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REFUGEE INFLUX IMPACT ON HOST COUNTRY'S ECONOMY: CASE OF TURKEY

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GLOSSARY:

- o 1967 Protocol - Protocol relating to the Status of Refugees (1967)
- o AFAD - Prime Ministry Disaster and Emergency Management Authority of Republic of Turkey
- o GDP – Gross domestic product
- o IDP – Internally displaced people
- o IMF – International Monetary Fund
- o MOI - Ministry of the Interior
- o OAU - The Organization of Africa Unity
- o OECD - The Organisation for Economic Co-operation and Development
- o Refugee Convention - Convention relating to the Status of Refugees (1951)
- o Republic of Turkey - Turkey
- o Syria – Syrian Arab Republic
- o TUIK, TurkStat – Turkey Statistical Institute
- o Turkey – Republic of Turkey
- o U.S. – The United States
- o UN - United Nations
- o UNHCR – United Nations High Commissioner for Refugees
- o World Bank – The World Bank Group
- o WWII – World War II



FIRST CHAPTER

INTRODUCTION

Refugees have always existed, however an awareness of the responsibility of the international community to provide protection and a more comprehensive refugee regime emerged only in the aftermath of World War I and World War II in order to deal with the post-war refugee movements in Europe. While initially refugees were welcomed in many countries for several reasons (such as helping with labour shortages), subsequently, host countries were less willing to receive them, perceiving them as a threat to economic and political stability (Barnett, 20012). In the 1980s and 1990s, the political approach became further restrictive due to the considerable increase of refugee numbers of mixed flows, which refer to parallel movements of individuals who did not necessarily fell under the 1951 Convention definition of refugee.

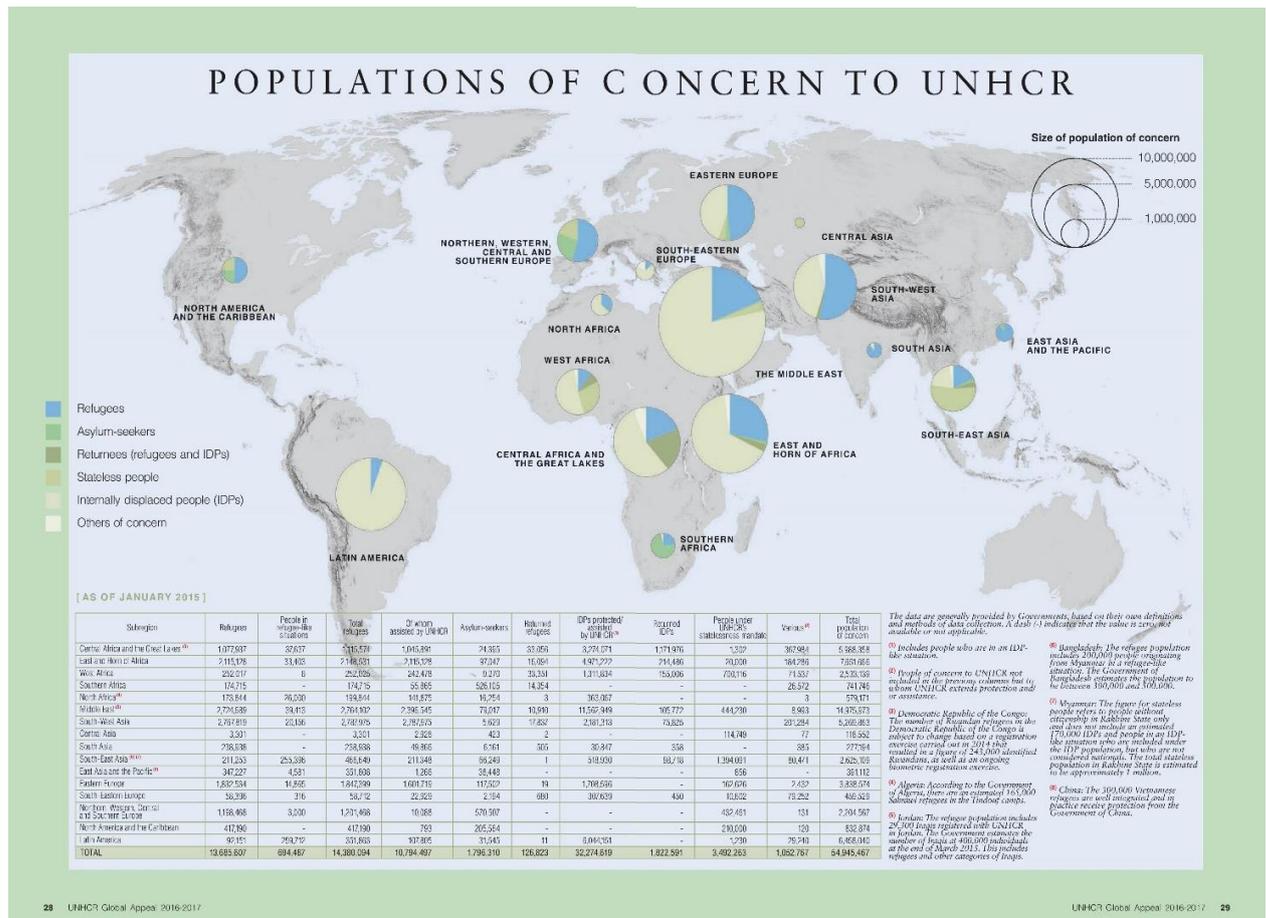
The civil war in Syria began in 2010, and had led to a massive migration wave within the region. Many neighbouring countries of Syrian Arab Republic, especially Turkey, have received large numbers of asylum applications. Initially thought to be temporary, this continuing move of people has become a significant economic, political and social problem. The year 2014 has seen continuing dramatic growth in mass displacement from wars and conflict, reaching levels unprecedented in recent history. One year ago, UNHCR announced that worldwide forced displacement numbers had reached 51.2 million, a level not previously seen in the post-World War II era. Twelve months later, this figure has grown to a staggering 59.5 million, roughly equalling the population of Italy or the United Kingdom. Persecution, conflict, generalized violence, and human rights violations have formed a 'nation of the displaced' that, if they were a country, would make up the 24th largest in the world. Developing regions hosted 86 percent of the world's refugees – at 12.4 million persons, the highest value in more than two decades. The Least Developed Countries provided asylum to 3.6 million refugees or 25 percent of the global total. Following the conflict in Syrian Arab Republic, for the first time, Turkey became the largest refugee-hosting country worldwide, with 1.9 million refugees (Amnesty International, 2015). Turkey was followed by Pakistan (1.51 million), Lebanon (1.2 million), the Islamic Republic of Iran (982,000), Ethiopia (659,500),



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and Jordan (654,100) (unhcr.org, 2014). Figure 1-1 illustrates the people in need of international protection by location for UNHCR in 2015-2016. Middle East has a total population of concern of almost 15 million, the highest number of all regions.

Figure 1-1 Populations of Concern to UNHCR 2015-2016 (Adopted from unhcr.org)



While there are a number of literature available on the impact of the voluntary migration on the host country's economy, many of these studies emphasize a lack of evidence on the economic consequences of forced displacement (Ruiz and Vegas-Silva, 2013). For instance there is known that a number of scholars have analysed the economic impacts of the refugee influx on some specific regions of Turkey, however no studies were found on its impact on national level. Therefore the authors of this paper found it interesting to analyse the gap in the scientific works and literature. Besides, the conflict in Syria is still an actual event, rising curiosity about the consequences of the civil war in Syria. It can be observed through social



media that opinions about the massive refugee movements are controversial, some states refusing to accept the asylum seekers inside their countries, whereas other countries are welcoming them and criticizing those who do. This controversial opinions and assumptions about refugees seem to be based on some dominant assumptions and opinions. Therefore this paper will try to analyse the current situation objectively and evaluate if the refugees are really so threatening to the countries` economies as some assume. Thus, the main focus of this study was formulated as a problem statement: *How did the influx of refugees impact Turkey's economy?*

By this statement, this paper focuses on the effects of the refugee arrival on Turkey`s economy during the period of 2010-2014. Furthermore, acknowledging that such a problem question has a wide focus, several sub-questions were formulated to narrow the focus down:

What are the criteria for immigrants to gain a refugee status in Turkey?

What rights are granted for the refugees in Turkey?

How can the refugee influx to Turkey be explained from the asylum seekers perspective?

What is the current number of refugees and asylum seekers residing in Turkey?

How did unemployment rate, government spending, foreign aid and inflation change since the start of refugee arrivals in Turkey? What role does the refugee influx play in the mentioned changes?

Besides narrowing the focus of the study, sub-questions also have helped to guide the researchers while writing this paper. Some of the sub-statements are regarded to the topic of refugees and introduces the precise information to be collected and presented, whereas some of them are regarded towards the economy of Turkey and its` measurements.

To give an overview of how the paper is constructed, figure 1-2 below presents the flow and construction of the paper.



Figure 1-2 Structure of the paper

Chapter 1	Introduction	•Background of the study, aim, objectives, problem formulation, limitations, structure presentation
Chapter 2	Forced migration	•Review of the main terms and legal information
Chapter 3	Migration through history	•Brief history of forced migration, historical context of Turkey - refugees producer or receiver?
Chapter 4	Theoretical background	•Discussion of theories supporting this study
Chapter 5	Research Methodology	•Research design, methods used to collect and analyse data, processes and explanations, validity and reliability
Chapter 6	Secondary data presentation	•Existing statistical and theoretical data relevant to the this study presentation
Chapter 7	Analysis	•Presentation of empirical data
Chapter 8	Conclusion	

LIMITATIONS

Some limitations have been set while writing this paper, thus important to mention. First, the time frame that is to be analysed. The group has decided to focus on Turkey's economy from 2010 (one year before the conflict in Syria started) until most recent information found in 2015. However, the lack of most recent information and statistics was noticed. As a consequence, the authors of this paper narrowed the years of the analysis to 2010-2014. As it will be noticed later in this paper, some statistical information and data concerning certain years was unfortunately not available.



The second limitation applied to this paper is the focus on certain economic measures. As described in the problem formulation, the aim of the paper is to analyse the impact on the country's economy, but the economy itself has many various indicators, indexes and measures. Due to limited time frame to write this paper, as well as limited access to the resources, the group has limited the analysis to the following certain economic indicators: gross domestic product, inflation rate, unemployment rate, official aid received and government consumption. Note that only these statistical economy indicators will be used in the actual analysis, although the authors have used more indicators just to introduce the reader to the general economic outlook of Turkey.

The third limitation is regarding the methodological techniques used in the study. Due to limited and short amount of time spent on writing this paper, the authors had only used one technique – the regression model, which will be explained in chapter 3 in more details.



SECOND CHAPTER

FORCED MIGRATION

In the end of 1950, the United Nations General Assembly had established the office of High Commissioner for Refugees (UNHCR), responsible for implementing the 1951 Convention Relating to the Status of Refugees, affirmed in 2001 (unchr.org, 2015). Since its creation, UNHCR has aided over 50 million refugees by providing humanitarian assistance. Today the UNHCR has offices in 115 countries. The budget has grown from US\$300,000 in its first year to US\$7 billion in 2015. In mid-2014 UNHCR was dealing with 46.3 million people of concern to the agency: 26 million internally displaced people, 13 million refugees, 1.7 million returnees, 3.5 million stateless people, more than 1.2 asylum seekers and 752,000 other people of concern (unchr.org, 2015).

It is important to distinguish between the different terms to be analysed in this paper in order to provide a clear analysis without confusion. When reading about the current so called refugee influx, terms like stateless, internally displaced people, refugees and asylum seekers can be seen often. To avoid the confusion, the terms will be explained further in this chapter as well as other terms that will be discussed in more details.

MIGRANTS

The very first term which needs to be clarified in this paper is “migrant”. A migrant is described as a person who moves from one place to another, as OxfordDictionaries.com defines it. Most migrants leave poor countries for rich ones in search of a better life or work. This phenomenon is known as economic migration and countries are under no legal obligation to grant asylum to such economic migrants. Migration, as a movement of individuals, can be distinguished into voluntary and forced migration. Economic migration is part of voluntary migration, when people who migrate chose to do so based on their free will and preferences. On the contrary, forced migration appears when one is not able to stay at the living area anymore due to life threats and thus is forced to leave (FMO, 2015). Those facing forced migration move to another region or country, and are defined as asylum seekers or refugees. These terms will be discussed in more details later in this chapter.



INFLUX

According to the Oxford dictionary the definition of *influx* in English is: an arrival or entry of large numbers of people or things. From here it can be deducted that the severity or significance of the actual number of refugees entering a country is given by the size of its population. A mass influx is defined by UN Refugee Agency as “significant numbers of arrivals over a short period of time of persons from the same country or geographical region, and for whom, due to their numbers, individual refugee status determination is procedurally impractical” (UNHCR Turkey, 2015:1).

In the light of the recent conflict in Syrian Arab Republic, the country’s population before the war, in 2011, was accounted at around 21 million people (WorldBank.org, 2015), from which almost 4.5 million UNHCR registered as refugees in December 2015. These registered refugees are more than 21% of Syrian Arab Republic’s pre-war population. Therefore, having such a high number of population migrating from Syria to various countries worldwide is known as influx.

INTERNALLY DISPLACED PEOPLE

Internally displaced people (IDP), are individuals who are seeking protection and fleeing violence. They have not crossed an international border to find sanctuary but have remained inside their home countries. Even if they have fled for similar reasons as refugees (armed conflict, generalized violence, human rights violations), IDPs legally remain under the protection of their own government – even though that government might be the cause of their flight. As citizens, they retain all of their rights and protection under both human rights and international humanitarian law (unhcr.org, 2015).

