



European Foundation for the Improvement of Living and Working Conditions

Ethnic Entrepreneurship in Zeytinburnu, Turkey



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European Forum for Migration Studies (EFMS)

June 2010

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Foreword

European cities, in particular major cities with strong economies, attract immigrants from all over the world. As a result, urban population has become increasingly heterogeneous. The multi-ethnic, multicultural and multi-religious structures of urban society are, on the one hand, an opportunity for cities. On the other hand, heterogeneity challenges a city's ability to maintain peaceful and productive relations among the different segments of the population. For this reason, cities have a genuine interest in successful local integration practices.

Reflecting this, the Congress of Local and Regional Authorities of the Council of Europe (CoE), the City of Stuttgart and the European Foundation for the Improvement of Living and Working Conditions ('Eurofound') formed the European network of 'Cities for Local Integration Policies' (CLIP). This network, launched in 2006, brings together about 30 European cities in a joint learning process: through the structured sharing of experiences, the network aims to enable local authorities as well as national and European policymakers to learn from each other and, thus, pursue more effective integration policies for migrants at a regional, national and European level. The learning process is accompanied by researchers from six academic research centres.¹

To gather the necessary information for the common learning process, the CLIP team applies a mixed method approach; the data are collected through a standardised common reporting scheme to be filled in by city officials, statistical data as well as qualitative semi-standardised interviews with local experts. Based on this information, the research teams or the researcher produce(s) a case study on each city – as this report on ethnic entrepreneurship in Zeytinburnu.²

¹ The Institute for Migration and Ethnic Studies (IMES) in Amsterdam, the European forum for migration studies (efms) in Bamberg, the Centre for Migration Policy Research (CMPR) in Swansea, the Forum of International and European Research on Immigration (FIERI) in Turin, the Institute for Urban and Regional Research (ISR) in Vienna and the Institute of International Studies (IIS) in Wrocław.

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This report, however, could not have been written without the support of the local actors, particularly Ms. Zehra Taşkesenoğlu from Zeytinburnu Belediyesi, Mr. Ulaş Akın from İstanbul Metropolitan Planlama (İMP), which is the planning unit of the İstanbul Metropolitan Municipality, Doç. Dr. Tüzin Baycan-Levent from İstanbul Technical University and Mr. Şükrü Orak from the Association of Migrants from Adıyaman in Zeytinburnu. They advised me on collecting the necessary data, provided valuable comments and information for the study and suggested names of persons to be interviewed, such as those representatives of the city and governmental institutions, the local migrant organizations, chambers, members of universities and social scientists as well as ethnic entrepreneurs. I would like to thank all those who have cooperated in providing valuable resources for this report.

PD Dr. Lale Yalçın-Heckmann

Nuernberg, June 2010

1. Introduction

Metropolitan cities can be depicted as being the center of attraction for economically mobile populations from close and distant peripheries and for offering possibilities for economic livelihood and services of diverse kinds to a large urban peripheral area. İstanbul, as one author notes, has been a world and global city in this sense all the time (Keyder 2000). Its diversity in urban population and dynamism in economic structures render the city ideal for entrepreneurship of all kinds, and the city district in question here, Zeytinburnu, is one of the oldest districts of İstanbul which has been a target of migrants. As the fourth module of the CLIP network is about ethnic entrepreneurship, we endeavor to examine entrepreneurs of small and medium sized enterprises (SMEs) and to come to plausible conclusions about the nature of ethnic entrepreneurship within the SMEs in the District of Zeytinburnu. We shall review the role of policy interventions in the process of emerging SMEs and consider how these policies might possibly affect ethnic entrepreneurs. Similar to the approach taken in CLIP Module 3, this module takes the internal migrants to the City District of Zeytinburnu as the main group to be focused



on and the ethnic or regional background of these migrants will be of secondary importance in comparison to their being migrants to the city. Wherever possible, ethnic entrepreneurs with international migration experience will also be considered, even if among the overall population of international migrants to the cities of Istanbul and Zeytinburnu,³ the number of entrepreneurs is estimated to be very small.

