

T.C.
UNIVERSITY OF GAZİANTEP
GRADUATE SCHOOL OF SOCIAL SCIENCES
DEPARTMENT OF BUSINESS ADMINISTRATION

**FINANCING OF SYRIAN SMEs IN GAZİANTEP:
A CASE STUDY**



MASTER'S OF ART THESIS

MUSAAB RAHAL

GAZİANTEP
SEPTEMBER 2019

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SUPERVISOR: ASSIST. PROF. DR. GÜL REİS

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T.C.
GAZİANTEP ÜNİVERSİTESİ
SOSYAL BİLİMLER ENSTİTÜSÜ
İŞLETME ANA BİLİM DALI

**GAZİANTEP' TEKİ SURİYELİ KOBİ' LERİN FİNANSMANI: ÖRNEK
ÇALIŞMA**

Musaab Rahal

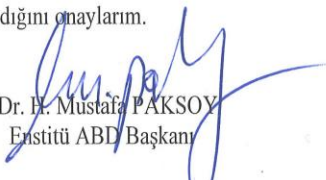
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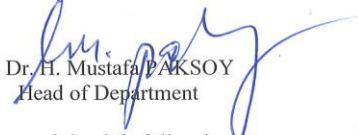
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ABSTRACT

FINANCING OF SYRIAN SMEs IN GAZIANTEP: A CASE STUDY

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As SMEs increase employment and GDP, it is an important issue in developing economies. Aware of the vital role of SMEs in economic development, the Government is making various arrangements to support SMEs in all sectors. Particularly, the difficulties faced by SMEs in obtaining capital during the establishment stage make them face some bottlenecks. Syria SMEs, which contribute to the construction of Turkey's economy with over 10 thousand SMEs. Syrian SMEs independently they want to start work in Turkey. however, the majority of these SMEs do not have access to the financing market. The aim of this study is to reveal the expectations of Syrian SMEs who are or want to establish business in Gaziantep from the financial support and credit facilities of the state. For this purpose, case analysis was conducted and various questions were asked to KOSGEB along with 10 selected SMEs. KOSGEB support is the most important financial institutions in Turkey. An evaluation was made on the answers to the questions asked.

Keywords: SMEs financing, Syrian Refugees, KOSGEB

ÖZET

GAZİANTEP' TEKİ SURİYELİ KOBİ' LERİN FİNANSMANI: VAKA ÇALIŞMASI

Musaab Rahal
Yüksek Lisans, İşletme Bölümü
Danışman: Dr. Öğr.Üyesi Gül REİS
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KOBİ'ler istihdamı ve GSYİH' yi artırdığı için gelişmekte olan ekonomilerde oldukça önemli bir konudur. KOBİ'lerin ekonomik kalkınmadaki hayati rolünün farkında olan Hükümet tüm sektörlerdeki KOBİ'leri desteklemeye dönük çeşitli düzenlemeler yapmaktadır. Özellikle KOBİ'lerin kuruluş aşamasında sermaye elde etmede yaşadıkları zorluklar onları birtakım darboğazlarla karşı karşıya bırakmaktadır. Suriye KOBİ'leri, 10 binin üzerinde KOBİ ile Türkiye ekonomisinin inşasına katkıda bulunmaktadır. Suriyeli KOBİ'ler Türkiye'de bağımsız bir şekilde işe başlamak istiyorlar. ancak bu KOBİ'lerin çoğunluğu finansman pazarına erişememektedir. Bu çalışma Gaziantep' te iş kuran ya da kurmak isteyen Suriyeli KOBİ'lerin devletin mali desteğinden ve kredi olanaklarından beklentilerini ortaya koymaktır. Bu amaçla çalışma kapsamında vaka analizi yapılmış ve seçilen 10 KOBİ ile birlikte KOSGEB' e çeşitli sorular sorulmuştur. KOSGEB Türkiye'deki en önemli finansal destek kurumudur. Sorulan sorulara karşılık alınan cevaplar üzerinden bir değerlendirme yapılmıştır.

Anahtar Kelimeler: KOBİ finansmanı, Suriyeli Mülteciler, KOSGEB

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LIST OF ABBREVIATIONS

	English	Turkish
Republic of Turkey Prime Ministry Disaster and Emergency Management Presidency	AFAD	AFAD
Conventional Bank	CB	KB
Foreign Economic Relations Board of Turkey	DEIK	DEIK
European Bank for Reconstruction and Development	EBRD	EBRD
European Investment Bank	EIB	EIB
European Union	EU	EU
Foreign Direct Investment	FDI	FDI
accepted accounting principles	GAAP	GAAP
Gross Domestic Product	GDP	GDP
Islamic Banking	IB	IB
International Finance Corporation	IFC	IFC
International Financial Reporting Standards	IFRS	IFRS
International Labour Organization	ILO	ILO
International Monetary Fund	IMF	IMF
International Non-Governmental Organization	INGO	INGO
Business Incubator	BI	ISGEN
The Republic of Turkey Prime Ministry Investment Support and Promotion Agency	ISPAT	ISPAT
Small And Medium Enterprises Development Organization.	KOSGEB	KOSGEB
Memorandum of Understanding	MOU	MOU
Non-governmental organization	NGO	NGO
Non-performing loans	NPLs	TA
Organization for Economic Co-operation and Development	OECD	OECD
Profit and Loss Sharing	PLS	KZP
Research and Development	R&D	R&D
Syrian Economic Forum	SEF	SEF
Small and medium enterprises	SMEs	SMEs
The Economic Policy Research Foundation of Turkey	TEPAV	TEPAV
Turkish Confederation of Employer Associations	TISK	TISK
Federation of Chambers of Commerce	TOBB	TOBB
United Nations Development Programs	UNDP	UNDP
United Nations High Commissioner for Refugees	UNHCR	UNHCR
Venture capital	VC	GS

CHAPTER ONE

INTRODUCTION

According to the Foreign Direct Investment Act of Turkey (2003) ("Direct Foreign Investment Law," 2003:1), the companies which are founded in Turkey by foreigners are granted these same privileges and rights to other Turkish companies. Thus, all companies in Turkey are Turkish companies by law point of view. Therefore, this study will be mentioned by the companies owned by Syrians peoples in Turkey in the name of "**Syrian SMEs**" and Turkish-owned businesses citizens are "**Turkish SMEs**," even though they are identical by the law.

Turkey's economy is defined as an emerging market economy by the International Monetary Fund (IMF). Turkey is among the world's developed countries according to the CIA Factbook. Economists and political scientists also define Turkey as one of the modern industrial worlds. Turkey was ranked number 17 in the ranking of GDP over the world during the year 2017. Moreover, it is a member of the G20 (Country Economy, 2017:1). As part of supporting the economy, the Turkish government institutions support the SMEs which are registered in the country, especially that the proportion of SMEs 99.9 % out of the total companies in Turkey (TOBB, 2018:1). Taking a look to follow quick facts about Syrian SMEs in Turkey. The estimated number of Syrian SMEs in Turkey at more than ten thousand companies, including formal and informal companies (Ceylan, 2015:1). Since 2011, Syrian SMEs have invested nearly 334 million dollars in 6033 new official companies, getting the first rank among the foreign capital of new firms every year since 2013 (TOBB, 2018:1). When the entrepreneurs of Syrian are establishing a new business, they are creating jobs, so they are creating livelihoods and independence on themselves.

Based on these quick facts, it should be noticed that Syrian entrepreneurs are ready to invest sizeable capital in the hosting countries. Thus, creating jobs and opportunities for the hosting countries citizens and Syrian refugees – if circumstances are suitable. Few efforts have been made to encourage and attract Syrians entrepreneurs, in terms of helping them to move their works and businesses to the hosting countries. Helping Syrian companies will be necessary steps for all hosting countries for resettlement and stability for Syrian refugees (Müller, H.E. and others, 2017:11).

In conclusion, there is a gap and a problem in the possibility of Syrian SMEs to getting any support “less than 2% of Syrian SMEs that have been got financial support” (Syrian Economic Forum, 2018:10), while there are more than 27 agencies and institutions in Turkey specialized in supporting and funding SMEs.

1.1 Objectives of The Study

This study will be focused on addressing the reasons why Syrian SMEs do not benefit from the funding of Turkish government institutions and banks. And to understand the challenges which are creating the gap between the needs of Syrian SMEs to capital, and financing institutions' targets to reach those SMEs.

Besides, this study seeks to analyses the KOSGEB's activities of supporting SMEs. That KOSGEB (The most critical institution related to SMEs in Turkey) will be selected from a drawn list of 27 Entity specialized in supporting SMEs in Turkey (Başçı ve Durucan, 2017:59) to be as a case study. The study also aims to improve further financial support and assistance for Syrian SMEs based on a better understanding of their needs in the current situations and environment. In addition to the following sub-objectives bellow:

- Definitions of SMEs in Turkey.
- An overview of KOSGEB, tasks, and responsibility.
- Review previous studies about the market assessment of Syrian SMEs in Turkey.
- Interviews with owners of Syrian SMEs in Turkey and KOSGEB, to support the study.

- Find suggestions and recommendations for the active role of Turkish government institutions in terms of financing Syrian SMEs which are located in Turkey.

1.2 Importance of The Study

The importance of this study stems from several aspects. From the perspective of academic researches, this research as there has been no previous significant work done on this particular study that it will be a new brick in building knowledge. From the perspective of economic, this study is addressing a practical problem, the resolving of this problem will be directly reflected on economic growth, thus affecting people's life positively. While from society's standpoint, the highlight of financial difficulties is also indicated in the community situation. Especially the community, which is related to immigrants, where they feel they are dependent on the host society. Thus, if they were enabled to work and develop their business, that will be reflected positively on the referee's society and will help to integrate with the hosting community. Finally, in terms of humanity, this study is essential as it contributes to solving a problem related to Syrian refugees in Turkey. Especially that the researcher is one of them and feels the extent of the difficulties they face.

1.3 Research Problem

It is thinking that there is a missed opportunity for the Syrian community in Turkey. It is about that to support Syrian SMEs by the Turkish credit institutions. In other words, the problem is Syrian SMEs cannot take advantage of enough financial opportunities to finance their companies.

In this study, financing problems of Syrian SMEs and solutions for these problems are presented. For this purpose, 10 Syrian enterprises operating in Gaziantep and KOSGEB were interviewed and the problem was investigated.

1.4 Limitation of The Research

It has encountered some issues maybe negatively affect the quality of the obtained results. The sample of this study may be small and may have a decline in the non-representation of population reality. To alleviate this, the researcher conducted a study on the most critical and significant support for small and medium-sized enterprises: KOSGEB and 10 Syrian small and medium enterprises. Some Syrian small and medium-sized companies have refused to answer interview

questions because of their policies that did not allow them to participate in any form of commercial research. Also, some respondents did not answer some questions, perhaps because they considered them confidential.

The answers of the interview face to face were filled in haste and with the presence of a researcher who could affect the quality of the responses. Besides, there was not enough time to schedule long and in-depth interviews in order to seek further clarifications about the answers that were not clear enough. Some Syrian small and medium-sized companies lack qualified financial staff with a comprehensive understanding of financial management. These employees did not wholly find aware of the financial management field, and their responses may negatively affect the results of this research. Also, information on funding is sensitive, and access to this information has proved to be a challenge.

CHAPTER TWO

LITERATURE REVIEW

Small and medium-sized enterprises play a particularly important role in the Turkish economy, because of their number and the large share of the labor and GDP of Turkey. For many years, government authorities and the institutions such as KOSGEB have carried out a variety of programs and activities to support these institutions. Until now, Turkish companies have been worked and operate in an unstable and unfavorable macroeconomic environment; this macroeconomic environment was characterized by high inflation rates, which has led to modest growth, in addition to significant exchange rate instability. In the short term, the government's macroeconomic adjustment policies and structural reform programs have confirmed the climate of uncertainty, in which small and medium-sized enterprises (SMEs) operate.

2.1 Definitions of SMEs

Global SMEs Definitions: Small and medium-sized enterprises (SME) are non-affiliated and independent companies employing less than a certain number of employees. This figure is different from other countries. The most common, the OECD refers to SMEs as the firms employing up to 249 persons, with the following breakdown: micro (1 to 9), small (10 to 49) and medium (50-249), as the case in the European Union and Turkey (OECD, 2017: 4).

Turkey SMEs Definitions: SMEs defined as “enterprises,” which have less than 250 employees and whose annual net sales revenue is under 125 million TL (KOSGEB, 2019a:1).

Type	Employees	Revenue (Million TL)	Net Sales (Million TL)
Micro	<10	≤ 3	≤ 3
Small	<50	≤ 25	≤ 25
Medium	<250	≤ 125	≤ 125

Table 2. 1 SMEs Definition in Turkey (KOSGEB, 2019b:1)

Table 2.1 shows the breakdown of SMEs categories to three levels. The microenterprise, which has less than ten employees and revenue less than three million TL. The small enterprise with less fifty employees and less revenue of 25 Million TL. The third one, the medium enterprise which has employees less than 250 and the revenue not less than 125 Million TL.

Table 2. 2 Statistics about the quantity of all the registered companies in Turkey (KOSGEB, 2019a:2)

Type	Number	
Total all Enterprises and companies	3,652,521	
Total SMEs	3,645,469	Percentage 99.99%
	Number	Percentage (In SMEs)
Micro	3,420,580	93.65 %
Small	193,304	5.29 %
Medium	32,585	0.89 %

According to table number 2.2, it can be noticed that the total enterprises which were registered in Turkey around 3.65 Million and the total of SMEs around 3.64 Million that means about 99.99 percent of the Turkish Enterprises are SMEs.

So, 93.65 percent are Micro SMEs. Thus, SMEs constitute a large and vital sector in Turkey.

2.2 The Importance of Studying SMEs

For more than 25 years, SMEs research has been ongoing, and it was increased by the number of the meetings, the establishment of associations, and the existence of specialized journals on the subject. It brings to mind the following question: Why the interest in research in small and medium enterprises?

There are several shreds of evidence to prove this truth, because the small and medium enterprise are considered as a field of research and analysis. It occupies a prominent position in most economies. This type of institution has a human orientation. It contains all the characteristics that make it adapted to the dynamic flexibility of various problems. As small and medium enterprises occupy an essential position in a country's economy, they also occupy an important position in research and studies.

In terms of methodological importance, the study of small and medium enterprises analysis for researchers is more accessible than the study of large companies, where research in small and medium enterprises allows showing the observers of what cannot be found and obtained in the huge companies. As a result, it is easier to identify and study the SMEs than the large institutions (Neagu, 2016: 332).

2.3 Characteristics, Potentials, and Constraints of SMEs

Several kinds of research have been carried out in recent years on the characteristics of SMEs that distinguish them from large enterprises. These SMEs have a human dimension that contains all the elements that make it adapted to the conditions that can be imposed by the environment, such as, the dynamism and flexibility, in the next article, will be explained the meaning of characteristics of the SMEs which are not available in large enterprises:

Director: Small and medium enterprises usually managed by one person, often the owner, that the owner can be in direct contact with the operational elements in the organization. As a result, he makes all the decisions and monitors the divisions of the organization. Thus, this flexibility allows him to gain the advantage of making decisions quickly and in an appropriate time. The owner of the SMEs has a great

need to finish his work and is keen on to succeed. In this case, the owner of the enterprise has the characteristic of innovation, he always takes priority, as he has confidence in himself, which makes the institution an extension for his character (Munro, 2013:9).

Flexibility: This flexibility can be found at the level of operations as can be found at the level of decisions or the level of strategic choices due to their small size and ease of operation. The small and medium enterprises can quickly adapt to the specifics of demand. With market fragmentation compared to large enterprises, small and medium enterprises do not benefit from economies of scale, and they do not have much potential for production, so they do not incur high costs in the event of a reorganization or the costs of changing their direction. In case of a change in technology, flexibility allows small and medium enterprises to meet individual demand consumers. Small and medium enterprises are usually characterized by a high degree of uncertainty about the external environments where they work. For example, tax problems, interest rates have an impact on these SMEs, in contrast to large enterprises. In addition to the uncertainty about the technological environment and competitive forces (Munro, 2013:9).

Customization: Small and medium enterprises are based on a distinct part of the market with different products. This diversity is based on the competitive advantage of small and medium enterprises. In contrast, the focus on price reduction, market segmentation, and the inability of small and medium enterprises to exist in the market are among the reasons for diversification. As a result of this specialization, small and medium enterprises offer high-quality (Munro, 2013:10).

Innovation: Small and medium enterprises are characterized by an enterprise spirit that responds to technical changes as well as invention; it benefits from these cases. Innovation has several possibilities, including new products, new markets, innovation in production procedures, and innovation in shapes organizational.

In addition to the properties, which have been discussed previously, more characteristics can be added as below.

- The weakness of the allocation of workers to the extent that the administration is carrying out several administrative functions, and in most cases, they do practical tasks, and on the other hand, workers are usually multi-service.

- The course of the decision is generally by spontaneous stages, and this shows that the strategy above all is by intuition and be flexible.

- The internal information system is not complexed, namely that it allows the dissemination of information quickly, whether the information is up or down between management and the worker.