ASYLUM

The term asylum signifies the protection that a government gives to people who have left their own country, usually because being in danger for political reasons, as found in the Oxford Dictionary.



As the term itself describes, asylum seekers are individuals, who are forced to migrate, looking for a safe place to stay and international protection. However, any individuals arriving to a foreign country has to register their presence inside the country and receive the right to reside there. In the case of forced migration, countries have different policies regarding the granting of the refugee status, which will be discussed further in this chapter. So asylum seekers are forced migrants, who have applied for asylum in the country of destination, however their refugee status has not been approved yet. Until the details of their case are carefully verified to see if they have the right to receive the refugee status or not, individuals staying in the country without permission are defined as asylum seekers. If they are not granted the refugee status, people have to leave the country where they applied for asylum because they no longer have the right to stay there (migrationobservatory.ox.ac.uk, 2015).

STATELESS

The international legal definition of a stateless person is set out in Article 1 of the 1954 Convention relating to the Status of Stateless Persons, which defines a stateless person as "a person who is not considered as a national by any State under the operation of its law". This means that a stateless person is someone who does not have a nationality of any country (unhcr.org, 2015). Without having a nationality, people are lacking official documents which in turn limits their lives in many ways: travelling, banking, education and other aspects. Therefore stateless people are in need of protection.

REFUGEES

As already mentioned, different countries have different rules and policies regarding the refugee status approval. The 1951 Geneva Convention is considered to be the main reference point to the definition of a refugee. According to the 1951 convention, countries are obliged to give asylum to refugees, who are defined as individuals who "...owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result



of such events, is unable or, owing to such fear, is unwilling to return to it.” (Convention and Protocol Relating to the Status of Refugees, Article A (2): 14).

Non-Refoulement is a legal principle referring to the fact that a state must not return a refugee to a country or territory where he/she would be at risk of being persecuted: “No Contracting State shall expel or return (“refouler”) a refugee in any manner whatsoever to the frontiers or territories where his life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group or political opinion.” (Convention and Protocol Relating to the Status of Refugees, Article 33: 30).

When the convention was approved, it applied mainly to World War II refugees and individuals escaping communism. In recent decades, however, the refugee issue has come to encompass millions of people fleeing from violence from their homelands. After the 1951 Convention, the 1967 Protocol was included, which removed the temporal and geographical limitations of the original 1951 Convention. Additional legal instruments regarding refugees and migrants include the 1990 International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families, the 2000 Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, and the 2000 Protocol against the Smuggling of Migrants by Land, Sea and Air (globaldetentionproject.org, 2015).

Although the Geneva Convention is the main reference point to the definition of a refugee many consider it incomplete. Over the years attempts were made to modify and expand that definition to specific situations that arose in different parts of the world. One example is the Convention Governing the Specific Aspects of Refugee Problems in Africa, which is a regional instrument adopted by the Organization of Africa Unity (OAU) in 1969, besides adopting the UN definition expands it to include people fleeing external aggression, internal civil strife, or events seriously disturbing public order in African countries (OAU Convention Governing the Specific Aspects of Refugee Problems in Africa, 1969). The same situation was present in South America, where the Cartagena Declaration was adopted in 1984 although it is not legally binding in any way it was considered the common ground in establishing and consolidating humanitarian practices and principles (Cartagena Declaration on Refugees,



Colloquium on the International Protection of Refugees in Central America, Mexico and Panama, 1984).

Regarding the rights granted by the refugee status, according to the Articles 12 - 30 of the Refugee Convention (pp. 20-29), these are the rights reserved for those accepted as Convention refugees:

- The right to receive identification documents and travel documents;
- The right to receive the same treatment as the citizens concerning religion, education, legal assistance, public relief, social security, protection of intellectual property, equal taxation treatment;
- The right to belong to trade unions, non-political, non-profit organizations;
- The right to obtain wage earning employment and self-employment;
- The right to own property, practice a profession and higher education, to choose the place of residence and move freely inside the country.

REFUGEES IN TURKEY

Concerning Turkey, as stated at hrw.org (n.d.), Turkey retains a geographic limitation to its ratification of the 1951 Convention on the Status of Refugees, which means that only those of European origin fleeing can be given refugee status. Regardless of any geographical limitation under the Refugee Convention, Turkey must still abide by the principle of *non-refoulement* (that no one may be returned to a country in which he may face persecution), which is binding in all cases.

According to the regulations in Turkey, the terms refugee and asylum seeker are described slightly differently from those in international law. A refugee is viewed as a “foreigner or stateless person of European origin that has been recognized as such according to the criteria within Article 1 of the Refugee Convention by the Ministry of the Interior (MOI)” (Amnesty International, 2009:6). As mentioned previously, it is the geographical limitation that Turkey has kept regarding provision of refugee status. An asylum seeker, however, is defined as a “foreigner or stateless person of non-European origin whose status as an asylum-seeker has



been recognized by a decision of the MOI that s/he meets the criteria within Article 1 of the Refugee Convention”(Amnesty International, 2009:6).

Since the very beginning of the conflict in the Syrian Arab Republic, Turkey has had a very generous “open-door” policy towards Syrian asylum seekers. As pointed out, Turkey only recognizes and approves refugee status for asylum seekers who are of European origin and the Syrian Arab Republic is not one of them. This means that Turkey has welcomed the asylum seekers from non-European countries and hosted them in the camps, however no action was taken to grant the refugee status for any of those. Recently, on October 2014, following the continuity of the conflict in the Syrian Arab Republic, the Council of Ministers of the Republic of Turkey issued a regulation on temporary protection status, as per Article 91 of the Law on Foreigners and International Protection. According to Provisional Article 1 of the Temporary Protection regulation, the regulation applies to Syrian origin people, as well as stateless people and refugees from Syrian Arab Republic (UNHCR Turkey, 2015).

As part of the temporary protection status accepted by the Government of Turkey, Syrian nationals, refugees and stateless persons from Syria, seeking international protection, are admitted to Turkey and will not be sent back to Syria against the individual’s will. The temporary protection status is provided to all Syrian nationals, stateless persons, and refugees from Syria, who are in need of international protection, including those without identification documents. Following the recognition of the temporary refugee status of Syrian nationals, refugees are receiving new identification cards, according to the measure adopted by the Council of Ministers of the Republic of Turkey in October 2014, offering them access to education and health care. Rights under the temporary protection status include access to health, access to education, access to social assistance, and access to the labour market (Republic of Turkey Ministry of Interior Directorate General of Migration Management, 2014).



THIRD CHAPTER

HISTORICAL CONTEXT

World history has witnessed dramatic and significant forced migrations as a result from wars and regional or domestic conflicts. As mentioned in the previous chapter, the Convention regarding refugees in 1951 had a purpose to help individuals suffering from conflicts in their homelands, after WWII. By 1956 UNHCR was facing the first major outpouring of refugees when Soviet forces crushed the Hungarian Revolution. In the 1960s, the decolonization of Africa produced the first of that continent's numerous refugee crises needing UNHCR intervention. Over the following two decades, UNHCR had to help with displacement crises in Asia and Latin America. By the end of the century there were fresh refugee problems in Africa and, turning full circle, new waves of refugees in Europe from the series of wars in the Balkans. Figure 3-1 below summarizes the biggest refugee flows after WWII.

Figure 3-1 Biggest Refugee Flows after WWII (adopted from unhcr.org)

Years	Refugee Flows	Number of Refugees
1954-1950	From East Europe to West Germany after WWII	12 million
1992-1995	From Bosnia-Herzegovina to neighbouring countries	1.3 million
1993-1994	From Burundi to Tanzania	300 thousand
1994	From Rwanda to Tanzania	250 thousand
2011-present	From Syria to neighbouring countries	3.9 million

In its years of working, UNHCR tried to settle refugees in new countries, but recently, as the refugee burden has grown, countries have become less willing to accept refugees on a permanent basis and in some countries there have been backlashes against immigrants, sometimes with racial overtones. At the global level, the percentage of Governments with policies to reduce the immigration has declined from 40 percent in 1996 to 16 percent in 2011 (un.org, 2013). According to UNHCR's official numbers, the number of refugees and internally displaced people in the world was 5.7 million in 1980, and 9 million in 2005. By the end of 2014, the number reached almost 47 million.



HISTORY OF TURKEY AND MIGRATION

Turkey had a long tradition of receiving refugees throughout its history. From the early medieval times through the modern era and continuing to these days, Turkey had received and receives refugees from diverse countries who had various distinct backgrounds. Beginning as early as the 14th century the Ottoman Empire received Jewish refugees who were running from the oppression experienced in Europe. After the unification of Spain in 1492 there were an additional number of approximately 100 thousand Jews who sought asylum in the Ottoman Empire and received it. Later on, the country welcomed nationalists from European countries such as Hungary, Poland and the Italian region of Piedmont. These people sought safety in Turkey after they fought against the Habsburg Empire in their home countries. The first Muslim immigration took part in the beginning of the 19th century after Turkey occupied Crimea, a region populated by Muslim tartars. Soon a massive immigration took place as Muslim Circussians wanted to resettle in former Turkey in big numbers throughout the Crimean War (1853-1856).

Immigration from Middle East mainly took part from 1979 after the Iranian Revolution of the same year. As a response to the conflict Turkey granted a visa free entrance for Iranians who took advantage fully of this policy. Until 1991 there is an estimated number of approx.1.5 million Iranians entering Turkey. Iraqis Kurdish refugees also massively immigrated to Turkey between 1988 and 1991.

More recently there have been a huge number of immigrants in Turkey after the beginning of the Syrian civil war in 2011. Since then the country accepted almost 2 million refugees and this is the most remarkable number of refugees on Turkish territory throughout its history. Figure 3-2 below summarizes the biggest refugee flows since 1923.



Figure 3-2 Biggest refugee flows to Turkey after 1923 (adopted from unhcr.org)

Years	Refugee flows from	Number of refugees
1923-1970	Bulgaria, Greece, Yugoslavia, Romania	1.4 million
1971-1986	Bulgaria, Yugoslavia, Afghanistan	127 thousand
1988	Iran, Iraq	51 thousand
1989	Bulgaria	300 thousand
1991	Iraq	460 thousand
1992-1995	Bosnia-Herzegovina	25 thousand
2011-present	Syria	1.7 million

REFUGEES: A BURDEN OR BENEFIT?

While reading upon forced migration and mass movements of people, various opinions can be found among scholars. Some claim that mass numbers of refugees arriving is an actual benefit for the host country, while some argue that it is a big threat.

Detailed assessment of the impacts and costs of refugees and forced migration is a major gap in the humanitarian and social sciences fields. Refugees are believed to be a burden for the host country by imposing additional costs on public and social welfare budgets, prevailing economic growth, deforming markets, causing environmental degradation and putting political strains. On the other hand, advocates of refugees state that they can bring economic benefits and development potential – for example, new skills and, growing demand and expanding consumption of food and commodities, which in turn stimulate growth of the host economy.

Overall, it is usually claimed that the ‘costs’ of refugees on their host countries – increasing food and commodity prices, decrease in local wage rates, fiscal pressures, increasing environmental degradation – outweigh other microeconomic and macroeconomic benefits. A significant exception to this analytical gap is a largely microeconomic, study of the Dadaab refugee camp which revealed that the positive economic impact of the camps for the host community was US\$14 million – about 25% of the per capita income of the province. Income



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benefits to the host community from the sale of livestock and milk alone were US\$3 million, while over 1,200 local people benefited from refugee camp related employment or trade related work (Zetter, n.d.).

However, the same camp of Dadaab was observed to be a threat to physical insecurity, as Peter Kirui and Dr. John Mwaruvie (2012) presented. There, reported and unreported violence has been occurring since the camp's foundation in 1991. Because of its location, close to the Somalia border and the fact that it is very hard to differentiate between Somalis of Kenya and those of Somalia, due to their similar features, monitoring the influx of refugees in and out of the camp is extremely difficult.

From these two examples, it can be concluded that the same location or refugee camp can offer some benefits, but can also be a burden. So refugees, especially mass numbers of them, together with asylum seekers, definitely pose certain political, social and economic challenges to the host country or region.



FOURTH CHAPTER

THEORETICAL BACKGROUND

The aim of this chapter is to link two bodies of theory which are often dealt separately: theories about forced migration and refugees, and theories of economic development of the states. This chapter will provide the theoretical framework for understanding the more descriptive accounts of forced migration and economic wealth of the state.

An important note to acknowledge here is that the term “refugee” is assumed to be part of the general term “migrant”. As described in the second chapter, there is a big difference between forced and voluntary migration. However, the lack of forced migration theories relevant for the economy field is noticed and for this reason general migration theories will be used in this paper.

WORLD SYSTEM THEORY

World Systems Theory suggests that wealthy countries benefit from other countries and exploit those countries' citizens and capital. This model recognizes the minimal benefits that are enjoyed by “low” status countries in the world system. The theory was developed by sociologist Immanuel Wallerstein, who argues that the way a country is integrated into the capitalist world system determines how economic development takes place in that country (Reus-Smit and Snidal, 2008). According to Wallerstein, the world economic system is divided into a hierarchy of three types of countries: core, semi peripheral, and peripheral.

Core countries are dominant and capitalist, characterized by high levels of industrialization and urbanization. They are capital intensive, have high wages and high technology production patterns and lower amounts of labour exploitation and coercion. Core countries own most of the world's capital and technology and have great control over world trade and economic agreements. They are also the cultural centres which attract artists and intellectuals. Core countries extract raw materials with little cost. They can also set the prices for the agricultural products that peripheral countries export regardless of market prices, forcing small farmers to abandon their fields because they can't afford to pay for labour and fertilizer.