The aim in this module is in general to assess the desire of municipal, national and European governments and third sector institutions to create an environment conducive to setting up and developing small and medium sized enterprises in general. This study within this module will illustrate how existing local policies lack awareness of or are not geared to reckon with ethnic differences among entrepreneurs. The institutions mentioned above do not have any specific policies concerning the ethnic belonging of the entrepreneurs or of enterprises. Hence it is worthwhile considering the consequences of this 'lack' or 'unawareness' on the part of policies, for entrepreneurs' own strategies of establishing and developing SMEs. Ethnic entrepreneurs are invisible, even if they exist, as one interview partner has commented. This report will therefore attempt to explore and illustrate the effects of the invisibility of ethnic entrepreneurs, especially from the perspective of local governmental and non-governmental policies, even if these do acknowledge the need for integrating migrant populations into the urban society and structures of Zeytinburnu (Aydın 2008).

The policies of integrating migrant populations into the district, as has been explained in Module 3, are primarily for social support, for assisting disadvantaged groups of the poor, the marginalized (e.g. street children) and the less qualified or uneducated (e.g. educating and training migrant women and children). Even if these policies indirectly influence the education and qualification of the potential migrant labor force to work in SMEs, they are not directly related to assisting the establishment of migrant and/or ethnic enterprises, which we shall discuss below. Finally, the role of some NGOs, such as the *hemşeri dernekleri* (associations for regional solidarity groups) will be evaluated, since these organizations act as buffer mechanisms for internal migrants from various parts of

³ The proportion of immigrants from abroad was, according to the population census of 2000 for the whole of Turkey, only 0.38% of the total population. For an important study of irregular and transit migrants of foreign nationality to Istanbul and to Zeytinburnu, see Didem Daniş, MiReKoç Project Reports 2005-2006.



Turkey and for Turkic migrants from abroad. Such organizations usually offer information, social support and contact networks for individuals and families and are often the meeting place of such immigrants. They, then, could be seen as having a latent role for migrant entrepreneurs to be informed about and socialized into the urban economic life.

Characteristics of the urban economy:

Zeytinburnu has been a very old early industrial city district with textile and leather industries as the main branches. The leather industry especially was considered to give the district its negative name as a ‘place of smells’ and the city has gone through urban industrial transformation by taking these small factories out of town to another district, Tuzla, in 1990s. Now the existing firms are not only those SMEs in informal economy but also outlets and large companies. There is also considerable unemployment among the urban youth, mostly among the second generation migrants. The urban housing went through considerable transformation since the 1980s as well; although the district was known to be the first shanty town district of Istanbul, the housing has been upgraded and ownership structures transformed.

The profiles of ethnic entrepreneurs:

There are two types of entrepreneurs of SMEs: on the one hand, there are entrepreneurs with ethnic and internal migration background. These are mostly early migrants to the city and have gone through the various stages of work in the city. After accumulating social and economic capital (trust and start-up loans), they started their own business. The second type of entrepreneur comes closer to the Module’s and European definition, as these are migrants with an international background, e.g. Afghan migrants who arrived in the early 1980s. These seem to have gone through similar work careers of learning on the job, yet have benefitted from an urban conjuncture when they arrived in Zeytinburnu in the 1980s. The city then was notorious for being a poor quality district, there was leather and carpet industry the migrants were partly familiar with, they had state support to start their lives in Turkey, acquired citizenship early on and finally they benefitted from their linguistic and religious closeness to the local community. After the fall of the



Soviet Union, some have become transnational entrepreneurs, benefitting from opened links to Afghanistan, Pakistan and Central Asia.

