

Relative Income and Perception of Syrian Refugees on the Basis of Economic Rights

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Abstract

Easterlin (2001) states that increasing income does not lead to greater happiness because people compare themselves to others (social comparison) or adjust the increase in income (adaptation). We apply the relative income hypothesis to Syrian refugees' perceptions of their economic conditions, not their happiness. To answer the question "Does relative income matter in Syrian refugees' perceptions of economic conditions?" we regress Syrian refugees' perceptions of various economic rights on relative income by using data collected in Istanbul, Hatay, Gaziantep, and other cities. The OLS estimation results show that an increase in Syrians' income makes them more likely to believe perceptions of discrimination in applying for jobs, while an increase in Syrians' income as a share of the GDP of the city in which they live makes them more likely to have perceptions of less discrimination in applying for jobs. Other results show that an increase in relative income leads them to perceive that they have more difficulty finding a job because of their nationality. Moreover, an increase in relative income leads them to believe less likely to do jobs that the local do not want to do. Regarding low pay, an increase in relative income leads them to believe that they are paid less than the local. The results suggest that when policies achieve more equality between the local and Syrians in labor markets, Syrian refugees change their perceptions, which leads them to be more effective in the labor market.

1 Introduction

Absolute income is one of the causes of subjective well-being (Diener, 1984). The seminal work of Easterlin (1974) shows that happiness increases steadily from low to high income. In satisfying the essential needs, income is the crucial source (Wolbring et al., 2013). Veenhoven (1991) pointing out the positive relationship between GNP per capita and happiness suggests that inborn needs can be met by income, causing people feel greater subjective well-being. Following (Duesenberry, 1952, as cited in Easterlin 1974), Easterlin (1974) emphasized the importance of relative income in explaining changes in happiness. Although increasing income has a positive effect on individual happiness, individual happiness remains unchanged when everyone's income increases (Easterlin, 1974). Further work by Easterlin (1995) states that rising income does not lead to greater happiness because people compare themselves (social comparison) to others or adapt the income growth (adaptation) (Easterlin, 2001). Being better than others, e.g., citizens, colleagues, in terms of income makes individuals happier, but previous evidence suggests that the effect of social comparison is ignored when it comes to comparing oneself to one's close friends and relatives (Clark & Senik, 2010; Senik, 2009; Wolbring et al., 2013).

A growing body of a literature agrees with the similar findings: the richer, the happier. However, it is also emphasized that relative income plays a crucial role in an individual's subjective well-being. Blanchflower and Oswald's (2004) study shows that both absolute and relative income affect subjective well-being, as indicated by life satisfaction and happiness. Richer people experience greater life satisfaction. In addition, an increasing effect of relative income on happiness is observed in the United States. Caporale et al. (2009) provide supporting evidence for the positive effect of absolute income on happiness in 19 European countries. On the other hand, they also show that the effects of reference group income differ across Western and Eastern European countries. Reference income decreases happiness for people in Western European countries, while it increases happiness for people in Eastern European countries. Gökdemir and Dumludağ's (2012) study points out that the life satisfaction of the immigrant Turks in Netherlands is not affected by absolute income whereas relative income matters they compare their economic and social status to the upper groups in the society, leading to decrease in life satisfaction. As for Moroccan in Netherlands, positive impact of absolute income on life satisfaction is detected while the negative effect of relative income is observed as it is for the Turks. In the study of Uğur (2021), detailed findings for the role of income on happiness in Türkiye show that relative income matters more than absolute income in explaining individuals' happiness. In other words, as income in the city increases, individuals feel lower happiness.

Perception is considered as a concept shaped by how individuals see and interpret their environment. It is believed that various factors influence how we perceive and understand our surroundings. One of the primary factors is an individual's sensory and physical perception. Another important factor is the individual's past experiences. It is expected that individuals make assumptions and evaluations based on their past experiences. Another factor is the cultural and social factors brought by the individual from the society they belong to. The individual's emotional state, level of cognitive understanding, and their biases and stereotypes also play a direct and influential role in how they perceive and interpret their environment (McKay et al., 2012). Different interpretations or perceptions by individuals observing the same event emerge as a combination of all these criteria. In other words, individuals who have been raised in the same family and have the same social status may have

different perceptions due to the varying levels of these factors. How an event is perceived or seen depends on highly personal interpretations, but it is also related to the structure of the observed situation. Therefore, the same person may be perceived differently as a tourist compared to being perceived as a refugee, and this perception has a direct impact on individuals' social integration (Portes & Zhou, 1993). Especially, in addition to factors such as the individual's income status and unemployment, the economic and cultural values of the society in which they are situated can further radicalize these perceptions. In other words, when individuals perceive economic prosperity, they may perceive incoming individuals differently, while scenarios where economic indicators are poor at both individual and societal levels may result in a different level of perception. Therefore, refugees tend to select cities or neighborhoods that align with similar socio-cultural or ethnic backgrounds in the countries they go to, aiming to minimize potential divisive behaviors or perceptions (Sauer & Kraus, 2022). A study conducted by Çelik, using qualitative methods, found that despite being highly skilled and having work permits, Syrian and Pakistani immigrants were subjected to more discrimination compared to Western immigrants, indicating that ethno-racial hierarchies play a more influential role in perceptions than official status (Çelik, 2023).

The intricate and multi-layered nature of these factors in shaping individual perceptions presents considerable difficulties in predicting their attitudes and approaches towards refugees. However, the escalating refugee crisis resulting from the Syrian civil war has led to an increase in studies exploring refugees' perceptions and their integration, shedding light on various aspects of individuals' perceptions and their relationship with refugee integration. It is well-established that the perceptions of locals have a direct influence on the experiences of refugees, often subjecting them to negative attitudes and behaviors. These perceptions have been widely discussed for their sociological implications, as they complicate social integration. Sociological disruptions within the social fabric and the spatial confinement of migrants have been found to contribute to their radicalization, exacerbating existing challenges. Therefore, comprehending the formation of individuals' perspectives and perceptions towards refugees, as well as the factors that shape them, is of utmost importance.

In this study, we test how relative income affects perception of Syrian refugees on the basis of economic rights in Turkey in contrast to previous studies focusing on subjective well-being of individuals. To the best knowledge of the author, this is the first study which the relationship between relative income and perceptions of Syrian refugees regarding to economic rights. The estimation results point out that Syrians' thoughts are shaped by the income level of the society in Türkiye. In other words, they judge their own situations by comparing other citizens in Turkey as all individuals do. The estimation results show that an increase in relative income leads them to perceive that they have more difficulty finding a job because of their nationality. It is also found that an increase in relative income leads them to believe that they are paid less than the local. On the other hand, an increase in Syrians' income as a share of the GDP of the city in which they live makes them more likely to have perceptions of less discrimination in applying for jobs. Furthermore, an increase in relative income leads them to believe less likely to do jobs that the local do not want to do.

The remainder of the paper is organized as follows. Section 2 explains data and methodology. Estimation results are reported in Section 3. Section 4 concludes.

2 Data and Methodology

With the approval of the ethics committee of Eskisehir Anadolu University (Protocol Number: 36730), 744 Syrian refugees residing in Istanbul, Hatay, Gaziantep and other cities were interviewed, and survey data were collected between October 2021 and March 2022. The data on GDP per capita in a city is taken from the Turkish Statistical Institute (TURKSTAT). The following questions are asked if the refugees strongly disagree (=1), disagree (=2), neither agree nor disagree (=3), agree (=4), and strongly agree (=5) to calculate their perceptions on economic rights:

- Q1. I am working in jobs suitable for my profession/education where I live now.
- Q2. I can work in the job that I want to where I live now, foreigners are not treated differently when applying for a job.
- Q3. I don't think that being Syrian has a negative effect on finding a job where I live now.
- Q4. I work in jobs that locals don't want to do where I live now.
- Q5. Since I am Syrian, I earn less than a Turkish doing the same job where I live now.

For sample selection, missing variables are deleted. Out of 744 respondents, 605 remain. Table 1 shows the descriptive statistics of the selected variables. 73% of respondents have income less than 2500 TL, followed by the 2500-4500 TL income bracket. 84% of the respondents are between 18-45 years old. 56% of the respondents are married. The percentage of women is 47%. The majority of respondents have a degree beyond primary education. 60% of respondents have been in Turkey for 5-10 years. Only 17% of the refugees can communicate very well in Turkish.

Variables	Mean	Std.Dev.
Fit to skill (Q1)	2.65	1.21
No discrimination (Q2)	2.38	1.11
Hard to get a job (Q3)	2.74	1.22
Unwanted job (Q4)	3.11	1.06
Low pay (Q5)	4.06	0.97
Income brackets		
Less than 2500 TL	0.73	0.44
2500-4500 TL	0.24	0.43
4500-7000 TL	0.01	0.11
Higher than 7000 TL	0.01	0.11
Age		
18-25	0.44	0.50
25-45	0.40	0.49
45-65	0.15	0.35
+65	0.02	0.13
Married (=1)	0.56	0.50
Female (=1)	0.47	0.50
Education		
Lower than high school	0.21	0.41
High school	0.42	0.50
University or higher	0.37	0.48
Stay		
Less than a year	0.05	0.22
1-5	0.29	0.46
5-10	0.60	0.49
Longer than 10 years	0.05	0.22
Language		
Very poor	0.26	0.44
Moderate	0.32	0.47
Good	0.25	0.43
Very good	0.17	0.38
City		
Istanbul	0.05	0.22
Hatay	0.07	0.25
GA	0.27	0.44
Other	0.61	0.50
Number of observations	605	

Table 1. Descriptive Statistics

To calculate the effect of relative income on Syrian refugees' perceptions on economic rights, we estimate the following equation:

$$ER_i = \alpha_0 + \alpha_1 I_i + \alpha_2 RI_i + \delta_i X_i + \varepsilon_i \quad (1)$$

where ER is the variable representing each perception of the respondent i on economic rights. I refers to income. In the survey, the respondents were asked to choose the income bracket which their income fall within. Income brackets are as follows: less than 2500, 2500-4500, 4500-7000, higher than 7000 Turkish Liras. The respondents' income which is lower than 2500 is calculated by multiplying 2500 by 0.80. The second and third brackets are calculated by taking the average of 2500 and 4500, and the average of 4500 and 7000. The last bracket is calculated by multiplying 7000 by 1.25. RI denotes the relative income calculated by dividing the respondent's income by GDP per capita in the city where the person lives in in 2022. As for the calculation of relative income for respondents living in other cities, GDP per capita in Türkiye in 2022 is used. For simplicity, all relative incomes are multiplied by 100. X is a set of covariates that includes the categories of age (18-25, 25-45, 45-65, +65), dummy variable for marital status, dummy variable for gender, the categories of education level (lower than high school, high school, university or higher), the categories of the duration that the respondent has lived in Türkiye (less than a year, 1-5 years, 5-10 years, longer than 10 years), the categories of language level of the respondent (very poor, moderate, good, very good), and the city where the respondent lives in (Istanbul, Hatay, Gaziantep, other).

Variables	Fit to skill (Q1)	No discrimination (Q2)	Hard to get a job (Q3)	Unwanted job (Q4)	Low pay (Q5)
	(1)	(2)	(3)	(4)	(5)
Income	0.00 (0.00)	-0.001** (0.00)	0.001*** (0.00)	0.001*** (0.00)	-0.001* (0.00)
Relative income	0.281 (0.184)	0.415*** (0.14)	-0.373** (0.167)	-0.371** (0.171)	0.282* (0.153)
Age (ref: 18-25)					
25-45	-0.38* (0.203)	-0.106 (0.155)	-0.172 (0.154)	0.636*** (0.136)	0.145 (0.096)
45-65	-0.678*** (0.248)	-0.418** (0.205)	-0.135 (0.221)	0.365** (0.169)	0.204 (0.132)
+65	-0.44** (0.204)	0.374* (0.196)	0.739*** (0.193)	0.785*** (0.178)	-0.825*** (0.151)
Married (=1)	-0.194 (0.239)	-0.247 (0.174)	-0.238 (0.178)	-0.793*** (0.129)	-0.473*** (0.09)
Female (=1)	0.556*** (0.126)	0.504*** (0.109)	0.488*** (0.116)	-0.072 (0.101)	0.048 (0.086)
Education (ref: lower than high school)					
High school	-0.262 (0.177)	-0.21 (0.163)	-0.144 (0.162)	-0.357*** (0.119)	-0.28** (0.11)
University or higher	-0.392** (0.174)	-0.174 (0.166)	-0.21 (0.159)	-0.28** (0.129)	-0.085 (0.106)
Stay (ref: less than a year)					
1-5	-0.019 (0.244)	-0.594*** (0.227)	-1.471*** (0.239)	0.286 (0.195)	-0.557*** (0.162)
5-10	0.042 (0.244)	-0.029 (0.228)	-1.298*** (0.227)	-0.193 (0.199)	-0.656*** (0.146)
Longer than 10	-0.507 (0.319)	-0.584* (0.335)	-1*** (0.3)	-0.272 (0.327)	-0.292* (0.171)
Language (ref: Very poor)					
Moderate	-0.371** (0.158)	-0.06 (0.146)	-0.005 (0.15)	-0.538*** (0.125)	0.221 (0.137)
Good	-0.369** (0.157)	0.131 (0.159)	0.826*** (0.149)	0.173 (0.145)	-0.117 (0.159)
Very good	-0.521*** (0.189)	-0.033 (0.158)	0.101 (0.168)	-0.24 (0.171)	0.338** (0.146)
City (ref: Istanbul)					
Hatay	-0.214 (0.793)	-1.661*** (0.596)	2.114*** (0.813)	1.98** (0.866)	-1.239 (0.838)
Gaziantep	0.51 (0.555)	-0.599 (0.472)	1.83*** (0.55)	1.804*** (0.521)	-0.123 (0.496)
Other	0.104 (0.367)	-1.193*** (0.306)	0.228 (0.359)	0.336 (0.336)	0.03 (0.343)
Constant	2.49*** (0.48)	3.536*** (0.403)	2.4*** (0.482)	2.517*** (0.406)	4.949*** (0.354)
Observations	605	605	605	605	605
R-squared	0.204	0.246	0.308	0.215	0.161
Notes: Robust standard errors are in parentheses. *** p<.01, ** p<.05, * p<.1					

Table 2. Estimation Results

3 Estimation Results

Table 2 shows the OLS results for the effect of relative income on perceptions for each economic right. The results in column 1 show that there is no significant effect of income and relative income on perceptions related to job suitability and profession/education. Compared to the 18-25 age group, the other age groups believe they are not working in a job that matches their profession/education. Female refugees believe they are working in a job that matches their profession/education compared to male refugees. Refugees who have at least a university degree believe that their job fits their profession/education. Column 2 finds that as income increases, refugees believe they are discriminated against when applying for jobs, while relative income lowers their perception in this regard.

Compared to the 18- to 25-year-old group, the 45- to 65-year-old group believes they are discriminated against when applying for a job, while the oldest group disagrees with this view. In column 3, refugees are more likely to believe that being Syrian does not have a negative impact on finding a job when their income increases, while relative income decreases this perception. The oldest group agrees that being Syrian is not a barrier to finding a job. Another result in column 4 shows that an increase in income increases the job's perception that locals do not want to work, while an increase in relative income decreases this belief. All age groups believe they work in jobs that locals do not want. Compared to lower education levels, respondents with at least a high school diploma are less likely to believe they work in jobs that locals do not want. The last result in column 5 shows that as income increases, they are more likely to believe that they are not paid less than Turks. However, an increase in relative income increases their perception of low pay. The oldest group does not believe that they are paid less than the Turkish group.

4 Conclusion

This study tests whether or not relative income affects refugees' perceptions on getting economic rights. The change in perceptions of the refugees depends on if they compare their own income with the GDP per capita in the city they live in. Higher relative income leads them to feel less discriminated against when looking for a job and less likely to believe that they have a job that locals do not want to do. On the other hand, they believe that an increase in relative income leads them to have great difficulty finding a job as Syrians. In addition, as relative income increases, they believe that they are paid less than locals. More generally, refugees' perceptions of economic right change according to income and relative income. Although refugees with higher relative incomes believe that they are free to apply for a job and take any job they want, compared to natives they believe that they are paid less and that being Syrian is an obstacle to finding a job.

Based on the findings of the study, policy recommendations can be categorized under six main headings: economic integration policies, competitive labor market policies, education policies, social integration policies, employer-focused policies, and community-based integration projects. Firstly, within the context of economic integration policies, providing equal job opportunities for migrants and increasing efforts to provide vocational training can lead to a change in individuals' perceptions by enhancing their access to employment. Additionally, a competitive labor market strengthened by fair remuneration policies can eliminate the distinction between migrant and native workers, promote the selection of workers based on qualifications, and contribute to reducing intergroup perception differences. Education policies play a crucial role, particularly in the development of language skills. Improving language proficiency enables refugees to better navigate the job market, access sectors that require language proficiency, and pursue higher-skilled employment opportunities, thereby ensuring that they receive the deserved wages and other rights. For social integration, initiatives aimed at fostering positive interactions between locals and refugees and the development of effective communication strategies are important. Filtering negative media narratives and promoting understanding of shared values can help mitigate societal polarization and enhance social cohesion. Employer-focused policies can incentivize employers to hire and support migrant workers by providing favorable conditions. This can be achieved through mechanisms such as tax benefits or wage subsidies, encouraging employers to offer full rights to migrant workers. Lastly, community-based integration policies can emphasize cultural similarities and the importance of shared values through activities that bring the two communities together. These efforts can bridge the gap between locals and refugees, promote mutual understanding, and reduce social distance. Implementing these policy recommendations can contribute to creating an inclusive environment that facilitates refugees' economic rights, enhances their integration, and fosters positive perceptions among both refugees and the host community.

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