Peripheral countries are dependent on core countries for capital and are less industrialized and urbanized. Peripheral countries are usually agrarian and have low literacy rates. They generally provide labour and materials to core countries. The wealthy citizens in peripheral countries benefit from the labour of poor workers, which is cheap, and from their economic relations with the core country's capitalists.

Semi-peripheral countries are less developed than core nations but more developed than peripheral nations. They are the weaker members of "advanced" regions or the leading members of former colonial ones. Semi peripheral countries exploit peripheral countries, just as core countries exploit both semi peripheral and peripheral countries.

World systems theory sees migration as a natural consequence of economic globalization whereby companies and businesses now operate across national boundaries. According to advocates of the world system theory, the structural disturbances in the peripheral economies together with their incorporation into the expanding global capitalist economy unavoidably generate large volumes of international population flows moving towards the more developed countries, the cores. The world system model states that migration is particularly likely between past colonial powers and their former colonies because of the pre-existing connections in transportation and communication infrastructures, administrative links, and linguistic and cultural commonalities (Morawska, 2007).

The world systems theory emphasises structural factors that contribute to uneven development of the migrants sending and receiving countries and dependence between these economies. However, it also indirectly recognises the role of individuals and families as agents of migration as they point to the function of ideological and cultural links between developing and advanced countries.

Critiques to the world systems theory argue that it only explains the labour migration movements, or economic migration patterns. Although economic migration and forced migration have different characteristics, in the end they both include individuals migrating. Forced migrants still, in majority of the cases, have a choice of where to look for protection, and this choice can be based on economic gain purposes. Therefore, although world systems theory focuses on economic migration, it can still be applied in some cases of forced



migration. The Contemporary Refugee System is based on the world systems structural approach and is discussed further.

THE CONTEMPORARY REFUGEE SYSTEM

In 2009 Dimitri Fazito and Christopher McCarty published their paper “Network Analysis of the Contemporary “International Refugee System”: is there any structure?” which was aimed to analyse refugee flows in 2005 in consideration with Migration Systems theory. Authors base the paper on the assumption that “refugees are an important part of more general migration system” (Fazito and McCarty, 2009:1). The paper was aimed to analyse if there would be any structural patterns leading to a system reminding design of the refugee flows and volumes among countries of origin and destination.

The study is based on various political, economic, demographic, cultural, geographical, structural variables (such as refugee flows between each country; international trade flows between each country; countries with colonial links; countries with common language and ethnic links; spatial contiguity between countries) and network variables (such as centrality and density measures). The initial hypothesis of the paper is that “the International Refugee System should display the same structural pattern as the predicted International World System of Nation-States, that is a center-periphery model with a structural hierarchy across developed and developing countries” (Fazito and McCarty, 2009:2).

Even though the research of Fazito and McCarty is still in progress, authors have already started analysing the results of the hypotheses and presented some of the findings. First, the analysis revealed that there is a pattern between refugees sending and receiving countries: the receivers are predominantly Western developed countries, and the senders are predominantly developing countries from Africa and Asia, all having common geopolitical and military situations. Moreover, the network centralization analysis confirmed some structural differences between senders and receivers: sender countries have a less centralized network (meaning that more countries are alike, and have diversified links), whereas receiving countries have a more centralized network with preferable destinations, and fewer countries with diversified links. This means that countries in the “core” are more active, sharing more links and volume of refugees, and therefore those countries are more central than the others.



The initial analysis in the paper suggests that even though there is a clear pattern of refugee flows between sender and receiver countries, it is still not clear if this pattern is showing a concentric core-periphery pattern (following the world systems theory model) or an antagonistic and bipolar pattern between North and South.

MIGRATION EFFECT ON ECONOMY

When discussing migration and development, the term `migration-development nexus` has become popular. It highlights the fact that “processes of migration interact closely with certain social, cultural and economic changes which are often described as constituting development” (Koppenberg, 2012:2). As Nyberg-Sorensen described, the migration-development nexus term denotes to a complex and multi-dimensional relationship, which does not refer to one concept of migration and development, but rather to multiple concepts which have evolved over time and might even contradict each other. This relationship includes examples as the impact that development might have on migration, or effects that migration has on development, which is the interest of this paper. However, conceptualisations of the possible impact of migration on development have varied over time. Figure 4-1 presents an overview of these different concepts and main periods during which they prevailed:

Figure 4-1 Main phases of the academic debate on migration and development (Adopted from Koppenberg 2011:37)

<i>Phase</i>	Migration and development	Migration and development theories	Key concepts
<i>Phase 1: 1950s and 1960s</i>	Positive relation	Neoclassical Theory	Economic disparities, wage levels, labour supply/demand, labour migration, utility-maximising individuals, factor price equalisation, economic growth
		Modernisation Theory	Transformation from traditional agriculture to modern industry, universal pathway to industrialisation, large scale transfers of money, technology and expertise, economic growth, migrants financial and social remittances
		Human Capital Theory	Human capital accumulation and transfers



Refugee Influx Impact On Host Country: Case Of Turkey

<p><i>Phase 2: 1970s and 1980s</i></p>	<p>Negative relation</p>	<p>Dependency Theory</p>	<p>Exogenous causes of underdevelopment, development of underdevelopment, emancipation from the capitalist world economy, endogenous economic development</p>
		<p>Cumulative Causation Approach</p>	<p>Asymmetrical growth, migration creates backwash effects (loss of human capital, remittance dependency, negative effects of social remittances), migration leads to economic spatial and interpersonal disparities</p>
		<p>World Systems Approach</p>	<p>Core, semi-periphery and periphery, expansion of the capitalist world economy and the marginalised integration into the capitalist world system leads to migration, migration as a world-level labour supply system, perpetuation of underdevelopment and peripheral status</p>
<p><i>Phase 3: Since the end of 1980s</i></p>	<p>Positive relation but more differentiated views</p>	<p>New Economics of Labour Migration</p>	<p>Societal context of migration, lack of access to capital or insurance institutions, migration as income diversification and risk sharing, remittances, investment in profitable production</p>
		<p>Migration Networks Theory</p>	<p>Relationship between migrants, former migrants and non-migrants, chain migration, remittances</p>
		<p>Transnational Migration Theory</p>	<p>Globalisation, ties across borders, transnational identity, transnational communities, diaspora, circular migration, collective remittances</p>
		<p>Social Capital Theory</p>	<p>Resources gained through networks, translation into human or financial capital</p>
		<p>Alternative Development</p>	<p>Society and migrants as agency of development, people-centred, participatory, bottom-up, series of alternative development concepts</p>
		<p>Neoliberalism</p>	<p>Non-state approach, market-led economic growth, Washington Consensus, structural adjustment, liberalisation, decentralisation, and privatisation, financial remittances.</p>



The field of migration remains fragmented, with some theories explaining the reasons for migration and others explaining its effects. Research on the effects of migration is in turn fragmented, between macro and micro approaches, and between the contexts of developed and developing countries. Furthermore, different theories present different levels of analysis, as the figure 4-2 presents.

Figure 4-2 Migration theories and its level of analysis

Theoretical Approach	Level of Analysis	Assumptions
<i>Neoclassical (macro)</i>	Country	Migration as a result of labour market gaps between countries
<i>Neoclassical economics (micro)</i>	Individual	Individual relation actors decide to migrate because a cost-benefit calculation
<i>New Economics</i>	Household	Individual migrants are influenced household as a collective actor in economic survival
<i>Dual Labour Market</i>	Structural (Internal)	Structural demands of developed countries
<i>World Systems Theory</i>	Structural (International)	Market and cultural penetration from the core to peripheries

One of the world’s most important historic immigration happened in Germany after the Second World War (Bahcekapili and Cetin, 2015). Around 8.5 million Germans living in the Soviet Union, Poland and Yugoslavia until 1950 were expelled and flocked West Germany. The expellees’ ratio to the population in 1950 was 16%. Investigating the employment impact of this migration, Braun and Mahmoud (2014) found that a short-lived displacement effect was seen in the labour market, which however decreased in time. The most important feature that distinguished this example from other large movements of forced migration is that the migrants possessed almost the same skills and the same ethnic origin with the natives. When there is a difference between the skills of immigrant workers and native workers, the effects of immigration on the labour market can vary.

Another effect of migrant labour qualifications can be seen in the composition of the production of host country’s economy. Falling wages for unskilled labour may divert



production to labour intensive sectors. This can create negative effects on the long-term development of technology, because employment would aggregate in low-wage labour intensive sectors. However, the increase in the supply of unskilled labour migrants can have a positive impact on the output level of the country in case of a fully flexible capital (Dustmann et al, 2008).

The impact of immigration on commodity prices and inflation is one of the issues often examined in the literature. Ruiz and Vargas-Silva (2012), in their theoretical work related to the economics of forced migration, emphasize the necessity to study the effects of migration on prices. They say that parameters such as the different preferences of migrants and native people, their budgets and the amount of the aid can have different effects on aid-related and non-aid food prices. Analysing the impacts on prices and wealth of the great immigration from Burundi and Rwanda to Tanzania in 1993-1994, Garcia and Saah (2008) conclude that the migration caused a price increase in certain groups of agricultural goods. In the same study, the local population's wealth increased in rural areas but decreased in urban areas. People in rural areas are benefiting from a surplus by selling agricultural products at a high price.

Maystadt and Verwimp (2009) with a survey conducted in Tanzania in 2008 examined the effects of forced migration from Burundi in 1993 and Rwanda in 1994. According to their findings, in contrast to negative expectations, forced migration has had a positive impact on the wealth of the native population. In the migrants receiving regions, agricultural workers complained about competition and increasing food prices, however self-employed farmers benefited from cheap labour, businesses boomed in non-agricultural sectors.

A recent study by Bahcekapili and Cetin (2015) analyses the economic impacts of the Syrian immigrant crisis since 2011 on South-eastern Anatolia region. The effects of migration on unemployment, prices, internal migration and regional foreign trade were the main focus of the authors in the study. The paper discovers that in the region analysed (cities next to the Turkey-Syria border) the effect of increasing numbers of refugees includes a visible significant increase in local internal migration in the region and an increase in foreign trade surplus. Other discoveries include rising unemployment rate and falling inflation, however these



economic trends were observed only in some of the cities analysed, thus not referring to the general trend.

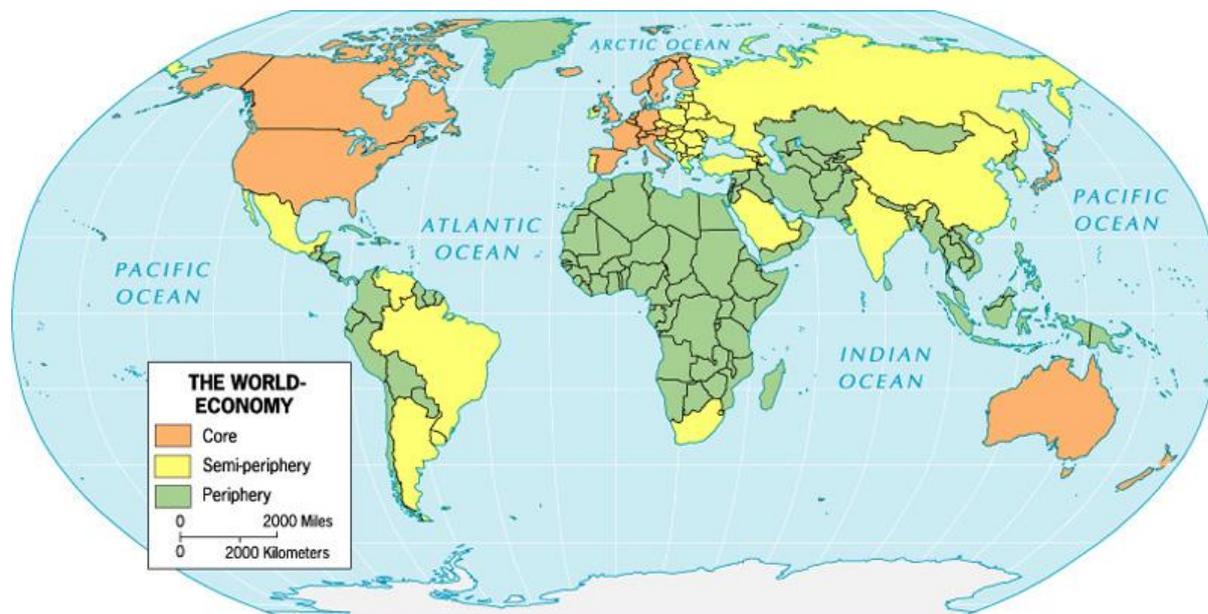
To summarise the chapter, it can be said that there is no single theory explaining the migration effects on the host country's economy. The effect varies in each case depending on migrants' skills and qualifications, compared with native population, as well as the culture (this includes the language spoken). Another dependence of the effect is described through the receiving states economic wealth and development, trending production in the region as well as the population (rural or urban).

THEORIES EXPLAINING REFUGEE INFLUX IN TURKEY

After reviewing the theories presented in the previous chapters, it can be seen that in the particular case of Turkey, presented in this paper, the theories can be applied at some extent.

World systems theory, explaining migration as a result of globalization, industrialization and dependency between certain countries, would be applicable to explain migrants' from periphery countries (less developed) choice of destination. Turkey, according to World Bank, is one of the largest upper middle-income partners of the World Bank Group. With a Gross Domestic Product (GDP) of \$ 799.54 billion, Turkey is the 17th largest economy in the world. In less than a decade, per capita income in the country has nearly tripled and now exceeds \$10, 500. So clearly Turkey is considered to be still a developing country, and it could be assumed to be a semi-periphery country in accordance to world systems theory's hierarchy. This could explain the refugee influx to Turkey, where the majority of already accepted refugees are from Syria and Iraq, whereas asylum seekers include migrants from Afghanistan and Iran as well (unhcr.org). According to World Bank, the mentioned sending countries are all affected by a conflict, which directly affects the development and economic wealth of the mentioned countries, meaning that all of them could be considered as periphery countries, dependent on the core and semi-periphery countries. Figure 4-3 presents the countries of the world grouped accordingly to world systems' hierarchy.

Figure 4-3 World map of World Systems hierarchy (Adopted from Elwell, 2013)



Although world systems theory explains voluntary migration, in the case of the forced migration, the theory could be applied partly, from a particular point of view. One could say that the current forced migration of Syrians can be easily explained by the geographical location of the sender and receiving countries. However, Syria, as an example, is sharing borders with Iraq, Turkey, Israel, Lebanon and Jordan (see figure 4-4), and the majority of the refugees should have applied for asylum in those neighbouring countries, if following the geographical explanation. However, in 2014, according to UNHCR, top countries receiving the asylum claims (majority from Syria, but also from Iraq, Afghanistan, Serbia and other countries) were Germany and U.S., Turkey being only on a 3rd place, followed by Sweden, Italy and France.

Thus having this statistical data about sending and receiving countries, the pattern of forced migration can be seen as relating to the contemporary refugee systems theory, presented previously in this chapter. Even the mentioned theory is still in progress, from the basic data discussed; the pattern could be described not so much as a North – South bipolar pattern, but more as a core – periphery concentric pattern.

Figure 4-4 Map of Syria and its neighbouring countries (Adopted from DodoCanSpell blog)



This migration explaining theory gives a better understanding of reasons behind mass numbers of asylum seekers arriving to Turkey. The primary reason is assumed to be the need of international protection, but as discussed in the chapter, there can be more reasons behind choosing Turkey as a destination country.

Understanding the reasons behind forced migration to Turkey, it is important to understand the causes and effects of it. Reviewing existing literature and cases of studies similar to this, it can be said that there is no single theory that could be applied in this paper. For what is known currently, the population of asylum seekers and refugees does not share the same language with the native population, however the education and skills of migrants compared with natives it is not analysed clearly yet. Thus the effect of a mass influx of refugees in the case of Turkey has to be analysed further in the following chapters.



FIFTH CHAPTER

METHODOLOGY

The aim of this section is to introduce the reader with a map of the thoughts and choices, and ways of collecting data that the group has been through within the process of writing the paper. The chapter has a purpose of giving a clear and logic overview of the chosen perspectives, patterns of thought and data collection methods which will lead to the answer of the research question.

RESEARCH DESIGN

Most research methodology of social science researchers identify four key levels in a research design process, which are presented in a figure 5-1, in order to give a better understanding for the readers of how this study was carried out and what steps were taken.

Each of the presented levels are used in this paper and presented in more detail in the following chapters.

PHILOSOPHICAL PERSPECTIVE – ONTOLOGY

The social worlds that are used in seeking the truth in a research paper are most often two perspectives. One, viewed as being real, external to an individual, thus social world is viewed from an objective point of view, while the other view is based on a belief that each individual is creating its own reality and cannot be detached from it, which leads the individual to be subjective to all views, decisions and assumptions. Figure 5-2 illustrates the main differences in the subjective-objective approaches.

Ontology is used to describe the initial standing point that the researcher takes regarding the surrounding environment and the light in which things want to be seen. By determining how the group chooses to look at the social world, the standing point is chosen which shall be kept along the process of writing the paper.

Figure 5-1 Structure and Levels of Discussion in a Methodological chapter (Kuada, 2012:58)

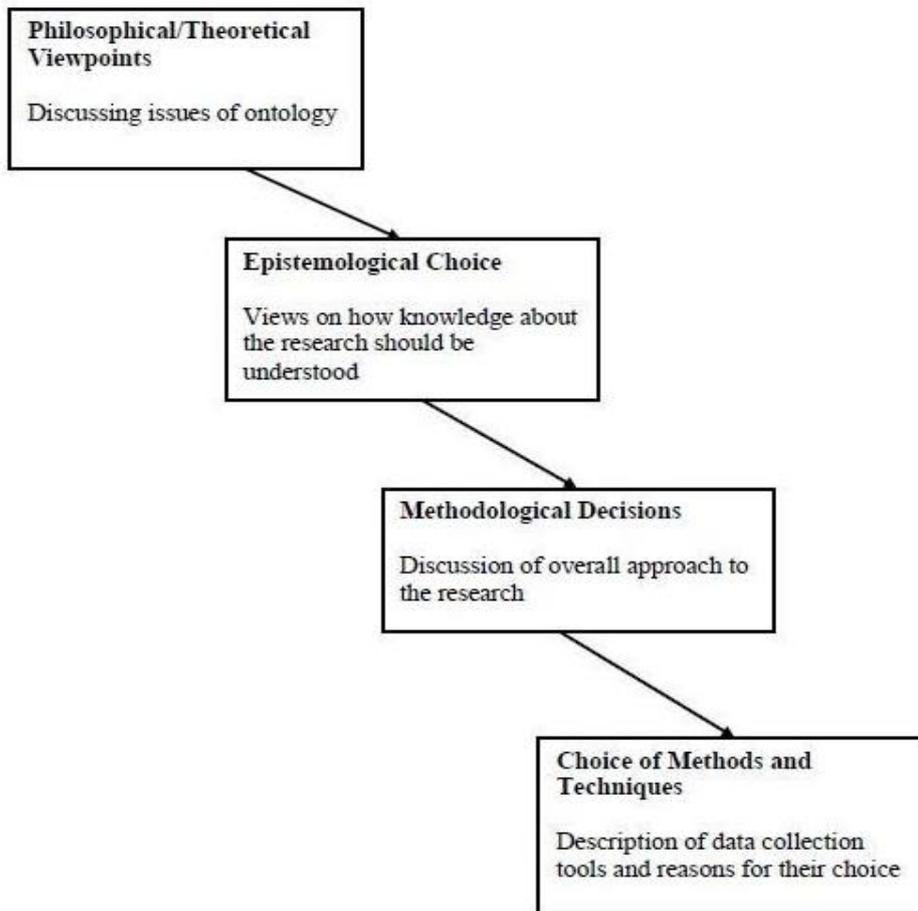


Figure 5-2 The Objectivist-Subjectivist Dispositions in Social Science (Kuada, 2012:72)

<i>Dimensions</i>	The Objectivist Approach	The Subjectivist Approach
<i>Ontology</i>	Realism	Nominalism
<i>Epistemology</i>	Positivism	Anti-positivism
<i>Human Nature</i>	Determinism	Voluntarism
<i>Methodology</i>	Nomothetic	Idiographic

In this paper the objective approach (realism paradigm) will be followed. Objective ontology claims that the world is made up of hard and tangible structures. Instead of analysing different perspectives and reasoning behind the refugee influx, the group will focus on objective and tangible measures and analyse the effect of the influx. Statistical data will be used to have a



clear objective picture of the economy in Turkey as well as the numbers of people in need of protection.

EPISTEMOLOGICAL CHOICE

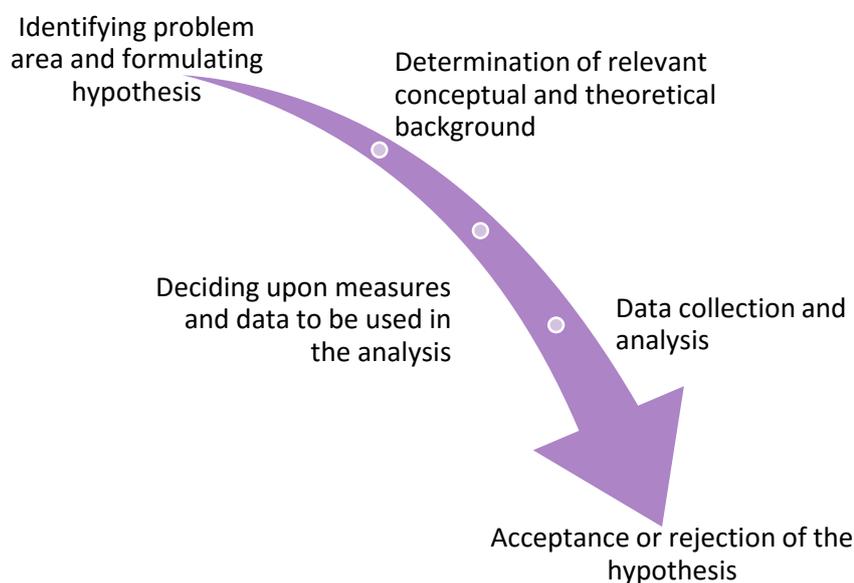
Epistemology describes how individuals perceive the “truth” or otherwise what makes the data, acquired knowledge or assumptions to be true or false. Individuals who perceive the social world as externals, know objectively what is the truth, while the ones who cannot be detached from their environment and social world interpret the happenings subjectively, adjusted to one's feelings and experiences. The two described options when choosing the epistemological choice are two paradigms, positivism and anti-positivism, the first being the choice for an objective approach while the second matches the subjective approach.

Following the ontological choice that was chosen for the paper, the positivism approach of epistemology will be used in this paper. Positivism aims to explain and predict what happens in the social world based on patterns and observed relationships between particular elements that build this world. This researcher believes that in order to have a valid “truth”, one cannot be directly influenced by the elements or events of the social world. The positivist believes that any researcher, in order to investigate the truth, needs to detach himself from the social world and conduct an external investigation.

METHODOLOGICAL DECISION

The aim of this chapter is to describe the reasoning behind choosing and using specific methods in the research process. Since in this paper the objective philosophical approach was chosen, the methodology to be adopted will focus on examining the relationships between variables, not their interpretations. Figure 5-3 illustrates the process flow that was followed when writing the paper.

Figure 5-3 Process flow of the paper



Identifying the problem area and formulating hypothesis

The group has started with a general interest in the refugee influx relationship with the economy of the host country. After discussing the interest of this study, the objective approach was chosen from the very beginning, in order to have the same understanding and assumptions of the topic for all of the group members. A specific focus on Turkey as one of the host countries was chosen, narrowing the focus down to the economy of the country. The motivation behind choosing Turkey and no other country was due to the highest number of refugees received by Turkey. Through objective logic the group had thought that Turkey, as a potential candidate to the European Union, as well as being a developed country, will have valid and reliable statistics about its economy and demographics.

The following problem formulation was created: How did the influx of refugees impact Turkey's economy? Group realized that this problem formulation was too broad and therefore developed sub questions that would help answer the problem question and also frame it to more narrow focus. Sub questions of the problem can be found in the first chapter of this study. Additionally, a hypothesis was developed: *The influx of immigrants and refugees*



in large numbers has an impact on the economy of destination (host country). This hypothesis helped throughout the paper to focus on objective measures of analysis.

Determination of relevant conceptual and theoretical background

Following the objective approach in this paper, the group had to first clearly identify the main terms that are used in this paper, in order to avoid any misleading interpretations from the readers. The main concepts of the topic are defined and discussed in chapter 2, based on legal frameworks as well as existing literature relevant to the field.

The theoretical background had to be set in order to avoid reproducing some other theories or frameworks. However some problems were encountered in this step of the process. The group has observed the gap in the literature between forced migration and the effects that it has on the host economy. Thus, individual theoretical framework was created with the help of some other existing literature on general migration, such as world systems theory, which helps to understand the connection between refugees` home country and host country (connection of concepts with the theory). The international refugee systems theory was brought into this paper, as it was seen relevant for this study, although the group acknowledged that the mentioned theory is not yet proven and still under analysis, the model seemed to fit the field and helped explain the refugee influx accordingly. Besides the theories used, the group had reviewed some of the existing case studies based on refugee flows in other countries and periods of time, in order to get a better understanding. However, this just highlighted the gap in the literature and lack of theories explaining the refugee influx effect on the host economy.

Having this lack of literature and theoretical framework to base the study on, the group has decided to follow the framework of understanding the reasoning of refugees fleeing to Turkey (from the objective perspective, based on tangible data), and discover the effect that the numbers of refugees has on Turkish economy, in a short term period. As mentioned in the delimitation in chapter 1, the group, due to the lack of current statistical data, chose to analyse Turkey`s economy in the period between 2010-2014.



Deciding upon measures and data to be used in the analysis

Secondary data will be the main source of data in this paper. The collected data used in this study is quantitative (matching the philosophical viewpoint of the paper). The data collection was divided into two main sections: one collecting the data related to Turkey's economy in the mentioned period and the other related to statistics of refugees (numbers, expenses and such). The sources were chosen carefully and a more in depth discussion about the reliability of the sources will be presented further in this chapter. However, the group has met another challenge in this step, noticing the lack of data related to the refugees' statistics. Different sources would be presenting different numbers, some would be lacking information from specific years, and official data regarding Turkey's expenditure on refugees in particular could not be found at all. Having such a disappointing challenge regarding the availability of data, the group has followed the collection of data for the measures that were possible to find in this limited amount of time. The data is presented in chapter 6 of this paper and discussed in more details analytically, avoiding interpretations and following the objective approach of the study.

Actual analysis

The qualitative data collected from the secondary sources is used in the actual analysis in chapter 7. The regression analysis was chosen to determine whether there is a correlation between the refugee influx (growing population of Turkey) and the chosen economic variables. The population is used as an independent variable whereas economic indicators are dependant. An important note to acknowledge about regression is that even if the statistical model shows the correlation, it does not explain the causality. The regression analysis was the main tool used for analysing the problem in order to reach a conclusion.

CHOICE OF METHODS AND TECHNIQUES

This chapter will provide a more specific description of the data collection methods and techniques which were used in this study.

Desk research was the very first step when writing the paper. The secondary data collection was a challenging task due to the lack of theoretical framework and accessibility of the



statistical data. Secondary data is the data collected by someone else rather than the authors of this paper. It was chosen due to the lack of time and opportunities to organize a primary data collection by the group. It is important to note that secondary data is usually collected for very different purposes than the aim of this study, thus it is very important to be analytical when using the data from secondary sources. The group has tried to use only reliable data published by official organizations, thus avoiding information and data from articles, for example analytical review of the sources is present further in this chapter. Secondary data was useful as it is time and cost effective.

The regression analysis was another technique used in this study. Generally, the regression analysis is a statistical tool used for the investigation of relationships between variables where the focus is on, concerning the relationship between a dependent variable and independent variable. In this study the variables were: population (independent) and economic indicators of Turkey's economy (dependent variables). In the regression analysis, null (H_0) and alternative (H_A) hypotheses are formulated and tested. The hypotheses in this study were that the growing population (refugee influx to Turkey) has an effect on specific economic indicators chosen (H_A). Null hypotheses, on the contrary, were formulated as there is no connection between the mentioned variables. After putting chosen samples into Microsoft Excel and performing a regression analysis, specific indicators would show the significance of the correlation, if there is one, thus allowing for acceptance or rejection of the formulated hypotheses and a more in depth explanation of how strong is the connection (if there is one). P-value is used as a probability coefficient of 5%. In the regression analysis, if the p value of the regression test turns to be lower or equal to 5%, the null hypothesis has to be rejected and the alternative hypothesis has to be accepted. Alternatively, if the p value is greater than 5%, the null hypothesis is accepted. Another coefficient describing the regression analysis is R-squared – it is a statistical measure of how close the data is to the fitted regression line. It is also known as the coefficient of determination. It is always between 0% and 100%, and generally, the higher the R-squared, the better the model fits the data. These two coefficients were used in this study in order to determine and describe the regression analysis. Full regression analysis outputs can be found in the appendix of this paper.



The general assumptions when performing the regression analysis are important to note. Firstly, it is assumed that sample is representative. In this study the group has acknowledged that there is a margin of error due to the sample size – due to already mentioned reasons, the sample of variables is 5 for each variable, which some might consider small or not representative, but this study assumes it to be representative for the short term economic effect analysis. Another important assumption is that the independent variable is measured with no error. In this study there is a number of refugees and asylum seekers together with local population of Turkey. As discussed, this data was gathered from secondary sources and the authors assume that it is calculated with no error.

REVIEW OF SOURCES

The sources that will be used in the paper are presented with an analytical approach:

- Turkey Statistical Institute (TUIK, TurkStat) is the Turkish government agency commissioned with producing official statistics on Turkey, its population, resources, economy, society, and culture. Founded in 1926, TUIK claims its principal duty is to compile data and information, and produce, publish and provide necessary statistics in the areas the country needs. “TurkStat receives data from individuals, households, businesses via researches and censuses. Then analyze the data received and transform it into statistical information. This statistical information is a reliable guide for all levels of society in decision making processes” (turkstat.gov.tr, 2015). Working with collection of secondary data from this source proved to have no errors – the data provided by TUIK was matching the data from WorldBank or OECD, as an example, so the authors of this paper assumed it to be a reliable source with provision of correct and precise statistical data. The source was used for collection of statistical data about Turkey’s economic figures.

- World Bank – The World Bank Group consists of five organizations: The International Bank for Reconstruction and Development, The International Development Association, The International Finance Corporation, The Multilateral Investment Guarantee Agency and The International Centre for Settlement of Investment Disputes. Generally, The World Bank describes itself as a vital source of financial and technical assistance to developing countries around the world. The World Bank provides access to “Data Bank” – an analysis and visualization tool, where all the statistics about countries’ economies are available. While comparing the data from World Bank and TurkStat, no differences in economic statistical indicators were noticed, resulting in the group’s assumption that the website is providing accurate and correct information.

- UNCHR Statistics – The UN Refugee Agency, states to contribute to coordination and informed decision-making in refugee operations by providing accurate, relevant and timely data and statistics. Information about number of refugees and others in need of protection



in Turkey and other countries could be found in this website. It is the only official source of up to date statistics of people in need of protection which is used by many researchers and organizations. While trying to find the relevant statistics about refugees and asylum seekers, the authors of this paper tried to access the Prime Ministry Disaster and Emergency Management Authority of Republic of Turkey (AFAD), unfortunately the information provided in the mentioned website proved to lack statistics from previous years and more in detail information. Therefore UNHCR statistics were used in this study instead.

- OECD - The Organisation for Economic Co-operation and Development, an international organization publishing statistical data of various countries, also reports and publications. This source was used only for few purposes, mainly gathering information from reports and publications about Turkey's economy.



SIXTH CHAPTER

SECONDARY DATA

The aim of this chapter is to present the collected statistical data throughout the process of this paper and introduce it to the reader. In order to analyse the effect that the refugee influx has on Turkey's economy, the very first step is to take a look at the country before the influx and after. Thus in this chapter the statistical data is presented before the civil war in Syria, which took place in March 2011. Although the authors of this paper were writing in 2015, some statistical information regarding 2015 was not available yet, therefore the period analysed is 2010-2014. The statistics presented in this chapter is divided into two parts: first, concerning the statistical figures of demographics, and the second, figures relating to the economy of Turkey.

DEMOGRAPHICS

The influx of refugees and asylum seekers to Turkey is a remarkable event, making Turkey the largest refugee population hosting country worldwide. Some crucial statistical information about Turkey's demographics before the conflict in Syrian Arab Republic and after it, is presented in figure 6-1.

Figure 6-1 Demographics of Turkey (adopted from World Bank, UNHCR)

	2010	2011	2012	2013	2014
<i>Population, total</i>	72310416	73199372	74099255	75010202	75932348
<i>Population growth (annual %)</i>	1.5	1.2	1.2	1.2	1.2
<i>Refugees</i>	10032	14465	267063	609938	1587374
<i>Syrian refugees</i>	n.d.	n.d.	148000	562000	1165279
<i>Refugees and asylum seekers as % of population</i>	0.03%	0.04%	0.40%	0.87%	2.21%
<i>Asylum applications</i>	9230	16020	26470	44810	87820
<i>Population + refugees + asylum seekers</i>	72329678	73229857	74392788	75664950	77607542



In 2010 Turkey's population growth reached 1.5 percent, however since then it has a stable growth rate of 1.2 percent. It can be clearly seen what Turkey has a massive population. It is the 18th largest population hosting country worldwide, in 2014 Turkey's population was taking a share of 1.05 percent of the world's population (Worldometers, 2015).

The arrival of refugees and asylum seekers in Turkey is not a new thing, every year for decades the country is receiving thousands of asylum applications. However, as it can be observed from the figure 6-1, the mass influx of people in need of protection started in 2012, and continued to grow up until today. By 2014, the refugees and asylum seekers residing in the country were accounted to take a 2.2 percent share of the overall Turkish population, which is a massive number. The majority of the refugees are of Syrian origin, enjoying a temporary protection status in Turkey. Comparing Turkey's population since 2010, it grew by 7.3 percent in just four years, due to its native growing population together with people in need of protection residing in Turkey.

ECONOMY

In the past 30 years, according to the European Parliament (2015), Turkey's economy has moved from an agriculture-based model to a diversified industrial- and service-oriented economy. After a deep crisis in 2001 and following the advice of the International Monetary Fund (IMF), the government adopted a number of market-oriented reforms, including huge privatisations in the banking, communication and transport sectors. In less than a decade, the per capita income tripled to exceed US\$10 000 (European Parliament, 2015:1), and the competitiveness of the Turkish economy was increased by market reforms. This in turn created a genuine Turkish middle class, which has doubled in less than 20 years, and had contributed significantly to reducing. Figure 6-2 presents some key economic indicators statistical data of Turkey (the table with the full list of indicators discussed in this chapter can be found in appendix 1, figure 0-2):



Figure 6-2 Turkey Economic Indicators (TUIK, WorldBank)

Turkey	2010	2011	2012	2013	2014
<i>Exports of goods and services (% of GDP)</i>	21.2%	24.0%	26.3%	25.6%	27.7%
<i>Exports of goods and services (annual % growth)</i>	3.4%	7.9%	16.3%	-0.2%	6.8%
<i>GDP growth (annual %)</i>	9.2%	8.8%	2.1%	4.2%	2.9%
<i>Government expenditure (% of GDP)</i>	10.7%	10.3%	10.7%	10.9%	11.1%
<i>Government expenditure growth rate %</i>	2%	4.7%	6.1%	6.5%	4.7%
<i>Imports of goods and services (% of GDP)</i>	26.8%	32.6%	31.5%	32.2%	32.1%
<i>Imports of goods and services (annual % growth)</i>	20.7%	10.7%	-0.4%	9.0%	-0.2%
<i>Inflation, consumer prices (annual %)</i>	8.6%	6.5%	8.9%	7.5%	8.9%
<i>Unemployment, total (% of total labour force)</i>	11.9%	9.8%	9.2%	9.7%	9.9%

The group will start analysing Turkey`s economy from the very first years of the analysis. Before 2010, Turkey, as other countries, was still affected by the financial crisis worldwide. The country`s GDP growth rate in 2009 was 4.8 percent, and in 2010 a clear improvement can be observed. However, with the increase in GDP growth to 9.2 percent in 2010, the following inflows of foreign investments could have caused a collapse of Turkey`s economy in 2011. As a consequence, Turkey`s government applied some policies and reduced the economic growth in 2012, when it fell to just 2.1 percent. Figure 6-3 illustrates the economic trends of Turkey when considering GDP growth and the contributions of expenditure by different sectors.

It can be observed that by 2012 the inflation rose to 8.9 percent, from 6.5percent in 2011, explaining the reduction in private consumption which is responsible for the GDP growth drop in 2012. Although the inflation dropped to 7.5 percent in 2013, by 2014 it increased to 8.9 percent, as a consequence of food and non-alcoholic beverages, housing and utilities costs (TradingEconomics, 2015).Figure 6-4 below illustrates the fluctuation of Turkey`s inflation rate throughout the years.

Refugee Influx Impact On Host Country: Case Of Turkey

Figure 6-3 Contribution to GDP by expenditure (%) in Turkey (TurkStat, adopted from ecomontor.com)

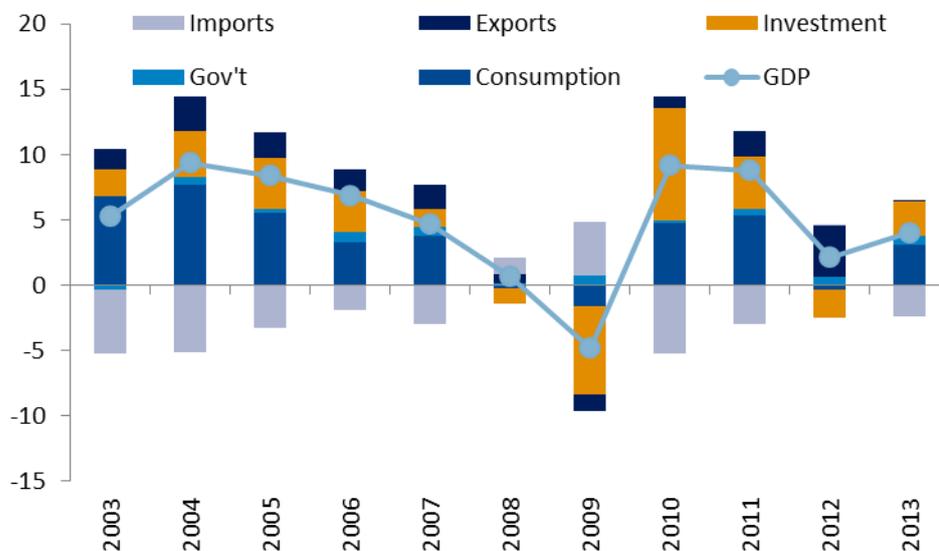
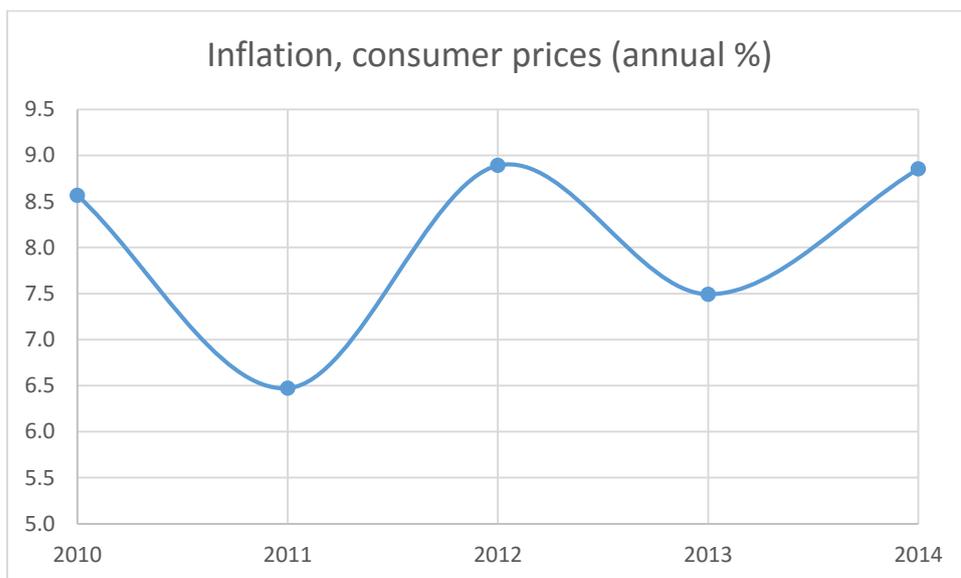


Figure 6-4 Inflation in Turkey 2010-2014 (own adoption based on WorldBank data)



The substantial decrease in economic activity in 2012 was caused mostly by Turkey's Central Bank, which tightened the policy drastically after Turkey's high increase of 9 percent of GDP growth in 2010-2011. After the 2012 decrease in GDP growth, output and employment continued to rise at a considerably high rate. Due to the rapid expanding labour force, unemployment increased considerably. The actual account deficit, even if it decreased by a slight margin in 2014, is still at a high level. Relying on sustained capital inflows creates



vulnerability for Turkey in terms of shifts in global risk sentiment, causing enormous fluctuations in the exchange rate.

After a decrease in 2012, Turkey's economy had a 4.0 percent annual growth in 2013 being under the long-term average calculated from 2001. The primary factor for this rising trend was consumer spending and in the meantime the spending of private capital remained subdued. A significant basis for GDP growth was represented by public expenditure, specifically investment. Net exports, caused a decrease on GDP growth in 2013 due to the fact that the exports of goods and services, which correspond to 25.7 percent of GDP, remained the same while imports grew.

During the first 2 quarters of 2014, GDP growth was at 3.3 percent year-on-year, due to the deceleration of private domestic demand caused by stricter financial conditions, macro-prudential measures which intervened in household borrowing, and a couple of indirect tax increases. The decrease of private domestic demand was affected by revitalized exports caused by a more competitive exchange rate, as well as the export recovery in export markets, with a minor decrease in imports. Purchasing power parity based GDP per capita was at 55 percent of the 2013 average in the EU.

The performance in the labour market was mixed in 2013. The yearly unemployment rate increased by 0.5 percentage points to 9.7 percent in the 20-64 aged population, due to the rise in size of the labour force compared to the employment opportunities. The (3.5 %) labour growth was primarily caused by demographics, and as well by a 1 %percent point increase of the labour force participation rate to 58.4 percent. the rate of early employment increased by a small margin to 53.4 percent. Until May 2014, the growth in labour force growth kept exceeding the growth in employment, causing an increase of half a percentage point unemployment rate in the year-on-year average. The employment rate for females was 31.8 percent in 2013, which is still very low although it increased by 1.1 percentage points compared to the figures from the previous year. Even if the proportion of the female population that is looking for work is lower, their unemployment rate is still higher compared to the unemployment rate of the male population. Also, one third of the women that are considered employed are family workers which are not paid in the agricultural sector. The



percentage of young people that are unemployed is 25.5; while education and training are still a matter to be concerned about. The efficiency of the labour market is constantly obstructed by a lack of flexibility, especially on labour contracts, and undeclared labour is still a common practice. The necessity for inclusive labour market reforms is thus present in this situation.

The central bank continuously conducted monetary policies in a framework considered unconventional. Even if the primary objective is price stability, macro-financial stability is also pursued, thus giving a reference value of 15 percent to credit growth, buffering the fluctuations in exchange rates. Between May 2013 and January 2014, due to internal, regional and international factors, (new monetary policies) in real effective terms, the lira depreciated by 15.1 percent. Because of depreciating currency, an increase in food prices, and some indirect tax augmentation, the consumer price inflation rose from 6.2 percent year on year at the end of 2012 to 7.4 percent in December 2013, over the 5 percent target of the central bank and outside the +/- 2 tolerance band percentage points concerning the target figure. By the end of 2013 the foreign-exchange adjusted credit growth raised to 25 percent. Halfway through 2013, the central bank sold foreign exchange reserves, thus supporting the lira by taking a less accommodative policy stance.

In December-January the monetary policy was tightened more decisively, after the monetary policy committee had an extraordinary meeting on 28 January 2014. The overnight lending rate and the one-week repo rate to 12 percent and 10 percent, respectively, were raised by the central bank and announced that the strict policy stance would be maintained until the inflation outlook would improve drastically (European Commission, 2014). As a consequence, the complex monetary policy framework was simplified to some degree. The impact consisted in the appreciation of the lira by 7.4 percent in real effective terms between January and August. The growth in credit decreased to less than 20% year-on-year, due to the macro prudential measures applied in October 2013 in order to keep in check the consumer borrowing. Even so, the inflation performance continued to deteriorate having the headline inflation fluctuating at a range between 9-10 % during April and August, with core goods inflation running higher than 10 percent, and with an increasing trend in inflation expectations. However, the central bank reversed the course of its monetary policy by



decreasing the one-week repo rate to 8.25 percent in three stages between May and July and the overnight lending rate to 11.25 percent in August.

ECONOMIC CHALLENGES DUE TO REFUGEE INFLUX

In the end of 2014, there were 1.6 million Syrian refugees in Turkey, 86 percent of which lived outside the camps (Erdogan, 2014). As discussed in chapter 2, at the end of 2014 in Turkey reforms regarding the refugee status for Syrians were implemented, classifying Syrian asylum seekers as temporary refugees. This title permits Syrians, who travel to Turkey by crossing official borders and possess a passport, can apply to receive a residence permit, and after for a permit to work. Practically, by supplying them with residence permits Turkey is offering them special identity cards which allow Syrians to leave the camps freely. However, the issuing of id`s and residence and working permits granting procedures take a lot of time, suggesting that if Syrians are employed, it has been done informally, as a consequence of a lack in working rights until the end of 2014. The Turkish Household Labour Force Survey of 2014 showed that 56 percent of the Turkish population agree with the proposal that “Syrians take our jobs” (Del Carpio and Wagner, 2015). Refugees substitute some workers, mainly the low educated ones and the agriculture workers, while they also generate a demand for higher wages and official employment.

The humanitarian aid provided to refugees by the Turkish government has reached more than € 6.5 billion since the beginning of the crisis (European Commission, 2015). These funds were distributed for purchasing food, various services and non-food items (medicine, clothing, shelter, and housing-related goods).The inflow of refugees is in fact a significant source of demand for locally generated services, funded from own savings and labour income or from money transferred by relatives living abroad and from international support. The land and capital owners in Turkey benefit, but workers are affected due to the pressure put by the inflow of the refugees on the demand for goods and services. They also depress wages by increasing labour supply.

An up-to date study done by Del Carpio and Wagner and World Bank Group (2015) highlighted that while Syrian refugees in Turkey (the majority are without formal work permits) have offered unskilled informal and part-time workers, they provided more formal non-agricultural



jobs and a rise in average wages for Turkish workers (Del Carpio and Wagner, 2015). Also, the majority of the displaced workers have resumed their education and can increase the wages they receive upon returning to the labour market. Further, the World Bank Group (2015) report emphasizes the positive effect of Syrian refugees, investing their capital into Turkey – firm data highlights that 26 percent of new registered businesses in Turkey in 2014 had Syrian ownership or capital.

Turkey offers free access to education and health care to all registered refugees and has constructed camps that became a “model for the perfect refugee camp”. In order to provide these services the Turkish government has spent nearly € 5.37 billion (Del Carpio and Wagner, 2015) from the first arrival of the refugees until the present day, using only its own fiscal resources. Even if the amount used is considerable, there is no indication whatsoever that this expenditure has placed in peril the country’s fiscal sustainability.

However this does not mean that managing a large influx of foreigners (refugees or otherwise) is an easy task for the receiving country. Social, political, and even economic pressure associated with the inflow of refugees are significant challenges for Syria’s neighbours, especially Turkey, hosting majority of the refugees from Syrian Arab Republic.



SEVENTH CHAPTER

ANALYSIS

This chapter will introduce the reader with the actual statistical analysis of the effects of a growing population, due to the refugee influx to Turkey, on its economy, performed by the authors of this paper. The statistical analysis in this chapter is based on the regression analysis performed in Microsoft Excel.

GROSS DOMESTIC PRODUCT

As discussed in the previous chapter, Turkey's GDP and economic growth was fluctuating in recent years due to multiple reasons. With a significant increase of refugees and asylum seekers in 2012, and continuity in increasing numbers, Turkey's GDP seemed to slow down growing in 2012, and fluctuate each year since then. Figure 7-1 below illustrates GDP fluctuations in Turkey:

Figure 7-1 Turkey GDP indicators 2010-2014 (adopted from World Bank Group. Note: figures presented are approximated)

	2010	2011	2012	2013	2014
<i>GDP (constant 2005 US\$)</i>	\$ 565,098,632,072.	\$ 614,673,308,841.	\$ 627,750,241,420.	\$ 654,068,728,412.	\$ 672,818,928,030.
	93	23	21	38	74
<i>GDP growth (annual %)</i>	9.2	8.8	2.1	4.2	2.9

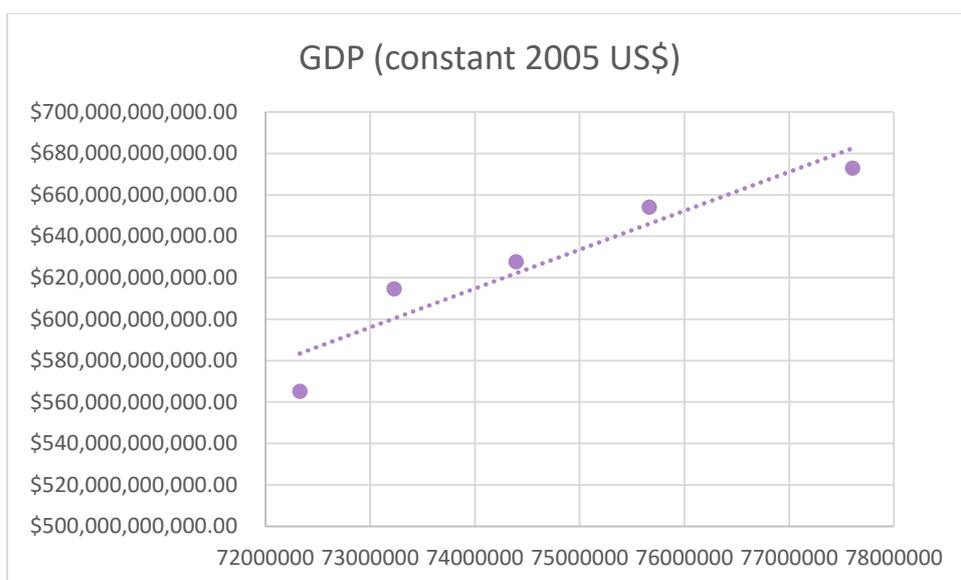
As GDP can be calculated in multiple ways and the indicator consists from various other multiple economic indicators, it is impossible to observe if the refugee influx has had any effect on the GDP and its growth just by looking at the numbers. Thus, the regression analysis was used to determine if there is a connection between the growing population of Turkey and the GDP at a constant 2005 dollar in Turkey.

The regression analysis performed shows that the p value equals to 2%, which is significant, suggesting that the null hypothesis has to be rejected. The alternative hypothesis is accepted,

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which proves that there is a connection between the changes in population and GDP of Turkey. R square is 89%, which says that 89% of the growing population (the independent variable) values can be explained by GDP values (the dependent variable). Figure 7-2 below illustrates the scatter diagram of the data – the fit of the values with linear trend line added, in order to get a better understanding of the model.

Figure 7-2 Population and GDP in Turkey scatter diagram



Thus, the regression analysis suggests that there is a positive relation between two variables – when population of Turkey grows, the GDP increases as well.

INFLATION

Inflation, as well as the GDP in Turkey, was fluctuating year by year:

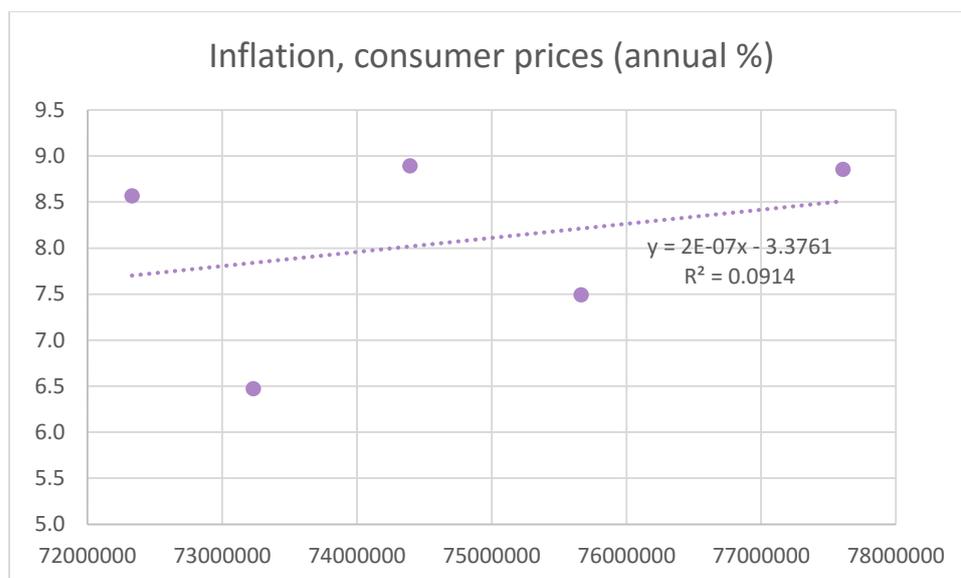
Figure 7-3 Inflation rate in Turkey 2010-2014

	2010	2011	2012	2013	2014
<i>Unemployment, total (% of total labour force)</i>	11.9%	9.8%	9.2%	9.7%	9.9%
<i>Inflation, consumer prices (annual %)</i>	8.6%	6.5%	8.9%	7.5%	8.9%

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The regression analysis shows an insignificant p value of 62%, and R squared of 9%. This in turn means that only 9% of the values of inflation indices fit the model thus suggesting that there is no correlation between the growing population and inflation in Turkey. Figure 7-4 illustrates the insignificance of the model in the scatter diagram. Clearly, the points are quite far from the trend line.

Figure 7-4 Population and Inflation rate in Turkey scatter diagram



However, even with the regression model proving no relationship between inflation and growing population in the country, it is still arguable if the refugee influx has had an effect on Turkey's inflation or not. As described in the previous chapter, the report made by the World Bank Group (2015) has discovered that the refugee influx has resulted in growing local demand, especially in the hosting regions. From theory, it is known that growing demand results in inflation in the economy, until the supply is adjusted accordingly. Thus, although the regression model in the case of inflation proved to have no value, the authors of this paper acknowledge the need of another statistical model in testing the refugee influx possible effect on inflation rate in Turkey. Testing the local demand growth with the population growth regression model would be a good alternative.

UNEMPLOYMENT

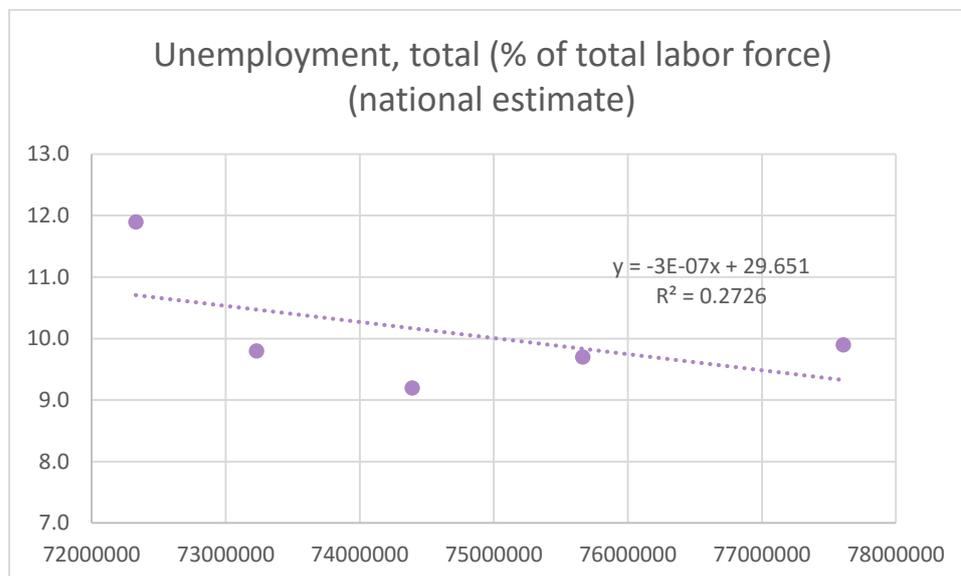
Unemployment in Turkey following the global financial crisis has improved since 2012, falling from the previous year rate of 11.9%. The period from 2010 until 2012 has seen falling unemployment rates in Turkey, however it increased again in 2013-2014:

Figure 7-5 Unemployment rates in Turkey 2010-2014

	2010	2011	2012	2013	2014
Unemployment, total (% of total labour force) (national estimate)	11.9%	9.8%	9.2%	9.7%	9.9%

The performed regression analysis revealed insignificant p value of 37%, and R squared of 27%. The visualization of the test is illustrated in the figure 7-6:

Figure 7-6 Population and Unemployment rate in Turkey scatter diagram



Unemployment rate has no direct relationship with the growing total population of Turkey, as linear regression suggests. However, this does not mean that refugees did not affect the labour market in Turkey. As discovered while writing this paper, the temporary refugee status for Syrian origin people was established in the end of 2014, until this date refugees and asylum seekers had no right to work. However, as previous researchers suggested, together



with the Labour Force Survey of Turkey, Turkish people claim Syrians work in Turkey and increase the competition in the labour market. Thus, the regression model performed is not accurate in terms of the values. Informal employment is hard to measure and it is not included in the statistics. Only at the end of 2014 and later Syrian refugees could obtain a working permit and get employed formally. Thus the group acknowledges the insignificance of the model as well as the lack of data when analysing Turkey's labour market, including the informal market.

GOVERNMENT CONSUMPTION

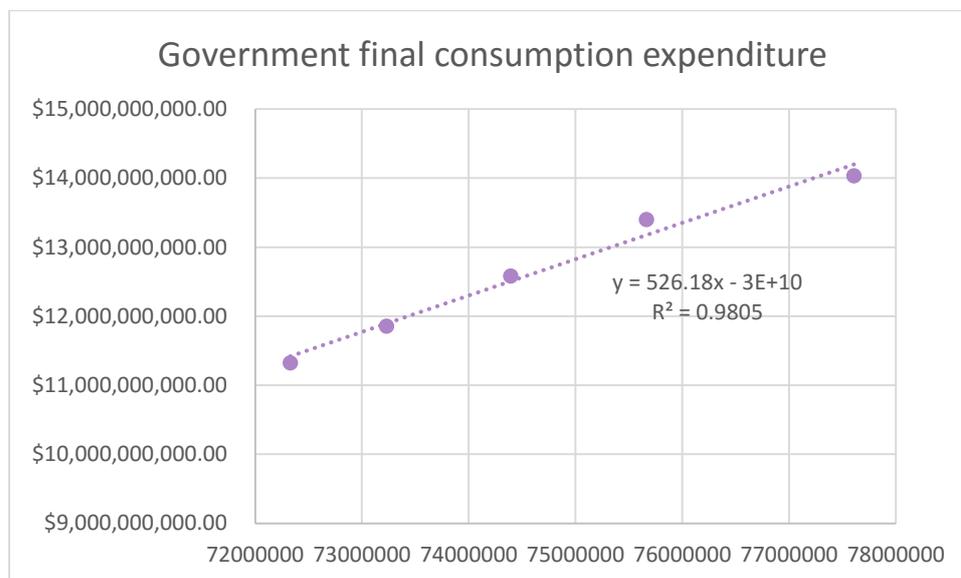
When analysing the Turkish government consumption, it can be observed that year by year the expenditure was growing. In some years faster and higher, in some not:

Figure 7-7 Turkey's Government consumption indicators 2010-2014

	2010	2011	2012	2013	2014
<i>General government final consumption expenditure (constant 2005 US\$)</i>	\$ 73,5 billion	\$ 77 billion	\$ 81,7 billion	\$ 87, billion	\$ 91 billion
<i>Government final consumption expenditure (% of GDP)</i>	14.3%	13.9%	14.8%	15.1%	15.3%
<i>General government final consumption expenditure (annual % growth)</i>	2.0%	4.7%	6.1%	6.5%	4.6%

Thus the regression analysis was performed to see if there is any connection between government expenditure and total population of Turkey. The analysis shows significant p value of 0.1%, and R squared of 98%. This means that the two variables are having a strong relationship:

Figure 7-8 Population and Government consumption in Turkey scatter diagram



Although the regression is significant, showing that there is relation between two variables, it does not explain whether the growing population of Turkish nationals, or refugee flows, has pushed the government consumption. In either way it is safe to say that Turkey`s government expenditure does have a certain connection to the population of the country.

OFFICIAL AID RECEIVED

The authors of this paper have decided to take a look at the official aid received by Turkey. Figure 7-9 below summarises the development assistance and aid received by Turkey in latest years, however the information regarding the year 2014 cannot be found in the official sources.

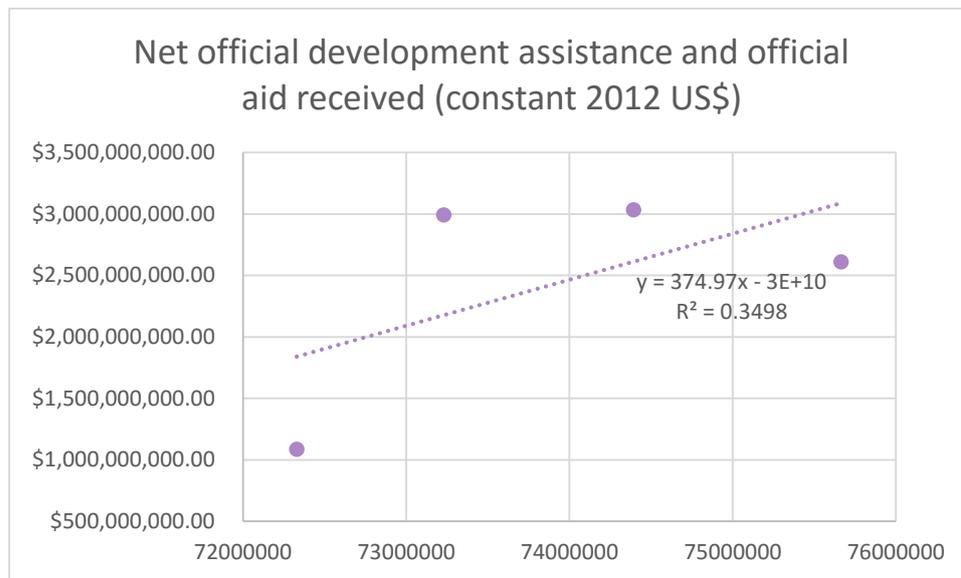
Figure 7-9 Aid received in Turkey 2010-2014

	2010	2011	2012	2013	2014
<i>Net official development assistance and official aid received (constant 2012 US\$)</i>	\$ 1,084,270,000.00	\$ 2,990,610,000.00	\$ 3,033,130,000.00	\$ 2,609,820,000.00	n.d.

Since the beginning of the conflict in Syria and migrants` arrival to Turkey in 2011, the aid received by Turkey has increased significantly, from \$1 billion in 2010 to \$3 billion in 2012. However in 2013 the aid received decreased again. The reasons behind this fluctuating

numbers are not very clear. The regression analysis shows insignificant p value of 41%, and R squared of 35%. In other words, there is no direct correlation between the growing population of Turkey and official aid and development assistance received.

Figure 7-10 Population and Aid received in Turkey scatter diagram



CONCLUSION OF THE CHAPTER

After performing regression analysis in this chapter, the hypothesis which was created for this paper, has to be rejected. Hypothesis stated that there is an effect of refugee influx to Turkey on its economy. However, after seeing the results of the analysis, only GDP and Government final consumption indices of Turkey's economy seemed to be correlating with growing population of the country. These two indices does not say much about the impact of the refugees, but more about general trends of the economy – they tend to grow in year by year.



EIGHTH CHAPTER

DISCUSSION

The authors of this paper have decided to include this discussion chapter that has a purpose of introducing the reader with the authors' thoughts. Due to the chosen objective philosophical approach in this study, the group has tried to be analytical and objective throughout the process of writing the paper. For this reason, this chapter will include more subjective experiences of this study – opinions, challenges and recommendations for further study.

After performing the analysis of this study and finishing the paper, the group has had various perceptions about it. The group was aware of the knowledge gained during the writing process. Although at first sight it seemed to be a not so complicated study, it proved to be one. Multiple challenges were waiting along the way. The first and probably most significant was the lack of official data availability. During the secondary data collection process, the authors started noticing different authors/sources/articles discussing the same phenomena but presenting completely different figures and statistics. Probably the problem here was the 'freshness' of the problem (regarding the refugee influx), thus a lot of different opinions and interests each presenting different data, were present. Having such a challenge the group has decided to stick with only a few sources and base the work on the official data presented in these sources. Although it was a good choice regarding the method of collecting data, some of the specific indicators that the group had intended to study could not be found. Also, indicators, even from one single source, are presented in different currencies, for example, making it even harder to understand.

The authors acknowledged that these challenges could have been solved better, unfortunately the limited amount of time that was set to finish the study was a barrier and it can be said that it influenced the conclusions and findings of this study.

For further studies, the authors still find the topic and problem interesting, but some recommendations and notes should be taken into consideration. Firstly, the authors believe that in order to analyse this field and particular problem, more time for the analysis is needed.



Also, the group believes that even if this analysis, which is aimed to analyse effects of refugee influx seen in a short-term, several years need to pass in order to be able to see the actual effects. Firstly, the necessity for official data and statistics to be published is present. And secondly, there is a constant change in figures of demographics – the number of refugees is growing monthly, while the number of asylum applications is just fluctuating, with some asylum claims being approved and some denied. The lack of theoretical background about forced migration effects on the host economy had a direct effect on the process of writing this study. It was more challenging to decide which economic indicators should be taken into consideration and which should be left behind.

The group has noticed a challenge in actually performing the analysis of this paper, acknowledging the lack of understanding of statistical tools useful for such a study. Being students of international relations and development, the authors have discussed a possibility of performing a better analysis, or, perhaps, using more useful methods of analysis, however the lack of time to write this paper resulted in using only one statistical analysis tool.

In the end, the authors of this study feel that it was a significant study for the authors` learning and developing process, however in order to have a significant importance in social sciences, the study has to be improved, in the group member`s opinion.

CONCLUSIONS

In the past decades Turkey has faced some major challenges to its economic, political and social environment. After recovering from the global financial crisis, the country had to deal with a new regional challenge: the civil war in Syrian Arab Republic, conflicts in neighbouring countries and spread of the Islamic State terror. The study performed by the authors of this paper was aimed to analyse the effects of mass refugee influx to Turkey`s economy.

The analysis revealed that, since the beginning of the conflicts in the region in 2011, there was a yearly increase in refugees and asylum seekers in Turkey, with a major increase in 2012 and continuing to grow up to present days. From the last year analysed in the paper (2014), refugees and asylum seekers` population in Turkey reached 2.2% of the native population. Based on theoretical review, the influx to Turkey can not only be explained by the geographic



location of neighbouring countries, but as well by economic factors. As world systems theory suggests, migration is a result of the capitalistic world, where core and semi periphery countries exploit capital from periphery countries, including human capital. Thus, in this study the refugee influx to Turkey can be explained as movement from periphery countries (Syrian Arab Republic, Iraq, Iran, Afghanistan) to semi-periphery (Turkey).

While there is no significant effects of the influx on Turkey`s economy discovered in this study, it can be claimed that over the short-run period, the mass numbers of individuals looking for international protection in Turkey, the economic effects cannot be observed directly. The Growing population indeed increased local demand, especially in the regions next to the Turkey-Syria border, where the majority of refugee population is residing, leading to an increase in prices of scarce goods, which in turn together with other economic trends result in inflation. The regression analysis showed a close connection between the growing population of Turkey, together with refugees and asylum seekers, with government consumption and GDP. Both indicators increase together with the growing population. Growing GDP indicates the growing economy, which is a positive aspect. The Government spending, on the other hand, is argued to boost economic growth in some cases, and decrease the private spending in the other cases.

To sum up the analysis, there is no significant positive or negative effect observed on the economy of Turkey by the refugee influx in this short-run analysis. Perhaps analysing the specific regions with larger refugee populations would have proven to show some effects on the economy, however the aim of this paper was to analyse the national level.



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APPENDIX

APPENDIX 1

Figure 8-1 Demography statistics in Turkey 2010-2014

	2010	2011	2012	2013	2014
<i>Asylum applications</i>	9230	16020	26470	44810	87820
<i>Labour force with primary education (% of total)</i>	63.70%	63.10%	61.40%	n.d.	n.d.
<i>Labour force with secondary education (% of total)</i>	20.40%	20.10%	20.30%	n.d.	n.d.
<i>Labour force with tertiary education (% of total)</i>	15.90%	16.80%	18.30%	n.d.	n.d.
<i>Labour force, total</i>	25644596	26585102	26941990	27354730	n.d.
<i>Population + refugees + asylum seekers</i>	72329678	73229857	74392788	75664950	77607542
<i>Population ages 0-14 (% of total)</i>	26.88%	26.63%	26.40%	26.18%	25.94%
<i>Population ages 15-64 (% of total)</i>	66.09%	66.26%	66.41%	66.55%	66.67%
<i>Population ages 65 and above (% of total)</i>	7.03%	7.11%	7.19%	7.27%	7.39%
<i>Population density (people per sq. km of land area)</i>	93.95478	95.10982	96.27906	97.46268	98.66085
<i>Population growth (annual %)</i>	1.46%	1.22%	1.22%	1.22%	1.22%
<i>Population, total</i>	72310416	73199372	74099255	75010202	75932348
<i>Refugee population</i>	10032	14465	267063	609938	1587374
<i>Refugees and asylum seekers as % of population</i>	0.03%	0.04%	0.40%	0.87%	0.022062
<i>Syrian refugees</i>	n.d.	n.d.	148000	562000	1165279



Refugee Influx Impact On Host Country: Case Of Turkey

	2010	2011	2012	2013	2014
<i>Unemployment, female (% of female labour force)</i>	13%	11.30%	10.80%	11.90%	n.d.
<i>Unemployment, male (% of male labour force)</i>	11.40%	9.20%	8.50%	8.70%	n.d.
<i>Unemployment, total (% of total labour force)</i>	11.90%	9.80%	9.20%	9.70%	n.d.
<i>Wage and salaried workers, total (% of total employed)</i>	60.90%	61.70%	62.90%	64.10%	n.d.

Figure 8-2 Turkey's economic indicators 2010-2014

	2010	2011	2012	2013	2014
<i>Adjusted net national income (annual % growth)</i>	9.61%	6.23%	1.56%	5.58%	n.d.
<i>Adjusted net national income (constant 2005 US\$)</i>	\$ 517,686,598, 778.53	\$ 549,957,908, 174.04	\$ 558,563,845, 390.66	\$ 589,734,931, 884.49	n.d.
<i>Agriculture, value added (% of GDP)</i>	9.46%	9.01%	8.84%	8.33%	8.03%
<i>Agriculture, value added (annual % growth)</i>	2.36%	6.05%	3.12%	3.48%	-1.95%
<i>Agriculture, value added (constant 2005 US\$)</i>	\$ 47,208,699,8 10.91	\$ 50,066,642,4 66.30	\$ 51,630,502,9 53.12	\$ 53,424,835,2 92.76	\$ 52,385,110,6 44.13
<i>Central government debt, total (% of GDP)</i>	51.34%	46.94%	45.14%	n.d.	n.d.
<i>Consumer price index (2010 = 100)</i>	100.0	106.5	115.9	124.6	135.7
<i>Current account balance (% of GDP)</i>	-6.20%	-9.68%	-6.15%	-7.85%	-5.82%



Refugee Influx Impact On Host Country: Case Of Turkey

	2010	2011	2012	2013	2014
<i>Current account balance (BoP, current US\$)</i>	\$ - 45,312,000, 000.00	\$ - 75,008,000, 000.00	\$ - 48,535,000,0 00.00	\$ - 64,658,000, 000.00	\$ - 46,516,000, 000.00
<i>Deposit interest rate (%)</i>	15.27%	14.22%	16.35%	15.76%	16.77%
<i>Exports of goods and services (% of GDP)</i>	21.21%	23.98%	26.30%	25.64%	27.72%
<i>Exports of goods and services (annual % growth)</i>	3.41%	7.88%	16.31%	-0.21%	6.83%
<i>Exports to Syria (US\$)</i>	\$ 1,844,604,5 82.00	\$ 1,609,861,2 16.00	\$ 497,960,228. 00	\$ 1,024,473,2 98.00	\$ 1,800,962,4 79.00
<i>Final consumption expenditure (constant 2005 US\$)</i>	\$ 469,729,009 ,302.03	\$ 503,927,289 ,146.97	\$ 505,912,568, 697.76	\$ 532,815,845 ,812.88	\$ 542,371,919 ,440.04
<i>Final consumption expenditure, etc. (% of GDP)</i>	86.03%	85.11%	85.03%	85.90%	84.07%
<i>Final consumption expenditure, etc. (annual % growth)</i>	6.02%	7.28%	0.39%	5.32%	1.79%
<i>Food exports (% of merchandise exports)</i>	10.58%	10.61%	10.77%	11.24%	11.45%
<i>Food imports (% of merchandise imports)</i>	4.05%	4.54%	4.55%	4.58%	5.12%
<i>Foreign direct investment, net inflows (% of GDP)</i>	1.24%	2.09%	1.68%	1.51%	1.57%
<i>Foreign direct investment, net inflows (current US\$)</i>	\$ 9,099,000,0 00.00	\$ 16,176,000, 000.00	\$ 13,282,000,0 00.00	\$ 12,457,000, 000.00	\$ 12,539,000, 000.00
<i>Foreign direct investment, net outflows (% of GDP)</i>	0.20%	0.31%	0.52%	0.44%	0.88%



	2010	2011	2012	2013	2014
<i>GDP (current US\$)</i>	\$ 731,168,05 1,903.11	\$ 774,754,15 5,283.58	\$ 788,863,30 1,670.38	\$ 823,242,58 7,404.14	\$ 799,534,96 3,353.90
<i>GDP growth (annual %)</i>	9.16%	8.77%	2.13%	4.19%	2.87%
<i>General government final consumption expenditure (% of GDP)</i>	14.34%	13.93%	14.84%	15.10%	15.30%
<i>General government final consumption expenditure (annual % growth)</i>	1.98%	4.68%	6.15%	6.50%	4.62%
<i>General government final consumption expenditure (constant 2005 US\$)</i>	\$ 73,551,158, 291.11	\$ 76,991,266, 385.54	\$ 81,723,758, 383.62	\$ 87,037,395, 314.94	\$ 91,058,146, 319.84
<i>Gross domestic income (constant LCU)</i>	103,897,85 8,352.72 ₺	111,778,58 6,797.39 ₺	112,964,47 5,992.73 ₺	119,026,71 1,592.59 ₺	122,650,43 6,504.74 ₺
<i>Gross domestic investment (% of GDP)</i>	19.52%	23.56%	20.13%	20.64%	20.35%
<i>Gross fixed capital formation (% of GDP)</i>	18.91%	21.82%	20.27%	20.33%	20.11%
<i>Gross fixed capital formation (annual % growth)</i>	30.543136 69	18.027726 58	- 2.6976358 41	4.3722458 8	- 1.3335874 76
<i>Gross fixed capital formation (constant 2005 US\$)</i>	\$ 117,629,91 7,156.62	\$ 138,835,91 6,995.31	\$ 135,090,62 9,538.54	\$ 140,997,12 4,023.16	\$ 139,116,80 4,035.47
<i>Gross national expenditure (% of GDP)</i>	105.55%	108.67%	105.16%	106.54%	104.42%
<i>Gross national expenditure (constant 2005 US\$)</i>	\$ 586,905,27 3,571.55	\$ 642,217,23 0,743.04	\$ 633,225,00 3,184.89	\$ 674,125,34 6,118.72	\$ 682,134,35 4,770.18



APPENDIX 2

Figure 8-3 Population total and GDP regression output

SUMMARY OUTPUT		Ho - There is no connection between population size and GDP						
		Ha - There is a connection between population size and GDP						
Regression Statistics								
Multiple R	0.944828057							
R Square	0.892700056							
Adjusted R Square	0.856933409							
Standard Error	15613986128							
Observations	5							
ANOVA								
	df	SS	MS	F	Significance F	p value is lesser than 5%, Ho is rejected		
Regression	1	6.08492E+21	6.08492E+21	24.95900818	0.015427095			
Residual	3	7.3139E+20	2.43797E+20					
Total	4	6.81631E+21						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-7.75318E+11	2.80757E+11	-2.761527172	0.070062765	-1.66881E+12	1.18176E+11	-1.66881E+12	1.18176E+11
Population, refugees, asylum seekers	18784.93001	3760.06991	4.995899136	0.015427095	6818.709422	30751.1506	6818.709422	30751.1506

Figure 8-4 Population total and inflation rate regression output

SUMMARY OUTPUT		Ho - There is no connection between population size and inflation						
		Ha - There is a connection between population size and inflation						
Regression Statistics								
Multiple R	0.302397156							
R Square	0.09144404							
Adjusted R Square	-0.211407947							
Standard Error	1.157341472							
Observations	5							
ANOVA								
	df	SS	MS	F	Significance F	p value is greater than 5%, fail to reject Ho		
Regression	1	0.404434328	0.404434328	0.301943009	0.620927249			
Residual	3	4.018317852	1.339439284					
Total	4	4.422752179						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-3.376078707	20.81030849	-0.162231075	0.881435125	-69.60376806	62.85161065	-69.60376806	62.85161065
Population, refugees, asylum seekers	1.53146E-07	2.78704E-07	0.549493411	0.620927249	-7.33815E-07	1.04011E-06	-7.33815E-07	1.04011E-06

Figure 8-5 Population total and unemployment rate regression output

SUMMARY OUTPUT		Ho - There is no connection between population size and unemployment rate						
		Ha - There is a connection between population size and unemployment rate						
Regression Statistics								
Multiple R	0.522086644							
R Square	0.272574464							
Adjusted R Square	0.030099285							
Standard Error	1.025837236							
Observations	5							
ANOVA								
	df	SS	MS	F	Significance F	p value is greater than 5%, fail to reject Ho		
Regression	1	1.182972902	1.182972902	1.124133	0.366831068			
Residual	3	3.157026106	1.052342035					
Total	4	4.339999008						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	29.65104761	18.4457136	1.607476309	0.206312	-29.05144549	88.35354072	-29.05144549	88.35354
Population, refugees, asylum seekers	-2.61921E-07	2.47036E-07	-1.060251606	0.366831	-1.0481E-06	5.24259E-07	-1.0481E-06	5.24E-07



Figure 8-6 Population total and government expenditure regression output

SUMMARY OUTPUT		Ho - There is no connection between population size and government expenditure Ha - There is a connection between population size and government expenditure						
<i>Regression Statistics</i>								
Multiple R	0.990205443							
R Square	0.980506819							
Adjusted R Square	0.974009092							
Standard Error	177873530.2							
Observations	5							
<i>ANOVA</i>								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>	p value is lesser than 5%, Ho is accepted		
Regression	1	4.77432E+18	4.77432E+18	150.8999717	0.001161909			
Residual	3	9.4917E+16	3.1639E+16					
Total	4	4.86924E+18						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-26637319463	3198367226	-8.328411837	0.003628197	-36815951424	-16458687502	-36815951424	-16458687502
Population, refugees, asylum seekers	526.1844796	42.83447564	12.28413496	0.001161909	389.8660609	662.5028984	389.8660609	662.5028984

Figure 8-7 Population total and aid received regression output

SUMMARY OUTPUT		Ho - There is no connection between population size and aid received Ha - There is a connection between population size and aid received						
<i>Regression Statistics</i>								
Multiple R	0.591443229							
R Square	0.349805093							
Adjusted R Square	0.02470764							
Standard Error	905368339.5							
Observations	4							
<i>ANOVA</i>								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>	p value is greater than 5%, fail to reject Ho		
Regression	1	8.81989E+17	8.81989E+17	1.076000717	0.408556771			
Residual	2	1.63938E+18	8.19692E+17					
Total	3	2.52137E+18						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-25282684671	26719366456	-0.946230694	0.443908436	-1.40247E+11	89681470347	-1.4E+11	8.97E+10
Population, refugees, asylum seekers	374.9732469	361.4880982	1.037304544	0.408556771	-1180.384506	1930.330999	-1180.38	1930.331