- The external information system is simple because of the proximity of the market to the institution, whether geographically or Physiology. Besides, small and medium enterprises do not usually need to study a complex market.

- The search for a stable environment despite of the speed of changes products (Munro, 2013:11).

2.4 Factors of Success and Failure of SMEs

Four essential elements facilitate the organizations continued to operate. The idea of product or service, communication with individuals within the organization, skill, human resources. Besides, the following factors are suggested: 1- The extent of stimulation and enthusiastic of the entrepreneur. 2- The acceptable idea of product or service is viable. 3- Sufficient available resources for the project. 4- The mental and technical capabilities in the field of the management course of the company as well, the same is correct for his assistants. The success factors of the organization were also identified in the following group: - The success of the company is mainly linked to the head of the company and Financial efficiency (Charamba and Masocha, 2012:120).

While the factors of failure of SMEs: The start-up phase for small and medium enterprises is essential. Because at this stage it will be the beginning of its work in the sector. So, it is considered an institution and it is unable stamina. If you start a business, there is an adventure you need to wait for and also an adventure you can expose to risks. The failure rate of small and medium enterprises in their early stages of activity is as follows:

- 20% of enterprises abandon business in the first year of their launch.
- 30% of enterprises leave their activities in the first three years.
- 40% to 50% in the first five years.

- Five years after the start, one of two institutions can continue, success rates are growing significantly over time (Bar-Joseph and McDermott, 2017:22).

The majority of research worked in the field of small and medium enterprises was based on an explanation of factors of SMEs success. Therefore, the study in depth of the reasons for the failure of enterprises is significant for entrepreneurs in the future, as it is the case for existing business owners in the majority of cases. Business owners, in most cases, conceal and do not talk about their real failure reasons. Thus, reasons for failure in some cases are difficult to contain by the owners of businesses. As a result, there is no single reason for the institution's fault, but several elements are accumulated. There are three major reasons for the failure of the enterprise, product or service, lack of viability in the market, and financial position is also one of the reasons for the failure of the enterprise, as well as human resources.

This article will talk about reasons for failure in more details, according to Wiegel (2011) there are five main reasons for the failure of the new SMEs (Wiegel, 2011:15):

Reasons for the economic decline: The weakness of the diversity of customers and the impact of the lack of independence, ignoring the market, is one of the reasons for the most failure in the field, and then comes the range of products produced by the SMEs, which is narrow and non-diverse and does not suit a large segment of society. Reasons for the financial burden: Private funds are inadequate, and liquidity is difficult. It is one of the main reasons for the failure of the SME project. In fact, the sparse estimation of the initial needs necessary establishment stage, and the medium at this stage needs to be able to meet the debt and financial adequacy. So, the availability of cash to ensure continuity and non-stop the same company where the capital is the oxygen of any business enterprise. Reasons for human resource management: The reasons for the failure to manage human resources have not been addressed extensively in analysis of the reasons for the failure, it is understood that the small and medium enterprise in the starting phase does not employ such a large staff, that about 60% of new enterprises do not want recruitment new team during the first four years of its presence (Dominguez and Mayrhofer, 2018:61).

This topic was addressed under the title "Human Resource Problems and the Growth of Small and Medium Enterprise." The difficulties related to the increase in the number of workers affected the structure of small and medium enterprises and impose a kind of responsible conversation and power relations. Developing decision-making process. Absence of experts in the field of human resources management techniques. Centralization and the difficulty of the delegation of authority and endurance against the creation of changes by individuals.

The reasons which are related to the entrepreneur: Lack of acquisition of business experience is an important reason among the reasons related to the entrepreneur, the lack of efficiency in management is a factor of failure. For dynamic reasons: Some problems are exposed to the SMEs in the starting stage. For example:

- Problems are related to marketing and finance.
- Problems are related to marketing and production.
- Problems are related to finance and manufacturing.

According to this perspective, four phases of these problems were determined by the age of the institution, which is processed at the starting stage. 1 - The SMEs that started its activity less than six months, it usually suffers the so-called daily management of the project, and these problems are characterized that they can be addressed and find solutions relatively and quickly. 2- The institution, which started its activities between six months and one year, is facing problems in marketing and finance, and the difficulties in production and human resources they can appear from the beginning of employment, but not very important. 3 - The firms, which begin their activity between one and two years, they are known to increase the seriousness of their problems in the field of marketing and finance, which is added to the problems of production. And human resource which also beings and considered dangerous but slowly moving towards danger. 4 - The enterprise, which started its activity for more than two years, is characterized by the stability or lack of dynamic problems (Wiegel, 2011:15).

2.5 SMEs Financing Methods.

SMEs are of great importance to the institutional or institutional level of investors, as leaders or policymakers, because of their importance in the national

economy of employment and contribution to the macro-economic, capital flows, capital markets, and other factors and changes that have a significant impact on the economy. In a local economy, the researcher will present various mechanisms to support and finance small and medium-sized enterprises, such as formal and non-formal finance, venture capital, small enterprise stock exchanges, Islamic finance, training, and marketing.

2.5.1 The Traditional Mechanisms of Financing SMEs

There are numerous sources of funding for small and medium-sized enterprises, which can be classified as follows: Depending on the type of funding: The sources of financing for small and medium-sized enterprises can be divided into formal financial institutions such as banks, insurance companies, funds. And non-formal funding: through programs operating in the majority outside the framework of an official legal system in the State, through several sub-programs, such as the Audit of Cooperative Financial Institutions and local development funds. The sources of this funding can be identified in the personal savings of the owner of the project or total family savings, as well as commercial banks in the case of need, or as specialized banks in channeling finance to a particular sector, or in a financial one specialized in the industrial sector, the funding of the agricultural sector, by other sources usually, is represented by specialized accreditation institutions. Government and official bodies usually support these institutions. Finance Leases: Financial leasing is an innovative way for small and medium-sized enterprises to obtain average capital for the term. A finance lease is a contract under which a project allows a minor to use it as a single asset in return for periodic payments to the lessor, which retains the ownership of the asset, and because the leasing company retains ownership of the asset, lease payments are then considered as operating costs rather than financing charges. At the end of the lease period (3-5 years), the project owner can own a loan for a certain amount. Stock Exchange, SMEs may wish to provide capital by participation in an investment liquidation property to reinvest their investment in a new set of facilities as small as growth, and at this point all small enterprises are likely to become mature public companies by abandoning their status as private equity, either by offering their share in the stock exchange or through initial offering of shares to the public (Kaili, Psarrakis ve Hoinaru, 2019:22). Islamic

finance: will be talked about it in a separate paragraph later. Education, Training, and Marketing Program Small and medium enterprises can be supported through an education program such as pre-college and university education and continuous training programs for workers to become skilled workers covering both small and medium industries as well as marketing programs.

2.5.2 Islamic Bank Financing for SMEs

The prohibition of RIBA was stated in the Holy Quran (chapter 2 Surah Al Baqarah: verse 275) one thousand four hundred years ago. This is consistent with early Hindu, Judaic and Christian teachings. However, Islamic finance, finance without interest, remained relatively dormant for a long period of time. The Islamic Financing concepts appeared again in the new history of the 1930s (Hasan, 2005:12; Visser, 2009:93). The current development of Islamic banking and finance is part of what Divanna (2009) classify as the second generation of developmental stability (Divanna, Sreih and Bamakhramah, 2009:3). This era of 1930s is characterized by codification and standardization of Islamic financing practices and ideas relating to Islamic banking and finance.

The concept of an Islamic bank has evolved over fourteen centuries, as the Qur'an explicitly prohibited Riba (interest) Holy Quran (chapter 2 Surah Al Baqarah: verse 275). Nevertheless, there are various interpretations and there are a number of definitions which appear within the literature. To harmonize the IB (Islamic Banking) practices, the Organization of Islamic Countries (OIC) has attempted to develop standards to bring about consensus, which appears to be at the early stage of its development. Islamic banking institutions are regulated and committed to adhering to the principle of Sharia (Islamic law). The precepts of which are guided by the Quran and the Sunnah (the practice and sayings of the prophet Muhammad), Ijma (opinions collectively agreed upon among sharia scholars), and Qiyas (analogs) (Haron, 1996:64).

Theoretically, IBs (Islamic Banking) are suggested to employ PLS (Profit and Loss Sharing) principles by extending their funds to customers (Aggarwal and Yousef, 2000:5). The implementation of PLS (Profit and Loss Sharing) principles was also suggested in the Islamic finance literature of the 1960s and 1970s (Ainley, Mashayekhi, Hicks, Rahman and Ravalia, 2007:9). According to (Nomani &

Rahnema, 1994), there are some advantages of the PLS (Profit and Loss Sharing) concept when it is compared to the CB (Conventional Bank) which is based on interest principle. Firstly, PLS is considered fair and just because profit and loss are born together between the financier and their clients, whereas CBs (Conventional Bank) work on an interest basis and the borrower has a fixed burden regardless of the possibilities of profit or loss they face. Secondly, PLS (Profit and Loss Sharing) is different from the interest-based system which is more concerned with the creditworthiness of borrowers. PLS (Profit and Loss Sharing) may encourage the efficiency of capital allocation by putting a priority on delivering funds to productive projects. Thirdly, PLS (Profit and Loss Sharing) is deemed more capable of stabilizing the economy than an interest- based system. Under the PLS (Profit and Loss Sharing) scheme, borrowers share profit and loss with the banks, which in turn share profit and loss with depositors. The other prominent feature of Islamic banks is that they are based on the PLS scheme, Islamic banks can extend their funds on a long-term basis which in turn promotes economic growth (Chong and Liu, 2009:126). The implementation of PLS (Profit and Loss Sharing) principles will be more advantageous, particularly for SMEs, because most of the SMEs are not creditworthy or bankable when the evaluation is based on interest. Thus, the evaluation of borrowers will not be based on creditworthiness but on the productivity and viability of the project, which will lead to more efficient allocation of capital.

In the discussion above is argued that the advantages of Islamic banking may have promoted the growth of IBs (Islamic Banking) around the world. However, this also raises the question; is the emergence of Islamic Banks a direct cause of PLS? And, secondly, is the PLS scheme truly applied in IBs? Although some arguments that the emergence of IBs (Islamic Banking) was induced by the advantages of PLS (Askari, Iqbal and Mirakhor, 2015:20). Which claim that the rapid growth of IBs (Islamic Banking) is largely driven by the resurgence of Muslims around the world rather than the advantage of PLS. This is supported by the fact that many Islamic banks operate in countries with a Muslim majority who prefer bank services that operate according to the business ethics of their faith.

2.6 The Activities of KOSGEB Regarding Support Syrian SMEs

The original acronym of KOSGEB was KÜSGEM. That KÜSGEM (Centre for the development of small industries), established by Ministry of Trade and

Industry in Gaziantep in 1973 as a pilot project under the international treaty between the Government of the Republic of Turkey and the United Nations Industrial Development Organization, which began to provide service with the workshops of community facilities for enterprises Small industrial. KÜSGET (Directorate General of the Small Industries Development organization) began its activities under the international convention on publishing services for the small industry. KÜSGET provided technical advisory services with small-scale enterprise development centers, developed modern management principles in the application in those companies, and demonstrated efforts to establish and spread quality awareness in accordance with global standards, high level of technological production and increased employability and tried to perform needed services to strengthen the technical infrastructure in order to provide modern management skills.

KOSGEB, created by Law No. 3624 in 1990, provided services and support only for small and medium enterprises in the industry sector until 2009. However, because of the increase of potential value-added production and job creation for sectors other than the industry sector in Turkey, and because of requests from small and medium-sized enterprises in industries other than the production sector, In Turkey country as a result of requests from small and medium-sized enterprises in sectors other than the production sector, there is a need to expand the target population of KOSGEB to cover all small and medium-sized enterprises. In line with this, the competence of KOSGEB has been extended to a long list of sectors to support small and medium-sized enterprises other than those in the production industry sectors, including the service sector (KOSGEB, 2019a:3).

Mission: Increase the share of small and medium-sized enterprises and businessmen in economic and social development through the provision of support and other services to improve their competitive strength.

Vision: A powerful and leading KOSGEB for strong SMEs in the global market .

Basic Values: Accessibility, leadership, and guidance, focused on mass-target, neutrality, transparency, activity, efficiency, accountability, renewable approach, openness to collaboration, and dynamism.

KOSGEB Achievements

KOSGEB could access to only 4000 SMEs during the period of 1990-2002 . As a result of the restructuring process, the number of SMEs registered in the database has reached 1.150.000 .KOSGEB which could provide 25 Million USD support to SMEs until 2002, has reached 8 Billion USD support volume between the years 2003-2016 (KOSGEB, 2019c:15).

2.7 The Economic Impact of Immigrant SMEs In the Host Country

This paragraph will be talked about the impact of migrating SMEs to the hosting countries of refugees at the economic and social level in general and will be talked in detail in the coming chapters about the impact of Syrian immigrant SMEs on the economy of Turkey and the society.

The leadership of immigrants is an essential social and economic phenomenon today. The leadership of immigrants plays a crucial role in economic development. The economic impact of migrant leadership in the host country is well known, but the effect of migrant leadership in the host country is not limited to its financial aspects. It includes non-economic influence such as the development of vibrant ethnic communities, social integration, recognition of immigrants, entrepreneurship, and role models for immigrants. From a management perspective, many aspects of immigrant leadership are still unknown and need to be addressed. The purpose of this particular case is to highlight some of these aspects. Including factors of success in the leadership of immigrants, the influence of family networks, and the non-economic effects of immigrant leadership (Centeno-Caffarena, 2017:16).

Migrant entrepreneurship is a huge social and economic phenomenon today. In countries that are major destinations for migrants, migrant leadership plays an important role in economic development. Creates jobs by making new business plans that contribute to wealth creation. The economic impact of immigrant leadership in the host country is known today, as many researchers have studied it. However, the impact of entrepreneurship for migrants in the host country is not limited to its economic aspects. It includes important non-economic impacts such as the development of vibrant ethnic communities, social integration, recognition of immigrants, and entrepreneurship.

Thus, from the management's point of view, the literature is still minimal, and many aspects of immigrant leadership are still unknown and need to be addressed.

The purpose of this particular case is to highlight some of these aspects. The selected articles to be published in this issue provide an excellent analysis of many important topics such as success factors in migrant leadership, diaspora entrepreneurship, the impact of the family network on transnational entrepreneurs, and the non-economic effects of migrant administration, immigrant entrepreneurs are classified and based on the level of integration in the host country, the impact of location and race on the leadership of immigrants, and the issue of necessity for immigrant entrepreneurs versus the opportunity of business immigrants. The purpose of this topic is to outline these different contributions. For this purpose, will be focused on three proposed immigrant business classifications – namely, classification is based on the level of integration of immigrant entrepreneurs in the host country, classification based on the motives of the establishment of the enterprise by immigrant businessmen, and classification is focused on economic cohesion (Chrysostome and Lin, 2010:78).

Classification Based on Integration Level in the Host Country

The classification was proposed and based on the level of integration, integration and adaptation of the migrant businessman in the host country by (Curci and Mackoy, 2010:1). They look at three levels of integration in the host country - a low level of integration, an intermediate level of integration, a high level of integration. These classifications are useful for the way that the government deals with these companies. For example, companies with a low level of integration and non-integrated means that these companies do not speak the language of the host country and do not follow the laws of the labors. Therefore, it may cause a threat to the community. Thus, the government should support them, such as training to upgrade the level of integration. While companies at the intermediate level and legal status understand of the laws of the best. While the third type high level of integration, the companies should be considered as the host country companies and support them because they have reached the stage of full integration. Full integration means they act like the original companies in the country and apply government regulations.

Classification Based on The Motives of the Establishment of The Enterprise by Immigrant Businessmen

Classification is based on the motives of the establishment of the project, and this classification distinguishes between the cause and motivation of the establishment of a business. Does the entrepreneur see an investment opportunity? Or is there a necessity to create a business to earn a living where there are no other options and no job? The advantage of this classification is that it examines the profile of these different types of immigrant entrepreneurs. That migrant entrepreneurs usually are middle-aged males in general who come from developing countries with relatively limited professional experience. Many of them have to rely on their families, friends, and ethnic community to find the resources they need to run their businesses. In particular, the ethnic community helps them to raise the level of start-up capital and find employees, while the immigrant entrepreneurs who are looking for an opportunity are not always from developing countries. In general, they are highly educated, with a postgraduate degree from the country host. They have access to financial institutions of the host country. They are the dominant industry target and do not rely on the ethnic market. These classifications are useful for decision-makers as the goal of targeted financial support. Where the interpreters of the classification (Necessity) need simple financial support to start their projects, and business owners are looking for investment (Opportunity), they want the full support of credits, legal consultation, financial advice and understanding of the tax system.

What are the factors of success or standard of this type of entrepreneurs (Necessity type)? Chrysostome also suggests that the elements of success can survive. Do not apply the factors of success, which usually applies to traditional entrepreneurs. Chrysostome proposes five categories of survival factors for immigrant entrepreneurs (Necessity type): ethnocultural factors (the ethnic market niche and ethnic social network), financial factors (start-up capital and emergency loans), managerial factors (education level and previous professional experience), psycho-behavioral factors (level of risk aversion and commitment), and institutional factors.