State and non-state rules and regulations governing the SME sector:

These on the whole encourage the establishment of SMEs in all sectors, but have been pursuing policies for concentrating them in certain organized zones instead of having them arbitrarily distributed across the municipality. SMEs are seen as job creators and flexible in reacting to crises; yet those who are organized into Chambers of Commerce and Traders often complain that big industry and shopping malls are preferred to the small enterprises.⁴ Migrant entrepreneurs seem to be equally encouraged or discouraged by local and non-state policies concerning the SMEs. Ethnic and migrant background is not seen as a hindrance or an advantage for becoming an entrepreneur. Istanbul and Zeytinburnu are still seen as ‘land of opportunity’ with links to world wide trade and growth, hence migrants emphasize that they prefer less governmental intervention (as they fear this would lead to stricter taxes) and wish for better infrastructural services for developing their enterprises.

2. Background information of the city

Istanbul is located in the north-west Marmara Region of Turkey. The southern Bosphorus divides the city on two continents - the western European portion of Istanbul, and the eastern Asian city districts. The metropolitan municipality boundaries cover 1,830.92 km², while the metropolitan region (Province of Istanbul) covers 6,220 km². The northern areas towards the Black Sea coast are covered by extensive forests, which are protected as natural resort. They serve as recreational areas and provide important water resources for the metropolitan area. Zeytinburnu is a city district of the Metropolitan Municipality of Istanbul just outside the western medieval city walls on the European side of Istanbul.

⁴ See the president of Istanbul’s Union of Chambers of Artisans and Traders (İSTESOB) in his critique of the Prime Minister Erdoğan’s comment, that the ‘era of local/neighborhood grocery store is over’ (*mahalle bakkalı devri kapanmıştır*). The President of the Union, Mr. Faik Yılmaz rejects this argument, saying that SMEs are important for employing thousands of people and especially the young. The article shows him giving a trophy of honor to the neighborhood grocery store (*bakkal*) of the neighborhood where Erdoğan grew up (*Istanbul Esnaf*, 2010, p.1).

The Zeytinburnu District is located at the western side of the province of Istanbul, covering a total of 1142 hectares. Zeytinburnu is located between Bakırköy, Fatih and Bayrampaşa. It is surrounded by Fatih to the east, Bayrampaşa to the north, Güngören and Bakırköy to the west and Marmara Sea to the south. It has 13 neighborhoods. The district was governed by the Fatih Municipality in the east and the Bakırköy Municipality in the west until 1953, then has been an own municipality since 1953, and in 1957, it became the 14th district of Istanbul. In year 2000, Zeytinburnu had a population density of 20,639 persons per square kilometers. The district is the 8th most densely populated district in Istanbul, although it has quite some green areas and industrial parks. It is one of the districts of Istanbul with total urban space and no rural area.

Map 1: Zeytinburnu District within Istanbul's borders



First settlements in the today's Zeytinburnu area have been founded near Kazlıçeşme. Turkey's history of leather working industry has started at Kazlıçeşme more than 150 years ago. Already in 1946, squatter housing started in this area. In 1949 there were 5000 squatter housing in Istanbul and more than 3000 of them were in Zeytinburnu alone.



The Zeytinburnu district's population reached to 247,669 at the 2000 census. The population growth rate between 1990 and 2000 has been 49.5%, while the growth of the total population of Istanbul amounted to 37.1%. In February 2008 the population had reached 288,743.⁵ Researchers state that the population growth of the district is primarily due to migration and less to natural growth (Murat and Ersöz 2005: 8). The population in Zeytinburnu between 1960-2000, for instance, grew %180, meaning it grew app. %4.5 yearly (Ibid.: 10). In 2000, 15,461 of the city's total population were born abroad, making some 6.2% of Zeytinburnu's total population. There is of course a substantial portion of internal migrants in the district as well, especially since mid 1990s from Eastern and Southeastern Turkey, mostly forced migrants who became displaced to the war against the Kurdish PKK. The municipal mayor of the city, himself an internal migrant from Giresun, acknowledges the building of this city as primarily being supported through migrants. For him migration is a problem, if it is not guided or planned, but otherwise it is a natural and historical process which contributes to the social fabric of cities (see Aydın 2006).

Since Zeytinburnu has been an early and first focus of *gecekondu* (squatter housing, built without permission or legal documents) in Turkey, and sheltered a major share of the first migrants to Istanbul, it lacked a proper urbanization process and thus, it suffers today from a high building density and a low housing quality. After the 1999 Marmara earthquake which strongly affected the Zeytinburnu district, the district has been selected as a 'pilot zone' by Istanbul Metropolitan Municipality (IMM) within the Istanbul Earthquake Master Plan (IEMP) for disaster mitigation. This lead to larger urban regeneration projects which have since then accelerated in the Zeytinburnu district.

At the end of 2008, in Istanbul (IMM) 12.7 Mio residents have been legally registered. This amounts to 17.8% of the registered population of Turkey. In reality, the metropolitan area certainly had exceeded at this time already the 13 Mio level; factual residents in this metropolitan area used to exceed considerably the residents who are legally registered.

⁵ Aydın 2008: 166.



Istanbul has been a primary destination for internal migration in Turkey already in 1935: 64.3% of all 1.1 million residents living outside of their province of origin were living in Istanbul. The majority of Istanbul's population belongs to Islam or closely related religious groups (i.e. Sunni, Shia, and Alevi). Religious minorities include Greek Orthodox and Armenian Christians, Catholic Levantines and Sephardic Jews. According to the 2000 census, there were 2,691 active mosques, 123 active churches and 26 active synagogues in Istanbul; as well as 109 Muslim cemeteries and 57 non-Muslim cemeteries. Some districts have sizeable populations of ethnic groups, such as Kumkapı (Armenians), Balat (Jewish), Fener (Greek), and some neighbourhoods in Nişantaşı and Beyoğlu districts (Levantine). Figures of religious or ethnic affiliation of the Istanbul residents are not available; the census data provide only for place of birth as well as residence at the time of the previous census.

3. The urban economy in general

3.1 Historical development of urban economy

The city district has gone through substantial urban transformation since 1950s. One of the early anthropological studies in the district included a survey and field research, carried out by Charles Hart at Istanbul University, Department of Social Anthropology, with his students (Hart 1969). The study was carried out from early 1960s onwards and was supported by Istanbul Chamber of Commerce (ITO) and Istanbul Chamber of Industry (ISO). The findings of the study show that the migrants had almost all rural background but the following generation was already becoming urban and was intending to stay in the urban environment. Despite the rural background of the first generation internal migrants, their participation in industrial work in the region was high; 44% of the interviewed first generation of migrants were already factory workers, hence the transformation of rural people to industrial workers had already taken place within a generation. The newcomers, writes Hart, did not only find jobs without any governmental assistance, they also built their houses without any such assistance. These were the *gecekondu*s, built primarily on the land belonging to two large religious foundations



(*vakıf*), but also on state, treasury and private property. The study explains at length the insecurity felt by the residents at the time because of lacking property documents and house ownership, even if they lived in these buildings. Furthermore lacking proper infrastructure and corruption within the municipal bureaucracy were major problems.

Another sociologist and a native of Zeytinburnu, who carried out a research on the contemporary “dangerous classes” in Zeytinburnu describes this transformation as follows:

When the rural migrants first arrived in Zeytinburnu it was empty land surrounded by textile and leather factories. Apart from the factories and a hospital nearby there were no other buildings. Due to the industrialization policies of the 1940s, Zeytinburnu was designed as one of the new industrial centers of Istanbul. And, the rural migrants who settled in Zeytinburnu became workers soon after their arrival in the city. Hence, Zeytinburnu shortly became one of the most important working class districts of Istanbul. According to the 1965 census, 80% of Zeytinburnu inhabitants were waged workers. And, among these workers, 50 % were industrial workers. (Yonucu 2006)

Since the 1980s “the factories have been replaced by hundreds of small scale workshops that operate in the basements of apartment buildings. Generally, these workshops employ less than twenty workers and the majority of the workers lack social security and labor rights” (Ibid.)

While Zeytinburnu had been famous for its factories, its organized labor force and its Marxist youth until the late 1980s, it is now famous for its shopping mall, *Olivium*, and its dangerous youth. At the brink of the twenty-first century, it is predominantly a residential district whose inhabitants consist of workers who are employed in the informal small-scale workshops, unemployed jobseekers and the permanently unemployed who have lost hope of finding jobs. More and more, some members of the latter group are moving towards the darker side of the ‘informal economy’ as petty criminals and drug dealers. (Yonucu 2006)

Deniz Yonucu points out in her work that the urban transformation and neoliberal economic changes in Zeytinburnu led to changes in the way the youth identifies itself; it is no more through production and work but through consumption. As long as the youth



feels itself excluded from being considered modern urbanites, they react with engaging in criminal activities and challenge in this way the mechanisms of their exclusion (Yonucu 2006). Interestingly enough this trend is seen more among second and third generation of internal migrants and less so among the more recent Kurdish migrants. Yonucu interprets their different kind of being integrated into the urban neighborhood and economy as their being closely controlled by the elder generation and finding work in informal economy through ethnic and regional networks (Yonucu, personal communication).

3.2 Main industries and services

According to the official website of the Municipality, the city district of Zeytinburnu has nearly 25 thousand business places, about 10 thousand manufacturing houses and 170 factories. The leading business branches are textile, leather and iron-steel works.

Zeytinburnu is at the third rank at having enterprises employing more than 10 employees, following Gebze (in the province of Kocaeli) and Bornova (in Izmir). It occupies the eighth rank at metal object manufacture; tenth rank at sewing industry; and seventh at garment manufacture. Zeytinburnu was determined to be the third highest rank district to contribute to national income, with figures for informal economy not being included, by a research held about ten years ago. 26 firms that are active in different sectors and occupy the ranks within the first five hundreds in Turkey, such as Ülker, Otomarsan and Şişecam operate in Zeytinburnu.

The leather sector, which became a major industrial item in the early 90s and which moved to Tuzla as an industry, still maintains its dominance over the sector with more than 600 sales stores in the district.

In the textile sector, which is as important as the leather sector, many weaving workshops currently maintain their productions for the internal markets and for export.

The garment manufacturers and sellers located on Balıklı Road in the quarters of Telsiz – Beştelsiz have become the most successful companies of the district at woven



fabric wholesales business in the recent years. Summer Quarter is like a “shopping heaven” for curtains and home textile, welcoming the people of Istanbul.

Maltepe Quarter, on the north of the county, is a substantial production center with 170 major industrial corporations, nearly 10 thousand manufacturing houses – business places and nearly 70 thousand employees. The automotive sector is one of the major sectors of the Cevizlibağ zone.

The Ironsmiths' Site has the greatest market share of the country and the approximate sector for iron-steel production and the Transporters' Site, being the major location of trade, facilitate the production and transport conditions.

Olivium Outlet Center, which was opened as the first Outlet Center of Istanbul in April 2001, occupies an important place in Zeytinburnu's life with the factory outlet centers of well-known brands, cinema halls, fast food restaurants, as a shopping, entertainment and cultural center.

3.3 Size and characteristics of the workforce

A socio-economic study of the district provides the following information concerning the size and characteristics of the workforce: In 2000 the age group of 0-14 years was 26.5%,⁶ the age group of 15-24 years was 22.1% and the working age group of 25-64 was 47.3% of the total population of Zeytinburnu (Murat and Ersöz 2005: 23). 52% of the working age group in 2000 were men, and 48% were women (Ibid.: 24). The size of the working age group of 15-64 differed according to neighborhoods: in Maltepe it was 92%, but in Kazlıçeşme it was 63.1% of the total district population in 2000. Finally, the gender ratio shows variation according to neighborhoods as well: in Maltepe in 2000 over 80% of the population were men (of all age groups), whereas this ratio fell to 52% in the residential Seyitnizam neighborhood (Ibid.: 28). