	6.8 million Refugees
2	Venezuela	5.6 million Refugees
3	Ukraine	5.4 million Refugees
4	Afghanistan	2.8 million Refugees
5	South Sudan	2.4 million Refugees

Source: (UNHCR, 2022)

On the other hand, it can be said that developing countries are at the forefront of the countries that host this serious level of forced migration. In Table 2, we see the top 5 countries hosting refugees. It can be said that Türkiye, which hosts 3.7 million refugees in the first place, hosts approximately 3% of the total refugee population.

Table 2: Top Five Countries in the World to Host the Most Refugees

	Host Country	Number of Refugees
1	Türkiye	3.7 million People
2	Colombia	2.5 million People
3	Germany	2.2 million People
4	Pakistan	1.5 million People
5	Uganda	1.5 million People

Source: (UNHCR, 2022)

As seen in the table, with its protective policy, Türkiye is the most immigrant-receiving country in the world (UNCHR, 2021). Notably, after the civil war in Syria, the population of refugees in Türkiye grew like a weed in a short period but gradually. With the increasing refugee population through the flow of asylum seekers, the number of refugees in Türkiye reached nearly 4 million (UNCHR, 2021). Today, there are more than 300.000 refugees from other nationalities, together with more than 3.6 million Syrian displaced people hosted by Türkiye (Presidency of Migration Management, 2022). The table below shows the nationality and number of refugees in Türkiye between 2011-2022.

Table 3: Nationality and Number of Refugees Who Came to Türkiye Between 2011-2022.

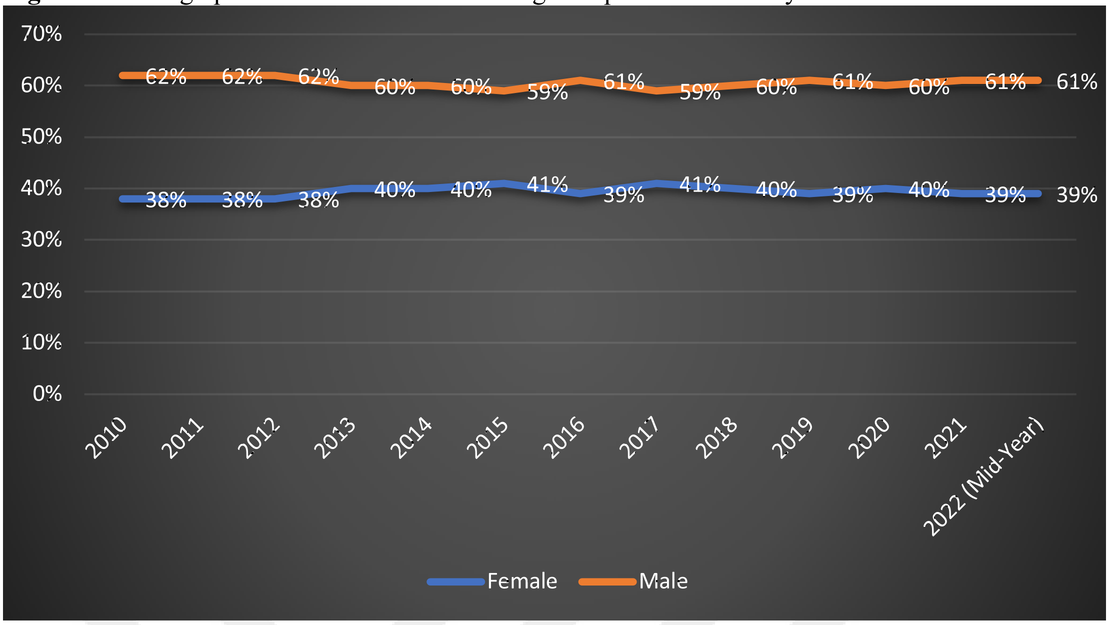
	Country	Year	Number	Percentage	Refugees	Asylum-Seekers
1	Syrian Arab Republic	2022 (Mid-year)	3.648.983	92.0%	3.648.983	0
		2019	3.576.370	92.0%	3.576.370	0
		2016	2.824.167	91.0%	2.823.987	180
		2013	585.711	88.0%	585.601	110
		2011	9.494	27.0%	19	205
2	Afghanistan	2022 (Mid-year)	143,829	4.0%	8.384	135.445
		2019	117.595	3.0%	1.192	116.403
		2016	118.116	4.0%	3.423	114.693
		2013	26.256	4.0%	3.926	22.330

	Country	Year	Number	Percentage	Refugees	Asylum-Seekers
		2011	5.077	14.0%	2.682	2.395
3	Iraq	2022 (Mid-year)	142.410	4.0%	10.244	132.166
		2019	174.524	92.0%	1.279	173.245
		2016	130.076	4.0%	30.398	99.678
		2013	32.532	5.0%	13.467	19.065
		2011	10.749	30.0%	7.071	3.678
4	Iran	2022 (Mid-year)	19.620	<0.1%	4.485	15.135
		2019	27.577	1.0%	548	27.029
		2016	31.592	1.0%	6.966	24.626
		2013	9.570	1.0%	3.321	6.249
		2011	5.606	16.0%	2.993	2.613
5	Unknown	2022 (Mid-year)	13.044	<0.1%	1.712	11.332
		2019	11.722	<0.1%	142	11.580
		2016 (Somalia)	3.462	<0.1%	2.239	1.223
		2013 (Somalia)	3.034	<0.1%	2.153	881
		2011 (Somalia)	1.751	5.0%	1.105	646

Source: (UNHCR, 2022)

When the demographic distribution of refugees coming to Türkiye is examined, it is possible to see in Figure 1 that the male population is higher. However, the balance between the male and female population has been maintained since 2011, when the intensity of forced migration movements began.

Figure 1: Demographics Distribution of the Refugee Population in Türkiye



Source: (UNHCR, 2022)

In Table 4, we see the age distribution of the refugee population in Türkiye between the years 2010-2021. The age group with the highest share in the refugee population in Türkiye is the 18-59 age group. This is followed by the 0-17 age group and the 60+ age group, respectively.

Table 4: Age Distribution of the Refugee Population in Türkiye

		2010	2011	2012	2013	2015	2016	2017	2018	2019	2020	2021
0-17	Male	10%	9%	9%	11%	9%	7%	9%	10%	9%	10%	12%
	Female	10%	9%	9%	11%	8%	8%	8%	9%	9%	9%	11%
18-59	Male	40%	42%	41%	29%	32%	33%	34%	35%	33%	35%	39%
	Female	21%	22%	23%	19%	22%	21%	21%	22%	20%	21%	21%
60+	Male	3%	3%	3%	3%	4%	3%	3%	3%	3%	3%	3%
	Female	3%	3%	3%	3%	4%	4%	4%	3%	3%	3%	3%

Source: (UNHCR, 2022)

The rise of refugee numbers in Türkiye brought problems, such as scarcity of working areas or financial contribution for help to this enormous population. The asylum seekers in Türkiye, who eventually equal to 5% of Türkiye's population in number, are in trouble finding a job with an ordinary salary because of the language barrier, discrimination, etc. (SESRIC, 2019).

In this study, Islamic microfinance will be explained with examples of implementations in other areas and countries as an alternative solution for the improvement of refugees.

The thesis aims to offer a model against poverty in Türkiye amongst refugees both for the development of asylum seekers and to contribute to the economic growth of Türkiye. Today, according to the official figures of UNHCR, there are 82.4 million forcibly displaced people worldwide (UNCHR, 2021).

As the most refugee entertainer country, Türkiye harbors nearly 4 million refugees within its boundaries (UNCHR, 2021). This number is too significant to ignore for a developing country with social, cultural, and maybe most important, economic impacts on society. To minimize the ill effect in all these areas, beyond any doubt, offering an employment opportunity to these forcibly displaced people is the best solution. Their prosperity, welfare, social adaptation, and acculturation depend on their standard of living like any person, which is almost wholly related to a permanent job and regular income.

Implementing Islamic microfinance against poverty has been a current issue since the 1970s. Some countries/researchers proposed Islamic microfinance products to some fields or governments for the schedule. Significantly, studies conducted about the support of Islamic microfinance referred to the countries which have a more considerable rate of poverty or vulnerable segment of the population, such as refugees or women who cannot engage in business activities about financial barriers, as these target populations experience more difficulties than the remaining body of the folks.

1.2. Research Objectives

This study will discuss how to raise refugees' welfare through Islamic microfinance to minimize the ill effects of multi-nationality. Refugees in Türkiye will be addressed in the direction of the economic situation of Türkiye and Islamic micro-financial implementations through Islamic financial institutions with the support of governmental institutions.

The main objectives of this study may be defined as follows:

1. Defining the logic of Islamic finance and Islamic microfinance.
2. Revealing the economic and social challenges faced by refugees in Türkiye.
3. Determining the social and economic status of refugees in Türkiye through the survey.
4. Considering financial support programs for asylum seekers in Türkiye and evaluating their responsiveness to needs.
5. Proposing a model that will be beneficial for the economic development of asylum seekers in Türkiye through Islamic microfinance is an effective tool for fighting against poverty.

1.3. Methodology

In this research, a survey-based quantitative analysis method will be used to examine and reveal the economic and social status of refugees in Türkiye. In addition, the qualitative analysis method will review the microfinance programs being implemented, similar studies in different countries, and other academic studies in the literature.

The scale used in this survey was adapted from the study titled "A Socio-Economic Survey on the Syria Palestinian Refugees in the Republic of Turkey" (SESRIC, 2019).

1.4. Outline

This research work consists of four main parts: Introduction, Theory, Analysis, and Conclusion & Suggestions.

The introduction gives information about the scope and framework of the study. In this section, in the first stage, the research subject is defined, and the research aims are listed. Then, the research method used in this thesis is mentioned in the methodology part. Finally, in the outline part, the study details are mentioned.

In the theory part, which is the central part of the research, the concept of microfinance, the main subject of the study, is discussed. Here, the framework, features, importance, difficulties, historical background, and typical examples of the concept of microfinance are discussed in detail. Afterward, information is given about the concept of Islamic microfinance and its institutions. The financial instruments of IMFIs and solutions to the problems they encounter are also evaluated in this section. The last part of the theory section discusses the relationship between Islamic microfinance and poverty from an Islamic perspective.

The third central part of the research is the analysis part. The analysis part is also divided into two parts introduction and analysis. In the introduction part, research objectives and methodology are mentioned. In the analysis part, the analysis data were handled visually.

The last main section of the research is the fourth conclusion and recommendations section. This section contains the results from the information and data discussed and analyzed in the previous sections. In line with the findings, recommendations are also listed in this section.

2. THEORETICAL FRAMEWORK

2.1. Conceptual Framework of Microfinance

The concept of microfinance, as the name suggests, is used for small and short-term financial services. Financial assistance such as loans, investments, deposits, insurance transactions, and fund transfers may be covered by microfinance. The target audience of these small and short-term financial services can be classified as low-income groups in a narrow framework and groups with difficulties in accessing financial services in a broad framework.

The reasons for deprivation of financial services can be listed as follows: high costs and service fees, scarcity of markets, lack of financial literacy, or being excluded from financial assistance due to individual deprivation preferences (negative experiences or perception-religious preferences can be considered within this scope) (Segrado, 2005). In addition, geographical barriers, limited access to rural areas, weak legal infrastructure and irregular enforcement rules, and low regional registration (Akhtar, 2007).

The concept of microfinance can be confused with the term microcredit from time to time. Although these concepts are similar but not the same, the concept of microfinance is a broader set of services that includes microcredit. The mechanism that provides loans to groups that have difficulty accessing capital for some reason is called microcredit. Weak financial strength, lack of collateral, and lack of credibility are some of these reasons. On the other hand, financial services that aim to develop a sustainable method of combating poverty by providing multi-faceted, long-term development with relatively easy access, including many similar financial services in addition to credit, are called microfinance. The key role of microfinance in ending poverty is the development of micro-entrepreneurs by increasing their access to finance.

High productivity and increase in income of those who have difficulty in accessing financial resources are among the outputs of microfinance. Obaidullah (2008) states that entrepreneurship to survive can result in this way (Obaidullah, 2008). In this type of venture, unlike the others, the business is not usually the main job of the entrepreneur, but part-time, seasonal, etc. It is preferred as an additional job. The entrepreneur does not encounter great obstacles in entering the sector, the job does not require any special skills.

It is not intended for investment or growth, but for meeting vital needs. This type of entrepreneurship is mostly preferred by female beneficiaries (Obaidullah, 2008).

Unlike this type of venture, the beneficiaries of growth initiatives are usually people with a certain expertise or skill. Main differences between survive entrepreneurship and growth entrepreneurship can be seen on the table below.

Table 5: Main Differences Between Survive Entrepreneurship and Growth Entrepreneurship

Entrepreneurship to Survive	Entrepreneurship to Grow
The earning is generally the subsidiary source of revenues.	The earning is generally the main source of revenues**.**
An entrepreneur doesn't need to have a competency for entering the sector.	The entrepreneur is generally educated and an expert in something.
The entrepreneur is generally extremely poor.	Not extremely poor.
Generally**,** women prefer this type of entrepreneurship.	Women and men can prefer.
There is ease of entry into the relevant sector.	Entering to the sector is not easy as it requires competency.
The income generated is used only for basic needs.	Surplus income can be used to reinvest.

Source: (Obaidullah, 2008)

Supporting micro-enterprises is considered a new approach in the fight against poverty. Microcredit applications contribute to forming small enterprises and gaining a place in the sector. Therefore, it supports the first step of the production process. (Yunus, 2003). In this respect, it can be considered an anti-poverty strategy aiming to achieve effective results in small steps.

2.1.1. Features of Microfinance

Unlike other financial services, microfinance applications aim to provide a means for beneficiaries to have a stable household income rather than providing them with access to cash or reducing the cost of accessing credit/finance. In this respect, the primary / distinctive features of microfinance, which differs from other financial services, can be listed as follows (Srivastava, 2013):

a. **The Target Audience Is Persons Who Cannot Access Financial Institutions for Social, Economic and Geographical Reasons:** The purpose of the emergence of microfinance applications is to facilitate the access of low-income individuals and groups (who have difficulty in accessing finance) to finance and to include them in a sustainable development process.

b. **They are Relatively Short-Terms to Other Loan/Financing Types:** The fact that microfinance institutions are institutions that support development rather than commercial purposes causes low-profit expectations. It has been applied as short-term and low-budget loans to provide a vehicle on the road to growth rather than developing the target group's financial status.
c. **Frequency of Installment Payments is High:** In most microfinance models, members within groups guarantee each other. In order to minimize the adverse effects of the members on each other, it is aimed to ensure stability and continuity with a low amount and short-term payments.
d. **Installment Payments Consist of Principal and Profit Share/Interest:** Payments include additional dividends or interest elements to the principal, depending on the operating method of the microfinance institution. These payments, in addition to the principal, are at a low rate, in line with the nature of microfinance services.
e. **Relevant Loan/Financing is Used in Income-Generating Activities:** With microfinance applications, which are seen as a means of development, it is aimed that users engage in income-generating activities and have a continuous and stable income.
f. **The Application Process is Simple:** Since the target audience of microfinance institutions is clearly stated, applying to microfinance institutions and benefiting from loans/financing for the people included in this audience is quite simple.
g. **Alternative Methods are Preferred Over Pledge:** The pledge method, one of the most frequently used methods by traditional financial institutions to minimize the risk of repayment, is not preferred because it is incompatible with the target audience of microfinance institutions. Instead, peer pressure is one of the most used methods. The aspect that distinguishes microfinance from mainstream finance is that it develops an alternative approach to collateral (joint liability) (Obaidullah, Introduction to Islamic Microfinance, 2008). In addition, cash flow

analyzes of customers are made, and their repayment status is constantly monitored.

2.1.2. History and Development Process of Microfinance

The "Irish Credit Fund System" application, established by Jonathan Swift in 1700, is accepted as the first activity developed in microfinance. The Irish Credit Fund System aimed to facilitate accession to financial assistance for disadvantaged groups (for the poor or the people who are living in areas that are not reachable for financial institutions) who cannot provide services to the underprivileged groups and therefore are ignored in the financial benefits. Throughout history, the enlargement in the use of different intermediaries, such as loan sharks, by disadvantaged groups to reach the fund has caused the requirement for microfinance institutions to be felt more. Therefore, microfinance applications have increased in Europe under different names or models. “Self-Help Groups (SHGs)” are examples of these applications. As the name suggests, these groups are a model in which a certain number of people unite and fund themselves by making financial cooperation to improve their economic opportunities and living conditions. This model seeped into Europe in the 1800s (Abdul Rahman & Dean, 2013).

Similarly, it is known that credit cooperatives became widespread in the same period and were accepted as a tool for meeting the needs of the weak elements of society and for their financial improvement. And in the 1900s, it was seen that these models were also widely applied in Latin America. Some of these models have emerged with the encouragement of state or private institutions. The dates when microfinance is still a widely used financing model and the first applications started in some countries are as follows:

- Indonesia– 1895
- Pakistan– 1957
- Bangladesh– 1976
- Bolivia- 1980

2.1.3. Necessity/Importance of Micro Financial Services

It is known that there is a severe increase in production and distribution channels in the globalizing world. However, poverty has never been a phenomenon for which a solution has been found. The concept of poverty has always been a problem that individuals, groups, societies, or countries think about and seek solutions for that. In addition, the search for solutions for poverty, which has found a place among the Millennium Development Goals (MDG) and Sustainable Development Goals (SDG) of the United Nations (UN) in recent years, is supported by international incentives (United Nations, 2022), (United Nations, 2022). Therefore, poverty has become an area where various solution proposals are constantly tried.

The fact that the solutions produced against the poverty problem are insufficient is understood from the increasing rate of this problem. This situation can be explained by reasons such as the lack of continuity of the solutions produced, targeting short-term results, and not being productive. Contrary to similar policies against poverty, microfinance emerges as a sustainable and effective model. The model first removes the barrier to access to financial resources. Then, it contributes to generating income by channeling the accessed resources into productive investments/enterprises. In this respect, it causes the activation of existing and idle abilities and the acquisition of new skills. It also ensures that women, who are the beneficiaries of many microfinance institutions, are included in the production processes and strengthened (Srivastava, 2013).

2.1.4. Challenges and Problems of Microfinance Applications

Microfinance applications are less profit-oriented than other financial services, appeal to groups with undefined credibility, and need public incentives and financial support. Considering these weaknesses, we can easily say that microfinance applications are challenging. In addition to compelling factors for similar finance practices, we can say that microfinance practices must contend with additional constraints such as sustainability, high cost of service, credit risk, difficulty in accessing funds, migration or departure of group members, and regulatory/regulatory issues (Srivastava, 2013).

- **Sustainability:** There is a severe inadequacy of microfinance applications to meet the demands. It is challenging to remedy this inadequacy with donations or the encouragement of the state. Instead, it is essential to establish a self-sustainable structure. (Brandsma & Hart, 2004). Because the basic functioning of microfinance applications should be based on the ability of a self-sufficient structure to transfer funds to those who have difficulty in accessing finance/financial services. Therefore, the main objectives of microfinance are to facilitate access to finance, as well as to build a self-sufficient, sustainable financial structure. When considered from this aspect, it is seen that microfinance contains a structure compatible with the SDGs. Therefore, it should be able to be a balance point between development projects and commercial banking.

Sustainability in microfinance institutions requires institutions providing these services to be self-sufficient. Most of the MFIs operating today continue their assistance with donations and incentives. This situation shows that the present and future of institutions depend on other factors. For MFIs to have a self-financing system, it needs a special legislation and taxation system, a credit tracking system, expert personnel, etc. (Sakarya, 2005). According to Balkenhol (2011), most microfinance institutions report unconfirmed and unaudited figures. Whereas financial sustainability and self-sufficiency are the minimum performance expected from a microfinance institution (Balkenhol, 2011).

The sustainability of microfinance institutions can also be made possible by commercialization (Srivastava, 2013). Creating a self-sufficient, income-generating system through commercialization will significantly reduce dependence on donations and thus external resources. In order for this to happen, microfinance institutions must be in a position of peace and cooperation with other financial institutions and the production sector.

- **High Cost of Services:** The necessity of ensuring the sustainability of MFIs also reveals requirements such as regular follow-up of customers and intensive information collection. These needs create high service costs for these non-profit-oriented institutions. The asymmetric information problem, which is a significant threat, especially for Islamic financial institutions (IFI), carries a greater risk for MFIs. In order to partially reduce the high service costs, a model that guarantees each other by grouping the debtors is used. However, this practice has not been conclusively proven to reduce costs. (Khandker & Pitt, 1998).
- **Credit Risk and Debt Trap:** The fact that microfinance services are less standardized, and these institutions can bear the costs less makes it difficult to follow up with the service beneficiaries regularly. Group members delay or stop payments, migrate, leave the group unplanned, etc., which can be considered a

credit risk. Unlike other financial services, microfinance institutions do not lend themselves to loans, etc. It is difficult to secure it against risks.

- **Financial Capacity of MFIs and Difficulty of Access to Funds:** Microfinance institutions have to evaluate the income they earn from the activities they carry out to fill the gap in the pool of beneficiaries who fail to pay or do not pay from time to time. In addition, the support of public institutions, NGOs, and foundations, most of which are stakeholders of MFIs, remains insufficient. It is possible to overcome this situation by regulating the legislation of MFIs and subjecting them to a different taxation system.
- **Socio-economic Positions of the Beneficiaries:** The beneficiaries of MFIs are primarily people who live in rural areas, areas that are not within reach of financial institutions and which other financial institutions somehow refuse to serve. Many of them work in financial services, capital management, entrepreneurship, etc., does not have sufficient knowledge on the subject. This situation makes it difficult for MFIs to reach beneficiaries, provide them with financial services, manage beneficiaries' processes, and receive repayments. Collaboration with NGOs and the state is critical in overcoming this challenge.

2.1.5. Financial Service Methods of MFIs

Micro Credit

Micro-credit model can be divided into two parts banking-based or group-based. The MFI relationship-based loan execution process for individuals or small businesses is called the banking-based model. The model in which the crediting of groups formed by gathering/bringing people in need of credit is evaluated collectively is also called the group-based model.

Micro-credit mechanisms that do not exceed Shariah limits can be established. Islamic finance uses instruments like qard hasen, murabahah, BBA (Bai Bithaman Ajil), ijarah, salam etc. All these models create debt under microcredit.

Micro-Equity

Financial requirements can be met by a micro-entrepreneur investing in a micro-enterprise through debt or equity. The micro share provided by the first-generation micro-entrepreneur is called micro venture capital (VC). Micro VC providers are smaller in number and reach. There are several partnership-based share financing models in Islamic economics: mudaraba, musharakah, muzaraah, etc.

Micro Savings

Poor people want to invest, but their low income and multiple demands constrain their behavior. However, savings services that meet their own needs and expectations are limited. Micro-savings allow people who have been impoverished of their savings options through external resources to save on a corporate level.

Rich or poor savers want high returns. In addition, Muslim micro-savers expect this income to be halal.

Micro Transfers

Micro transfers are not just about money transfers; there may be a requirement for migrant workers to send their money earned back to their home country. They require related services for sending and receiving money.

Micro Insurance

Poor people face various risks and uncertainties, possibly more intense than others. Dying of the head of the family and/or loss of crops, livestock, or housing result from natural disasters. Microinsurance protects the impoverished, who are weaker against such failures. In order to provide a good service, it is crucial that microinsurance can respond to priority needs against risk protection, which is understandable and applicable.

According to Islamic scholars, it operates with the logic of takaful taawuni, which is based on solidarity among insurance group members.

2.1.6. Common Microfinance Application Examples

Considering the historical development of microfinance applications, they have been used and developed in various parts of the world in different periods. These applications, which originated in line with the needs, were sometimes independent of each other and sometimes by adapting the applications in different regions/countries. Although many microfinance models are not standardized or are not heard of because they are applied and accepted by a tiny segment, we can explain the most common ones as follows (Obaidullah & Khan, 2008):

Grameen Bank Example:

The Grameen Bank model was introduced in the 1970s by Muhammad Yunus, a Bangladeshi economics professor (Bank for the Poor: Grameen Bank, 2022). The model was put into operation by providing a loan of 27 USD to 42 families at the first stage. In the model in which the group debit method is used, each group consists of approximately five people. (Smolo, 2012). Group members guarantee their loans among themselves. This model, whose country of origin is Bangladesh, is available in several variants. The main feature of these variants is that they are group oriented. Group orientation appears to be a preferred method over collateral to eliminate risk. (Obaidullah, 2008).

In line with the purpose of the emergence of this model, most of the group members are women. (Obaidullah, 2008). Under the professionalism required by the model, the personnel can provide consultancy to the debtor group and provide the necessary motivation with intensive work. (Obaidullah, 2008).

The Grameen Bank model has eliminated the collateral requirement for financial services. The terms of collateral have been replaced by the concepts of mutual trust, accountability, participation, and creativity. (Grameen Bank, 2022). Peer pressure can also be considered a collateral method due to group borrowing. (Smolo, 2012). Grameen Model has been using conventional financial instruments since its establishment. Today, Islamic Bank Bangladesh Limited operates the version of the Grameen model that is compatible with Islamic economic principles. (Smolo, 2012).

Village Bank Example:

The Village Banking microcredit model, an ongoing model from ancient cultures and adopted by institutions that provide institutional microfinance services today, is not managed by a central institution, unlike similar microcredit applications, but is managed by local administrations (FINCA, 2022).

The model mostly applied in Latin America and Africa is the establishment of application agencies called Village Bank, consisting of 30-50 members, to provide external financing to individual members. (Obaidullah, 2008). A village bank implementation agency becomes a self-sufficient and sustainable structure once it has collected sufficient external capital. This process is usually completed in 3-year periods. Loans are paid weekly over four months, and peer pressure is the critical element of the model that ensures complete and timely repayment of loans. (Smolo, 2012).

Peer pressure contributes to complete repayment. The savings collected within the Village bank are also used to provide financing. Because a village bank can raise sufficient capital internally, it becomes an autonomous/self-sustaining (usually after three years) institution (Obaidullah, 2008).

Institutions such as Grameen Bank and FINCA International, founded by Muhammed Yunus and John Hatch, have adopted and developed this practice. (FINCA, 2022). Today, a Shariah-compliant version of this model is implemented by Jabal al-Hoss, Syria. (Smolo, 2012).

Credit Union Example:

Used to mobilize investments and provide loans to members, this non-profit cooperative is owned and controlled by its members (Smolo, 2012). This microcredit method, which consists of common bonds, provides loans to productive projects. In the model, vocational training is provided primarily on monitoring the members' financial performance. An organ carries out this process within its own body. This model, common especially in the Asian continent, is best known in Sri Lanka. (Obaidullah, 2008).

Baitul Maal wat Tamweel (BMT), currently operating in Indonesia, is the Sharia-compliant version of this model. (Smolo, 2012).

Self-Help Groups (SHG) Example:

An SGH is a microfinance application model that brings together the savings of 10-15 members judged to have similar/compatible incomes from some perspectives and uses the savings to borrow money. In this model, external funds are also utilized as well as the pooling of members' funds. (Smolo, 2012). The application principles may vary between SHGs. An ordinary SHG receives encouragement from non-profit NGOs, but the goal is self-sustaining. In this respect, it is similar to the Village Bank model. The origin of the SHG model is India (Obaidullah, 2008).

Bosnia and Herzegovina Example:

Bosnia and Herzegovina (B&H) model is implemented in some European countries and is a lesser-known model. In this model, the practices of microfinance institutions are relatively like commercial banks. (Smolo, 2012).

In this model, instead of peer pressure against the default risk, the collateral/surety method is used. The borrower must show at least two people with a minimum income determined by the microfinance institution as a guarantor. (Smolo, 2012).

2.2. Islamic Microfinance

This application method of microfinance is socially responsible since it must comply with the ethical codes in the sources of the Islamic religion. There is a prohibition of interest in Islamic microfinance compared to mainstream microfinance. We can accept this as the most fundamental distinction, but this is not the only issue. We can consider Islamic Microfinance as a combination of microfinance and Islamic banking. It is widespread in developing Islamic countries. Despite some difficulties, microfinance applications are the most effective poverty alleviation tool (Srivastava, 2013).

Islamic and mainstream microfinance institutions' emergence purposes and service methods are similar. However, they differ from each other in many ways. We can list the differences between Islamic microfinance and mainstream microfinance institutions as follows in *Table 1*: (Obaidullah, 2008, s. 11-12), (Ahmed, 2002, s. 41), (Smolo, 2012):

Table 6: Differences Between Islamic Microfinance and Mainstream Microfinance Institutions

Mainstream MFIs	Islamic MFIs
The fund is being collected by means of external sources, savings from customers, and various donation sources	The fund is being collected by means of external sources, savings from customers, Islamic charities, and various donation sources
The financing method is based on interest	The financing method is based on Islamic financial instruments
The fund transfer method is in cash	The fund transfer method is as product or service

Mainstream MFIs	Islamic MFIs
The targeted audience is just a single category: The poor (The poorest are excluded)	The targeted audience are two main categories: (1) The poorest (supported by donation funds such as zakat etc.), (2) The middle segment poor
The focal point is generally women	The focal point is family
The aim of focusing on women is women's empowerment	The aim of focusing on women is facilitating accession to resources
The incentive purpose of the targeted audience to work are monetary purposes	The incentive purpose of the targeted audience to work are monetary and religious purposes
The sanctions in case of payment delay are the group/center pressure and threats	he sanctions in case of payment delay are the group/center pressure and threats and Islamic ethic

Source: (Obaidullah, 2008) (Ahmed, 2002) (Smolo, 2012)

Based on the Grameen Bank experience, it has been seen that conventional microfinance applications are relatively successful in countries with a sizeable Muslim population. About 44% of mainstream microfinance customers live in Muslim countries. Despite this, many Muslims do not prefer to benefit from this service, as conventional microfinance includes practices contrary to the Shariah provisions (Karim, Tarazi, & Reille, 2008).

Ideologically and practically, Islamic banking and microfinance practices should complement each other (Smolo, 2012). Like its conventional counterparts, Islamic banking is rapidly advancing towards becoming "banking for the rich, by the rich, for the rich" (Obaidullah, 2008). Zakat and waqf are essential structures that microfinance institutions should cooperate in financing the poor (Ahmed, 2004).

Although non-governmental organizations, non-bank institutions, and public institutions are must to take a role more actively in microfinance services, it is also argued that Islamic financial institutions should be more involved in this regard. According to some authors, equity-based, profit-sharing-based microfinance models such as mudarabah and musharakah should be given weight over debt-based financing models such as murabahah (Smolo, 2012).

2.2.1. Financial Instruments in Islamic Microfinance Institutions

Islamic microfinance is the financing of income-generating projects, which create employment for themselves or their families by individuals with low-income levels or difficulty accessing finance by methods under Islamic finance principles (Abdul Rahman A. R., 2007). It is possible to evaluate Islamic microfinance services within the scope of two different models: The Charity-Oriented and the Profit-Oriented Model.

In the charity-oriented Islamic microfinance model, the Islamic microfinance institution in question does not expect to generate any income for the related financing transactions. All activities are free of charge. Zakat, qard-ul hasan, and waqf institutions are among the types of financing in this model.

Zakat is the share from the wealth of the rich people whose wealth has reached the nisab amount to be given to the eight classes specified in the Qur'an. (TDV, 2020). The settling of the amount of goods (nisab), which is obligatory to pay zakat, the determination of the zakat rate to be taken according to the type of property, and the presence of provisions regarding when zakat should be paid help to establish an institutional structure for zakat.

Qard'ul Hasan is a type of loan based on benevolence (TDV, 2020). Unlike traditional debt instruments, there will not be any return to the lender. To prevent those in financial difficulties from resorting to non-halal ways and to alleviate their financial burden, lending by qard is encouraged in Islam.

Another type of financing of the charity-oriented model is the foundation. As a strong financial solidarity institution in the history of Islam, waqf is the donation of one's property to serve a social purpose (TDV, 2020). It is one of the most durable financial institutions in the history of Islamic societies. It is essential to meet the requirements of poor people in the society with the resources in the vaults of the foundations, which increased their prevalence, especially in the Ottoman period.

The main feature of the profit-oriented model is that these financial transactions are based on trust. They can be based on business, trade, or profit and loss sharing. Murabaha, Mudaraba, Musharakah, Ijara, Salam and Istisna are profit-oriented financing types.

Murabaha is a sales transaction made by adding profit to the cost price of the good (TDV, 2020). Unlike regular sales, the seller clearly states the cost price of the goods. Modern murabaha practices are carried out by order. The seller buys the goods the buyer wants to buy by making a cash payment and selling them to the buyer. This process is preferred because it allows payment in installments.

Mudaraba, another profit-oriented Islamic microfinance service, is a type of partnership established by the contribution of one party with capital/goods and the other with labor (TDV, 2020). The profit obtained as a result of the business/transaction carried out as a result of the partnership is shared in line with the rates determined at the time of the establishment of the contract. In case of loss, only the party that contributed with its capital bears it.

Musharakah is a partnership in which both parties contribute capital for a particular project or commercial activity (Bayındır, 2005). Both parties share in both profit and loss, and risk sharing is essential.

Ijara, in Islamic finance, on the other hand, is the transfer of the right to use the property for a certain period for a fee. The lease agreement can be made in several different ways: The ownership of the property remains with the owner at the end of the lease term, the property is sold to the lessee after the lease period expires, or the property is donated to the lessee after the lease term expires.

Another service, salam, is the sale of goods whose properties have been determined to be delivered at a future date (TDV, 2020). Salam contracts are mainly used for agricultural products. It is used to benefit the input costs of the producer. In the practice of Istisna, which is similar to Salam, it is an agreement made for the money to be delivered in advance and the goods to be delivered at a future date. This application is the preferred method for larger-scale structural fabrication operations such as ships or bridges.

2.2.2. Problems Encountered by Islamic Microfinance Institutions (IMFI) and Suggestions for Solutions

The problems faced by Islamic microfinance institutions can be addressed in 4 main categories: Market penetration, sustainability, high transfer costs, and ineffectiveness (Abdul Rahman & Dean, 2013).

1) Market penetration: The market penetration of Islamic microfinance institutions is low due to the small number of branches and internal procedural barriers to performance, protocol, and employee capacity. (Ahmed, 2002).

The problem of branch networks in market penetration can be solved by Islamic banks providing Islamic microfinance services. In this way, the portfolio diversity of Islamic banks will increase, and access to the poor in rural areas through branches will grow. The under-employment problem can be solved by integrating Islamic microfinance institutions with the post office or Islamic banks. Effective use of resources means increased productivity and efficiency. Plans have been prepared to expand Islamic microfinance institutions and banks serving local/rural areas in Pakistan and Indonesia (Abdul Rahman & Dean, 2013).

2) Sustainability of IMFIs: Reasons such as low fund mobility and high executive fees stand as obstacles to the economic viability of many microfinance institutions. In addition, the lack of product diversity is one of the challengings to the sustainability of IMFIs. Although there are different financing methods, IMFIs operate on a murabahah-centered basis. By having a broader list of Sharia-compliant products and services, IMFIs can access more customers. The issue of sustainability is not an issue that can be solved with voluntary donations.

The state's role in Islamic microfinance institutions should not be to lend them money but to prepare the appropriate infrastructure to create the necessary policies. It was said that the sustainability of Islamic microfinance institutions is low due to the scarcity of fund movements. It is suggested that institutionalization can be increased through the adoption and implementation of zakat and waqf institutions. Although it is known that both conventional and Islamic microfinance institutions need funds, the funding sources of these two institution models differ as internal and external sources. IMFIs can internally use a deposit, wadiah, qard'ul hasan, and mudaraba methods. The possibility of benefiting from different profit-loss sharing models such as musharakah and mudaraba for deposits may be of interest to those interested in charitable works. The concept of donation/charity will make the idea of dealing with harm more bearable. In the case of integrating Islamic banks and microfinance institutions, the income that banks cannot mix into their own pool, such as delayed payments, can be operated on a foundation model on behalf of the MFI. It can be said that crowdfunding has a significant impact on sustainability, as peer pressure has a severe effect on paybacks and productivity (Abdul Rahman & Dean, 2013).

3) High transfer costs: Excessive uncertainty in profit-loss sharing-based financing methods causes transaction costs to increase. This situation causes to the emergence of debt- and financial-leasing-based systems. The asymmetric information problem also reveals high transaction costs. Difficulties in accessing appropriate market information due to the unavailability of the target audience increases transaction costs. (Chowdhury, 2006). Establishing a system where microfinance institutions trying to serve the same target audience can access information about their familiar customers can be effective in reducing costs. Group debiting is considered more advantageous than individual debiting in terms of costs.

Reaching microentrepreneurs physically constitutes a severe cost. Instead, creating a system that makes it easier to handle customer transactions remotely will help reduce costs (for example, handling transactions from a mobile phone). A credit rating system can significantly reduce the cost of access to information (credit ratings for customers and credit ratings for Islamic microfinance products, etc.). Institutions like IsDB can take an active role in credit rating (Abdul Rahman & Dean, 2013).

4) Ineffectiveness in ending poverty: Studies show that multiple (multiple) and long-term loans are more effectual in reduction of poorness than short-term loans (Abdul Rahman & Dean, 2013).

It has been determined that microfinance institutions operating in integration with education, health, and social programs are more effectual in reduction of poorness. These institutions work in the logic of NGOs (Abdul Rahman & Dean, 2013).

In order for microfinance to be an effectual tool in the fight against impoverishment, it is of great importance that microfinance institutions act in cooperation with official institutions and non-governmental organizations. In this regard, the collaborating institutions must focus on the following issues:

I. Microfinance practices must be reconsidered and framed based on capacity building and sustainability focus.

II. Focusing on the concept of governance, developing, and strengthening its activities with this focus will bring a new perspective. In this regard, national and local authorities must create a legal framework with policies that facilitate and support the self-government of microfinance institutions.

III. The leading institutional stakeholders of microfinance institutions can be classified as (1) Government, (2) Private Sector, and (3) Charities (Donations). Coordinated and organized cooperation with these stakeholders is essential for microfinance institutions to achieve their goals and benefit beneficiaries.

2.3. Islamic Microfinance in the Context of Poverty & Islam Relationship

Some verses about the view of the religion of Islam on poverty and how the poor are treated are examined below:

1. وَاِذْ اَخَذْنَا مِيثَاقَ بَنٖي اِسْرَٓائٖلَ لَا تَعْبُدُونَ اِلَّا اللّٰهَ وَبِالْوَالِدَيْنِ اِحْسَاناً وَذِي الْقُرْبٰى وَالْيَتَامٰى وَالْمَسَاكٖينِ وَقُولُوا لِلنَّاسِ حُسْناً وَاَقٖيمُوا الصَّلٰوةَ وَاٰتُوا الزَّكٰوةَۜ ثُمَّ تَوَلَّيْتُمْ اِلَّا قَلٖيلاً مِنْكُمْ وَاَنْتُمْ مُعْرِضُونَ (Bakara, 83)[1]
2. لَيْسَ الْبِرَّ اَنْ تُوَلُّوا وُجُوهَكُمْ قِبَلَ الْمَشْرِقِ وَالْمَغْرِبِ وَلٰكِنَّ الْبِرَّ مَنْ اٰمَنَ بِاللّٰهِ وَالْيَوْمِ الْاٰخِرِ وَالْمَلٰٓئِكَةِ وَالْكِتَابِ وَالنَّبِيّٖنَۚ وَاٰتَى الْمَالَ عَلٰى حُبِّهٖ ذَوِي الْقُرْبٰى وَالْيَتَامٰى وَالْمَسَاكٖينَ وَابْنَ السَّبٖيلِ وَالسَّٓائِلٖينَ وَفِي الرِّقَابِۚ وَاَقَامَ الصَّلٰوةَ وَاٰتَى الزَّكٰوةَۚ وَالْمُوفُونَ بِعَهْدِهِمْ اِذَا عَاهَدُواۚ وَالصَّابِرٖينَ فِي الْبَأْسَٓاءِ وَالضَّرَّٓاءِ وَحٖينَ الْبَأْسِۜ اُو۬لٰٓئِكَ الَّذٖينَ صَدَقُواۜ وَاُو۬لٰٓئِكَ هُمُ الْمُتَّقُونَ (Bakara, 177)[2]
3. وَاِذَا حَضَرَ الْقِسْمَةَ اُو۬لُوا الْقُرْبٰى وَالْيَتَامٰى وَالْمَسَاكٖينُ فَارْزُقُوهُمْ مِنْهُ وَقُولُوا لَهُمْ قَوْلاً مَعْرُوفاً (Nisa,8)[3]
4. وَاعْبُدُوا اللّٰهَ وَلَا تُشْرِكُوا بِهٖ شَيْـٔاً وَبِالْوَالِدَيْنِ اِحْسَاناً وَبِذِي الْقُرْبٰى وَالْيَتَامٰى وَالْمَسَاكٖينِ وَالْجَارِ ذِي الْقُرْبٰى وَالْجَارِ الْجُنُبِ وَالصَّاحِبِ بِالْجَنْبِ وَابْنِ السَّبٖيلِۙ وَمَا مَلَكَتْ اَيْمَانُكُمْۜ اِنَّ اللّٰهَ لَا يُحِبُّ مَنْ كَانَ مُخْتَالاً فَخُوراً (Nisa, 36)[4]

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[1] "And remember We took a covenant from the Children of Israel (to this effect): Worship none but Allah; treat with kindness your parents and kindred, and orphans and those in need; speak fair to the people; be steadfast in prayer; and practise regular charity. Then did ye turn back, except a few among you, and ye backslide (even now)." (al-Qurʾān al-Karīm, 2022)

[2] "It is not righteousness that ye turn your faces Towards east or West; but it is righteousness- to believe in Allah and the Last Day, and the Angels, and the Book, and the Messengers; to spend of your substance, out of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask, and for the ransom of slaves; to be steadfast in prayer, and practice regular charity; to fulfil the contracts which ye have made; and to be firm and patient, in pain (or suffering) and adversity, and throughout all periods of panic. Such are the people of truth, the Allah-fearing" (al-Qurʾān al-Karīm, 2022)

[3] "But if at the time of division other relatives, or orphans or poor, are present, feed them out of the (property), and speak to them words of kindness and justice" (al-Qurʾān al-Karīm, 2022)

[4] "Serve Allah, and join not any partners with Him; and do good- to parents, kinsfolk, orphans, those in need, neighbours who are near, neighbours who are strangers, the companion by your side, the wayfarer (ye meet), and what your right hands possess: For Allah loveth not the arrogant, the vainglorious.)" (al-Qurʾān al-Karīm, 2022)

5. وَاعْلَمُوا اَنَّمَا غَنِمْتُمْ مِنْ شَيْءٍ فَاَنَّ لِلّٰهِ خُمُسَهُ وَلِلرَّسُولِ وَلِذِي الْقُرْبٰى وَالْيَتَامٰى وَالْمَسَاكِينِ وَابْنِ السَّبِيلِۙ اِنْ كُنْتُمْ اٰمَنْتُمْ بِاللّٰهِ وَمَٓا اَنْزَلْنَا عَلٰى عَبْدِنَا يَوْمَ الْفُرْقَانِ يَوْمَ الْتَقَى الْجَمْعَانِۜ وَاللّٰهُ عَلٰى كُلِّ شَيْءٍ قَدِيرٌ (Enfal, 41)[5]

6. وَاٰتِ ذَا الْقُرْبٰى حَقَّهُ وَالْمِسْكِينَ وَابْنَ السَّبِيلِ وَلَا تُبَذِّرْ تَبْذِيرًا (İsra, 26)[6]

7. وَلَا يَأْتَلِ اُو۬لُوا الْفَضْلِ مِنْكُمْ وَالسَّعَةِ اَنْ يُؤْتُٓوا اُو۬لِي الْقُرْبٰى وَالْمَسَاكِينَ وَالْمُهَاجِرِينَ فِي سَبِيلِ اللّٰهِۖ وَلْيَعْفُوا وَلْيَصْفَحُواۜ اَلَا تُحِبُّونَ اَنْ يَغْفِرَ اللّٰهُ لَكُمْۜ وَاللّٰهُ غَفُورٌ رَحِيمٌ (Nur, 22)[7]

8. فَاٰتِ ذَا الْقُرْبٰى حَقَّهُ وَالْمِسْكِينَ وَابْنَ السَّبِيلِۜ ذٰلِكَ خَيْرٌ لِلَّذِينَ يُرِيدُونَ وَجْهَ اللّٰهِۘ وَاُو۬لٰٓئِكَ هُمُ الْمُفْلِحُونَ (Rum, 38)[8]

9. مَٓا اَفَٓاءَ اللّٰهُ عَلٰى رَسُولِه۪ مِنْ اَهْلِ الْقُرٰى فَلِلّٰهِ وَلِلرَّسُولِ وَلِذِي الْقُرْبٰى وَالْيَتَامٰى وَالْمَسَاكِينِ وَابْنِ السَّبِيلِۙ كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْاَغْنِيَٓاءِ مِنْكُمْۜ وَمَٓا اٰتٰيكُمُ الرَّسُولُ فَخُذُوهُ وَمَا نَهٰيكُمْ عَنْهُ فَانْتَهُواۚ وَاتَّقُوا اللّٰهَۜ اِنَّ اللّٰهَ شَدِيدُ الْعِقَابِۢ (Haşr, 7)[9].

As it can be understood from the verses above, it is seen as a good behavior to treat the poor and to allocate a share of their wealth to them, and it is expressed in many verses that this behavior pleases Allah. In addition, in some verses that are not mentioned here, it is recommended as a treat to the poor and as an expiation for not performing/not being able to perform specific prayers.

According to Obaidullah (2018), it is essential for a successful microfinance program in terms of Islam to meet the following conditions (Obaidullah, Introduction to Islamic Microfinance, 2008):

- The microfinance program should be accessible to the poorest of a poor community.

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[5] “And know that out of all the booty that ye may acquire (in war), a fifth share is assigned to Allah,- and to the Messenger, and to near relatives, orphans, the needy, and the wayfarer,- if ye do believe in Allah and in the revelation We sent down to Our servant on the Day of Testing,- the Day of the meeting of the two forces. For Allah hath power over all things” (al-Qurʾān al-Karīm, 2022)

[6] “And render to the kindred their due rights, as (also) to those in want, and to the wayfarer: But squander not (your wealth) in the manner of a spendthrift.” (al-Qurʾān al-Karīm, 2022)

[7] “Let not those among you who are endued with grace and amplitude of means resolve by oath against helping their kinsmen, those in want, and those who have left their homes in Allah´s cause: let them forgive and overlook, do you not wish that Allah should forgive you? For Allah is Oft-Forgiving, Most Merciful.” (al-Qurʾān al-Karīm, 2022)

[8] “So give what is due to kindred, the needy, and the wayfarer. That is best for those who seek the Countenance, of Allah, and it is they who will prosper.)” (al-Qurʾān al-Karīm, 2022)

[9] “What Allah has bestowed on His Messenger (and taken away) from the people of the townships,- belongs to Allah,- to His Messenger and to kindred and orphans, the needy and the wayfarer; In order that it may not (merely) make a circuit between the wealthy among you. So take what the Messenger assigns to you, and deny yourselves that which he withholds from you. And fear Allah; for Allah is strict in Punishment.” (al-Qurʾān al-Karīm, 2022)

- There should be a program that considers the financial contribution of the poor by sensitively evaluating their financial situation.
- It should be able to transform the activities of the beneficiaries into productive activities.
- It should prioritize meeting basic needs and use the increased amount for investment in productive assets.
- The program should focus on capacity building and provide technical support to beneficiaries during the income-generating activity.
- Provide or ensure that the beneficiary is provided with the necessary training on issues such as the business plan, the execution process, and feedback.
- It should be highly transparent in operational data.
- It should refrain from gratuitous aid, except in essential situations.

3. ANALYSIS AND FINDINGS

3.1. Introduction

In the previous chapter, the concept of microfinance, which is the main subject of this study, its institutions, methods, models, and features are discussed in detail. This study is about using Islamic microfinance applications as a source of finance for the socio-economic development of refugees in Türkiye. Therefore, in this chapter, the socio-economic situation of refugees living in Türkiye will be analyzed. As a result of the analysis, the use of Islamic microfinance as a source of finance in the development of the said group will be discussed.

3.1.1. Problem Statement

In the globalizing world, we live in a period where the distance between people becomes more and more bearable, and access to objects wherever they are in the world becomes very easy. However, the concepts of belonging/otherness come to the fore more when it comes to geographical boundaries. It becomes challenging for the forcibly displaced groups to engage in economic activities in different geographies, continue their lives, and even meet their basic needs. The number of countries with internal/external conflicts is increasing. However, there is a significant increase in the number of people who have been forcibly displaced/asylum seekers. This massive, forced mobilization implicitly fuels the sense of belonging/otherness we have just mentioned.

Türkiye is one of the countries where people who are forced to do this compulsory mobility take shelter. However, neither in Türkiye nor in the world the living standards of these people have been established, and necessary and sufficient measures have not been taken to prevent their socio-economic situation from worsening. Availability for the target audience will be discussed.

3.1.2. Data Collection and Analysis

The survey scale used in this survey-based survey was adapted from the study titled "A Socio-Economic Survey on the Syria Palestinian Refugees in the Republic of Turkey" (SESRIC, 2019). The survey questions were prepared in Turkish, English, and Arabic languages. The questions were sent to the participants of a group who were members learning Turkish. 485 participants, who are refugees in Türkiye, answered the questions of this survey-based research, and the data collected is analyzed by means of MS Excel.

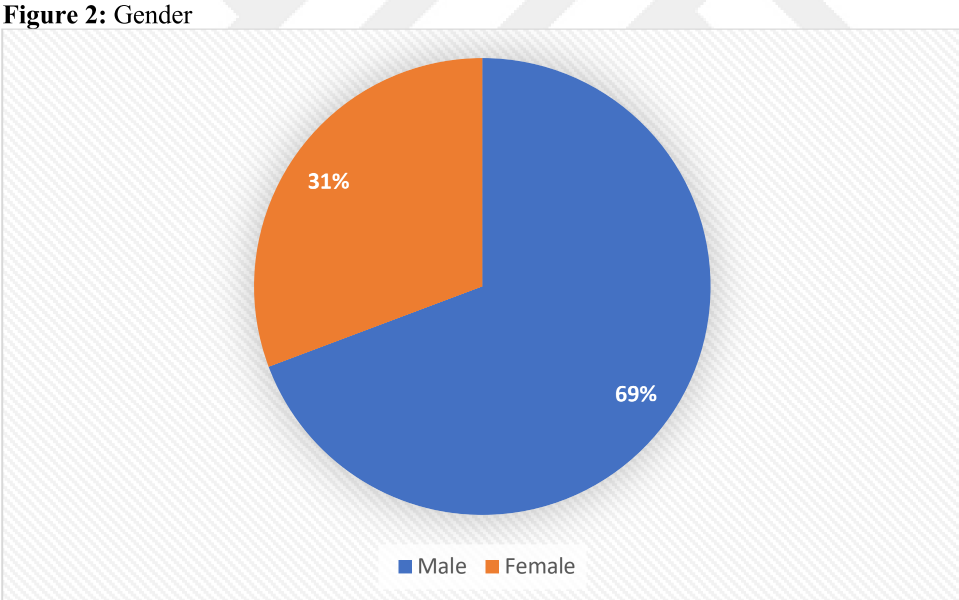
3.2. Analysis

3.2.1. Textual and Visual Analysis

Personal Information

Totally 485 participants answered the survey questions. In this part of the questionnaire, there are questions that measure the personal characteristics of the participants, such as age and gender. The first question measures the gender of the participants. As can be seen in Figure 2, 69% of the survey participants are men, which corresponds to 336 people. The remaining 31% are women. A total of 149 women participated in this survey.

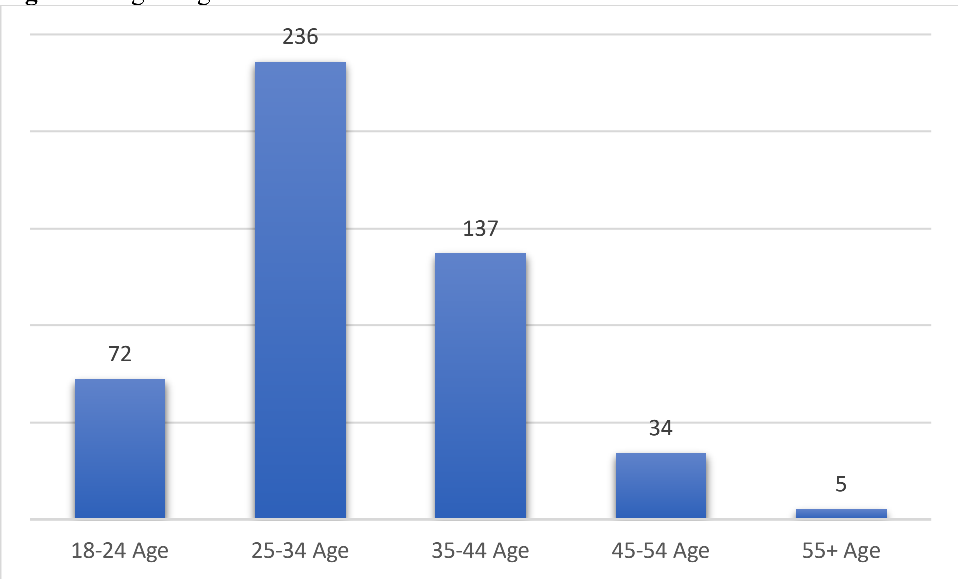
Figure 2: Gender



Source: Created by the author.

The second question gives us the opportunity to see the age distribution of the survey participants. A total of 484 participants answered this question. The youngest of the participants is 18 years old and the oldest is 65 years old. Figure 3 shows the age ranges of 484 participants. According to this graph, the age range with the highest number of participants is between 25-34 years old. Almost half of the total participants are in this range. Then, the age range with the highest number of participants continues as 25-3435-44 years and then 18-24 years. There are only 5 participants aged 55 and over.

Figure 3: Age range

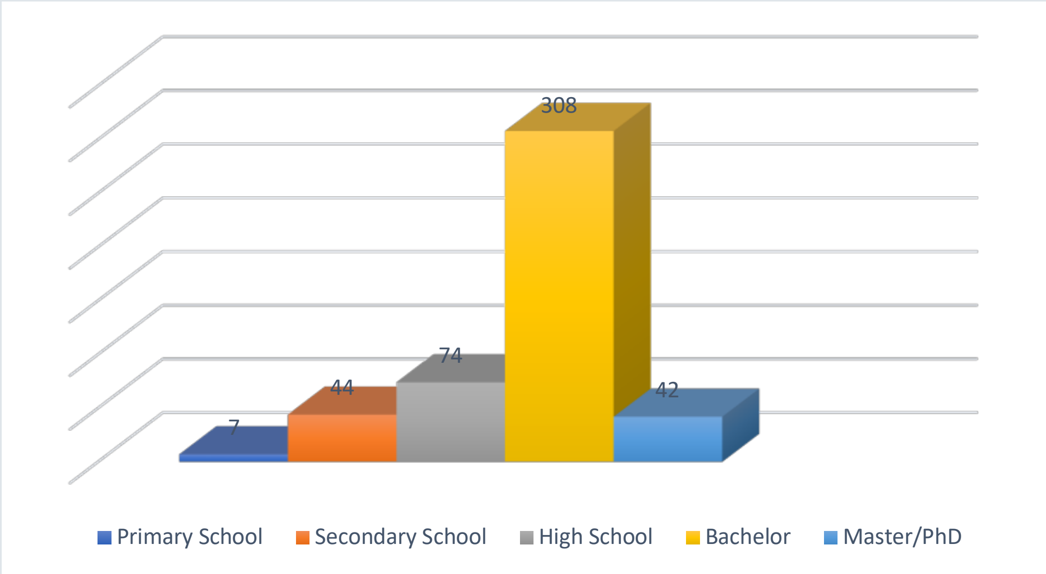


Source: Created by the author.

Educational Information

In this section, the educational knowledge/level of the participants is measured. In the first stage, the educational status of the participants is analyzed. A total of 475 participants answered this question. As can be seen in Figure 4, the Bachelor level constitutes the majority of the participants. 308 out of 475 participants have a bachelor's level. In addition, the number of participants with the lowest primary school education level is only five. In addition, 42 of the remaining participants have master/PhD level, 74 have high school education and 44 have secondary school education.

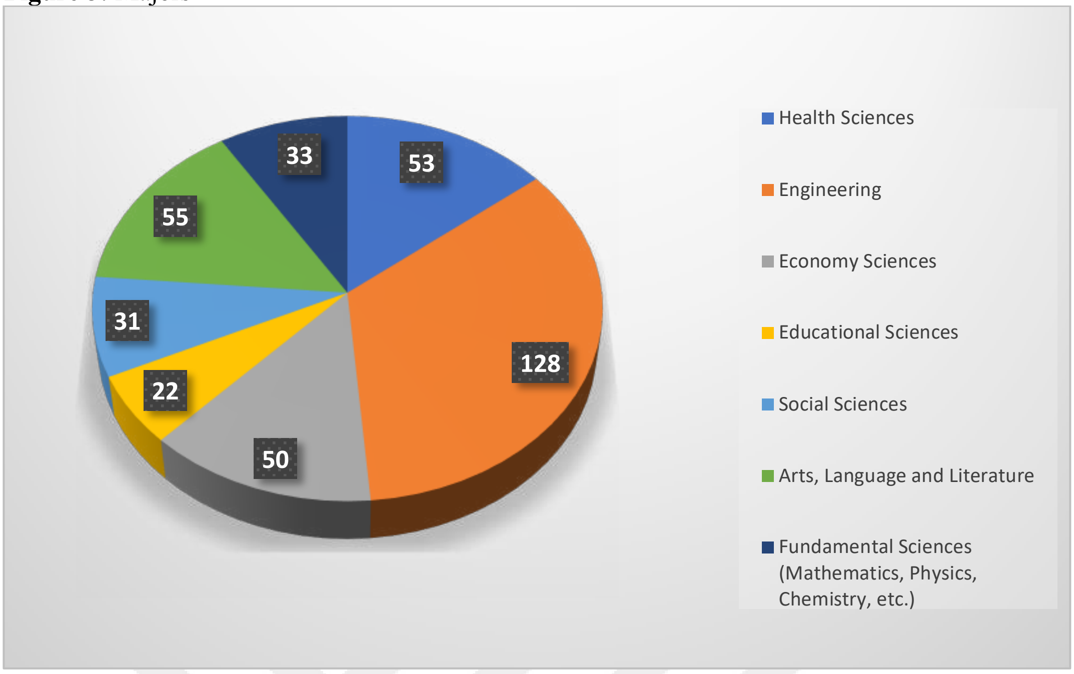
Figure 4: Educational background



Source: Created by the author.

In Figure 5, we see the branches of the participants whose education levels are shown in Figure 3. The branches of the participants were classified as health sciences, engineering, economic sciences, social sciences, arts, language and literature and fundamental sciences. As seen in the figure, the branch with the highest number of participants is engineering. Although the number of participants from the remaining branches is close, we can say that the lowest number of participants is from the branch of educational sciences. The ratio of participants from the branch of educational sciences to the total number of participants is 6%. The ratio of the participants from the engineering branch to the total number of participants is 3%. A total of 372 people answered this question.

Figure 5: Majors



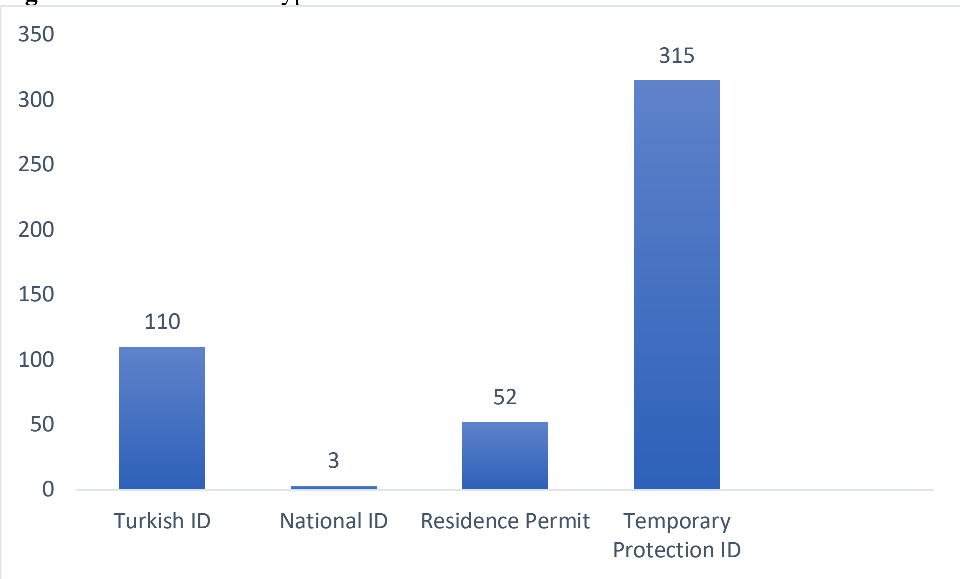
Source: Created by the author.

Residence Information

In this part of the questionnaire, the answers given by the participants to the questions about the reasons for coming to Türkiye, which country they came from, which city they currently reside in and their return to their hometown are analyzed.

The first question of this section concerns the type of identity the participants have. The answers to this question can be seen in Figure 6. Of the 480 respondents who answered this question, 315 have a Temporary Protection ID. 110 of them have Turkish ID. Of the remaining 55 participants, 52 are Residence Permit holders and 3 have a National ID.

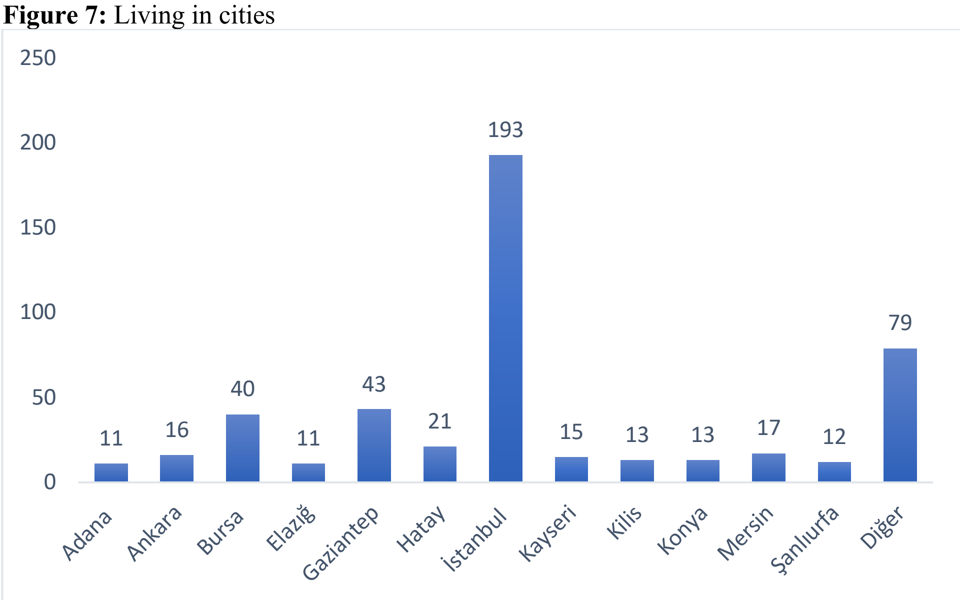
Figure 6: ID Document Types



Source: Created by the author.

In Figure 7, we see in which city the participants reside in Türkiye. According to the Figure, the province with the highest number of participants is Istanbul. 193 out of 485 participants participated from Istanbul. Other cities are Adana, Ankara, Bursa, Elazığ Gaziantep, Hatay, Kayseri, Kilis, Konya, Mersin, Şanlıurfa. 79 participants reside in cities other than these provinces.

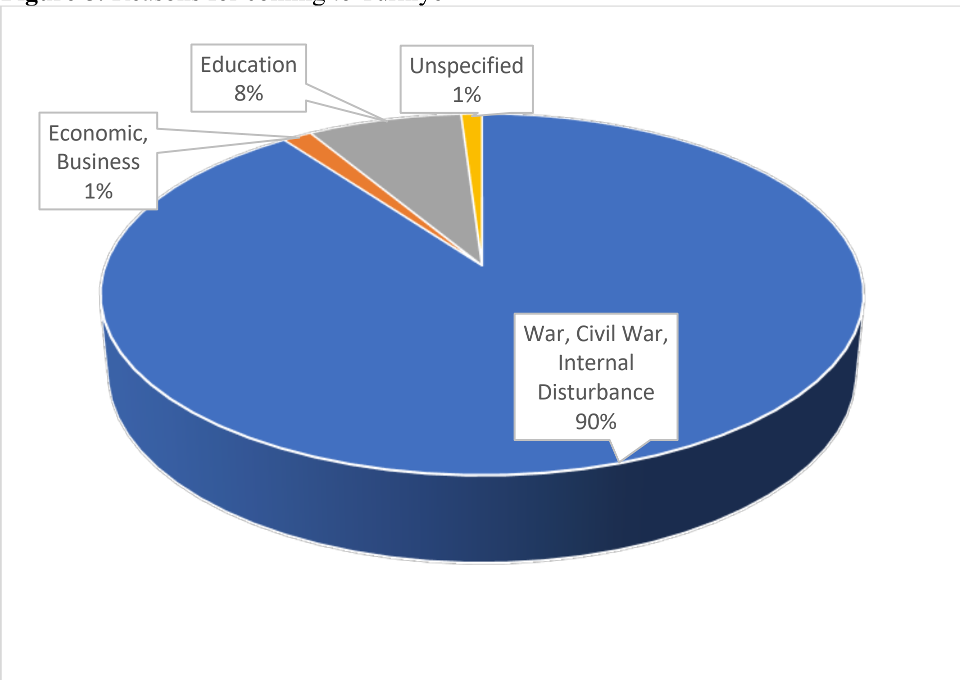
Figure 7: Living in cities



Source: Created by the author.

The second question of this section measures the reason why those who answered these survey questions came to Türkiye. According to Figure 8, 90% of the 485 participants came to Türkiye due to war, civil war and internal disturbance. This ratio shows that 436 people out of 485 had to leave their country due to civil war, war or internal turmoil. Other reasons for coming to Türkiye are economic, business (1%) and education (8%).

Figure 8: Reasons for coming to Türkiye



Source: Created by the author.

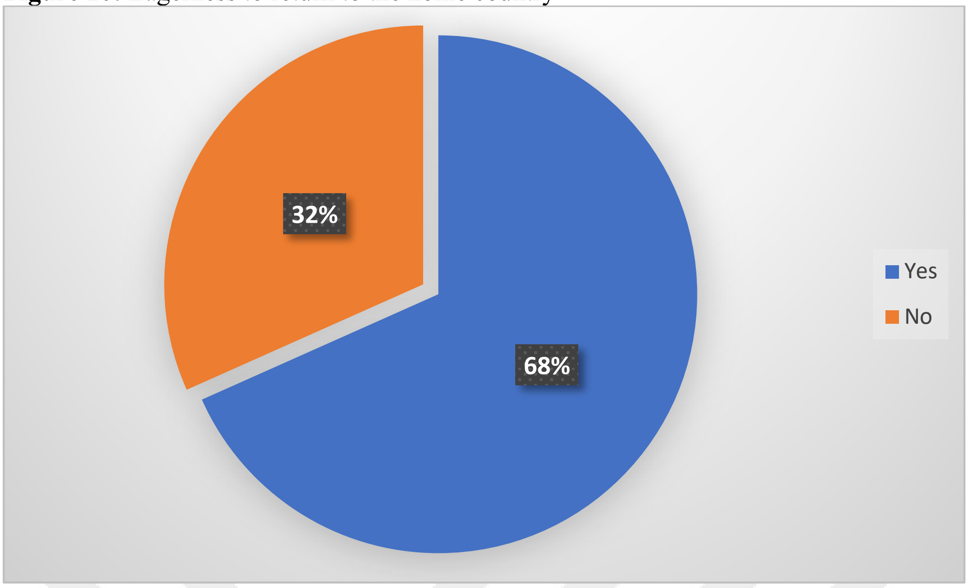
In Figure 9, we can see the real hometowns of these people. 452 out of 485 participants immigrated to Türkiye from Syria, 11 from Iraq and 22 from other countries. Jordan, Saudi Arabia, Egypt, Libya, Lebanon are among these countries.

Figure 9: Original homelands

Source: Created by the author.

In Figure 10, we see the answers given to the question asked whether they want to return to their country when the necessary conditions are met. 461 people answered this question. 32% of the participants answered that they want to continue living here. This rate corresponds to 146 people. On the other hand, 315 people are planning to return to their country when the necessary conditions are met.

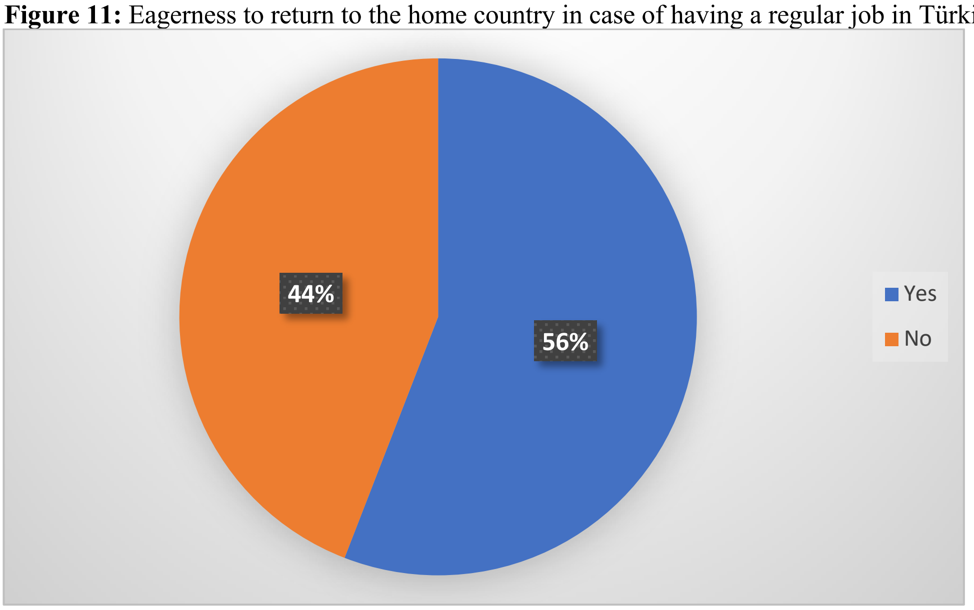
Figure 10: Eagerness to return to the home country



Source: Created by the author.

Figure 11 shows the participants' return to their hometowns if they have a regular occupation in Türkiye. According to Figure, 206 out of 465 people do not intend to return to their own country if they have a regular job in Türkiye. This line corresponds to 44% of the total respondents. The remaining 56% (261 people) plan to return to their home country, regardless of whether they have a regular job.

Figure 11: Eagerness to return to the home country in case of having a regular job in Türkiye



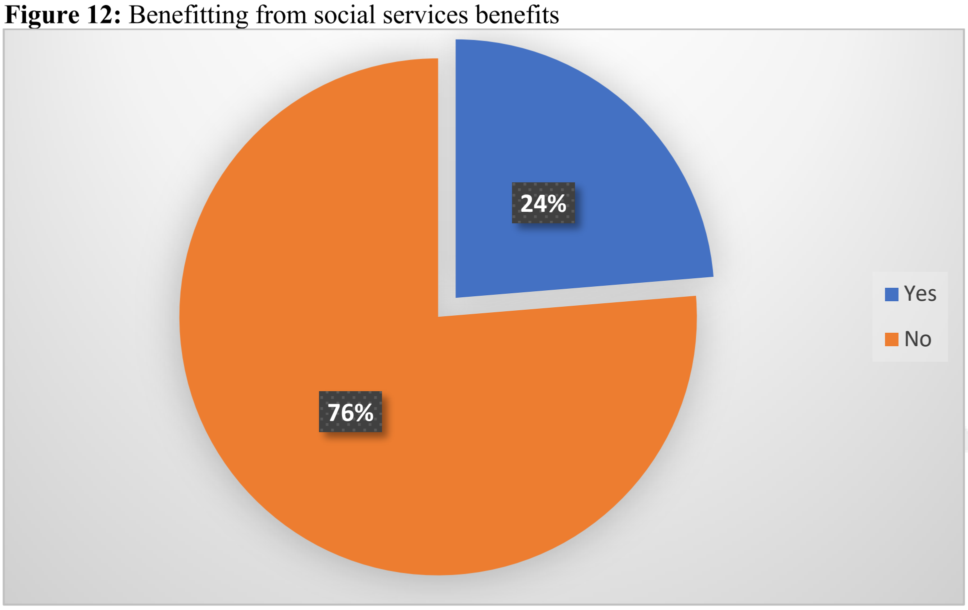
Source: Created by the author.

Social Security Information

In this section, whether the participants received any social security benefits in Türkiye, if so, the type and frequency of these benefits, and the level of meeting their needs are measured.

In Figure 12, we see whether the participants received any social security benefits in Türkiye. As seen in the Figure, only 114 (24%) out of 481 people received any social security assistance. The remaining 367 people (76%) state that they did not receive any assistance.

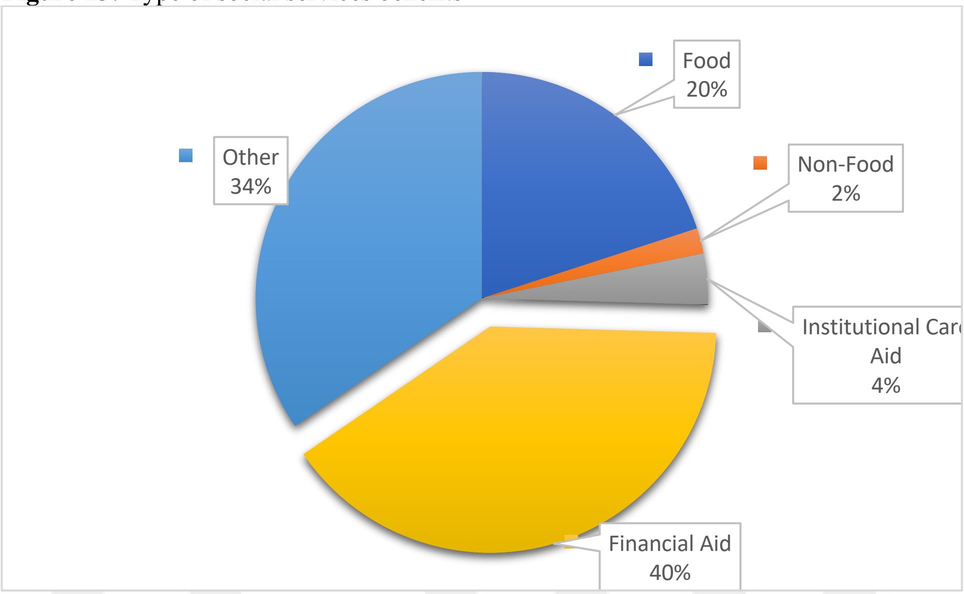
Figure 12: Benefitting from social services benefits



Source: Created by the author.

Figure 13, on the other hand, shows what kind of social security assistance these 114 people received, who told us that they received social security assistance. According to this Figure, these people benefited from financial aid, institutional aid, food, non-food and other types of aid. Most benefited from financial aid support. The rate of beneficiaries of this support is 40% (44 people). This is followed by food (22 people) with 20%. Then, institutional care aid is 4% and non-food aid is 2%. The remaining 34% group benefited from social security benefits other than these types of assistance.

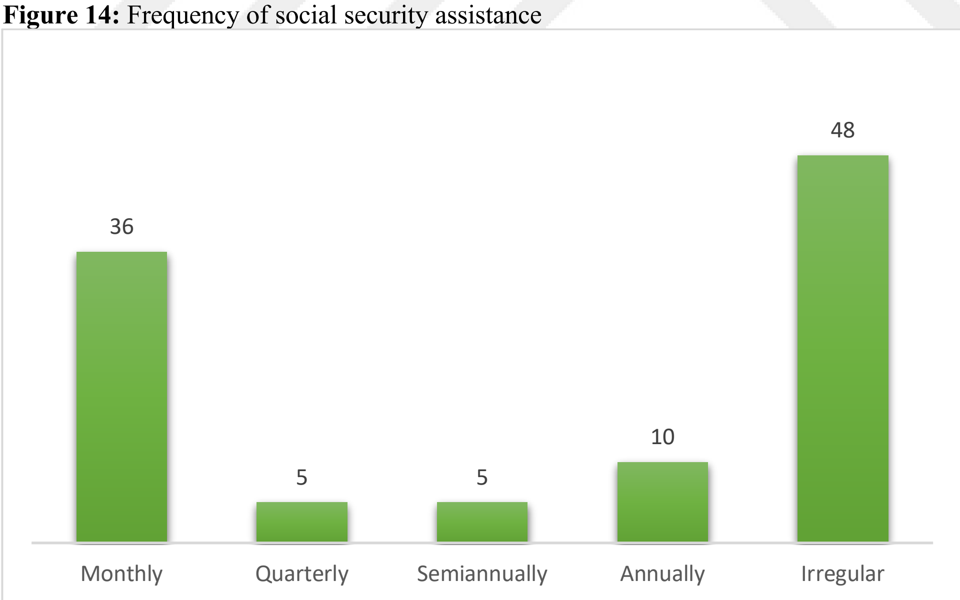
Figure 13: Type of social services benefits



Source: Created by the author.

In Figure 14, we see the frequency of benefits received by people receiving social security benefits. The benefits received by the majority of those receiving social security benefits are irregular. One-time aids are considered in this category.

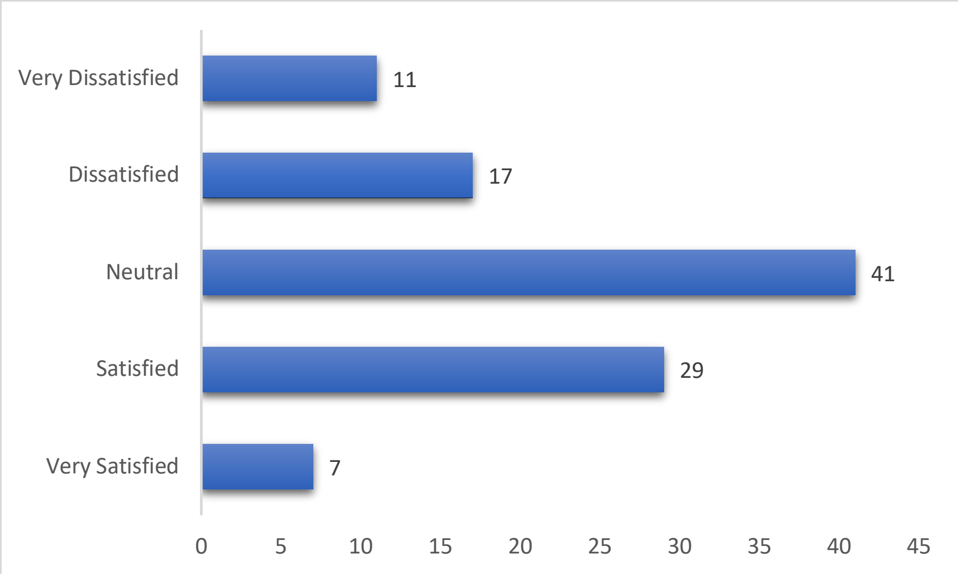
Figure 14: Frequency of social security assistance



Source: Created by the author.

Figure 15 gives us an idea about the level of meeting the needs of those who benefit from any social security assistance. Participants were asked to evaluate their level of satisfaction with these aids by choosing one of 5 categories. 105 of the participants who answered the question, 41 said that the level of satisfaction was neutral. 29 people stated that they were satisfied and 7 people stated that they were very satisfied. On the other hand, 17 users stated that they were dissatisfied and 11 users were very dissatisfied.

Figure 15: Level of satisfaction from social services benefits



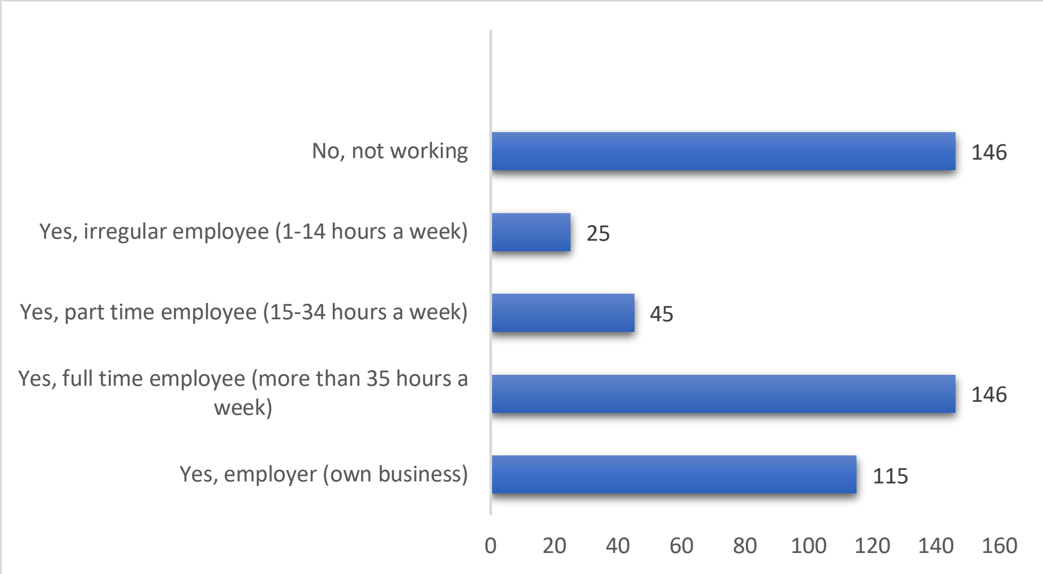
Source: Created by the author.

Employment Information

In this part of the questionnaire, the working status of the participants both before and after coming to Türkiye is evaluated. In addition to their employment status, the problems encountered by the participants in their job applications and their average monthly income are also discussed.

First, we can see the working status of the participants before they came to Türkiye through Figure 16. According to the Figure, 146 out of 477 participants did not have a job before coming to Türkiye. Of the remaining 331 participants, 115 were self-employed, 146 were working in a full-time job, 45 in a part-time job, and 25 in irregular jobs.

Figure 16: Previous working status

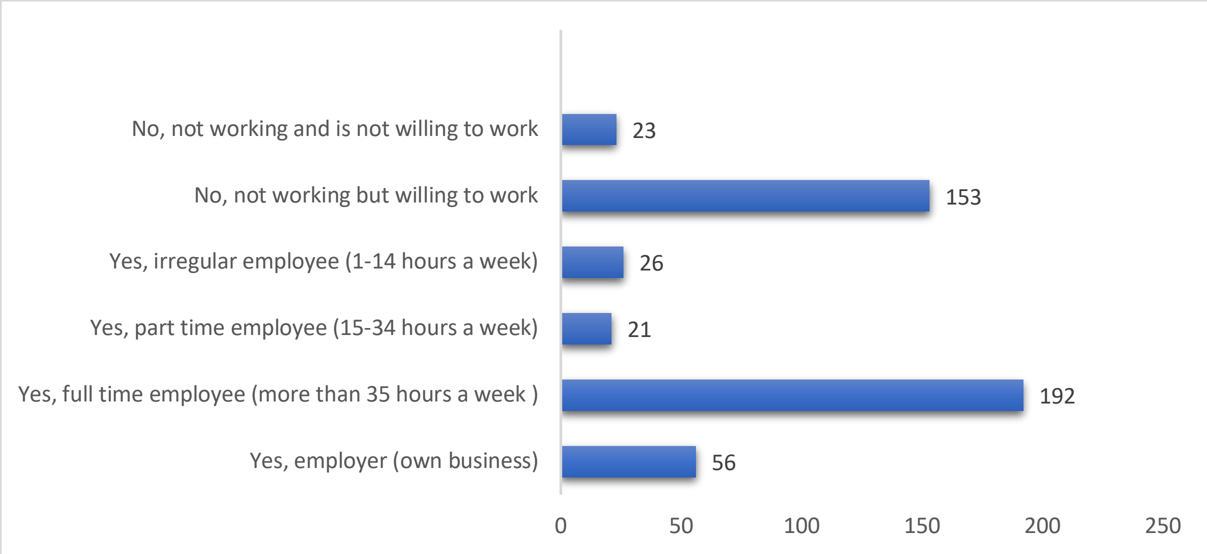


Source: Created by the author.

On the other hand, in Figure 17, we see the working conditions of the participants after they came to Türkiye. According to the Figure, 176 of the 471 participants do not work in Türkiye. Of the remaining 295 people, 56 are self-employed, while 192 have a full-time job. In addition, 21 people reported that they were working in a part-time job and 26 in an irregular job.

When we make a comparison with the previous table (assuming that the young population comes to the age of working and earning money after coming to Türkiye), it is possible to say that there is a decrease in the employment status of the participants after they came to Türkiye. In addition, the number of self-employed people has dropped drastically.

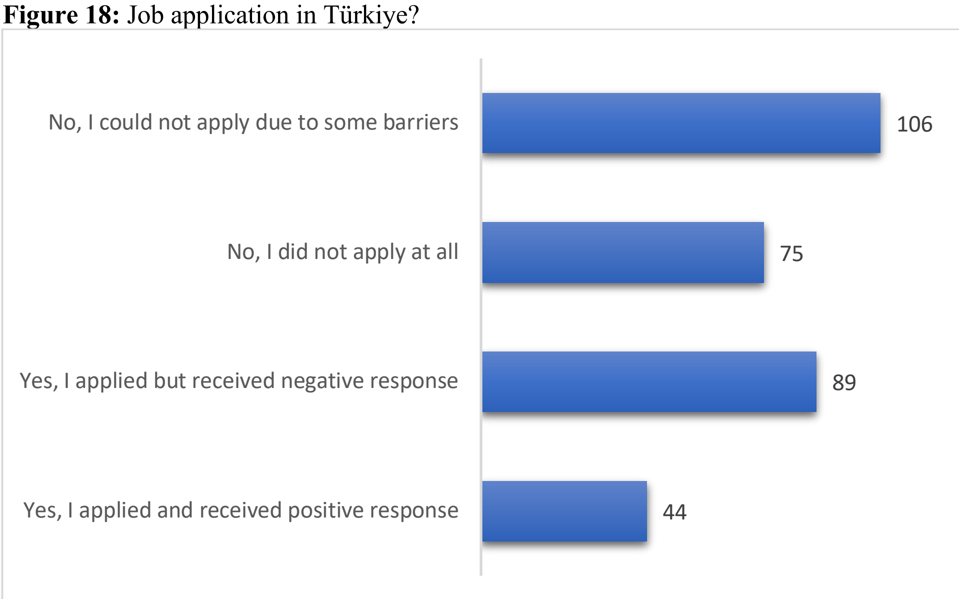
Figure 17: Currently working status



Source: Created by the author.

In Figure 18, the answers of the participants in their job applications are evaluated in the process after their arrival in Türkiye. According to the Figure, 106 out of 314 users could not apply for a job due to some obstacles. 75 people did not apply. 89 people applied, but received a negative response. Only 44 participants state that they received a positive response to their job application.

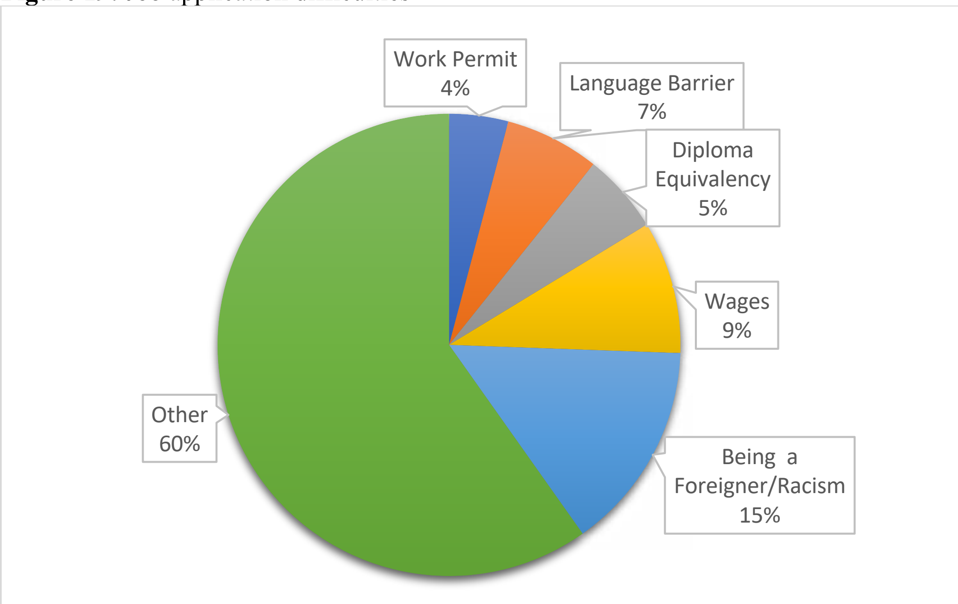
Figure 18: Job application in Türkiye?



Source: Created by the author.

Figure 19 focuses on the most common problems when applying for a job. 15% of the participants stated that they had difficulty in finding a job because they were foreigners or because of racism. Other obstacles in job applications can be listed as wages/working conditions, language barrier, diploma equivalency and work permit, respectively.

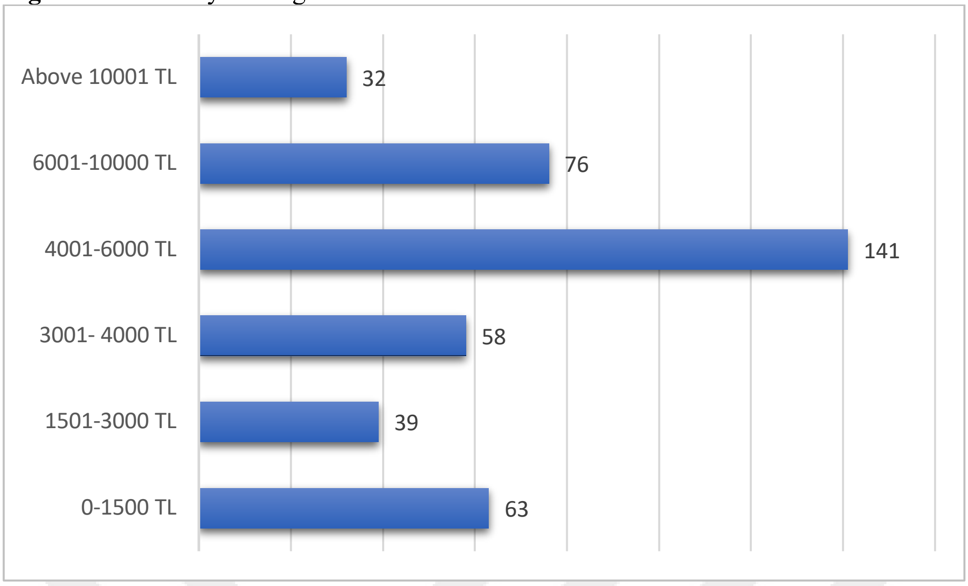
Figure 19: Job application difficulties



Source: Created by the author.

The monthly income of the participants is shown in Figure 20. According to this Figure, the monthly income of the vast majority is between 4001-6000 TL. The number of people with an income between 0-1500 TL is 63 out of 409 people.

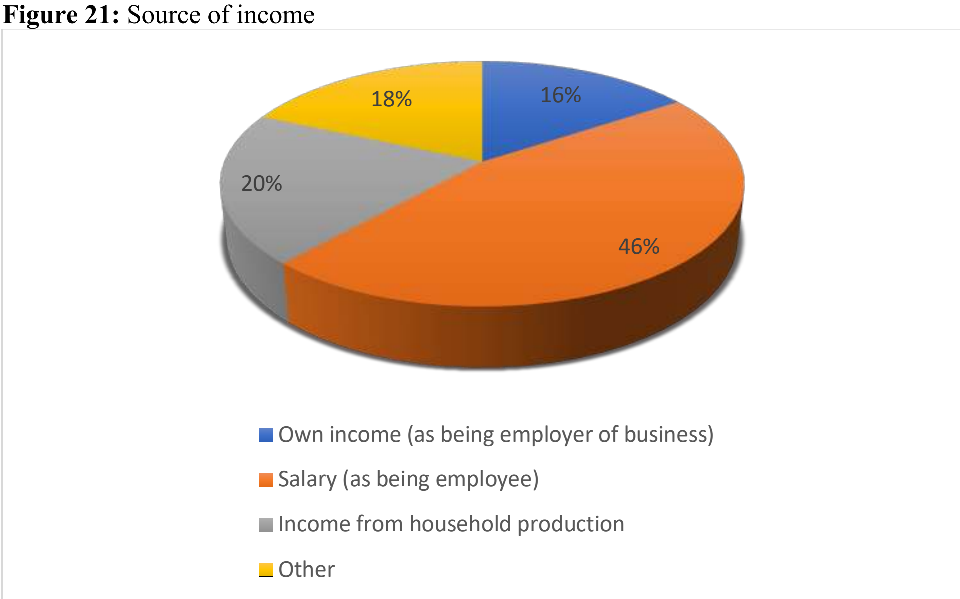
Figure 20: Monthly Avarage Income



Source: Created by the author.

The income sources of the participants can be seen in the figure below. According to Figure 21, 46% of the participants earn their income by working in a job/salary. This rate corresponds to 223 people out of 485 people. 97 people (20%) earn their income through household production. 76 people (16%) get their income from their own business (as being employer of business).

Figure 21: Source of income



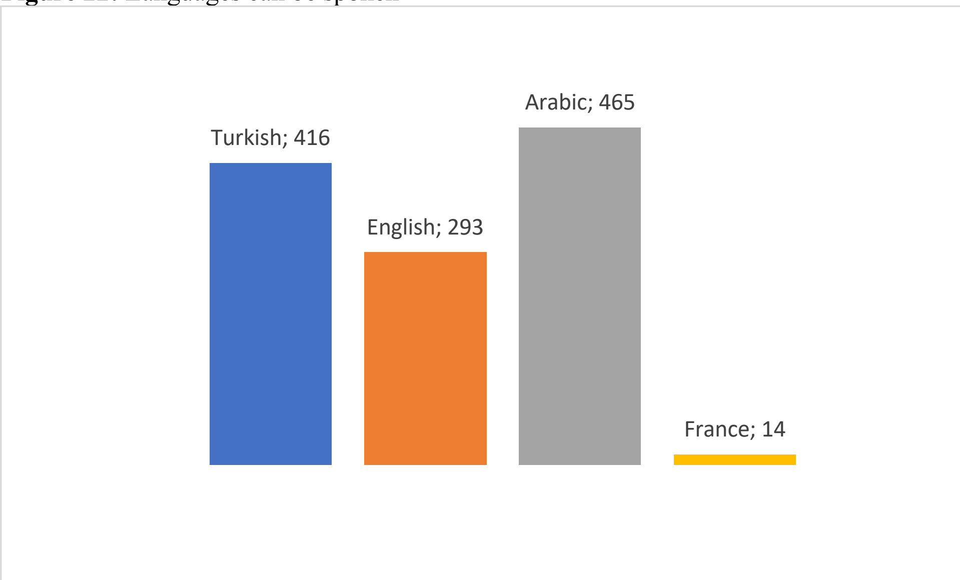
Source: Created by the author.

Language

This section examines which languages the participants can speak and whether they want to learn/improve Turkish.

Firstly, according to Figure 22, 416 out of 485 participants can speak Turkish. In addition, the number of those who know languages such as Arabic, English and French, which are mostly used, is as follows. 465 people speak Arabic, 293 people speak English, 14 people speak French. According to this figure, most of the participants speak 2 or 3 languages.

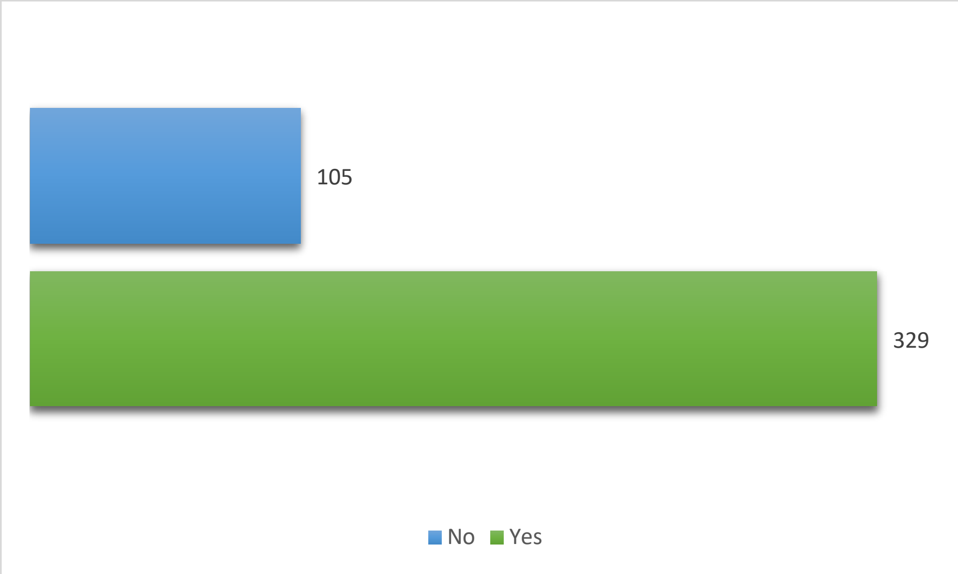
Figure 22: Languages can be spoken



Source: Created by the author.

In Figure 23, we see the answers given by the participants to the question of whether they would like to take Turkish lessons if they had an opportunity to learn Turkish or improve their Turkish. Here, 329 out of 434 participants stated that they wanted to take Turkish lessons, while 105 stated that they did not want or need it.

Figure 23: Eagerness to learn Turkish



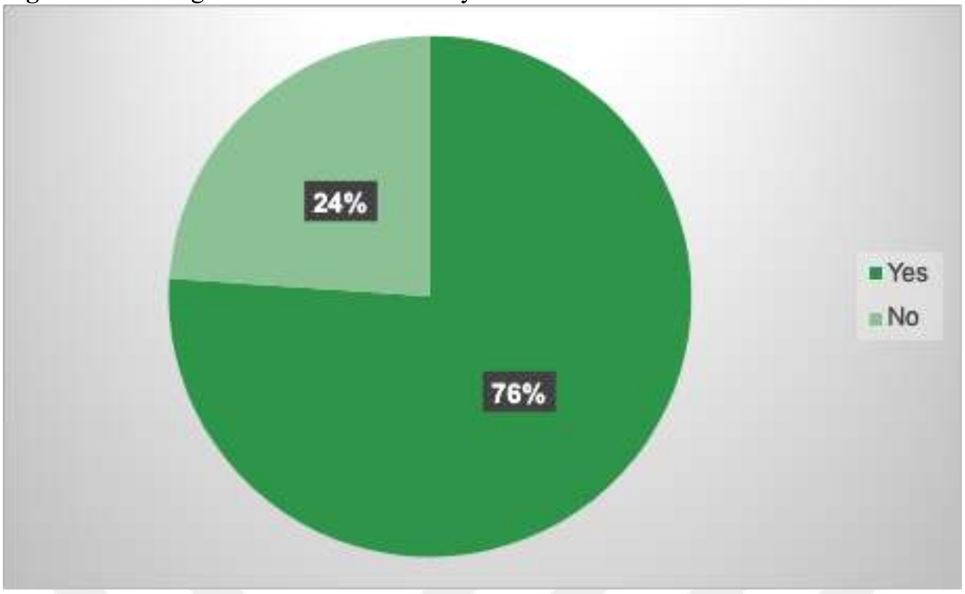
Source: Created by the author.

Financial Inclusion

In this section, it has been tried to measure how much the target audience is related to financial activities. It is aimed to evaluate the target audience in terms of financial inclusion.

The first part of this section is about the participants' bank accounts in Türkiye. In Figure 24, we see how many of the participants have a bank account. According to this figure, 369 out of 485 participants have a bank account in Türkiye. Only 24% of respondents do not have a bank account.

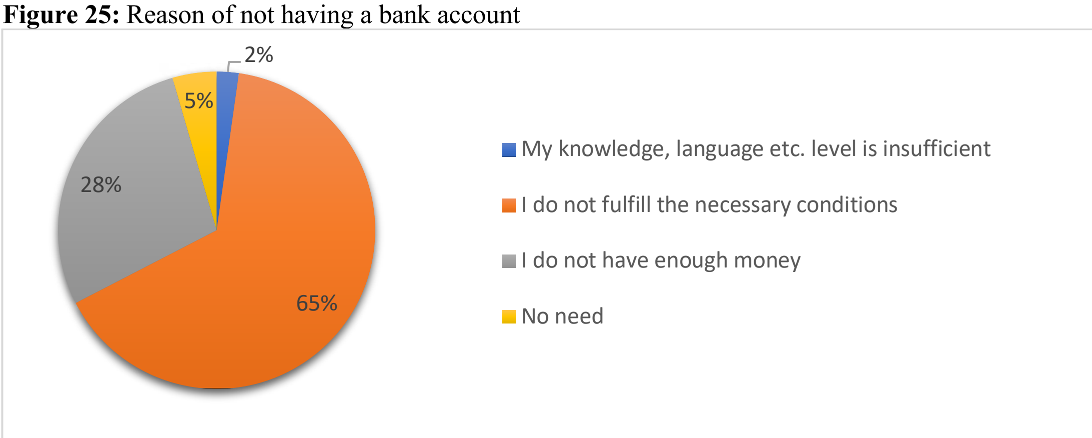
Figure 24: Having a bank account currently



Source: Created by the author.

116 out of 485 people said that they did not have a bank account in Türkiye. We can see the answers given by these people to the question of why they do not have a bank account in Figure 25. Accordingly, only 4 people (2) stated that they do not have a bank account because they do not need it. The rest stated that they could not open a bank account due to compelling reasons. These are the reasons why they do not have enough information to open an account and cannot agree with bank employees, they cannot meet the prerequisites required by banks to open a bank account, and they do not have the required balance to open a bank account. We see that the most common reason is the inability to meet the necessary conditions.

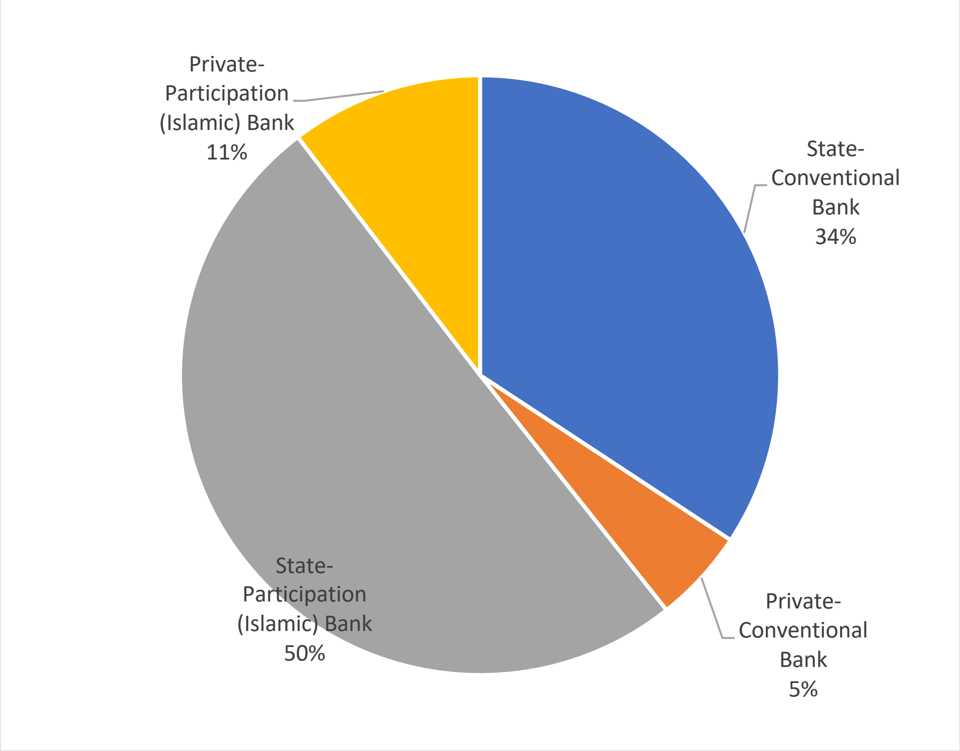
Figure 25: Reason of not having a bank account



Source: Created by the author.

Participants were asked what type of bank they prefer to work with. As seen in Figure 26, 179 out of 356 people said that they prefer to work with a State-Participation (Islamic) Bank. In second place is the State-Conventional Bank type. We see that the least preferred bank type is the Private-Conventional Bank type. We can say that the participants prefer participation (Islamic) banks more, primarily state banks.

Figure 26: Bank type preference



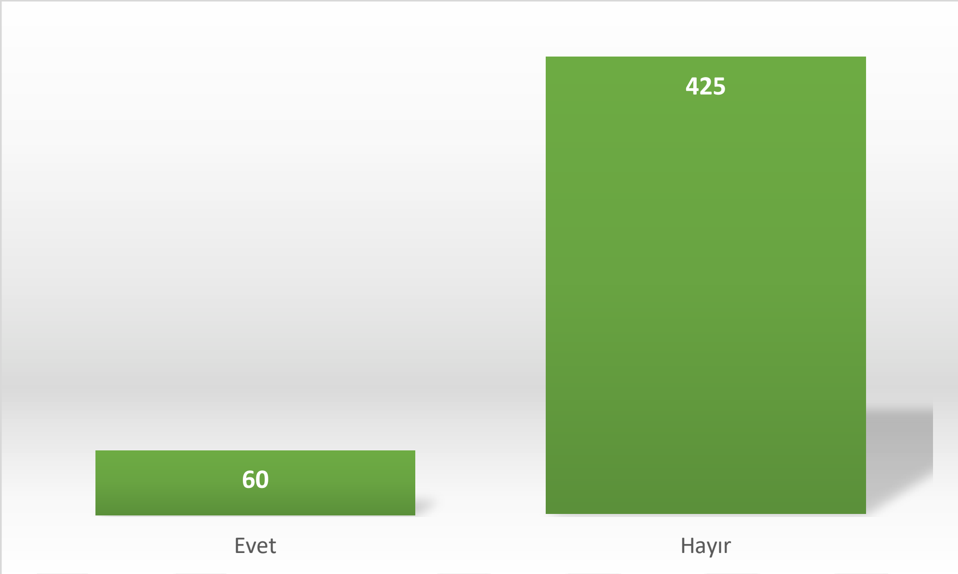
Source: Created by the author.

Existing Business

In this section, we will see the answers given to some questions about the work done by users who state that they do their own work.

As seen in Figure 27, 60 out of 485 participants stated that they are currently running their own business (entrepreneurs).

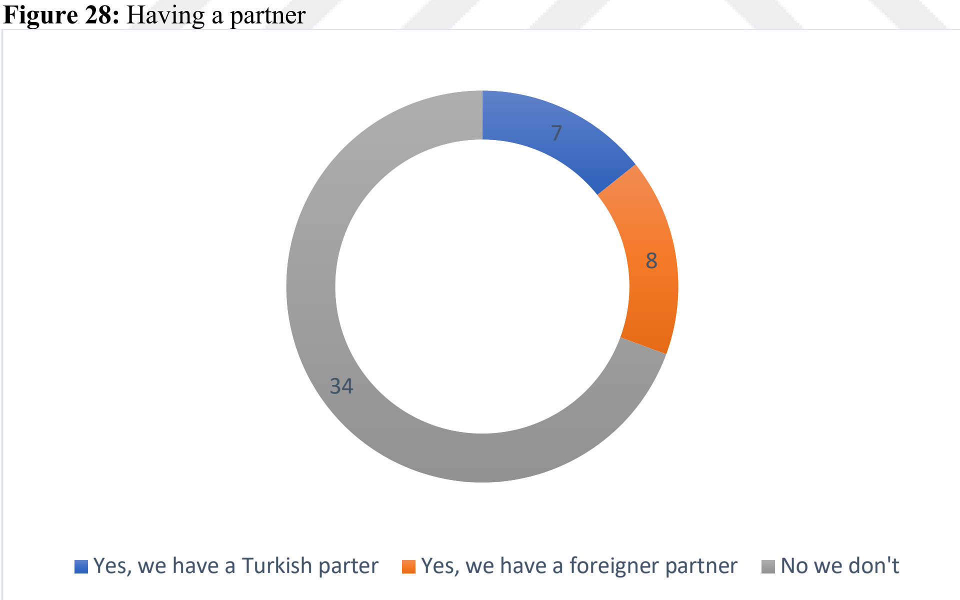
Figure 27: Having an income-generating business organisation



Source: Created by the author.

Figure 28 shows us whether these people who do their own business have any partners. 34 people do not have any partners in this business. The person is in cooperation with a foreign partner and the person is in cooperation with a Turkish partner.

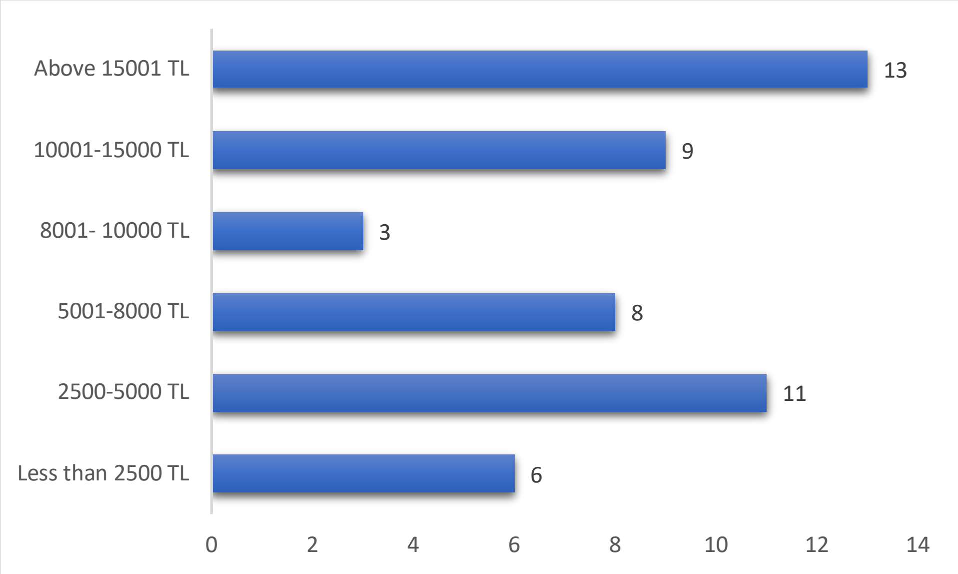
Figure 28: Having a partner



Source: Created by the author.

The monthly average income of the participants from their own jobs is shown in Figure 29. There is a regular disparity in the amount ranges given according to the chart. 6 people have less than 2500 TL and 13 people have an average monthly hand of more than 15000 TL.

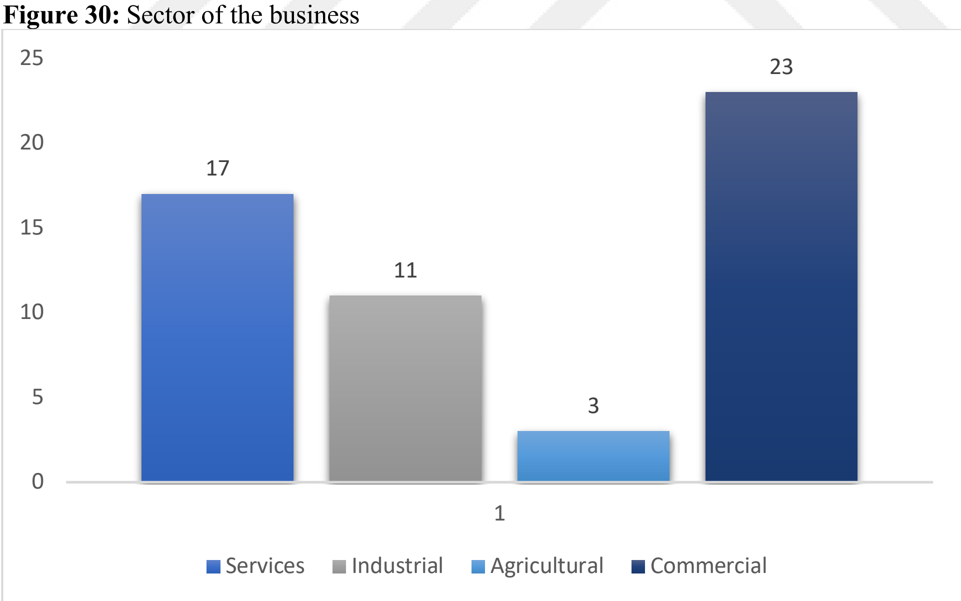
Figure 29: Average monthly income from the business



Source: Created by the author.

The figure below explains which sectors are most active. According to Figure 30, it is in the commercial, services, industrial and agricultural sectors. Participants mostly operate in the field of commercial and the least in agricultural.

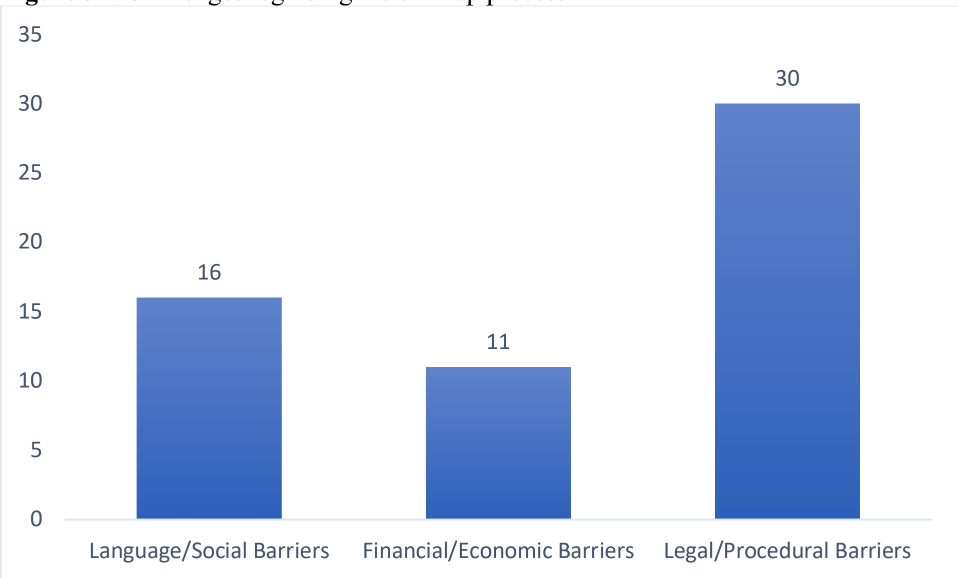
Figure 30: Sector of the business



Source: Created by the author.

Participants have encountered and continue to encounter various obstacles both in their job applications and in the process of establishing their own business. In Figure 31, we can see the obstacles they face while starting their own business. It is possible to say that the participants were most exposed to legal/procedural barriers in the process of establishing a business, and then they had difficulties in the process of establishing their businesses due to language/social barriers and financial/economic barriers.

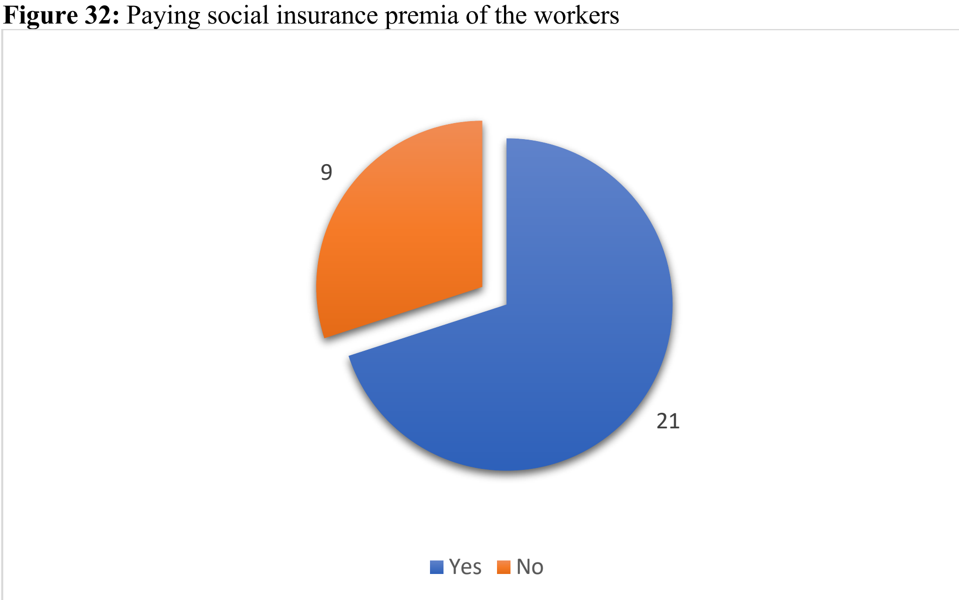
Figure 31: Challenges regarding the start-up process



Source: Created by the author.

In Figure 32, we see the status of the participants in paying their social insurance premiums. Twenty-one of the 30 respondents to this question declared that their employees regularly pay their insurance premiums.

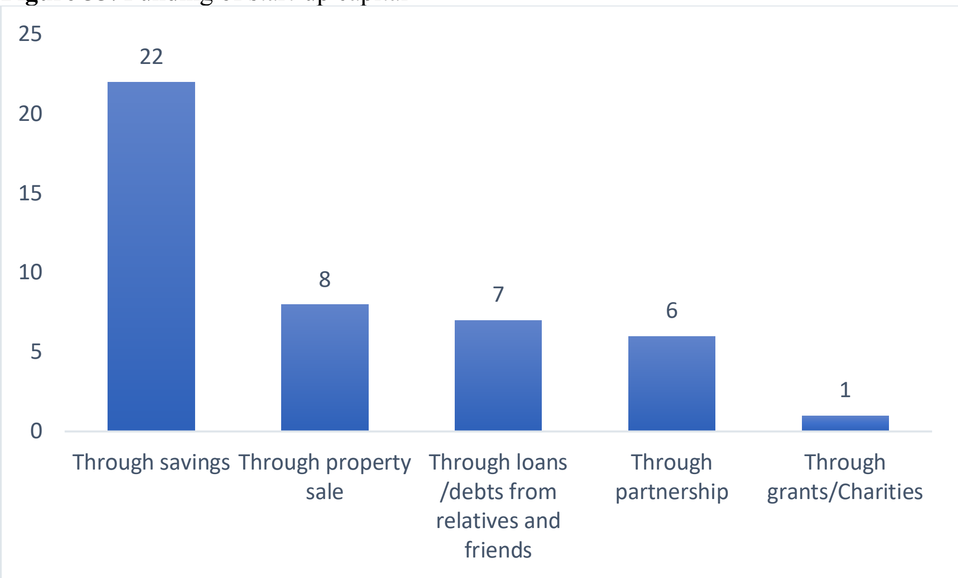
Figure 32: Paying social insurance premia of the workers



Source: Created by the author.

The question of how did you reach the funds needed during the business establishment process was asked. Only one person said that he obtained this fund through grants/charities. Most of the savings were used to obtain the needed funds. In addition, we see in Figure 33 that they benefit from methods such as property sales, borrowing from friends and relatives, and providing capital through partnership.

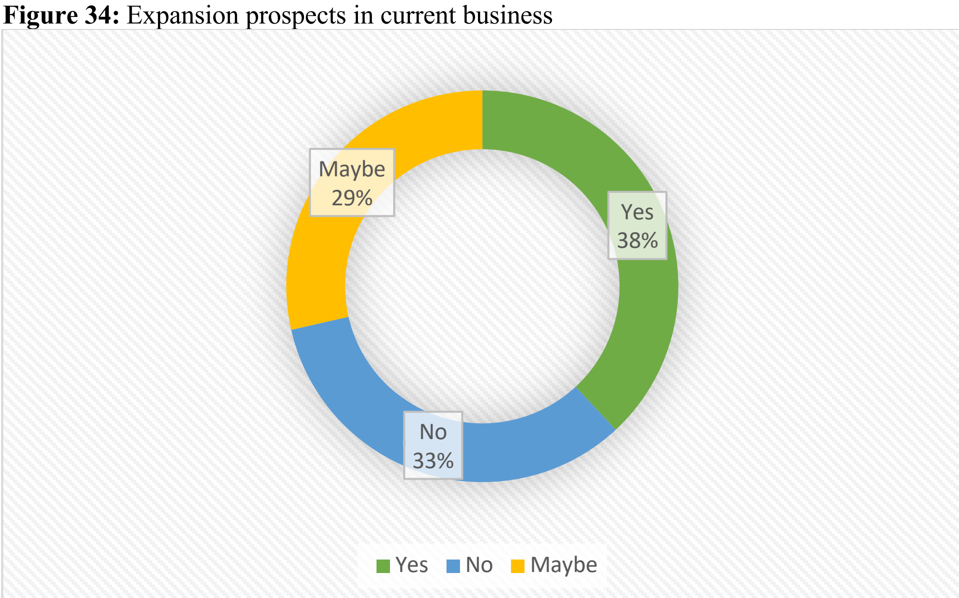
Figure 33: Funding of start-up capital



Source: Created by the author.

In Figure 34, we see that 38% of the participants who started their own business predict a growth/expansion in their business. 33% of them do not have such a thought.

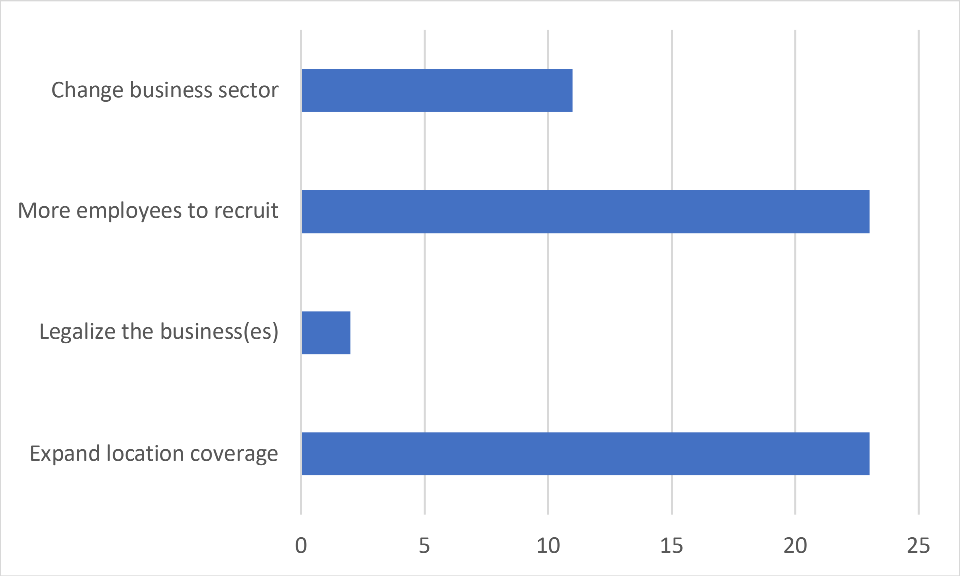
Figure 34: Expansion prospects in current business



Source: Created by the author.

As seen in Figure 35, the participants are considering expanding their business by hiring more workers and expanding the scope of their location. There are also those who foresee growth by changing the business sector or legalizing their business.

Figure 35: Business development areas



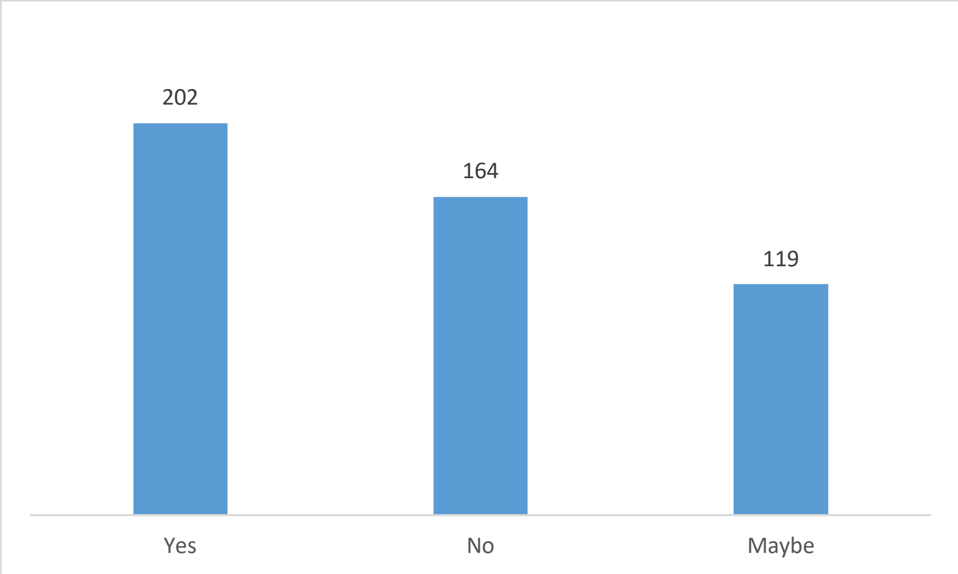
Source: Created by the author.

Future Business

This section focuses on the participants' ideas for a future business or project.

First of all, the number of people planning to start a business in the near future is 202. In addition, as seen in Figure 36, 119 people declared that they are likely to start a business. 164 people do not plan to start a business in any way.

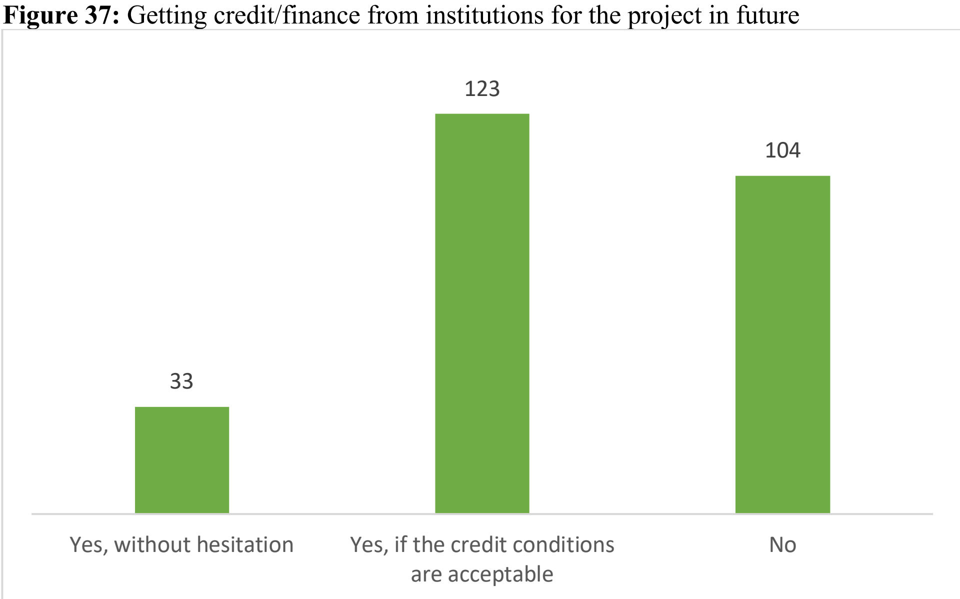
Figure 36: Starting a business soon



Source: Created by the author.

Figure 37 shows the intention to borrow from financial institutions in case the business idea is put into action. 104 people stated that they do not intend to borrow from financial institutions. 33 people stated that they would receive loans/financing without hesitation, while 123 people stated that they would be able to get loans if the conditions were appropriate.

Figure 37: Getting credit/finance from institutions for the project in future

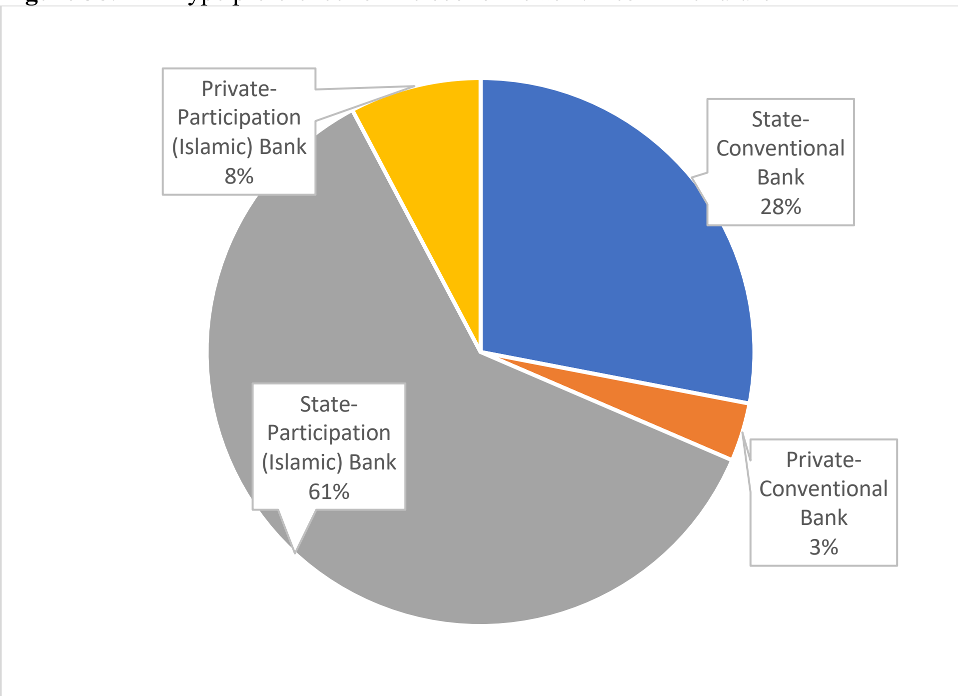


Source: Created by the author.

Figure 38 shows which bank type the participants will prefer if they receive support from financial institutions. The ranking is as follows: State-Participation

(Islamic) Bank (61%), State-Conventional Bank (28%), Private-Participation (Islamic) Bank (8%) and Private-Conventional Bank (3%).

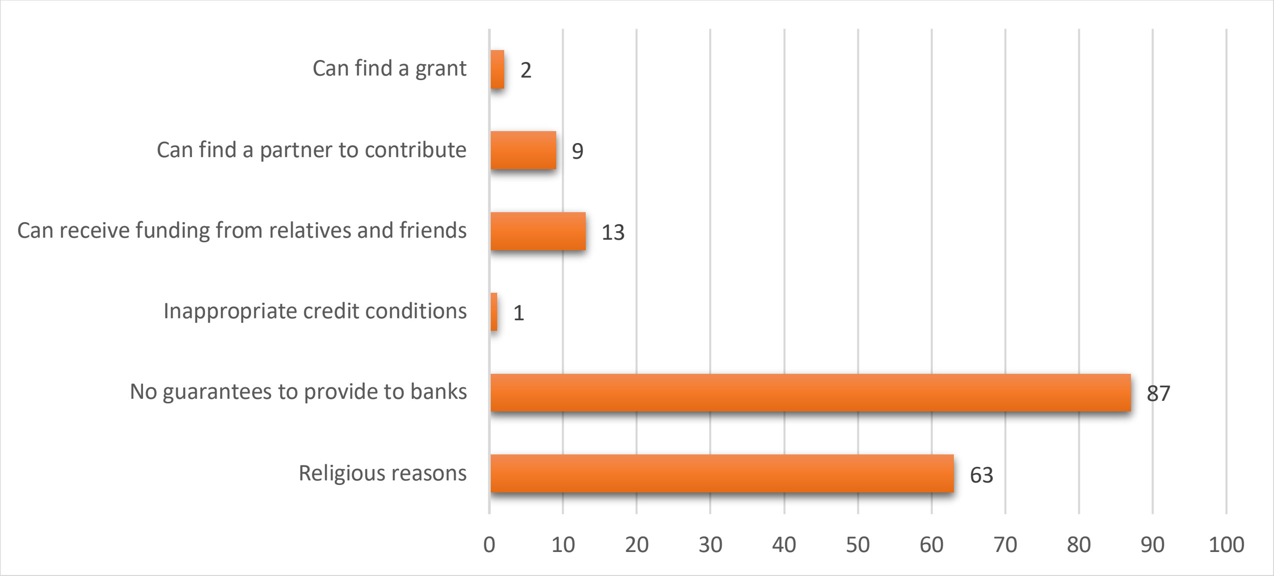
Figure 38:Bank type preference for the economic activities in the future



Source: Created by the author.

If credit/financing is not preferred from financial institutions, the reasons for this are shown in Figure 39. The most voted reason is the lack of collateral to show banks. Religious reasons follow. Other reasons are that financial support may be found in other ways. Another person stated that the loan conditions were not suitable for him.

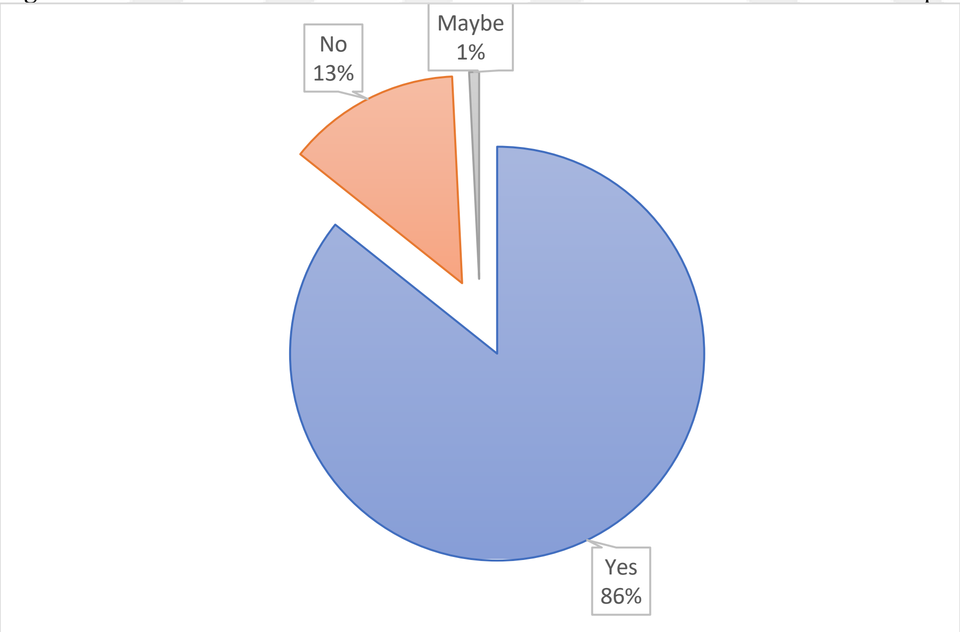
Figure 39: Reason for not receiving a financial assistance



Source: Created by the author.

Respondents were asked whether they would agree to receive financing from financial institutions if it complies with Islamic principles. According to Figure 40, 6% (222) people answered yes to this question. 35 people (13%) answered no.

Figure 40: Wants to benefit from financial assistance if it is convenient to the Islamic principles



Source: Created by the author.

Expertises

In this section, it was evaluated whether the participants had any expertise or not. According to the answers to the department questions, 313 out of 485 participants stated that they have expertise. These include practical expertise such as tailor, carpenter, electrician, painter, cook, barber/hairdresser, marketing, and knowledge-based skills such as data analysis, photography, programming. Some of this expertise was obtained by working, some by school/training, and some by practicing.

3.2.2. **Conclusion**

The high number of young people among the participants and the high level of education indicate that the target group represented by this group will soon have more advantages, job opportunities will increase and integration processes will accelerate.

As seen in the analysis section, most of the participants continue to live in Türkiye with a temporary protection document. Although a temporary protection document is a sufficient document to reside in a different country, it is not enough for a group whose population has been increasing for 11 years to establish their living standards. We can see this when we examine the problems that the participants face to find a job, to establish a business, to open a bank account. More than half of the participants say that they did not receive any social security benefits after coming to Türkiye. Most of the social security recipients received irregular/one-time benefits.

The rate of work of the related group before coming to Türkiye is higher. Adding to this, the possibility that the individuals in the group who are younger or who are in their education period may have reached the working age after coming to Türkiye, it can be said that there is a serious decrease in the employment rate. The fact that the number of people who did not work in a job after coming to Türkiye but wanted to work is higher than those who did not work in a job before coming to Türkiye, which shows us this. One fourth of the participants could not even apply for a job due to the obstacles they faced, and some of them received negative feedback on their applications. The language barrier is one of these barriers. Although most of the participants stated that they knew Turkish, they said that they would like to learn Turkish if there is an opportunity. The language barrier is a serious barrier to getting a job as well as accessing financial services. Some of the participants stated that they could not have a bank account because they did not have sufficient level of consciousness and grammar.

We can say that those who receive and want to receive financial services mostly prefer state banks. Among the state banks, their priorities were participation banks/Islamic banks. Private banks are secondary. However, among private banks, the priority is again the participation banks/Islamic banks. However, it can be said that the participants are not very willing to get loans/financing from the bank. Some for religious reasons, some because they think that they can obtain it in different ways, and some because they think that banks cannot provide prerequisites (such as providing collateral) that are difficult to fulfill, do not look at this. On the other hand, we can say that most of them will accept financial support if there is no doubt of compliance with Islamic principles.

4. CONCLUSION & RECOMMENDATIONS

Poverty is the ethical issue of this century. There are more than 3 billion people living on the poverty line. Muslim societies are unfortunately worse off than the remaining part of the world at addressing poverty. Excluding a couple of countries, Muslim countries in Southeast Asia and the Middle East have considerable and increasing poverty. Poverty levels are associated with low productivity as well as high inequality.

People are in poverty if they cannot maintain a standard of living that is considered agreeable by the community in which they live due to deficiencies in their income and resources. Unemployment, low income, poor residential conditions, inadequate access to health services, and lifelong barriers to accession to cultural, sports, recreational and educational occasions can all be poverty indicators. On the other hand, being excluded socially refers to the disallowance of people from society due to poverty, deprivation of basic education skills, or discrimination, preventing them from participating in social life as they wish. Social exclusion should be examined from a dynamic perspective and as a process. While poverty is a lack of income/resources of individuals or households, social exclusion highlights problems such as insufficient social participation in relationships, falling short of social integration, and lack of power. There is no rule that there will be exclusion where there is poverty, and there will be poverty where there is exclusion. We can say that being socially excluded is a much broader and more inclusive concept that includes poverty.

Exclusion at the cultural level can continue to operate even in situations where there are state-based safety nets and even where there are policies against exclusion in the political and legal dimensions. In development countries, generally some guarantees do not become enough to provide promises of citizenship, even these guarantees are legally and politically supported. In both contexts, when a new group comes into a community that is assumed to be entrenched, this segment may not be included in the society at the needed level, and exclusion problems may come to the fore.

Social exclusion, Economic exclusion (inability to access credit opportunities or falling out of the labor market/unemployment), spatial exclusion (problems in accessing and benefiting from certain places), cultural exclusion (inability to participate in social and cultural life as much as one wishes), political exclusion (not fully exercising citizenship rights) and/or being directly or indirectly prevented from participating in political life).

Microfinance practices have contributed significantly to overcoming the obstacles to women's stronger integration into social life by allocating their self-confidence, rather than being a tool that makes great economic differences and thus enables households in the poverty circle to break through this circle. In this context, it would not be correct to argue that the problem of poverty, which depends on a set of structural reasons, can be overcome. Opinions that poverty and social exclusion can be overcome through microfinance are also gaining prevalence. At the end of the day, as we know nothing can be handled without working, microfinance also just opens a gate to the poor to handle the situation by his/her working and efforts.

When it comes to the refugees, as we can see in the analysis, the problem here is not poverty, but being able to manage the opportunities and resources just like others do. In preparing the necessary ground for taking advantage of opportunities, Islamic microfinance may be the best solution. Knowing the target group well and defining the framework of the model is the most important for being successful in such an initiative. All parties should be involved in the process. NGOs', governments' and financial institutions' role is crucial. Especially the participation /Islamic banks have to be in the process actively for serving the applications.

As mentioned in previous sections, the reasons for many problems the refugees faced in Türkiye are the language, racism, and legal processes. A well-planned government-centered integration program is obviously a need. The racism barrier may be hurdled by means of NGOs and the identities of the refugees may be rearranged to facilitate their accession to social and economic activities.

Consequently, the points that draw attention and should be given importance by policymakers regarding the financial inclusion process of refugees in Turkey are as follows:

- Reviewing banking policies and arranging procedures through the Banking Regulation and Supervision Agency in order to facilitate the processes of opening bank accounts by foreigners (especially asylum seekers with temporary protection, etc.) statuses.

- Considering the previous employment status of the refugees coming to Turkey, it is seen that there is a decrease in the employment rates. It has been explained in the previous sections that the reason for this is mostly due to reasons such as being a foreigner and not knowing the language. Opening language courses, facilitating business establishment processes, and offering cooperation opportunities with local companies through non-governmental organizations can greatly contribute to the evaluation of the idle human resources here.
- It is possible to say that the primary preference of the group answering the survey questions in terms of financial services is public participation and private participation banks, followed by public conventional and private conventional banks. In addition to expressing that they want to benefit from financial services in case of providing financial services in accordance with Islamic principles due to religious sensitivity, it is clear that they need public assurance. The inclusion of participation financial institutions in the process by the state will increase efficiency in terms of mediating financial services in the integration process.
- The high population of young people will contribute to the potential consequences of policies to be implemented for socio-economic integration processes.

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APPENDIX

APPENDIX 1: Arabic Questionnaire

القسم الأول: المعلومات الشخصية

1. ما هو جنسك؟

أ- انثى
ب- ذكر

2. كم عمرك؟

القسم الثاني: المعلومات التعليمية

1. ما هي حالتك التعليمية؟

أ- غير متعلم.
ب- مدرسة ابتدائية.
ت- مدرسة إعدادية.
ث- مدرسة ثانوية.
ج- بكالوريوس.
ح- ماجستير / دكتوراه.
خ- أخرى.

2. ما هو تخصصك؟

أ- العلوم الصحية.
ب- الهندسة.
ت- علوم الاقتصاد.
ث- علوم التربية
ج- العلوم الاجتماعية.
ح- الفنون واللغة والأدب.
خ- العلوم الأساسية (الرياضيات والفيزياء والكيمياء االخ..)
د- أخرى.

القسم الثالث: معلومات الإقامة

1. ما هو نوع وثيقة الهوية الخاصة بك؟

أ- هوية تركية.
ب- جواز سفر.
ت- هوية وطنية.
ث- تصريح إقامة.
ج- وثيقة سفر.
ح- بطاقة الحماية المؤقتة.
خ- أخرى.

2. منذ متى تعيش في تركيا؟

3. في أي مدينة تعيش في تركيا؟
4. ما هو سبب قدومك إلى تركيا؟ أ- الحرب، الحرب الأهلية، المشاكل الداخلية. ب- أسباب اقتصادية وتجارية. ت- التعليم. ث- أخرى "الرجاء التوضيح".
5. هل تنوي العودة إلى بلدك إذا ما توفرت الشروط المناسبة؟ أ- نعم. ب- لا. **ت-** أخرى.
6. إذا كان لديك عمل ودخل منتظم في تركيا وتوفرت الشروط المناسبة لعودتك إلى بلدك، هل ستعود إلى بلدك؟ أ- نعم. ب- لا. ت- أخرى.
القسم الرابع: معلومات الضمان الاجتماعي
1. هل تلقيت أي نوع من أنواع الخدمات الاجتماعية؟ أ- نعم. ب- لا. ت- أخرى.
2. ما هو نوع الخدمات الاجتماعية التي تلقيتها؟ أ- الطعام، طرود غذائية وقسام شرائية، التغذية المدرسية. ب- مواد غير غذائية (مستلزمات التنظيف، مستلزمات الأطفال، بطانيات، اثاث، قرطاسية مدرسية، الخ..). ت- مساعدات مؤسساتية (رعاية الأطفال، مأوى النساء، مركز إعادة التأهيل، إلخ). ث- مساعدات مالية (نقود، قسائم مالية، رسوم دراسية، الخ..). ج- أخرى.
3. ما هي عدد مرات الحصول على الخدمات الاجتماعية؟ أ- أسبوعياً. ب- شهرياً. ت- ربع سنوياً (3 أشهر). ث- نصف سنوياً. ج- سنوياً. ح- غير منتظم.
4. إذا كنت تلقيت/ تتلقى أي مساعدة مالية، فما هو المبلغ؟
5. ما هو مستوى الرضا عن المساعدة التي تلقيتها من قبل؟

أ- راضٍ جداً.
ب- راضٍ.
ت- محايد.
ث- غير راضٍ.
ج- مستاء جداً.

القسم الخامس: معلومات العمل

1. هل سبق لك وعملت قبل مجيئك إلى تركيا؟

أ- نعم، صاحب عمل (عمل تجاري خاص).
ب- نعم، موظف بدوام كامل (أكثر من 35 ساعة في الأسبوع).
ت- نعم، موظف بدوام جزئي (15-35 ساعة في الأسبوع).
ث- نعم، موظف غير منتظم (1- 15 ساعة في الأسبوع).
ج- لا، لا أعمل.

2. ماذا كانت وظيفتك قبل قدومك إلى تركيا؟

a) هل تعمل حاليا في تركيا؟

أ- نعم، صاحب عمل (عمل تجاري خاص).
ب- نعم، موظف بدوام كامل (أكثر من 35 ساعة في الأسبوع).
ت- نعم، موظف بدوام جزئي (15-35 ساعة في الأسبوع).
ث- نعم، موظف غير منتظم (1- 15 ساعة في الأسبوع).
ج- لا، لا أعمل ولكن على استعداد للعمل.
ح- لا، لا أعمل ولا أرغب في العمل.

3. إذا نعم، ما هي وظيفتك؟

4. إذا لا، هل تقدمت لأي وظيفة في تركيا؟

أ- نعم تقدمت وتلقيت رد إيجابي.
ب- نعم تقدمت وتلقيت رد سلبي.
ت- لا، لم أقدم أي طلب على الإطلاق.
ث- لا، لم أتمكن من التقديم بسبب بعض العوائق.

5. هل يمكنك تحديد الصعوبات / المشاكل التي تواجهك فيما يتعلق بطلبات العمل؟

6. ما هو دخلك الشهري؟

أ- 0-500
ب- 500-2000
ت- 2000-3500
ث- 3500-5000
ج- 5000-10000
ح- أكثر من 10000

7. ما هو مصدر دخلك؟

أ- دخل خاص (صاحب عمل).
ب- راتب شهري (كموظف).
ت- دخل تقاعدي. (راتب)
ث- الضمان الاجتماعي.
ج- دخل من إنتاج الأسرة.
ح- إيجارات العقارات.
خ- الدخل من الحسابات البنكية.
د- أخرى.

القسم السادس: اللغة

1. ما هي اللغات التي تستطيع التحدث بها؟

أ- اللغة التركية.
ب- اللغة الإنجليزية.
ت- اللغة العربية.
ث- اللغة الفرنسية.
ج- أخرى.

2. هل ترغب في حضور دورة لتعليم اللغة التركية إذا سنحت لك هذه الفرصة؟

أ- نعم
ب- لا

القسم السابع: معلومات السكن

1. هل يعود المسكن الذي تعيش فيه إلى عائلتك؟ (مسكن خاص)

أ- نعم.
ب- لا.
ت- أخرى.

2. إذا كنت تدفع إيجار السكن، ما هو المبلغ الذي تدفعه؟

أ- 0-250
ب- 250-500
ت- 500-750
ث- 750-1000
ج- 1000-1500 TL
ح- أكثر من 1500 TL

القسم الثامن: الشمول المالي

1. هل لديك حساب بنكي في تركيا؟

أ- نعم.
ب- لا.

2. إذا نعم، ما هي البنك/البنوك التي لديك حساب/حسابات فيها؟

3. إذا لا، ما هي الأسباب التي تمنعك من فتح حساب بنكي في تركيا؟

أ- لا يوجد رقم ضريبي.
ب- لا يوجد رقم هوية تركي.
ت- لا يوجد جواز سفر.
ث- لا يوجد عنوان مسجل لدى الدولة.
ج- لا يوجد إيصال (إيصالات) بخدمات مسجلة على اسم مقدم الطلب.
ح- أخرى.

4. إذا كنت ستفتح حسابًا مصرفيًا لاحتياجاتك المالية الأساسية، فأي أنواع البنوك التالية تفضل؟

أ- بنك الدولة.
ب- بنك خاص.
ت- بنك إسلامي تابع للدولة.
ث- بنك إسلامي خاص.

القسم التاسع: الأعمال التجارية القائمة

1. هل تمتلك عائلتك حاليًا أي أعمال مدرة للدخل؟

أ- نعم.
ب- لا.

2. متى تم تأسيس العمل / الأعمال؟

3. هل الأعمال التجارية لديها مساهم؟

أ- نعم يوجد شريك تركي.
ب- نعم يوجد شريك أجنبي.
ت- لا، هي شركة عائلية خاصة.
ث- أخرى.

4. ما هو الدخل الشهري للعمل؟

أ- أقل من 1000 TL
ب- 1000-2000 TL
ت- 2000-3000 TL
ث- 3000- 4000 TL
ج- 4000-5000 TL
ح- أكثر من 5000 TL

5. ما هي طبيعة مجال العمل الرئيسي؟

أ- زراعي.
ب- تجاري.
ت- صناعي.
ث- خدمات.
ج- أخرى.

6. هل يمكنك وصف عملك بإيجاز؟

7. ما نوع المشاكل التي واجهتها خلال الشروع بالعمل؟ أ- حاجز اللغة. ب- مشاكل قانونية. ت- الإجراءات. ث- مشاكل اجتماعية. ج- مشاكل اقتصادية. ح- أخرى.
8. كم عدد الموظفين الذين يعملون في عملك؟
9. ما هي جنسيتهم؟
10. هل تقوم بدفع أقساط التأمين الاجتماعي للموظفين؟ أ- نعم. ب- لا.
11. ما هو حجم رأس المال المستثمر في إنشاء عملك؟
12. كيف تم تمويل عملك عند إنشاءه؟ أ- من خلال المدخرات. ب- من خلال رهن الممتلكات. أ- من خلال بيع الممتلكات. ب- من خلال القروض/الديون من الأصدقاء والأقارب. ت- من خلال الاعتمادات / القروض من المؤسسات المالية. ث- من خلال الشراكة. ج- من خلال المنح. ح- أخرى.
13. هل تلقت العائلة الأنواع التالية من المساعدة للحفاظ على استمرارية العمل؟ أ- لا، لم تتلقى أي مساعدة. ب- توفير مكان عمل. ت- تلقي التدريب. ث- تلقي الإعفاءات من رسوم الاستفادة. ج- تلقي الإعفاء الضريبي. ح- أخرى.
14. هل حصلت على أي ائتمان / قرض من أي مؤسسة مالية؟ أ- نعم. ب- لا.
15. إذا تم تمديد أي ائتمان (ائتمانات) بواسطة (أ) مؤسسة (مؤسسات) مالية، فهل يمكنك من فضلك إعطاء اسم /أسماء المؤسسة / المؤسسات المالية التي مددت الاعتمادات؟
16. ما هو مبلغ الائتمان / القرض المستلم؟

17. ما هي طريقة السداد (أقساط، الخ)؟

18. هل تمت تسوية الائتمان / الائتمانات؟

أ- نعم.
ب- لا.
ت- أخرى.

19. إذا كان الجواب بالنفي، ما هي الأسباب الرئيسية لعدم تسوية الائتمان (الائتمانات) المستلمة؟

أ- عدم انتهاء فترة الدفع.
ب- إعادة جدولة فترة الائتمان.
ت- أخرى.

20. هل تتوقع توسعاً في عملك / أعمالك الحالية؟

أ- نعم.
ب- لا.
ت- ربما.

21. إذا كانت الإجابة نعم، فمتى تخطط توسيع نطاق عملك / أعمالك؟

أ- خلال أقل من سنة.
ب- 1-2 سنين.
ت- 3-4 سنين.
ث- أكثر من 4 سنين.

22. إذا كانت الإجابة بنعم، فما هي الجوانب التي ستطور فيها عملك؟

أ- قم بتوسيع المكان.
ب- تقنين الأعمال.
أ- توظيف المزيد من الموظفين.
ب- تغيير قطاع العمل.
ت- أخرى.

23. إذا كان الجواب لا، فما هي أسباب عدم توسيع نطاق عملك الحالي؟

أ- الرضا بالحجم الحالي للمشروع.
ب- عدم وجود التمويل اللازم.
ت- عدم وجود طلب في السوق.
ث- خطة عمل/ فكرة غير مكتملة.
ج- قلة الخبرة.
ح- تكرار الخسارة أو الخوف منها.
خ- أخرى.

القسم العاشر: الأعمال التجارية المستقبلية

1. هل ترغب الأسرة أو أحد أفرادها في بدء مشروع تجاري قريبًا؟

أ- نعم.
ب- لا.
ت- ربما.

2. **هل هناك خطة عمل لهذه الفكرة؟**

أ- نعم.
ب- لا.

3. **ما هي فكرة المشروع؟**

أ- زراعي.
ب- تجاري.
ت- صناعي.
ث- خدماتي.
ج- أخرى.

4. **هل لدى أي فرد من أفراد الأسرة أي نشاط إنتاجي في المنزل؟**

أ- طهي طعام مصنوع فالبيت (المخبوزات، الخ).
ب- انتاج سلع يدوية (خزف، مجوهرات، الخ).
ت- خياطة وحياكة الملابس.
ث- التدبير المنزلي (التنظيف والكي، الخ).
ج- أعمال التجميل (قص الشعر، المناكير، المكياج ... إلخ).
ح- تدريس لغة أو أي دورات أخرى.
خ- زراعة النباتات والخضروات والفاكهة، إلخ.
د- تربية الحيوانات (إنتاج البيض والحليب والجبن، إلخ).
ذ- البيع عن طريق التجوال.
ر- أخرى.

5. **هذا النشاط من أجل:**

أ- الاستهلاك المنزلي فقط.
ب- التسويق للخارج فقط.
ت- الاستهلاك المنزلي والتسويق بالخارج.

6. **إذا كان توسيع الأعمال التجارية أو فكرة العمل الجديدة تتطلب تمويلاً، فهل تريد الحصول على ائتمان من المؤسسات المالية؟**

أ- نعم، بدون تردد.
أ- نعم إذا كانت الشروط الائتمانية مقبولة.
ب- لا.

7. **إذا كنت ستحصل على دعم مالي لأعمالك الاقتصادية، فأي أنواع البنوك التالية تفضل؟**

أ- بنك تابع للدولة.
ب- بنك خاص.
ت- بنك إسلامي تابع للدولة.
ث- بنك إسلامي خاص.

8. **إذا كانت الإجابة بنعم، فما نوع الضمانات التي يمكنك تقديمها / التعهد بها للبنوك؟**

أ- لا يمكن تقديم ضمان / تعهد.
ب- سند ملكية الأرض / العقار.
ت- سيارة.
ث- الشيكات التجارية المتوفرة.
ج- الحسابات المستحقة
ح- أخرى.

9. إذا كانت الإجابة لا، فما هي الأسباب؟

أ- أسباب دينية.
ب- لا توجد ضمانات لتقديمها للبنوك.
ت- شروط الائتمانية غير مناسبة.
ث- يمكن الحصول على تمويل من الأقارب والأصدقاء.
ج- يمكن العثور على شريك للمساهمة.
ح- يمكن أن أجد منحة.
خ- أخرى.

10. إذا تم تقديم التمويل / الإقراض وفقًا للقواعد الإسلامية من قبل الدولة أو بنك المساهم أو مؤسسة مالية قانونية، فهل ستستخدمه لبدء عمل تجاري؟

أ- نعم.
ب- لا.
ت- أخرى.

القسم الحادي عشر: المهارات

1. هل لديك أي مهارات مهنية؟

أ- نعم.
ب- لا.

2. إذا كانت الإجابة نعم، فما هي هذه المهارة؟

3. كيف اكتسبت هذه المهارة؟

أ- من خلال المدرسة.
ب- من خلال تلقي التدريب.
ت- من خلال العمل.

APPENDIX 2: English Questionnaire

PART 1: PERSONAL INFORMATION
3. What is your gender? a) Female b) Male
4. What is your age?
PART 2: EDUCATIONAL INFORMATION
3. What is your educational background? a) Illiterate (graduate/student) b) Primary School (graduate/student) c) Secondary School (graduate/student) d) High School (graduate/student) e) Bachelor (graduate/student) f) Master / PhD (graduate/student) g) Other
4. What is your profession? a) Health b) Engineering c) Economy d) Education e) Social f) Arts, Language and Literature g) Fundamental (mathematics, physics, chemistry, etc.) h) Other
PART 3: RESIDENCE INFORMATION
7. What is the type of your ID document? a) Turkish ID Card b) Passport c) National ID Card d) Residence Permit Document e) Travel Warrant f) Temporary Protection ID Card g) Other
8. Living in Türkiye Since…?
9. Do you live in which city of Türkiye?
10. What was your reason for coming to Türkiye?

a) War, Civil War, Internal Disturbance b) Economic, Business c) Education d) Other (Please explain)
11. Do you eager to go back to the home land if the necessary conditions are fulfilled? a) Yes b) No **c)** Other
12. If you had a regular job and income in Türkiye and the necessary conditions were met for your return, would you return to your country? a) Yes b) No c) Other
PART 4: SOCIAL SECURITY INFORMATION
6. Have you received any kind of social services benefits in Türkiye? a) Yes b) No c) Other
7. What is the type of social services benefits received? a) Food (food parcels and vouchers, school feeding etc.) b) Non-Food (hygiene kits, baby kits, blankets, furniture, school stationary, etc.) c) Institutional Care Aid (child care, women's shelter, rehabilitation center, etc) d) Financial Aid (cash, monetary vouchers, school tuitions, etc) e) Other
8. What is the frequency of social services benefits received? a) Weekly b) Monthly c) Quarterly (3 Months) d) Semiannually e) Annually f) Irregular
9. If you received/receive any financial aid, what is the amount?
10. What is the level of satisfaction with the Aid you received before? a) Very satisfied b) Satisfied c) Neutral d) Dissatisfied e) Very dissatisfied
PART 5: EMPLOYMENT INFORMATION
8. Did you previously work before coming to Türkiye? a) Yes, employer (own business)

b) Yes, full time employee (more than 35 hours a week)
c) Yes, part time employee (15-34 hours a week)
d) Yes, irregular employee (1-14 hours a week)
e) No, not working

9. What was your occupation before coming to Türkiye?

10. Do you currently work in Türkiye?
b) Yes, employer (own business)
c) Yes, full time employee (more than 35 hours a week)
d) Yes, part time employee (15-34 hours a week)
e) Yes, irregular employee (1-14 hours a week)
f) No, not working but willing to work
g) No, not working and is not willing to work

11. If yes, what is your current occupation?

12. If no, did you apply for a job in Türkiye?
a) Yes, I applied and received positive response
b) Yes, I applied but received negative response
c) No, I did not apply at all
d) No, I could not apply due to some barriers

13. Could you please specify the difficulties/problems that you encounter regarding job applications?

14. What is your monthly income?
a) 0-500
b) 501-2000
c) 2001-3500
d) 3501-5000
e) 5001-10000
f) Above 10001

15. What is the source of your income?
a) Own income (as being employer of business)
b) Salary (as being employee)
c) Retirement income
d) Social security benefits
e) Income from household production
f) Rents from real estate
g) Income from bank accounts
h) Other

PART 6: LANGUAGE

3.	**Which languages can you speak?** a) Turkish b) English c) Arabic d) French e) Other
4.	**Do you want to attend a Turkish language course if you have such an opportunity?** a) Yes b) No
	PART 7: HOUSING INFORMATION
3.	**Does the residence you live belong to your family? (own residence)** a) Yes b) No c) Other
4.	**If you are paying rent for the residence, what is the amount per month?** a) 0-250 b) 251-500 c) 501-750 d) 751-1000 e) 1001-1500 TL f) Above 1501 TL
	PART 8: FINANCIAL INCLUSION
5.	**Do you have (a) bank account(s) inTürkiye?** a) Yes b) No
6.	**If YES, what is/are the name(s) ofbank(s) you have account with?**
7.	**If NO, what are the reasons for not being able to open a bank account in Türkiye?** a) No Tax Number b) No Turkish ID Number c) No Passport d) No Registered Address in the System e) No Utilities Receipt(s) Registered on Applicant's Name f) Other
8.	**6. If you were to open a bank account for your basic financial needs, which of the following bank types would you prefer?** a) State-Conventional Bank b) Private-Conventional Bank c) State-Participation (Islamic) Bank d) Private-Participation (Islamic) Bank

PART 9: EXISTING BUSINESS
24. Does your family currently have any income-generating businesses? a) Yes b) No
25. When was/were the business(es) established?
26. Does the busines(es) have a shareholder? a) Yes, we have a Turkish partner b) Yes, we have foreigner partner c) No, it is our own family business d) Other
27. What is the montly income of the business? a) Less than 1000 TL b) 1001-2000 TL c) 2001-3000 TL d) 3001- 4000 TL e) 4001-5000 TL f) Above 5000 TL
28. What is the nature of the main line of business? a) Agricultural b) Commercial c) Industrial d) Services e) Other
29. Can you describe your business briefly?
30. What kind of problems did you encounter during the start-up process? a) Language barrier b) Legal c) Procedural d) Social e) Economic f) Other
31. How many employees are working in your main line of business?
32. What is their nationality?
33. Do you pay social insurance premia for the employees? a) Yes

b) No

34. How much is the capital invested when the main line of business was established?

35. How was the main line of business funded when it was established?

a) Through savings
b) Through mortgage of property
c) Through sale of property
d) Through loans /debts from relatives and friends
e) Through credits/loans from financial institutions
f) Through partnership
g) Through grants
h) Other

36. Has the family received below types of assistance to sustain the continuity of business?

a) No assistance received
b) Workplace provided
c) Training received
d) Utilies charge exemptions received
e) Tax exemption received
f) Other

37. Did you get any credit / loan from any financial institution?

a) Yes
b) No

38. If any credit(s) has/have been extended by (a) financial institution(s), could you please give the name(s) of financial institution(s) that extended the credits?

39. What is the amount of the credit/loan received?

40. What was the payment method (installments etc.)?

41. Has/have the credit(s) been settled?

a) Yes
b) No
c) Other

42. If NO, what are the main reasons for not having settled the credit(s) received?

a) Payment period not ended
b) Rescheduling of credit period
c) Other

43. Do you foresee an expansion in your existing business(es)?

a) Yes
b) No
c) Maybe

44. If YES, when do you plan to expand your business?
a) Less than one year
b) 1-2 years
c) 3-4 years
d) More than 4 years

45. If YES, in which aspects would you develop your business?
a) Expand location coverage
b) Legalize the business(es)
c) More employees to recruit
d) Change business sector
e) Other

46. If NO, what are the reasons for not expanding your existing business?
a) Satisfaction with the current size of the Project
b) Lack of funding
c) Lack of market demand
d) Incomplete business idea / plan
e) Lack of experience
f) Frequency or fear of loss
g) Other

PART 10: FUTURE BUSINESS

11. Does the family or one of its members want to start a business soon?
a) Yes
b) No
c) Maybe

12. Is there a business plan for the idea?
a) Yes
b) No

13. What is the nature of the project idea?
a) Agricultural
b) Commercial
c) Industrial
d) Services
e) Other

14. Does any family member have any productivity activity at home?
a) Cooking home made food (bakery etc.)
b) Producing handicraft goods (pottery, jewelry, etc.)
c) Sewing and knitting clothes
d) House keeping (cleaning, ironing, etc.)

e) Cosmetics activities (cutting hair, manicure, make up, etc.)
f) Tutoring language or any other courses
g) Cultivating plants, vegetables, fruits, etc.
h) Raising animals (production of eggs, milk, cheese, etc.)
i) Sale by roaming
j) Other

15. Is this activity is for

a) Household consumption only.
b) Marketing outside, only.
c) Household consumption and marketing outside.

16. If business expansion or new business idea requires funding, do you want to get credit from financial institutions?

a) Yes, without hesitation
b) Yes, if the credit conditions are acceptable
c) No

17. If you were to receive financial support for your economic activities, which of the following bank types would you prefer?

a) State-Conventional Bank
b) Private-Conventional Bank
c) State-Participation (Islamic) Bank
d) Private-Participation (Islamic) Bank

18. If YES, what kind of guarantees can you provide/pledge to banks?

a) No guarantee/pledge can be provided
b) Land/real estate title deed
c) Motor vehicles
d) Commercial cheques available
e) Accounts receivable
f) Other

19. If NO, what are the reasons?

a) Religious reasons
b) No guarantees to provide to banks
c) Inappropriate credit conditions
d) Can receive funding from relatives and friends
e) Can find a partner to contribute
f) Can find a grant
g) Other

20. If financing/lending was provided in accordance with Islamic rules by the state, participation bank or a legal financial institution, would you use it to start a business?

a) Yes
b) No
c) Other

PART 11: EXPERTISES

4. Do you have any expertisement

a) Yes
b) No

5. If yes, What is your expertisement?

6. How did you acquire this expertisement?
a) From School
b) By Training
c) By Working