Classification based on economic solidarity

This classification is based on two types of entrepreneurs. The first type is the business entrepreneurs who invested in the host country and did not abandon their mother country. They benefited from both countries and investment opportunities in

both countries. That, in general, immigrants adopt economically by coupling their resources with the available opportunities to them under each historically contingent moment. The second type is the entrepreneurs who forgot their mother country and focused on the host country.

As a result, this study and classifications can be applied to the situation of Syrian SMEs and entrepreneurs in Turkey. With more than 10,000 Syrian immigrant SMEs and thousands of micro-enterprises, they can be categorized according to the categories we mentioned above. Can be seen that SMEs are working to stay alive (Necessity classification Type), some of the SMEs are working because they found in Turkey an investment opportunity, and some of them integrated and merged with the Turkish society and economy, while still some of them are not out of the scope of the mother community. In addition, can be seen Syrian immigrant SMEs still have a business in their homeland and at the same time, they have a business in hosting country (Curci and Mackoy, 2010:3).

2.8 A Successful Example of Immigrant SMEs (Syrian SMEs in Egypt)

Over the past year, Syrian investments in Egypt have increased by 30% compared to 2017, worth about seventy million dollars. The number of companies established by the Syrians during the first nine months of 2018 to 818 companies, which represents a quarter of companies established by foreigners in the same period. These figures prompted the economic adviser to US banks, Nabil Zaki, to criticize the Egyptian youth, and accused of laziness. He said during a meeting with one of the private satellite channels that “most of the young Egyptians on the cafes smoking Shisha, and young Syrians came to work in Egypt and earn money....., while the Egyptian young people used for laziness”, Beside they blame the government and say “we want the government to do everything, and support is the reason we have reached”. Most Syrians prefer Egypt because they can work without working permissions. This advantage is not found in many other Arab countries and is not exposed to them as legal accountability, punishment, or deportation. Also, because immigrants - especially Syrians - enjoy full integration with the Egyptians, there are no camps or restrictions on places of living or work, explaining that this is not available in most Arab countries (Aljazera, 2019:2).

2.9 A review and Assessment of SMEs in Turkey

In terms of Structure and Size of the SMEs sector, Small and Medium Enterprises (SME) are a large part and essential of the economy's Turkish, representing a large percentage of the country's companies and employment. According to the latest estimates, the small and medium enterprises sector, including services, in year of 2000 SMEs dominated the following: 99.8% of the total number of companies in Turkey, 76.7% of full employment, 38% of capital, 26.5% of value-added, about 10% of exports and 5% of bank credit. Therefore, while small and medium-sized enterprises dominate the economy in terms of employment, they are operating with relatively few capitals, generating relatively low levels of added-value, making only a small contribution to Turkish exports and receiving only a marginal share of the funds mobilized by Banks and Sector (OECD, 2017:38).

2.9.1 Access of SMEs to Financing in Turkey

In terms of access to finance even if there are small and medium-sized Turkish companies wishing to improve their financial capability and modernize their factories and equipment, they will find it challenging to do so because of the difficulty of accessing finance and obtaining credit and equity. Not exceeding 5% of accessible bank loans are provided to small and medium-sized industrial enterprises, although SMEs represent 99.5% of enterprises in the industrial sector, 66.5% of jobs in the industry, and 34% of the added-value in this sector. Because government deficits of the recent decade and the crisis year of 2000 and year of 2001, the banking and financing sector have got weakened. Thus, many banks in terms of risk management did not decide to make available credit lines to small and medium-sized industrial companies, and many banks that may offer such loans really lack the knowledge and experiences of how to provide small loans and funds to support them. (OECD, 2017:40).

2.9.2 Government Financial Support for SMEs In Turkey

Government financial support for small and medium-sized enterprises considers that the capital and the assets markets (privet banks especially) cannot meet the needs of small businesses without government support. The inability of capital markets to provide small companies with gain access to credits is essentially due to the effects of the economic and financial policy of the government, which in

recent years have led to a large budget deficit and the great expansion of the supply of money, inflation, and increased prices. In this case, because of this situation, banks and the financial sector have chosen to invest primarily in debt and government bonds that pay high and security rates of return, and less of risk besides. The lending the other investment available after investing in government debt and bounds go mainly to large companies because those large companies have more assets and ability of perpetually. Turkish officials and the studies estimate that only less than 5% of the lending funds are available to small and medium-sized industrial enterprises. To expand the amount of credit available to small and medium-sized businesses, the Treasury has provided funds to many banks on condition that the funds are allocated for the lending of SMEs (Such as Halk bank and the Development of Industrial Bank, also, many other banks have now been added). Of course, the government establishing the loan conditions and parameters by consensus with the banks, but the banks take responsibility for defaults and the risk to underwrite the loans. As we mentioned above the financial crisis in the years of 2000 and 2001 resulted in an increase in none payment and defaults and bad debts on loans (12% of investments and loans in 2002, compared to an average rate of about 5% in general), for keeping the banks working and operating and reducing the effects of the economic crisis. The government was harmful to turn large transfers of funds. Also, lessening the expenses of government banks such as the Halk Bank retrenched (reducing from eight hundred 800 branches to five hundred fifty 550) and is being prepared for privatization. KOSGEB in that time signed protocols and agreements with two public and government banks, Vakıf bank, and Halk Bank, to supply soft and urgent loans to SMEs to resolve their cash-flow problems of short-term. The credits are accorded and facilitating by banks, but the enterprises' applications, procedures, and admission criteria are approved by KOSGEB. Under these protocols and memorandums of understanding between KOSGEB and Banks, as a result, 1605 enterprises and SMEs received an approximately a total of 70 million EUR, but still, this amount is a small share of overall bank loan (OECD, 2017:69).

2.10 Syrian SMEs Status Evaluation in Turkey

In Turkey, when Syrian immigrated, they began to create a business that provides them and to their families with livelihoods, jobs and autonomy for themselves and others. Activity such as grocery, restaurants, bakeries and small

groceries and shops to sell daily necessary things. The entrepreneurs of Syrian offer trade and business in the Arabic language to meet the needs of those who have not the ability to speak Turkish language or cannot and facing obstacles in shopping in Turkish stores (Wood, 2016:3).

The Experience of Syrian refugee entrepreneurs has moved along with their business, work experience, capital and their wealth, to other countries, such as Turkey. One of the words of SMEs Syrian business owner living in Istanbul, “We are international businessmen. We have also been to Dubai and Riyadh. Syrians in Turkey are not just poor refugees” (World Bulletin, 2014:1). In my opinion, there are also benefits generated by Syrian entrepreneurs for communities and affected by refugee flows, and we should understand better of these entrepreneurs and Syrian SMEs and their success factors and support them. Thus, investments, in my opinion, do not only create works, livelihoods, and value for refugees and their hosting countries also, play an essential and vital role to prepare the Syrians to go back and return to Syria after the conflict finished for the reconstruction and development of Syria. While Turkey has not been prepared for the size of the Syrian crisis, it has now received 3.5 million Syrians and hosts the most significant number of refugees in the world and regains. All of these refugees live outside the camps throughout the turkey cities, but according to Turkish emigration are concentrated in a big city, Istanbul, and the southern region of Turkey (Asik, 2017:1).

The beginning of Turkey's response to the Syrian war and crisis has been to focus on the short-term and quick response of humanitarian assistance, but over time the humanitarian needs have increased and shifted to the provision of free health-care, education, and working permissions and other benefits. In another side, demand for consumer goods has risen, infrastructure, government humanitarian aid, such as social services have become overburdened and perhaps more important, the labor and works market cannot absorb all workers who need jobs. The Turkish people perception of Syrian refugees ranges from national and religious duty and compassion, as well as "a source of national pride" for the country's generous humanitarian response to the Syrian crisis (Gurbuz, 2018:2).

Temporary Protection: 3500000 Three million and five thousand hundred. Syrians called it KIMLIK Turkish authorities' issue this Identify Definition to

Syrians refugees even if the Syrians have expired passport; they can register under temporary situation protection. As of January 2016, Syrians under temporary situation protection it is called (Kimlik) are eligible to get work permission (permits) and are covered by health insurance. Under this legally status, Syrians refugees can also start a business and small work and open a new bank account, but still, they need approval and permission for traveling outside the province and cities of Turkey are required (Erdoğan and Ünver, 2015:23). Foreigners: 80000 eighty thousand Syrians entered turkey with a valid legally passport and are treated such as foreigners. That means Foreigners in the Turkish laws are eligible for work and get residence permits if their available documents can meet the requirements of the regulations. Foreigners, in addition, can also make and start a business and travel around the country, but unfortunately, the validity of their passports are essential for their legal status in Turkey, which is difficult to issue and cost around 1200 USD.

2.10.1 Impact of Syrian Conflict on the Turkish Economy

According to (Cammorosano, 2018:22; OECD, 2004:9) Turkey is currently ranked top 18 economies in the worlds. The country has an advanced financial sector such as banks, taxies departments, as well as industry especially in fashion and textiles, furniture, consumer people, and a young workforce. Turkey has experienced and developed a massive economic growth in the past 15 or 17 years, along with increased urbanization, civilization deep poverty and poorness rates, increasing foreign and international trade, diversification, money, and assets investment and expanding access to public services. However, this economic growth slowed to 2.9 percent in 2016, for many external and internal factors. External factors such as growth slowing in Europe. Local factors such as uncertainties and recent security concerns and Arab Spring revolutions have also destabilized and affected the economy.

Public of Turkey and the government spent on Syrian refugees less than 1 percent of GDP annually. While this is not negligible and has mainly been funded domestically, in the current economists' point of view, this spending has not endangered the country's in terms of sustainability and financial. The net economic, by the way, the impact of the Syrian and war crisis and the influx of refugees in Turkey have not been measured and studied accurately, but some economists have

been attributed part of reasons of Turkey's economy growing since the beginning of the Syrian conflict to increase the spending and consumption associated with new refugees in the country. Public expenditure pumped cash into services, goods, clothing, foods, nutrition and shelter needs, mostly in camps, which may have boosted local economies (Devranoglu, 2016:2). Also, the aid and funds spent by the international NGO and community helped in providing new jobs and business opportunities for both Turkish and Syrian companies, especially in the textile and food sectors. Other studies suggest that there are more benefits, such as "infrastructure enhancement (e.g., renovation/upgrading of public schools, improved technology in health services, improved wastewater management, et cetera.)" resulting from the Syrian crisis response and the war crisis (Gurbuz, 2018:1).

According to research and studies which are conducted by the Turkish Economic Policy Research Foundation (TEPAV), the exports of Gaziantep to Syria doubled from \$96 million in 2011 to 405 million dollars in 2015. However, because the war the structure of exports to Syria have changed, such as building materials, tools, clothes, cars, and food (Afanasieva, 2016:1). According to (Karakaya, 2016:1) the Syrians, refugees have increased the costs of rent or purchase a house, transportation, food and consumer goods involving huge Syrian refugee communities, and have recorded a higher than the expected inflation rate. However, on the other hand, the researchers also found that "the overall level of consumer prices has fallen by almost 2.5% due to Syrian migration" (Balkan and Tumen, 2016:4). The World Bank notes that "Syrian refugees work overwhelmingly informally, making their arrival a clear supply shock to informal employment," with calculations pointing to "the large-scale exodus of indigenous people in the informal sector" (Del Carpio and Wagner, 2015:11). According to a survey on the economic impact of Syrians in Turkey, "40 to 100 percent of people who lost their jobs in border towns believe they have lost their jobs because of Syrians." (Orhan and Gündoğar, 2015:17). The response could aggravate existing tensions linked with increased unemployment due to macro-economic pressures. As described earlier, of anxiety and resentment about the pressures imposed by Syrians on public services and the real and perceived competition, it shows jobs, works, and living in areas with a high eccentricity of Syrians. For the Turkish business community, the perceived adverse effects include the expansion and growth of the informal business and

economy, inequitable competition, and high unemployment rates. According to an evaluation conducted by TISK (the Turkish Federation of Employers' Associations). Turkish businessmen underline the need for more education, language, and vocational training, and the necessary laws and regulations to increase integration and avoid adverse effects on the economy (Bila, 2018:1).

2.10.2 Syrian Economy and Syria-Turkey Economic Relations

The Syrian economy was growing before breaking out the conflict, and there were attempts at economic reforms and liberalization in the 2000s, economic reforms, and liberalization in the sector of the petrol industry, chemicals, manufacturing sector of food and textiles as key contributors. Turkey and Syria commercial relationship was gaining positively growing intensity before the war, along with the improvements in political relations, in 2007, a free trade agreement signed between Turkey and Syria. In 2009, the first train between the Mersin and Syrian city of Aleppo, and at the time, the goal was to raise the trade amount between the Turkey and Syria to around \$10 billion from the old level of \$2 billion. According to DEIK (The Foreign Economic and Relations Board of Turkey). In 2010 Syria and Turkey Business Committee established to cluster together with the businessmen community and interested in investing and building a business in Syria and boosting trade relation. But with the conflict, the council was asked to resolve the issues of the Syrian business sector community in Turkey (DEIK, 2017:1).

According to (IMF) the International Monetary Fund, "Syria's gross domestic product today is less than half of what it was before the start of the war, and it could take two or more decades for Syria to return to the levels of the gross domestic product before the conflict." Represents the core of the Syrian business sector. Companies and people that are still trying to operate in Syria often work in the war economy or black market and have experienced low productivity as "destroying their markets, supply chain, homes, and sources of work" (Sahoo, 2013:1). Considering the reconstruction process, the IMF recommends focusing on "the energy and agriculture sector, as well as in labor-intensive industries such as textiles or food processing, which can become an engine of growth." Syrian small and medium-sized companies will play an essential role in the reconstruction and rebuilding of Syria, also in addition to the lives of Syrian refugees and war-affected host countries and

communities. Thus, the additional information and researchers about these Syrian SMEs represented a critical part of the development plan and efforts.

2.10.3 Syrian Refugees and Economic Integration in Turkey

In comparison between the three largest share countries which hosted Syrian refugees, Turkey has more an economic border than Lebanon and Jordan, where per capita GDP. Turkey occupies a better position in the "ease of doing business" of the World Bank and the "easy start of business processes." Taking into consideration the entrepreneurs and SME according to GEDI's entrepreneurship Index, Turkey ranks thirty-six (36 out of 137) from Lebanon (63), and Jordan (56). (Acs and others, 2017:34).

These comparing have repercussions on the Syrian business and commercial community in Turkey. Not like Lebanon and Jordan, Syrians SMEs in Turkey, including employers, workers, and employees, face the language barrier, not like Jordan and Lebanon that they can speak the Arabic language. Furthermore, work in Turkey has the benefits of a broader and more advanced development economy, with a generally favorable business and entrepreneurial environment. While Turkey is the largest developing economy among hosting Syrian refugees countries in the region, but on the other hand, it does not amount to institutional readiness and the labor market provided and compared by a more advanced economy. (Kadkoy, 2017:2). Thus, in my opinion, the integration of economic of the Syrian refugee population with Turkey economy has been anxious with challenges.

In spite of laws providing working permission for Syrians under temporary protection, which has been in force since January of 2016, only 13298 out of a total of 73584 work permits issued to foreigners went to the Syrians (Gonultas, 2017:1). This number is representing a small percentage of the estimated around 500,000 to around one million Syrian workers are seeking jobs in the informal legally labor market. All working permissions are linked to a single workplace, and foreigners cannot exceed more than 10 percent of the company's employed Turkish employees. Lack willingness regarding of employers and employees, who prefer to avoid higher wages, social insurance, and taxes (SGK) associated with registering their Syrian employees, are responsible or partly responsible for these low rates of officially registered workers. Language barriers and restrictions on freedom of movement

within the country require any authorization from the Immigration Department and the difficulty of verifying the qualifications mentioned in the obstacles that prevent Syrian refugees from working in Turkey. All of these Syrian were, namely Syrian labors, in especially those who are not qualified and unskilled, susceptible to exploitation in the low-paid informal workforce.

Increasingly, the Syrians SMEs are playing an essential part in creating jobs and participating in one way or another in the Turkish economy by establishing businesses and investments. From 2011 to the beginning of 2017, Syrians established 6,033 registered new formal SMEs companies with capital investments of 334 million USD (Akçalı and Görmüş, 2018:1). In the first quarter of 2017 alone, the number of new Syrian SMEs was 677, which could be more than 2,000 two thousand, in additional to new SMEs companies in this year 2017 with about around 90 million USD in the Syrian capital. The share of new Syrian small and medium-sized companies among foreign companies in Turkey has risen to grow, reaching 39 percent in 2016 and ranked the first every year since 2013 (Akçalı and Görmüş, 2018:2).

According to TEPAV (Kaymaz and Kadkoy, 2016:5), “Southeast Turkey and western metropolitan cities, in particular, have increasingly become hubs for Syrian entrepreneurs.” Their numbers in Istanbul are the highest, as everyone knows that Istanbul is the economic center of Turkey, but Gaziantep is a higher percentage of all the new companies in the local economies. The gross number of Syrian SMEs in Turkey, including unregistered and informal unofficial companies, is estimated at more than 10,000 companies. There are many efforts and attempts to formalize these companies and make them legally registered to make them more economically sustainable and less susceptible to fines and closures on the part of authorities and complaints from competing companies and other local communities (V Del Carpio, Seker and Yener, 2018:10). Syrians have the willingness and ability to work and invest in Turkey, and barriers and obstacles often prevent the implementation of projects and participation. For example, a meeting of the International Labour Organization (ILO) with stakeholders, such as the Syrian Friendship Association, and Syrian business owners and businesspeople, was expressed with a wide range of challenges. This includes "problems in securing visas; insufficient information on relevant regulations and legislation; possibilities of benefiting from

support/incentives, lack of guidance services in establishing companies; and problems in communication and business development resulting from poor leadership in the Turkish language," among other things.

The ability to respond and solve these challenges are restricted. As a recent study on the International Crisis series shows, "uncertainty regarding the Syrian war has delayed long-term planning by both the authorities and the Syrians in Turkey.," (Akar and Erdoğan, 2018:1) Although thinking about the transition to considering Syrian refugees in Turkey "always", and thus preparing to respond to their life and business needs begin to happen. There are Syrian organizations and non-governmental organizations that provide advocacy, support, information exchange and communication with the Syrian business community. There is also a small number of training, workshops and international and local support activities targeting Syrian people. Stakeholders in the governorates where the Syrian population is more intensive, including Gaziantep, have done much to respond to the needs of Syrian companies, such as the establishment of the Syria Support Office in the Chamber of Commerce for cities with a large density of Syrians to responding to questions and provide guidance. Turkish public entities and other development agencies are also opening up to work with Syrian companies and companies.

Table 2. 3 Economies Comparison of Gaziantep and Istanbul (Ucak, P. Holt and Raman, 2017:18)

Comparison of Istanbul and Gaziantep Economies			
	Istanbul	Gaziantep	Turkey
Population (2016)	14,804,116	1,974,244	79,814,871
Syrians under Temporary Protection	480,384	329,622	2,984.633
The Syrian Refugees percent of the Population	3%	17%	4%

Per Capita GDP USD (2014)	\$19,957	\$7,923 (Gaziantep, Adiyaman, Kilis)	\$10,304
Unemployment (%) (2016)	13.5 %	14.3 % (Gaziantep, Adiyaman, Kilis)	10.9 %

This table explains that Gaziantep in spite of the number of Syrians is less than Istanbul, it has the biggest burden of hosting refugees.

According to the World Bank 2017, also Turkey hosting the biggest number of Syrian refugees, taking a look at the next table:

Table 2. 4 Comparison of Top Hosting Countries of Syrian Refugees (Ucak, P. Holt ve Raman ,2017:19)

Comparison of Top Hosting Countries of Syrian Refugees Report (World Bank, 2017)			
Ease of making Business, Rank out of 190 countries (lower number better)	Turkey	Jordan	Lebanon
Ease of making Business	69	118	126
Starting and establishing a Business	79	106	139
Trading Across the Borders	70	50	118
Getting financing Credit	82	185	118
Refugees and Economy	Turkey	Jordan	Lebanon
Population (World Bank, 2015)	78.6 mm	7.6 mm	5.9 mm

(UNHCR) Population of Syrian Refugee	2,992,567 (Apr 2017)	660,315 (Jun 2017)	1,011,366 (Dec 2016)
Syrian Refugees as a percent of the total population, est.	4%	9%	17%
(World Bank, year of 2015) GDP	\$ 717.9 bn	\$ 37.5 bn	\$ 47.1 bn
(World Bank, year of 2015) GDP per capita	\$ 9,126	\$ 4,940	\$ 8,048

This table shows us that Turkey although host Syrian refugees are more than Jordan and Lebanon, as a percentage, it is lower than Jordan and Lebanon, as well as Turkey the biggest GDP of Jordan and Lebanon.

2.10.4 Impact the Syrian Refugees on Gaziantep City

According to The Guardian newspapers (Burgen, 2019:1), Gaziantep has grown by 30% due to newcomers who came to Turkey because of the Syrian crisis and across the border in Syria.

Imagine that you live in a small or medium-sized city. In a short time, the population is increasing by 30%. The new arrivals are mostly refugees who have left all their money and lives in their own country and have no place to stay. They do not even speak the language of the country they migrated to. Then, instead of pushing them away and closing the border in their face, they were welcomed and absorbed as much as possible. Welcome to Gaziantep, an industrial city on Turkey's southern border with Syria, Gaziantep is renowned for its textile industry and is home to pistachio. Her food is well known. Aleppo, the war-ravaged Syrian city, is only 80 km away.

Total Syrian refugees, according to the official number of 3.6 million Syrian refugees. Istanbul, with a population of more than 15 million, hosts 560,000 refugees. Gaziantep the 10th of the population rank but took in 500,000 Syrian refugees see table below.

Table 2. 5 Registered Syrian Population (Göç İdaresi, 2018:3)

Istanbul	557,573
Sanliurfa	476,745
Hatay	442,913
Gaziantep	381,216
Mersin	207,318
Adana	195,430
Bursa	145,197
Kilis	130,316
Turkey (Total)	3,588,877

Table 2.5 shows that Gaziantep ranked the fourth city in the quantity of hosting Syrian refugees.

In the era of the Ottoman Empire, before the existence of the two modern states in Turkey and Syria, Gaziantep and Aleppo were part of the same region. Refugees tend to stay in southern Turkey, close to what was in their homeland because they have a common history and there is a demand for unskilled labor. However, there is no doubt that newcomers have imposed an enormous burden on the city's resources- in particular, housing, water, public transport, and health care. But this put pressure on the current housing market in Gaziantep, which paid rent.

Meanwhile, employers have exploited the sudden increase in the workforce to reduce wages as there was a struggle over access to drinking water, the growing resentment of the aid that was flowing to the Syrians, not to the poor Turks. Mayor Fatma Sahin has established the Immigration Department. The idea was that Turks and immigrants would receive equal treatment and benefits, the mayor persuaded the government to introduce water more than 80 miles away to address the water crisis and then develop a plan to build 50,000 new homes, as well as new hospitals and better public services. All were available to Turks and immigrants alike.

After confronting the initial humanitarian crisis and the early stages of integration, the next challenge is education and employment. Initially, children were taught the Syrian curriculum in Arabic with the expectation that they would return home, but as of next year, all ages will be integrated into the system of Turkish public schools. Although children learn Turkish quickly, language continues to be an impediment to integration and work with their parents. Syrians cannot obtain a work

permit unless they are offered a job, but both sides prefer the informal market: employers because they do not pay social security, and workers because they do not lose aid payments. Until recently, the authorities had overlooked the fact that Syrians had established companies without obtaining the necessary permits. Now they have become here to stay; there is pressure on everyone to regulate their situation. In addition, aid will not continue forever. What distinguishes Gaziantep is that it did not wait. It was quick to accept the fact that the immigrants were there to stay and the more they were integrated the more it will be faster and better.

2.11 Previous Studies about Syrian SMEs Financing in Turkey

In this section, a previous study will be reviewed and focused on the report's name (Revisiting the Contributions of Syrian entrepreneurs in Turkey). A report by Building Markets New York, the United States on July 25, 2018. This report is to provide a spotlight of 210 Syrian SMEs surveyed in 2017 (Ucak and others., 2017:2), and review their performance and status over of nearly one year. Whereas in 2017, Building Markets conducted the first survey and study of Syrian small and medium enterprises (SMEs) in Turkey. The aims of the Building Markets' research and questionnaire were to highlight Syrian entrepreneurship and innovation, understand their abilities better, understand the difficulties they face and contributing in strategies that will widen their impact positive social and economic on the economy of Turkey.

In general, survey data show that Syrian small and medium enterprises continue to develop their business, actual performance and confidence in their economic future, with more than 90 percent reporting their performance is better through the past six months. Regarding business sector performance, according to the study, most small and medium-sized Syrian companies are working in the areas of housing, administrative services, food services, support services, real estate, and construction.

Other keys findings of the report:

- Despite continued lack of loan expertise and the search for government financial support, 18% of Syrian SMEs indicated their interest in borrowing for geographical expansion, additional inventory and purchase of assets, new recruitment, and recruitment. Demonstrating the ability to manage loans.

Facilitating access to capital for Syrian small and medium-sized companies will be essential for their continued growth and contributions to Turkey.

- Depending on the study, it seems that the performance of Syrian companies in general in Istanbul is better than those in Gaziantep, and other cities with more reports on the increased profits and expansion of business and new appointments. As the financial and Trade Center in Turkey, Istanbul offers a large and vibrant market with more than half a million Syrians, as well as other Arabic-speaking customers from countries like Iraq and Libya, although Gaziantep has received the first influx of Syrians, leading to a natural boom in Syrian business activity. However, with the slowdown of new arrivals and the relatively smaller city economy of Istanbul, companies in Gaziantep may have limited opportunities for future growth in comparison with those operating in Istanbul.

- The study recommends that due to the slow rate of new Syrian businesses entering the market. The government is required to continue to attract and retain Syrian investments in Turkey and to make greater certainty and stability concerning their future, access to support, and opportunities. To encourage job creation and more support must focus on expanding the current, promising Syrian actions, including helping them integrate with the Turkish commercial ecosystem, and becoming more competitive domestically and internationally.

- The government of Turkey says that over 30 billion USD has been spent on assistance for Syrian refugees and urged the international community to increase its support (Kirişci, 2018:2). However, on the other hand, a surprising Syrians, many of them are refugees, have established over 7,000 formally registered companies in Turkey with \$380m of capital since the war began. As elaborated in a new Building Markets report on Turkish-Syrian business partnerships, beyond creating jobs, this helped to revitalize local industries, create significant export businesses, and introduce new products to the Turkish market.

Figures and Facts on Syrian Refugees in Turkey

- As the population of May 2018, Turkey has hosted more than 3.5 million Syrians registered as refugees. The country's largest city Istanbul ranks first for more than 560, 000 Syrian refugees, followed by cities in the southeastern region such as Sanliurfa and Gaziantep, Hatay.

- As Citizenship Status: In July 2017, the Government of Turkey began to naturalize some Syrian refugees (despite opposition from many opposition parties) based on levels of education, professional skills, and investments (al-Jablawi, 2017:2). Till of April 2018, at least 12000 twelve thousand Syrians have been grant citizenship (CNN Türk, 2017:1). For Syrian SMEs owners, citizenship brings many features and benefits: more excellent stability and ability to buy real estate, flexibility in travel and mobility within and outside the country, and relatively easy access to financial services.

- As employment of Syrian refugees can make them continue their works, to qualify for work permits through their work owners employers, despite the establishment of their businesses (UNHCR, 2018:1). As of April 2018, more than 54000 work permits were issued, those work permits including nineteen thousand nine hundred twenty-five 19925 permits for Syrians under (temporary protection) temporary protection and 20993 for Syrians with residency permits (European Union, 2018:5). For Syrian SMEs owners, citizenship brings many advantages: greater stability and ability to buy real estate, flexibility in travel and mobility within and outside the country, and relatively easy access to financial services. Thirteen thousand seven hundred seventy-six work permits and licenses were granted to Syrian businesspeople who established their own works and business. Cases of access to work permits were also noted through non-functioning companies. However, official employment figures are still much lower than the number of Syrians refugees whose working informally in Turkey, between 750500 and 950500 person (International Crisis Group, 2018:5). The unemployment rate among Syrians Refugees 21 percent, twice the local unemployment rate (Müller, H.E. and others, 2017:4).

- As Enterprises: According to the study, more than 7200 companies were officially created by the Syrians in Turkey as of May 2018, with the figure reaching more than 10000 formal and informal companies.

Challenges of Business of Syrian SMEs Performance

The Syrian companies generally believe that their situations better than they were one year before. When the researcher asked them how you describe Business performance during the last six months, 20 percent indicated "much better," 71 percent "somewhat better," six percent "Somewhat worse," and two percent "much

worse.". By province, positive responses ("somewhat better" and "much better" together) increased by six percentage points companies in Gaziantep, and 39 percentage points for companies in Istanbul. The result suggests that companies in Istanbul have a more positive experience over the past year than those in Gaziantep. Sixty-five percent of the surveyed companies reported that their profits had increased in the past six months. Twenty-eight percent of the companies remained unchanged, while six percent recorded a decline. As a result, companies in Istanbul showed better growth than expected, while those in Gaziantep did not reach expectations and this is normal Istanbul is a bigger city and is considered the commercial and financial center of Turkey.

According to the study, when they are asked by Syrian businessmen about the challenges that Syrian companies will face according to their point of view in the next six months, the five challenges were as follows:

1. Competition(%36)
- 2 .Taxes (%22)
3. Foreign exchange rate inconstancy /currencies (9 %)
- 4 .The difficulty of gaining and accessing credit (%5)
5. Government laws, policies, and bureaucracy (5%) (Ucak, 2018:15)

Syrian companies can face competition and race by both Turkish and Syrian companies, depending on their sector of operations where some industries and businesses are easy to imitate. In sectors such as tourism and retail trade, the completion companies are both Turkish and Syrian. However, although Syrian companies, which serve and rely on the Syrian customer are based on the first place and provide new services to the local business, such as Syrian restaurants and sweets shops, competing against other Syrian SMEs.

According to the study, talks with Syrian SMEs in Turkey suggest that number of the confrontation and challenges they face in terms of working is not familiar and evolving economy and business environment for them, The regulatory environment in Turkey is more complexed than Syria, especially in terms of the structure of the taxes and financial structure and the use of banks in the most commercial transactions. The difficulties mentioned by owners of Syrian SMEs in

this evaluation underline the continuing needs of training and consultancy to help browse Turkish regulation of taxes and laws and another regulatory requirement, plus raise knowledge and awareness of how got available credit options and opportunities to the benefit of government support.

Also, by the study as far as funding is concerned, Syrian companies still Lack experience and knowledge of obtaining external credit. When they asked if they had received any loans or government financial support, the answers of the owners of the Syrian companies were surprised that they did not borrow official loans, as only two companies borrowed from friends and family. On the other hand, when they asked for external funding, 36 companies in the sample said they would be interested in future loans, with an average of 70000 USD. The three most important loan targets were a geographical expansion; purchase of additional stock, inputs, and recruitment of more staff.

In the previous baseline survey in 2017, 37 percent of surveyed companies noted that the main challenge for workers in Turkey was language, but a year later, the language was no longer one of the most critical challenges and problem. This can be explained by the fact that mature companies during the last three years, because of the inevitability of dealing in Turkish, employers may have found a way to overcome the Turkish language barrier by employing Turkish-speaking staff or by themselves becoming more interested in Turkish to facilitate their business and trade. Also, some Turkish companies, especially telecom and banks, have started providing Professional and technical support services that provide to the Syrian business world in the language Arabic. Interesting in bigger cooperation and integration and integration with Turkish society, including citizenship, has also accelerated the interest of Syrian businesspeople in improving their proficiency in the Turkish language.

As a result, the study, which was introduced by Building Markets, was drawn as part of both primary surveys and updates, where Syrian business owners were asked to advise other Syrian entrepreneurs in Turkey. The most important recommendations were to make sure that you are familiar with the laws and regulations of Turkish institutions so that you can comply and your status is legally valid, lawfully working, create and build a registered trademark with patent

protection in the Turkish-Syrian market, commercial and industrial expansion throughout the country. In addition to these recommendations, the study indicates that Syrian employers are still concerned about their long-term status in Turkey, their legal status, freedom of movement inside and outside Turkey, access to banking services, and the use of government incentives. Taking into consideration recommendations, we can clearly realize the reflecting of the need for greater certainty and stability on the part of the government and operating institutions that allow Syrian companies to predict, plan and succeed in this area of the Turkish business market. Plus the policies and regulation that were helping supporting these pathways, strategies that focus on integrating the skills and experience of Syrians and Turkey's need for economic growth, In my opinion, increasing partnerships and cooperation with Turkish companies, if possible, will not only help to facilitate this growth, stability, and certainty, but it will ensure that the benefits continue Of the Turkish Economic and social community, Syrian communities and refugees.

2.12 The Partnerships Between Turkish SMEs and Syrian SMEs.

The main aims of this section have to take overview the achievements and developments achieved so far in the pursuit of Syrian companies' strategy and new technique through the participation of Turkish companies and the creation of strategic agreements to accelerate the integration process in the Turkish economy and overcome competitions in the business market. The researcher believes in the importance of this strategy and facilitates the increase of partnerships between Syrian and Turkish companies, and a separate section was devoted to this study. Due to the lack of data published on this topic, the researcher prepared this section through desk research, interviews with stakeholder organizations and ten Syrian SMEs, As well as analysis of data and information collected individually from several official bodies, chambers of commerce and industry and government institutions concerned with the economy in Gaziantep (Ucak, 2018:10).

According to the Foreign Direct Investment Act of Turkey (2003) ("Direct Foreign Investment Law," 2003:2), companies founded in Turkey by foreigners are granted these same rights and privileges to other Turkish companies. This means all companies in Turkey, in fact, are Turkish companies in the law point of view. For clarity, this study will refer to companies owned by Syrians in Turkey in the name of

"Syrian SMEs" and Turkish-owned businesses Citizens are "Turkish SMEs" even though they are identical by the law.

Since the beginning of the Syrian conflict in 2011, more than 3.6 million Syrians emigrated and came to Turkey and are now under temporary protection. In that year, Syrian SMEs have formed only 2 percent of companies With foreign investment and 1% of the gross foreign capital in Turkey, Past over the seven 7 years, Syrians have officially continued more than 7,000 companies across Turkey, with Syrian SMEs now accounting for 20 percent of all foreign companies and owning about seven percent of the total foreign investments capital, around one billion and two hundred million TRY (around 380 million dollars) (Ucak, 2018:10)..

Table 2. 6 Registered Syrian Population by cities (Göç İdaresi, 2018:3)

Adana	195,430
Bursa	145,197
Gaziantep	381,216
Hatay	442,913
Istanbul	557,573
Kilis	130,316
Mersin	207,318
Sanliurfa	476,745
Turkey (Total)	3,588,877

Table 2.6 shows that Gaziantep ranked the fourth city in the quantity of hosting Syrian refugees.

Syrian SMEs Contributions in Terms of Turkish-Syrian Partnership

Through the conducted interviews by the researcher with all Syrian stakeholders and SMEs, it was believed that Syrian companies in Turkey would provide new opportunities for the Turkish market, especially in the food, textile and construction sectors. There are listed detailed:

- Increasing exports to the Middle East and North Africa region: where many Syrian companies exports across the Middle East and North Africa region. After leaving Syria, these companies continued to export to the old customer database.

- New products and sectors for the Turkish business market: Majority of Syrian SMEs were running similar business in Syria, and thus already have cumulative years of experience in the sectors they were working in . Some of these services, products, and commodities were not previously present in the Turkish business market. Example, the supplying of Syrian food products in the Turkish domestic business market generates new demand from both Syrian and Turkish consumers. Besides, these services include Syrian software developers, engineers, design, montage, and e-marketing, where programmers can help Turkey advance in the technology sector.

- Syrian SMEs re-invest and recycle profits in the Turkish economy by purchasing services and goods from the local market for special needs and reproduction, and also through taxes and Premiums paid in social security SGK. There are a lot of Syrian SMEs employ Turkish citizens in order to overcome the language barrier and comply with Turkish laws and so they do their part to promote social cohesion and a bridge to reduce cultural divisions.

- Syrian SMEs provide livelihood opportunities for the Syrians, thus reduce the effect of the excess of the Syrian workers on the unemployment rate in the Turkish labor: according to statistics Syrian SMEs on average employ about nine individuals, these employees are often Syrians. Through 7000, Syrian official companies, taking into account the official and non-official companies, may reach the number of hundreds of thousands of Syrian workers (Ucak, 2018:25).

Challenges of Successful Partnerships Between Turkish SMEs and Syrian SMEs.

1 .Lack of confidence between the Turkish and Syrian parties .2 .Lack of knowledge of the work of Turkish regulations, especially Turkish commercial law and the concerns of Syrian companies from the pitfalls of exploiting the Turkish SMEs against the partnership of Syrian .3 .Language barriers that prevent rapid submission, direct communication, and lack of detail .4. Lack of data on the potential of Syrian SMEs that influence the decision to participate in Turkish SMEs looking for opportunities for investment and partnership.

As a result, as we have seen in this review of the status and impact of Syrian companies on the economic and social situation in Turkey, we find that the Syrian SMEs in Turkey are promising potential, especially with the accumulated experience

and legacy accumulated through hundreds of years in industry and trade. Indeed, hundreds, have achieved successes and were able to secure the needs of the Syrian and Turkish domestic market as well as export which has achieved great successes, mainly export to the Arab countries, and from this absolutely must support Syrian companies and help them to integrate and participation of Turkish companies, help them to remove obstacles and create a kind of trust between the Turkish-Syrian companies until they are participating. The success of these companies will be reflected on the Syrian refugees and neighboring countries as well (Ucak, 2018:10).



CHAPTER THREE

AN APPLICATIONS

3.1 Methodology of The Study

The below chart explains the logical research design that the researcher developed it:

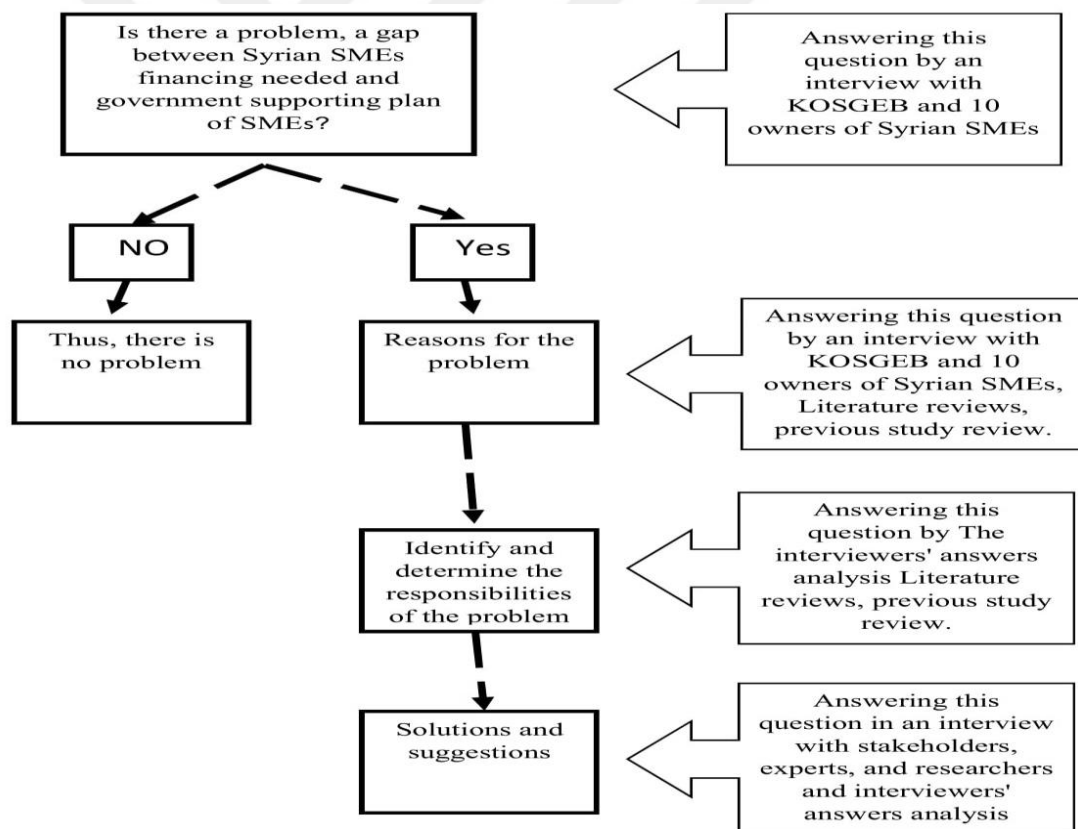


Figure 1: Chart of Methodology Module of the Research

Figure 1 explains the methodology steps of the research. The research begins by asking a question about an issue or problem that should be highlighted. Is there a

problem, a gap between Syrian SMEs needed credit and willing the specialized institutions of funding of these SMEs?

Why? The reader asks.

Because I want to find out what psychological, socio-economic, and organizational factors causing this issue and the gap.

So, what if you do? The reader asks.

Then I can tell the government and the stakeholders on how to address those factors to reduce the gap and solve the problem. So, it will be positively reflected in society and the economy.

Since the majority of the outcomes of this study mostly qualitative rather than quantitative, the researcher relied on the descriptive research method adopted by a case study and interviews with the owners of Syrian SMEs, KOSGEB, stakeholders and experts. Besides, a review of the literature and previous studies. It is necessary to talk about search tools, how the interviews were dedicated, research approach, case study technique, target population, and issues related to the ethics of research and confidentiality.

3.2 Approach of Research

The inductive approach according to (Creswell and Poth, 2017:65) is more open and exploratory in nature, starting with specific observations and then moving to develop broad generalizations and theories as a result of data analysis. On the other hand, the deductive approach works in the opposite direction. It begins with general opinions or theories, and researchers play their part in the advanced hypothesis test. Therefore, some instances of general inferences are inferred.

In this study, the researcher used the inductive approach because 1- no need for quantitative data collection, only qualitative data collection is enough. 2- Less concern with the need to generalize. 3- Realizing that the researcher is part of the research process. 4- Close understanding of the search context. 5- Gain an understanding of the meanings that humans attach to events.

In addition to using the inductive approach, also the researcher used qualitative approaches. Looking at (Table 3. 1) the properties of qualitative

approaches, they can be seen clearly that using the qualitative approaches in this study more suitable than the quantitative.

Table 3. 1 Properties of Qualitative Approaches (Hair, Money ve Samouel, 2007:31)

Qualitative Approach	• More useful to discover. • Provides in-depth information (deeper understanding) on some characteristic characteristics. • Detects hidden motives and values • Unstructured data collection techniques that require personal interpretation. • Less attention to representation. • Focus on the trustworthiness of the respondents. • Relatively long interviews (1/2 to several hours) • The researcher performs active investigations and must be very skillful. • Small samples (1-50) • Relatively subjective results.
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Table 3.1 explains the most critical characteristics of the qualitative approach, which are consistent with this study approach.

3.3 Case Study Technique

According to Press Academia 2019 defining a Case Study as a research methodology and empirical inquiry which is commonly used in social sciences, and which investigates a phenomenon within its real-life context (PressAcademia, 2019:1). And according to (Starman, 2013:28), the case study as a type of qualitative research and widely used type of qualitative approach. While the other types of qualitative research according to (Sauro, 2015:1) that separate categorization qualitative methods into five groups: ethnography, phenomenological, narrative, grounded theory, and case study.

Therefore, the researcher has selected this method to be one of the study tools and techniques to indicative and investigate the problem. In this context, the researcher had chosen a KOSGEB as a case study, which is the best effective

institution in Turkey, which specialized in financing and capacity development of SMEs. Along with interviews with ten Syrian SMEs which will be selected carefully within the search design criteria to represent the Syrian SMEs situation in Turkey.

3.4 Data Collection Methods

One of the data collecting technique is the Interviews, that there are three kinds of interviews. A structured interview, in a semi-structured interview, and an unstructured interview. A structured interview is rigid with responses such as yes or no or select from a list of options. Responses are limited only to what is on the questionnaire. In a semi-structured interview, there are set questions, but responses from participants are qualitative and may vary, but everyone gets asked the same questions. An unstructured interview asks usually general open-ended or questions that are answered in different ways by respondents, such questions as you may use in focus group discussions or motivational interviewing (Mahdi, 2019: 2). In this study the researcher uses semi-structured interview.

In this research, the primary data were collected through a face-to-face interview (Appendix 1), which was directed to 10 of Syrian SMEs working in Gaziantep. This study used a face-to-face technical interview with owners and managers of Syrian small and medium enterprises. This is because the staff is best equipped to provide feedback on the purpose of this study. The questions of the interview were divided into different sections to cover the objective of the study. The structured questions provided a set of opened answers. Thus, the response will give the best describes the situation in their company. To fully achieve the objectives of the study. The raw data collected were supplemented by secondary data from internal financial publications, reports, magazines, corporate sites, and brochures.

3.5 Target Population

The community in this research the Syrian SMEs in Turkey, along with the KOSGEB Foundation as a case study (because of KOSGEB the most active in playing the role of credit and supporting small and medium enterprises in Turkey). The Syrian SMEs are mostly located in Istanbul, Gaziantep, Mersin, Hatay, and Kilis. It has been determined that these cities have a high percentage of Syrian small and medium companies. The choice of the search site is Gaziantep. Gaziantep City was chosen for the following reasons. First, the second rank of located Syrian small

and medium-sized companies after Istanbul, as well as banks, non-governmental organizations and non-banking financial institutions also found in this city. Second, considering the objectives of the study, the choice of this city allowed the researcher to contact the Syrian small and medium enterprises. Also, easier for researchers to communicate with the operators of the Syrian small and medium-sized companies because the researchers are in the same region.

3.6 Interview with KOSGEB

For supporting this research, the researcher visited the KOSGEB Gaziantep branch, the following the questions and answers:

- 1- Is there a difference and distinction in terms of financial support in relation to the nationality of the owner of the company?

The issue not about nationality , the issue that the applicant should have a TC number (Republic of Turkey ID).

So if the applicant, whether Syrian or any nationality has a TC Number, he has the right to apply for KOSGEB supporting.

- 2- How many Syrian SMEs have applied for financial support?

As I Know no Syrian SMEs or firms have been applied for support.

- 3- How many Syrian SMEs have been approved to get credit support?

As I Know no Syrian SMEs or firms have been applied for support.

- 4- Is KOSGEB providing other types of support other than financial support?

Yes, you can view KOSGEB website and see all the supporting types.

- 5- Reasons why Syrian companies did not submit requests for financial support.)

Lack of trust - lack of knowledge - language barrier - many bureaucratic laws?

I think all of them were mentioned above.

- 6- Proposals to facilitate financial support for Syrian SMEs ?

In my opinion, there is some responsibility on KOSGEB and Syrian SMEs

that KOSGEB should make a step to target the Syrian SMEs by translating the important regulations to be understandable by the Arabic language.

On the other side, the Syrian SMEs should pursue to learn and discover the opportunity of getting financing supporting from KOSGEB.

- 7- Do KOSGEB doing research about the effects and impact of the Syrian SMEs on Turkey economic?

According to our perspective and in the context of supporting SMEs in Turkey, KOSGEB focused on how to develop support strategies and forms of development without taking into account the nationality of the project owner. In other words that the Syrian projects and even if they reached more than 10000 SMEs, they are considered Turkish SMEs and are part of 3500 thousand Turkish SMEs.

- 8- What are the challenges which KOSGEB faced in terms of supporting the Syrian SMEs?

The language, the mentality of the Syrian SMEs, which rejecting and avoid of taking support from Government, they believe that any kind of Loan or financial supporting is complicated and there are restrictions on spending the money. Plus, let me highlight in an issue that the Syrian people used to use brokers to follow up their government transactions, that KOSGEB refused any kind of brokers till do not take a commission from the applicants.

- 9- Are there projects or activities to target the Syrian SMEs?

We are ready for any kind of cooperation and provide the workshops in the case of the request of the organizations concerned with the Syrian affairs. I think that all KOSGEB activities in Turkish and geared to all Turkish companies regardless of the nationality of the company owner.

- 10- Is there a plan to make an official website in the Arabic language or translating your existing website?

Yes, in our agenda to translate the most important information to Arabic to be available to Arabic people. Right now, the KOSGEB official website in Turkish and English language.

- 11- What is the lost opportunity on the lack of supporting the Syrian SMEs?

The answering of this question is not comfortable and need study and research to measure the impact, but in my opinion, the big effect not on Turkey macroeconomy, since the number of Syrian SMEs and the GDP from Syrian SMEs are very small compared with the total of Turkey GDP. However, the negative impact will be on the Syrian community and Syrian refugees.

12- Do the Syrian SMEs aware of the incentives that they can gain from the KOSGEB ?

I am not sure, but I did not receive any Syrian SMEs application form, in addition, may they have heard about KOSGEB as general information, but there are not aware of in-depth details.

Results of Interview with KOSGEB

The researcher's conclusion of the KOSGEB interview, that KOSGEB in terms of legal issue, all the SMEs located in Turkey and official registered are under terms and condition of KOSGEB support, regardless of the nationality of the owner of the firm. Thus, this is a piece of good news for Syrian SMES and excellent starting. Secondly, the primary role and responsibility of KOSGEB are to develop and support the SMEs in Turkey, recall back the percentage of Syrian SMEs to others SMES $10000/3500000=0.002\%$. That means for each one thousand SMEs there is two Syrian SMEs, therefore perspective of KOSGEB the focusing in Syrian SMEs, not the priority due to its small percentage compared to other companies.

On the other hand, there are in Turkey many NGOs and government institutions their mission have to support Syrian companies such as SIAD (Suriyeli Is Adamlari Dernegi) and Syrian Economic Forum. Therefore, in my opinion, that organizations should build up a project or activity with cooperating with KOSGEB to targeting especially the Syrian SMEs, KOSGEB will welcoming with this project and will support it. That already there are hundreds of Memorandum of Understanding between KOSGEB and other countries and organizations which are concerned with the support of SMEs and entrepreneurship. In addition, in point of view KOSGEB, that means responsibility should be on Syrian SMEs that they should take the initiative and seek to get support and try and learn how to get external loans to grow and develop their business.

3.7 Interview with Syrian SMEs

This interview is an essential key part of my MBA study. The objective of this interview is to secure the necessary and relevant direct information on the role of the Turkish government institutions in financing the Syrian (SMEs). The researcher

set out conditions for selecting these ten companies, which are: 1- To be registered official in Commercial and Industrial Chamber of Gaziantep. 2- The ability to interview face to face with the owner of the company. 3- Possession of "active" business with the availability of staff at least three employees. This interview takes about 90 minutes, 14 questions with open answers technique. The interview included open questions covering the company's core data, employment, recruitment, funding, support and training needs, perceptions of external factors, constraints on business processes, and future business expectations.

The enclosed APPENDIX 1 is the full core answers of the 10 Syrian SMEs. But we will summarize the answers of 14 questions as follows:

- 1- Which of sources of finance did you use from before? Example Personal resources only, Government Financing institutions, Bank overdraft.

Most of the answers focused on sources of funding from personal savings and in some cases borrowing from friends and family.

- 2- The type of support you received from the Turkish government?

All the answers were that we did not receive direct support from the government. On the contrary, there were some government supports that could have been used, especially concerning manufacturing and export, but we could not benefit from them because we did not know about them.

- 3- Reasons for choosing Turkey to start a business?

All the answers were centered on four reasons: 1 because of the near of Turkey border from the Syrian border. 2 The presence of Arab and Syrian customers. 3 Of course, it was because of the war, and there was no other choice. 4 Because Turkey is a Muslim country and there are similar traditions and more common factors, which means we can work and living in Turkey while we can keep our manners and traditions.

- 4- What is your opinion about starting a business in Turkey?

All the answers were, in general, it is easy to start a business in Turkey, a lot of investment opportunity can be available, Turkey has more advanced economy than other Arabic countries, besides after five years of working we can apply for Turkish nationality and this a reason to encourage working in Turkey. In general, we are comfortable, and year after year, our experiences accumulated increasing and know we became more understanding of Turkey business operating environment. Thus, we have more ability to develop and grow our business.

5- Tell me about your experience you ever approached external sources for financing your business expansion?

None of the 10 SMEs, had a real experience, but some of them asked and enquired about this subject, the answers were not encouraging them to try out, because all the institutions and banks will not deal with them because they are foreign companies. Some of them had experience of request a credit card from the bank, the bank refused to issue a credit card under the company name and agreed to issue a credit card under a personal name.

6- What is the impact of the war in Syria on your work in Turkey?

The answers varied from those who had been badly hurt by the war and others; the war has opened new horizons of action and investment opportunities. The first group says, although their business in Turkey is good, but compared to what they had in Syria, they are inadequate and dissatisfied, while another group says, the war has opened for us new horizons of action and investment opportunities because of the war they were able to come to Turkey and working, which they would not have planned to go and work in Turkey. In addition, one of the results of the Syrian conflict is the change in working methods, the target customers, and the quality of the production. All of them acknowledged that they benefited from their previous customers to whom they exported Syrian products, and now export them the same products but manufactured in Turkey and wrote on it Made in Turkey. This is what Arab customers like, which helped to increase exports and sales.

7- What are the challenges you have faced in Turkey for business operating?

At first, the language was a big obstacle, and because we did not speak Turkish we have to request help from people who speak Arabic and Turkish or from official account consultant but most of them exploited our lack of knowing the Turkish language and the laws, also took a lot of money and made a lot of mistakes, causing us losses and significant of expenditures, fees, and fines.

The obvious problem that we were not sure if we will go back to Syria or we stay in Turkey, for this reason, we did not spend a big invest money on assets. Thus, we started our business a weak start. As a result, we lost the competitive advantage of old companies.

The third issue was our official documents, such as passport, an identification card, and academic certificates, that our passports were not secure, and it was blocked by the Syrian regime to get one.

The fourth obstacle was the cash liquidity that we left and lost too much wealth within Syria. So, we had to start from the beginning to build up our self and our business.

8- What is your basic customer base?

The average of the answers was ninety percent Syrian and Arab, ten percent Turkish.

9- Why do you think your application for external finance was not successful?

All the answers were that because we are Syrian foreign SMEs.

10- Did you reject external financing offer before? If yes, why?

All the answers were that we did not reject external funding before.

11- What kind of default may you face in case you attempting to raise external finance?

The answers were centered about whether we would apply for a loan or grant application: Language, routine of submission and complex procedures, if we use a transactions facilitator, we will be at the mercy of their fraud and exploitation of brokers to us, writing a feasibility study in Turkish or English ,and therefore expenses for requesting for funding already has a weak success rate, the issue of benefits which are basically Haram according to Sharia, The fear of the interference

of the donors in the details of our work and the viewing of our financial and accounting statements, which we strongly reject .

12- If you are aware of the sources of external finance available, what are the reasons for not applying?

In fact, the answers were the same answers to the previous question. Language, routine of submission and complex procedures, if we use a transactions facilitator we will be at the mercy of their fraud and exploitation of brokers to us, writing a feasibility study in Turkish or English and therefore expenses for requesting for funding already has a weak success rate, the issue of benefits which are basically Haram according to Sharia, The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements, which we strongly reject .

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?

The demands were varied between exempting Syrian companies from the terms of employment of the Turks, tax exemptions, reducing the conditions for obtaining work permits, freedom of movement between Turkish cities and outside Turkey, activating the role of the Chamber of Commerce and Industry, especially about participation in exhibitions.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?

The answer was a surprise to me, as the group of interviewees said they had heard about this institution and were interested in learning more about it. However, in general, they wish that the conditions of all the applications would be in the Arabic language and the allocation of terms will be more flexible, especially for Syrian companies to meet their situations, the appointment of a particular employee who speaks Arabic to answer their inquiries.

Results of Interview with Syrian SMEs

The researchers gathered the interviews answers in a spreadsheet (look table 3.2) to organize and categorize the answers, then conclusion a useful result.



Analysis answers of Interview with 10 Syrian SMEs					
No	The question	Summarize the answers	Quantitative or Qualitative	Type of the answer	Categories
1	1-Which of sources of finance did you use from before? Example Personal resources only, Government Financing institutions, Bank overdraft.	Most of the answers focused on sources of funding from personal savings and in some cases borrowing from friends and family.	Quantitative	Closed	sources of funding
2	2-The type of support you received from the Turkish government?	All the answers were that we did not receive direct support from the government. On the contrary, there were some government supports that could have been used, especially concerning manufacturing and export, but we could not benefit from them because we did not know about them.	Qualitative	Closed	Turkish government support
3	3-Reasons for choosing Turkey to start a business?	All the answers were centered on four reasons: 1 because of the near of Turkey border from the Syrian border. 2 The presence of Arab and Syrian customers.3 Of course, it was because of the war, and there was no other choice. 4 Because Turkey is a Muslim country and there are similar traditions and more common factors, which means we can work and living in Turkey while we can keep our manners and traditions.	Qualitative	Open-ended	start a business
4	4-What is your opinion about starting a business in Turkey?	All the answers were, in general, it is easy to start a business in Turkey, a lot of investment opportunity can be available, Turkey has more advanced economy than other Arabic countries, besides after five years of working we can apply for Turkish nationality and this a reason to encourage working in Turkey. In general, we are comfortable, and year after year, our experiences accumulated increasing and know we became more understanding of Turkey business operating environment. Thus, we have more ability to develop and grow our business.	Qualitative	Open-ended	start a business
5	5-Tell me about your experience you ever approached external sources for financing your business expansion?	None of the 10 SMEs, had a real experience, but some of them asked and enquired about this subject, the answers were not encouraging them to try out, because all the institutions and banks will not deal with them because they are foreign companies. Some of them had experience of request a credit card from the bank, the bank refused to issue a credit card under the company name and agreed to issue a credit card under a personal name.	Qualitative	Open-ended	Credit experience
6	6-What is the impact of the war in Syria on your work in Turkey?	The answers varied from those who had been badly hurt by the war and others; the war has opened new horizons of action and investment opportunities. The first group says, although their business in Turkey is good, but compared to what they had in Syria, they are inadequate and dissatisfied, while another group says, the war has opened for us new horizons of action and investment opportunities because of the war they were able to come to Turkey and working, which they would not have planned to go and work in Turkey. In addition, one of the results of the Syrian conflict is the change in working methods, the target customers, and the quality of the production. All of them acknowledged that they benefited from their previous customers to whom they exported Syrian products, and now export them the same products but manufactured in Turkey and wrote on it Made in Turkey. This is what Arab customers like, which helped to increase exports and sales.	Qualitative	Open-ended	war in Syria impact

Table 3. 2 Analysis answers of Interview with 10 Syrian SMEs, source the researcher

7	7-What are the challenges you have faced in Turkey for business operating?	At first, the language was a big obstacle, and because we did not speak Turkish we have to request help from people who speak Arabic and Turkish or from official account consultant but most of them exploited our lack of knowing the Turkish language and the laws, also took a lot of money and made a lot of mistakes, causing us losses and significant of expenditures, fees, and fines. The obvious problem that we were not sure if we will go back to Syria or we stay in Turkey, for this reason, we did not spend a big invest money on assets. Thus, we started our business a weak start. As a result, we lost the competitive advantage of old companies. The third issue was our official documents, such as password, an identification card, and academic certificates, that our passports were not secure, and it was blocked by the Syrian regime to get one. The fourth obstacle was the cash liquidity that we left and lost too much wealth within Syria. So, we had to start from the beginning to build up our self and our business.	Qualitative	Open-ended	start a business
8	8-What is your basic customer base?	The average of the answers was ninety percent Syrian and Arab, ten percent Turkish.	Quantitative	Closed	customer base
9	9-Why do you think your application for external finance was not successful?	All the answers were that because we are Syrian foreign SMEs.	Qualitative	Open-ended	Credit experience
10	10-Did you reject external financing offer before? If yes, why?	All the answers were that we did not reject external funding before.	Qualitative	Open-ended	Credit experience
11	11-What kind of default may you face in case you attempting to raise external finance?	The answers were centered about whether we would apply for a loan or grant application: Language, routine of submission and complex procedures, if we use a transactions facilitator, we will be at the mercy of their fraud and exploitation of brokers to us, writing a feasibility study in Turkish or English ,and therefore expenses for requesting for funding already has a weak success rate, the issue of benefits which are basically Haram according to Sharia, The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements, which we strongly reject .	Qualitative	Open-ended	Credit experience
12	12-If you are aware of the sources of external finance available, what are the reasons for not applying?	In fact, the answers were the same answers to the previous question. Language, routine of submission and complex procedures, if we use a transactions facilitator we will be at the mercy of their fraud and exploitation of brokers to us, writing a feasibility study in Turkish or English and therefore expenses for requesting for funding already has a weak success rate, the issue of benefits which are basically Haram according to Sharia, The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements, which we strongly reject .	Qualitative	Open-ended	Credit experience
13	13-What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?	The demands were varied between exempting Syrian companies from the terms of employment of the Turks, tax exemptions, reducing the conditions for obtaining work permits, freedom of movement between Turkish cities and outside Turkey, activating the role of the Chamber of Commerce and Industry, especially about participation in exhibitions.	Qualitative	Open-ended	recommendations
14	14-What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?	The answer was a surprise to me, as the group of interviewees said they had heard about this institution and were interested in learning more about it. However, in general, they wish that the conditions of all the applications would be in the Arabic language and the allocation of terms will be more flexible, especially for Syrian companies to meet their situations, the appointment of a particular employee who speaks Arabic to answer their inquiries.	Qualitative	Open-ended	recommendations,

The researcher conducted individual interviews face to face with ten Syrian SMEs working in the city of Gaziantep. The researcher set out conditions for selecting these ten companies, which are: 1- To be registered official in Commercial and Industrial Chamber of Gaziantep. 2- The ability to interview face to face with the owner of the company. 3- Possession of "active" business with the availability of staff at least three employees. The interviews were conducted personally between the researcher and the business owners. The session lasted one and a half hour. The interview included open questions covering the company's core data, employment, recruitment, funding, support and training needs, perceptions of external factors, constraints on business processes, and future business expectations.

This section presents the analysis of data and information gathered by the interviews conducted with the Syrian companies which are located in Gaziantep city. It provides detailed information and insights on these companies and their owners. Besides, to determine the challenges they face, the capabilities, market access, access to finance and also shows restrictions and limits on such businesses are presented in the Turkish business environment.

In this study, Syrian SMEs describe their selection of Turkey as the host country because of the near to Syrian borders and ease of establishing business and trade and the advanced economy country. Besides, when asked about the best opportunities for their activities in Turkey, they reported that trade with neighboring countries was the foremost opportunity. In addition to providing to the Syrian refugee market services and creating new products to the Turkish business market.

In terms of the difficulties faced by the Syrians SMEs in Turkey, the researcher asked them about the most significant challenge that stands between them and their work in Turkey. The language obstacle was the first issue that is followed by government laws as well as other challenges, ranging from security conditions and competition to reach markets and credits. Customer base, when they were asked about their customer base, companies found that the customer base varied among individuals, Syrian companies, and foreign NGOs. In addition to Arabs countries, as external costumers.

This research indicates that Syrian SMEs suffer from language barriers, in addition to little experience in a bidding process that can provide the chance to

access to new customers markets, as well as their need for venture capital to grow. They also do not have the necessary experience relating to traditional regulations. Understanding these regulations will be the key to making adjustments to the business environment to enable Syrian SMEs to conduct their operations, given the role played by language in integration, the socio-economic integration of Syrian refugees, the language barrier stands at the forefront of the challenges indicated by Syrian SMEs in these interviews.

For the competition, the Syrian companies in Turkey are the most substantial proportion of competitors, while Turkish companies come second. Although competition is considered a small problem for Syrian SMEs, compared to the language problem, shortage of information on opportunities of business, and failure to receive payments on due time by customers. All the Syrian SMEs that did the interview indicated that they had a bank account. Which also bodes well for Syrian companies in Turkey. They pointed to the Lack of coordination and different laws and regulations from one bank to another. The Syrian companies noted the difficulties they face in applying for commercial credit cards.

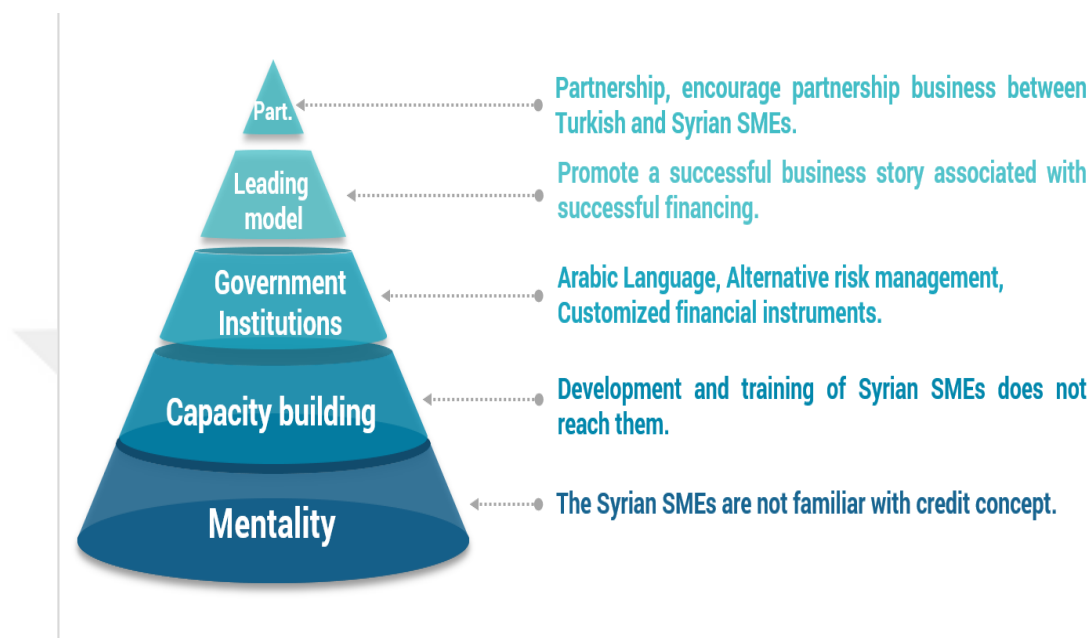
It should be noticed that the experience of credit among Syrian SMEs is very low. However, they expressed interest in obtaining a loan in the future for the use of the property, fixed assets, operating assets tools, machinery, and marketing costs, and additional staff. But further research needed about borrowing and loan preferences In the Syrian small and medium enterprise market. Concerning Syrian small and medium enterprises, the policies and practices of Turkish banks lack visibility, with proof of a long-term, overall approach to risk in this market. As we know, the private banking sector in Turkey, which offers a wide range of banking and financial products to the local SMEs market, appears unprepared to serve Syrian companies, although the regulatory environment in Turkey does not prohibit registered Syrian SMEs to benefit from these services.

Another need to support Syrian small and medium enterprises in terms of access is to info on government encourage available and incentives to SMEs in Turkey. All the Syrian companies which participated in the interview are unaware of the available motivation, and incentives to them, such as the incentives offered by

KOSGEB for credit, training, innovation support, R & D, and regional available encouragement and incentives.

Research results in pyramid form

The researcher developed and summarize the conclusion of the study



according to the priority and logical sequence of the solution to the problem, look Figure 2.

Figure 2: Pyramid of Reasons Of The Problem According To The Priority Of The Solution

In this pyramid shows us that the causes of the problem of the research is primarily the mentality of the owners of Syrian SMEs. They are not accustomed to loans; besides they believe in case they got a credit; the donor may be involved in the details of their work. At the same time, the solution to the problem begins with the base of the pyramid, which is changing the mentality of Syrian SMEs owners and making them more opened mind.

The second problem reasons and the solution are the capacity building, that development and training of Syrian SMEs should reach all of them. While the third problem's reason is coming from government institutions, which they should develop

the instructions and guides by the Arabic language, find alternative risk management, and customized financial instruments. Then should be promoting a successful business story associated with successful financing, to encourage the Syrian SMEs to try the credit experiences. Finally, encourage partnership business between Turkish and Syrian SMEs.



CONCLUSION AND RECOMMENDATIONS

The Syrian crisis have caused displacement the millions of Syrians to go to neighboring countries and Europe union. This result in challenges for countries such as Turkey in terms of absorbs and settle the refugees. Turkey is hosting the majority of Syrian refugees over the world. But the Syrian SMEs and entrepreneurs instead of depending on aids, they established business. Thus, Syrian SMEs changed their situations, instead of aid recipient, to creating value for the economy and society.

Now, Syrian refugees have become real contributors to their host economies. Although there are challenges at the microeconomic level, such as increased unemployment of nationals of the host country, in Turkey's provinces, such as Istanbul and the Syrian border provinces, such as Gaziantep. But at macroeconomic level can benefit from the energy of enterprises, innovation, capital, networks, and diversity provided by Syrian SMEs. However, these macroeconomic benefits can outweigh these microeconomic challenges through the right policies of the Government, the supporting institutions, and the support available to Syria SMEs.

For the causes of the gap (between the needs of Syrian SMEs to capital, and institutions' targets to reach those SMEs.) and then determining the responsibility as follows:

- The Syrian SMEs are not familiar and accustomed to the culture of loans and does not have experience in how to apply and provide the appropriate guarantees, in addition to the preparation of the business feasibility study.
- The Syrian SMEs consider the interest generated of the bank loans are Haram (prohibited). Besides, It is socially unacceptable to rely on a loan based on RĪBÂ (interest). They are convinced that God will not help them in their business if they rely on usury loans. The solution to this issue can be providing loans basis on Islamic financing.

- The Works and business of Syrian SMEs are slightly closed; in other words, it is characterized by privacy and non-transparency towards others, government, competitors and even friends. Therefore, they prefer easy credit or financial support with little routines and accountability.

- On the other hand, the Turkish institutions which are concerned with SMEs located in Turkey, treat the Syrian SMEs as one of the targeted all SMEs. Also, those institutions are not specialized in supporting Syrian SMEs only, so focusing on supporting only Syrian SMEs is not among their priorities. It is a small target compared to the total target companies.

- On the other side, there are specialized institutions or NGOs, their mission and responsibilities to focus on the development and capacity building of Syrian SMEs. But the majority of their activities represented in training and consultant, not direct financial support.

- In addition to what mentioned above, there are natural factors increased the gap, such as the language barrier, the high risks associated with lending of SMEs, informal work environment, cultural differences.

- Finally, may the responsibilities be loaded on the Syrian SMEs and Turkish institutions for this issue equally. That the Syrian SMEs should change the old mentality to be more open-minded to the new opportunities in an emerging country such as Turkey. Also, the Turkish institutions should take more responsibility to support the SMEs and find solutions for the obstacles.

The following actions and recommendations to be taken in support of Syrian SMEs:

Policy and regulatory environment

Encourage the spread of the culture of the necessity of official registration of Syrian companies, through the dissemination of information, commercial and industrial chambers, in addition to digital and social platforms. to reduce the costs of registration and establishment of companies and accelerate operations. Thus, the taxes revenue will be increased. Official registration of Syrian SMEs also minimizes the expansion of the non-regulated informal sector.

To expand awareness of the incentives and facilities provided to local small and medium-sized enterprises by hiring employees who can speak Arabic inside each public agency. Enable and support the Syrian SMEs and investors to invest their investment in Turkey. To reduce the uncertainty of their future such as legal statuses, working permission, Syrian passport problems and citizenship in Turkey. Encouraging and supporting the growth of Syrian businesses, including export-oriented business activity, through the extension of permits, residence visas, and residence permits that allow more facilities of movement inside and outside of Turkey.

Business integration and support

Reducing language barriers to Syrian entrepreneurs by translating important and essential regulations and laws. Increasing access to training and developments in the Arabic language-oriented towards business. Creating a network of trust with the Syrian business community through efficiency and innovation of technology-oriented training and language translation services (example mobile apps). Providing business training explaining how to benefit from government support. These pieces of training should be offered by well-informed speaking of Arabic instructors who are proficient in the business and cultural environment of both countries. Create "Syrian heroes" or in other words, highlight the successful example of a Syrian businessman who can be a director of a source for other Syrian companies. Provide mentoring programs that enhance relations between Turkish and Syrian companies, especially for women, who are less numerous and may benefit from a successful sample in Turkey. Expansion of support and financing programs for small and medium-sized enterprises to include Syrian entrepreneurs. Which may benefit from resources targeting SMEs. Thus, accelerate growth and positive impact on the Turkish economy.

Access to market

Maintaining an updated database to the profiles of Syrian SMEs that can be used and accessed by international NGOs and investors, especially those which respond to the Syrian conflict. Ensuring easy access to tenders which are done by NGO, public and private sectors for Syrian SMEs. Also, encouraging Turkish and international companies to search for Syrian SMEs as partners when entering the

markets where Syrian SMEs are located. Thus, all those suggestions can be achieved by increasing consciousness of the strengths points of Syrian companies and facilitating interactions between the Syrian SMEs and Turkey.

Access to capital

Syrian SMEs can be a potential opportunity for investors and banks. Unfortunately, enterprises seem to skip this market. There are a shortage of knowledge and credit products which meet the needs of potential Syrian customers. So, there are some recommends to be taken into consideration to support Syrian SMEs: Increase the ability of Syrian SMEs to access finance through the development of alternative risk models rather than the traditional risks, which will be implemented for Syrian SMEs. Besides risk management models as an alternative will help the banks assessing Syrian companies and provide new financial services and products. Training the bank's employees to deal with Arab companies. To try to attract new Syrian and Arabs investors and investments in Turkey, through the establishment of investment and cooperation support offices to exchange info. Besides, support and develop Syrian refugees' centers in Turkey. To provide assistance to Syrian entrepreneurs to access information on business processes, reports, and financial structure of Turkey. Facilitate access and participation through exhibitions and conferences.

Further research recommendation

More research is needed, to understand the impact of Syrian SMEs on the Turkish economy. In addition, how to develop policies that Syrian SMEs can be successful and expanded in the Turkish economy. Conducting research and study to improve understanding of external factors as well as internal factors that prevent Syrian SMEs from accessing finance. More research is needed to determine the preferences of Syrian SMEs in the area of borrowing.

Assessing and studying the impact of Syrian small and medium enterprises on the Turkish economy to distinguish and develop plans that can maximize positive contributions (e.g., job creation in the formal sector). Measuring and studying the success factors of Syrian SMEs in a specific sector such as the food sector performance rates in the Turkish economy.

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APPENDICES

APPENDIX 1 Questions and the Answers of the interview with Syrian SMEs

The raw answers of the 10 SMEs

Company Name: HUZUR KURUYEMİŞ GIDA SANAYİ VE TİCARET LİMİTED ŞİRKETİ

Location: Gaziantep

Company Number: 1

1- Which of sources of finance did you use from before? example Personal resources only, Government Financing institutions, Bank overdraft.
Personal resources only.

2- The type of support you received from the Turkish government?
I didn't receive direct aids or money.

3- Reasons for choosing Turkey to start a business?
I came to Turkey because of the revolution.

I came to Turkey because it is near Syrian borders.

4- What is your opinion about starting a business in Turkey?
Yes I recommend anyone want to start a business to come to turkey.

In my opinion in Turkey a lot of investments opportunities.

5- Tell me about your experience you ever approached external sources for financing your business expansion?
No, I didn't before.

6- What is the impact of the war in Syria on your work in Turkey?
Bad effectively.

The revolution gives me the opportunity to start a new business in Turkey.

7- What are the challenges you have faced in Turkey for business operating ?
The language.

The brokers.

8- What is your basic customer base?
Syrian and Arabs.

9- Why do you think your application for external finance was not successful?
I did not apply at all.

10- Did you reject external financing offer before? if yes, why?
No i did not

11- What kind of default may you face in case you attempting to raise external finance?

Language,

The routine of submission and complex procedures,

The Bad brokers

12- If you are aware of the sources of external finance available, what are the reasons for not applying?

Language,

The routine of submission and complex procedures,

The Bad brokers

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?

Tax exemptions.

Reducing the conditions for obtaining work permits.

Activating the role of the chamber of commerce and industry, especially about participation in exhibitions.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?

translation to the Arabic language.

Appointment of a particular employee who speaks Arabic to answer their inquiries.

Company Name: SABUTAY OTOMOTİV İNŞAAT METAL GIDA PETROL SANAYİ VE TİCARET LİMİTED ŞİRKETİ

Location: Gaziantep

Company Number: 2

1- Which of sources of finance did you use from before? example Personal resources only, Government Financing institutions, Bank overdraft.
Personal resources only.

2- The type of support you received from the Turkish government?
I didn't receive direct aids or money.

3- Reasons for choosing Turkey to start a business?
I came to Turkey because of it my family there.

I came to Turkey because it already I have business there.

4- What is your opinion about starting a business in Turkey?
In my opinion in Turkey a lot of investments opportunities.

5- Tell me about your experience you ever approached external sources for financing your business expansion?
I tried but then when I see a lot of routines I gave up.

6- What is the impact of the war in Syria on your work in Turkey?

Because of the revolution, I lost all my assets and my works.

7- What are the challenges you have faced in Turkey for business operating ?

Not enough capital to start a new business.

Missing of the official documents.

8- What is your basic customer base?

Syrian and Arabs.

9- Why do you think your application for external finance was not successful?

I did not apply at all.

10- Did you reject external financing offer before? if yes, why?

No i did not

11- What kind of default may you face in case you attempting to raise external finance?

Writing a feasibility study in Turkish or English.

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

12- If you are aware of the sources of external finance available, what are the reasons for not applying?

Language,

The routine of submission and complex procedures,

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?

Exempting Syrian companies from the terms of employment of the Turks.

Tax exemptions.

Activating the role of the chamber of commerce and industry, especially about participation in exhibitions.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?

translation to the Arabic language.

Appointment of a particular employee who speaks Arabic to answer their inquiries.

Company Name: TECHNOMEDICAL-LAMİN GRUP İTHALAT İHRACAT
TURİZM ANONİM ŞİRKETİ

Location: Gaziantep

Company Number: 3

1- Which of sources of finance did you use from before? example Personal resources only, Government Financing institutions, Bank overdraft.
Personal resources only.

2- The type of support you received from the Turkish government?
I didn't receive direct aids or money.

3- Reasons for choosing Turkey to start a business?
I came to Turkey because of the revolution.

I came to Turkey because it is near Syrian borders.

4- What is your opinion about starting a business in Turkey?
Of Course Turkey a good country to start a business

In my opinion in Turkey a lot of investments opportunities.

5- Tell me about your experience you ever approached external sources for financing your business expansion?
I tried but then when I see a lot of routines I gave up.

6- What is the impact of the war in Syria on your work in Turkey?
Bad effectively.

7- What are the challenges you have faced in Turkey for business operating ?
The language.

The brokers.

strange environment.

8- What is your basic customer base?
Syrian and Arabs and Turks.

9- Why do you think your application for external finance was not successful?
I did not apply at all.

10- Did you reject external financing offer before? if yes, why?
No i did not

11- What kind if default may you face in case you attempting to raise external finance?
Writing a feasibility study in Turkish or English.

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

12- If you are aware of the sources of external finance available, what are the reasons for not applying?
Language,

The routine of submission and complex procedures,

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?

Reducing the conditions for obtaining work permits.

Freedom of movement between Turkish cities and outside Turkey.

Activating the role of the chamber of commerce and industry, especially about participation in exhibitions.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?

translation to the Arabic language.

Appointment of a particular employee who speaks Arabic to answer their inquiries.

Company Name: KAYAOĞLU GRUP GAYRİMENKUL İNŞAAT GIDA SANAYİ VE TİCARET LİMİTED ŞİRKETİ

Location: Gaziantep

Company Number: 4

1- Which of sources of finance did you use from before? example Personal resources only, Government Financing institutions, Bank overdraft.
Personal resources only.

2- The type of support you received from the Turkish government?
I didn't receive direct aids or money.

3- Reasons for choosing Turkey to start a business?
I came to Turkey because of the revolution.

I came to Turkey because it is near Syrian borders.

4- What is your opinion about starting a business in Turkey?
Of Course Turkey a good country to start a business

5- Tell me about your experience you ever approached external sources for financing your business expansion?
No, I didn't before.

I tried but then when I see a lot of routines I gave up.

6- What is the impact of the war in Syria on your work in Turkey?
Because of the revolution, I lost all my assets and my works.

Bad effectively.

7- What are the challenges you have faced in Turkey for business operating ?
The language.

The brokers.

strange environment.

8- What is your basic customer base?

Syrian and Arabs.

Syrian and Arabs and Turks.

9- Why do you think your application for external finance was not successful?

I did not apply at all.

Lack of guarantees.

Because We are foreign companies

10- Did you reject external financing offer before? if yes, why?

No i did not

11- What kind of default may you face in case you attempting to raise external finance?

Language,

The routine of submission and complex procedures,

The Bad brokers

Writing a feasibility study in Turkish or English.

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

12- If you are aware of the sources of external finance available, what are the reasons for not applying?

Language,

The routine of submission and complex procedures,

The Bad brokers

Writing a feasibility study in Turkish or English.

The issue of interests of the lone.

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?

Exempting Syrian companies from the terms of employment of the Turks.

Tax exemptions.

Reducing the conditions for obtaining work permits.

Freedom of movement between Turkish cities and outside Turkey.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?

translation to the Arabic language.

Appointment of a particular employee who speaks Arabic to answer their inquiries.

Company Name: ANTEGAZ SANAYİ VE TIBBİ GAZ ÜRETİM PAZARLAMA SANAYİ VE TİCARET LİMİTED ŞİRKETİ

Location: Gaziantep

Company Number: 5

1- Which of sources of finance did you use from before? example Personal resources only, Government Financing institutions, Bank overdraft.
Personal resources only.

2- The type of support you received from the Turkish government?
I didn't receive direct aids or money.

3- Reasons for choosing Turkey to start a business?
I came to Turkey because of the revolution.

I came to Turkey because it already I have business there.

4- What is your opinion about starting a business in Turkey?
Of Course Turkey a good country to start a business

In my opinion in Turkey a lot of investments opportunities.

5- Tell me about your experience you ever approached external sources for financing your business expansion?
No, I didn't before.

6- What is the impact of the war in Syria on your work in Turkey?
Because of the revolution, I lost all my assets and my works.

The revolution gives me the opportunity to start a new business in Turkey.

7- What are the challenges you have faced in Turkey for business operating ?
The language.

Not enough capital to start a new business.

Missing of the official documents.

8- What is your basic customer base?
Syrian and Arabs.

9- Why do you think your application for external finance was not successful?
I did not apply at all.

I was not preparing a plan and a good marketing study.

10- Did you reject external financing offer before? if yes, why?
No i did not

11- What kind if default may you face in case you attempting to raise external finance?
Language,

Writing a feasibility study in Turkish or English.

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

12- If you are aware of the sources of external finance available, what are the reasons for not applying?

Language,

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?

Exempting Syrian companies from the terms of employment of the Turks.

Freedom of movement between Turkish cities and outside Turkey.

Activating the role of the chamber of commerce and industry, especially about participation in exhibitions.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?
translation to the Arabic language.

Appointment of a particular employee who speaks Arabic to answer their inquiries.

Company Name: HANİF DIŞ TİCARET LİMİTED ŞİRKETİ

Location: Gaziantep

Company Number: 6

1- Which of sources of finance did you use from before? example Personal resources only, Government Financing institutions, Bank overdraft.
Personal resources only.

2- The type of support you received from the Turkish government?
I didn't receive direct aids or money.

3- Reasons for choosing Turkey to start a business?
I came to Turkey because it already I have business there.

4- What is your opinion about starting a business in Turkey?
In my opinion in Turkey a lot of investments opportunities.

5- Tell me about your experience you ever approached external sources for financing your business expansion?
I tried but then when I see a lot of routines I gave up.

6- What is the impact of the war in Syria on your work in Turkey?
Bad effectively.

The revolution gives me the opportunity to start a new business in Turkey.

7- What are the challenges you have faced in Turkey for business operating ?
The brokers.

strange environment.

Not enough capital to start a new business.

Missing of the official documents.

8- What is your basic customer base?
Syrian and Arabs.

Syrian and Arabs and Turks.

9- Why do you think your application for external finance was not successful?
Lack of guarantees.

Because We are foreign companies

I was not preparing a plan and a good marketing study.

10- Did you reject external financing offer before? if yes, why?
No i did not

11- What kind if default may you face in case you attempting to raise external finance?
The Bad brokers

Writing a feasibility study in Turkish or English.

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

12- If you are aware of the sources of external finance available, what are the reasons for not applying?
The Bad brokers

Writing a feasibility study in Turkish or English.

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?
Reducing the conditions for obtaining work permits.

Freedom of movement between Turkish cities and outside Turkey.

Activating the role of the chamber of commerce and industry, especially about participation in exhibitions.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?
translation to the Arabic language.

Appointment of a particular employee who speaks Arabic to answer their inquiries.

Company Name: SEDRA GIDA KOZMETİK ÜRÜNLERİ İMALATI
İTHALAT İHRACAT SANAYİ VE TİCARET LİMİTED ŞİRKETİ

Location: Gaziantep

Company Number: 7

1- Which of sources of finance did you use from before? example Personal resources only, Government Financing institutions, Bank overdraft.
Personal resources only.

2- The type of support you received from the Turkish government?
I didn't receive direct aids or money.

3- Reasons for choosing Turkey to start a business?
I came to Turkey because of the revolution.

I came to Turkey because it is near Syrian borders.

4- What is your opinion about starting a business in Turkey?
Of Course Turkey a good country to start a business

Yes I recommend anyone want to start a business to come to turkey.

5- Tell me about your experience you ever approached external sources for financing your business expansion?
No, I didn't before.

6- What is the impact of the war in Syria on your work in Turkey?
Because of the revolution, I lost all my assets and my works.

Bad effectively.

7- What are the challenges you have faced in Turkey for business operating ?
The language.

The brokers.

strange environment.

Not enough capital to start a new business.

8- What is your basic customer base?
Syrian and Arabs.

Syrian and Arabs and Turks.

9- Why do you think your application for external finance was not successful?
I did not apply at all.

Lack of guarantees.

I was not preparing a plan and a good marketing study.

10- Did you reject external financing offer before? if yes, why?

No i did not

11- What kind of default may you face in case you attempting to raise external finance?

Language,

The routine of submission and complex procedures,

The Bad brokers

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

12- If you are aware of the sources of external finance available, what are the reasons for not applying?

Language,

The routine of submission and complex procedures,

The Bad brokers

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?

Exempting Syrian companies from the terms of employment of the Turks.

Tax exemptions..

Activating the role of the chamber of commerce and industry, especially about participation in exhibitions.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?
translation to the Arabic language.

Appointment of a particular employee who speaks Arabic to answer their inquiries.

Company Name: İBRAHİM OĞLU GAYRİMENKUL GIDA VE İNŞAAT
SANAYİ TİCARET LİMİTED ŞİRKETİ

Location: Gaziantep

Company Number: 8

1- Which of sources of finance did you use from before? example Personal resources only, Government Financing institutions, Bank overdraft.
Personal resources only.

2- The type of support you received from the Turkish government?
I didn't receive direct aids or money.

3- Reasons for choosing Turkey to start a business?

I came to Turkey because of the revolution.

I came to Turkey because it already I have business there.

4- What is your opinion about starting a business in Turkey?

Of Course Turkey a good country to start a business

In my opinion in Turkey a lot of investments opportunities.

5- Tell me about your experience you ever approached external sources for financing your business expansion?

No, I didn't before.

I tried but then when I see a lot of routines I gave up.

6- What is the impact of the war in Syria on your work in Turkey?

Because of the revolution, I lost all my assets and my works.

The revolution gives me the opportunity to start a new business in Turkey.

7- What are the challenges you have faced in Turkey for business operating ?

The language.

Missing of the official documents.

8- What is your basic customer base?

Syrian and Arabs.

Syrian and Arabs and Turks.

9- Why do you think your application for external finance was not successful?

I did not apply at all.

10- Did you reject external financing offer before? if yes, why?

No i did not

11- What kind if default may you face in case you attempting to raise external finance?

Language,

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

12- If you are aware of the sources of external finance available, what are the reasons for not applying?

Language,

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?

Exempting Syrian companies from the terms of employment of the Turks.

Activating the role of the chamber of commerce and industry, especially about participation in exhibitions.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?
translation to the Arabic language.

Appointment of a particular employee who speaks Arabic to answer their inquiries.

Company Name: AL NOUR İTHALAT VE İHRACAT LİMİTED ŞİRKETİ

Location: Gaziantep

Company Number: 9

1- Which of sources of finance did you use from before? example Personal resources only, Government Financing institutions, Bank overdraft.
Personal resources only.

2- The type of support you received from the Turkish government?
I didn't receive direct aids or money.

3- Reasons for choosing Turkey to start a business?
I came to Turkey because of the revolution.

I came to Turkey because it is near Syrian borders.

I came to Turkey because of it my family there.

I came to Turkey because it already I have business there.

4- What is your opinion about starting a business in Turkey?
Of Course Turkey a good country to start a business

Yes I recommend anyone want to start a business to come to turkey.

In my opinion in Turkey a lot of investments opportunities.

5- Tell me about your experience you ever approached external sources for financing your business expansion?
No, I didn't before.

I tried but then when I see a lot of routines I gave up.

6- What is the impact of the war in Syria on your work in Turkey?
Because of the revolution, I lost all my assets and my works.

Bad effectively.

The revolution gives me the opportunity to start a new business in Turkey.

7- What are the challenges you have faced in Turkey for business operating ?
The language.

The brokers.

strange environment.

Not enough capital to start a new business.

Missing of the official documents.

8- What is your basic customer base?

Syrian and Arabs.

9- Why do you think your application for external finance was not successful?

I did not apply at all.

Lack of guarantees.

Because We are foreign companies

I was not preparing a plan and a good marketing study.

10- Did you reject external financing offer before? if yes, why?

No i did not

11- What kind of default may you face in case you attempting to raise external finance?

Language,

The routine of submission and complex procedures,

The Bad brokers

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

12- If you are aware of the sources of external finance available, what are the reasons for not applying?

Language,

The routine of submission and complex procedures,

The Bad brokers

Writing a feasibility study in Turkish or English.

The issue of interests of the lone.

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?

Exempting Syrian companies from the terms of employment of the Turks.

Tax exemptions.

Reducing the conditions for obtaining work permits.

Freedom of movement between Turkish cities and outside Turkey.

Activating the role of the chamber of commerce and industry, especially about participation in exhibitions.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?

Appointment of a particular employee who speaks Arabic to answer their inquiries.

Company Name: A PLUS FOR INFORMATION TEKNOLOJİ İÇ VE DIŞ
TİCARET LİMİTED ŞİRKETİ

Location: Gaziantep

Company Number: 10

1- Which of sources of finance did you use from before? example Personal resources only, Government Financing institutions, Bank overdraft.
Personal resources only.

2- The type of support you received from the Turkish government?
I didn't receive direct aids or money.

3- Reasons for choosing Turkey to start a business?
I came to Turkey because of it my family there.

I came to Turkey because it already I have business there.

4- What is your opinion about starting a business in Turkey?
Of Course Turkey a good country to start a business

Yes I recommend anyone want to start a business to come to turkey.

In my opinion in Turkey a lot of investments opportunities.

5- Tell me about your experience you ever approached external sources for financing your business expansion?
No, I didn't before.

I tried but then when I see a lot of routines I gave up.

6- What is the impact of the war in Syria on your work in Turkey?
Because of the revolution, I lost all my assets and my works.

Bad effectively.

The revolution gives me the opportunity to start a new business in Turkey.

7- What are the challenges you have faced in Turkey for business operating ?
The language.

The brokers.

strange environment.

Not enough capital to start a new business.

Missing of the official documents.

8- What is your basic customer base?
Syrian and Arabs.

9- Why do you think your application for external finance was not successful?
I did not apply at all.

Lack of guarantees.

Because We are foreign companies

I was not preparing a plan and a good marketing study.

10- Did you reject external financing offer before? if yes, why?

No i did not

11- What kind if default may you face in case you attempting to raise external finance?

Language,

The Bad brokers

Writing a feasibility study in Turkish or English.

The issue of interests of the lone.

The fear of the interference of the donors in the details of our work and the viewing of our financial and accounting statements.

12- If you are aware of the sources of external finance available, what are the reasons for not applying?

Language,

The routine of submission and complex procedures,

The Bad brokers

Writing a feasibility study in Turkish or English.

The issue of interests of the lone.

13- What are the suggestions and recommendations, in general, to develop and support the Syrian SMEs in Turkey?

Exempting Syrian companies from the terms of employment of the Turks.

Reducing the conditions for obtaining work permits.

Freedom of movement between Turkish cities and outside Turkey.

Activating the role of the chamber of commerce and industry, especially about participation in exhibitions.

14- What are your suggestions to facilitate and activate the role of KOSGEB in supporting Syrian SMEs?

Appointment of a particular employee who speaks Arabic to answer their inquiries.

APPENDIX 2 Questions asked by researcher to KOSGEB

The official answers of the Interview between the researcher and KOSGEB in Gaziantep



Musaab rahal <musaab.rahal6@gmail.com>

YÜKSEK LİSANS TEZ İÇİN KOSGEB'İN YANITLANMASI GEREKENLER

Musaab rahal <musaab.rahal6@gmail.com>
To: gaziantep@kosgeb.gov.tr

Thu, March 05, 2019 at 8:19 PM

Sayın

Benim adım Musaab Rahal, Gaziantep Üniversitesi'nde yüksek lisans öğrencisiyim. TÜRKİYE'DE FİNANSA SURİYA KOBİ'leri hakkında araştırma hazırlıyorum. KOSGEB'in KOBİ'leri desteklemesinde en iyi kurum olarak, aşağıdaki soruları yanıtlarak KOSGEB'den istiyorum:

Dear

My name is Musaab Rahal, I am a student of Master degree in Gaziantep University. I am preparing research about SYRIAN SMEs FINANCING IN TURKEY, As the KOSGEB the best institution in supporting SMEs, I would like from KOSGEB with thanks to answering the below questions:

- 1- Is there a difference and distinction in terms of financial support in relation to the nationality of the owner of the company? / Şirket sahibinin uyruğuna ilişkin credit destek açısından bir fark var mıdır?
- 2- How many Syrian SMEs have applied for financial support ? /Kaç Suriyeli KOBİ maddi destek sağlamıştır?
- 3- How many Syrian SMEs have been approved to get credit support? /Kredi desteği almak için kaç Suriyeli KOBİ onaylandı?
- 4- Is KOSGEB providing other types of support other than financial support ? /KOSGEB, finansal destek dışında başka destek türleri sağlıyor mu?
- 5- Reasons why Syrian companies did not submit requests for financial support.) Lack of trust - lack of knowledge - language barrier - many bureaucratic laws? /Suriyeli şirketlerin finansal destek talep etmemeleri için nedenler. - Güven eksikliği - bilgi eksikliği - dil engeli - birçok bürokratik yasa).
- 6- Proposals to facilitate financial support for Syrian SMEs ? /Suriye KOBİ'leri için mali desteği kolaylaştırmaya yönelik öneriler?
- 7- Do KOSGEB doing research about the effects and impact of the Syrian SMEs on Turkey economic? / KOSGEB, Suriye KOBİ'lerinin Türkiye ekonomisine etkileri ve etkileri konusunda araştırma yapıyor mu?
- 8- What are the challenges which KOSGEB facing in terms of supporting the Syrian SMEs? KOSGEB'in Suriye KOBİ'lerini destekleme konusunda karşılaştığı zorluklar nelerdir?
- 9- Are there projects or activity to targeting the Syrian SMEs? / Suriye KOBİ'lerini hedef alan projeler veya faaliyetler var mı?
- 10- Is there a plan to make an official website in the Arabic language or translating your existing website? / Resmi bir web sitesi Arapça dilinde yapmak veya mevcut web sitenizi çevirmek için bir plan var mı?

11- What is the opportunity missing or not focusing on supporting the Syrian SMEs? Suriye KOBİ'lerini desteklemeye odaklanmamak veya kaçınılmamak için fırsat nedir?

12- Do the Syrian SMEs aware of the incentives that they can gain from the KOSGEB ?/ Suriye KOBİ'leri KOSGEB'ten elde edebileceği teşviklerin farkında mı?

İşbirliğiniz için şimdiden teşekkür ederiz

Thanks in advance for your cooperation

Yours sincerely
Saygılarımla

Musaab Rahal



KOSGEB <gaziantep@kosgeb.gov.tr>

YÜKSEK LİSANS TEZ İÇİN KOSGEB'İN YANITLANMASI GEREKENLER

KOSGEB <gaziantep@kosgeb.gov.tr>
To: musaab.rahaf6@gmail.com

Tue, March 12, 2019 at 9:47 AM

Mr. Musab

Regarding your inquiries, you can find below the answers:

1- Is there a difference and distinction in terms of financial support in relation to the nationality of the owner of the company?/ Şirket sahibinin uyruğuna ilişkin credit destek açısından bir fark var mıdır?

The issue not about nationality , the issue that the applicant should have a TC number (Republic of Turkey ID).

So if the the applicant weather Syrian or any nationality has a TC Number so he has the right to apply for KOSGEB supporting.

2- How many Syrian SMEs have applied for financial support ? /Kaç Suriyeli KOBİ maddi destek sağlamıştır?

As I Know no Syrian SMEsa or firms have been applied for supporting

3- How many Syrian SMEs have been approved to get credit support? /Kredi desteği almak için kaç Suriyeli KOBİ onaylandı?

As I Know no Syrian SMEs or firms have been applied for supporting

4- Is KOSGEB providing other types of support other than financial support ? /KOSGEB, finansal destek dışında başka destek türleri sağlıyor mu?

Yes , you can viet KOSGEB website and see all the supporting types

5- Reasons why Syrian companies did not submit requests for financial support.) Lack of trust - lack of knowledge - language barrier - many bureaucratic laws? /Suriyeli şirketlerin finansal destek talep etmemeleri için nedenler. - Güven eksikliği - bilgi eksikliği - dil engeli - birçok bürokratik yasa).

I think all of them mentioned above

6- Proposals to facilitate financial support for Syrian SMEs ? /Suriye KOBİ'leri için mali desteği kolaylaştırmaya yönelik öneriler?

In my opinion there is some responsibility on KOSGEB and on Syrian SMEs ,
that KOSGEB should make step to target the Syrian SMEs by translate the important regulations
to be understandable by Arabic language.

In other side the Syrian SMEs should pursue to learn and discover the opportunity in getting
financing supporting from KOSGEB.

7- Do KOSGEB doing research about the effects and impact of the Syrian SMEs on Turkey economic? / KOSGEB, Suriye KOBİ'lerinin Türkiye ekonomisine etkileri ve etkileri konusunda araştırma yapıyor mu?

From our perspective and in the context of supporting SMEs in Turkey KOSGEB focused on how to develop support strategies and forms of development without taking into account the nationality of the project owner. In other words that the Syrian projects and even if they reached more than 10000 SMEs, they are considered Turkish SMEs and are part of 3500 thousand Turkish SMEs.

8- What are the challenges which KOSGEB facing in terms of supporting the Syrian SMEs? KOSGEB'in Suriye KOBİ'lerini destekleme konusunda karşılaştığı zorluklar nelerdir?

The language, the mentality of the Syrian SMEs, which rejecting and Avoid of taking support from Government, they believe that any kind of Loan or financial supporting is complicated and there are Restrictions on spending the money. Plus, let me highlight in an issue that the Syrian people used to use brokers to follow up their government transactions, that KOSGEB refused any kind of brokers till do not take a commission from the applicants

9- Are there projects or activity to targeting the Syrian SMEs?/ Suriye KOBİ'lerini hedef alan projeler veya faaliyetler var mı?

We are ready for any kind of cooperation and provide the workshops in the case of the request of the organizations concerned with the Syrian affairs. I think that all KOSGEB activities in Turkish and geared to all Turkish companies regardless of the nationality of the company owner

10- Is there a plan to make an official website in the Arabic language or translating your existing website?/ Resmi bir web sitesi Arapça dilinde yapmak veya mevcut web sitenizi çevirmek için bir plan var mı?

Yes in our agenda to translate the most important information to Arabic to be available to Arabic people. right now the KOSGEB official website in Turkish and English language

11- What is the opportunity missing on the lack of supporting the Syrian SMEs? Suriye KOBİ'lerinin desteklenmemesinde eksik olan fırsat nedir?

The answering of this question not easy and need study and research to measure the impact but In my Opinion the big effect not on Turkey macroeconomy, since the number of Syrian SMEs and the GDP from Syrian SMEs very small compared with the total of Turkey GDP. But the negative impact will be on the Syrian community and Syrian refugees

12- Do the Syrian SMEs aware of the incentives that they can gain from the KOSGEB ?/ Suriye KOBİ'leri KOSGEB'ten elde edebileceği teşviklerin farkında mı?

I am not sure, but I did not receive any application form Syrian SMEs, in addition, may they have heard about KOSGEB as general information, but there are not aware of deep details.

KOSGEB Team Gaziantep

[Quoted text hidden]

VITAE

Musaab Rahal was born in Edlib in 1979. He graduated from the Faculty of Economic at Aleppo University in 2013. He worked as a financial consultant for more than 10 years.

ÖZGEÇMİŞ

Musaab Rahal, 1979 yılında Edlib'de doğdu. 2013 yılında Halep Üniversitesi İktisat Fakültesi'nden mezun oldu. 10 yıldan uzun bir süre boyunca finansal danışman olarak çalıştı.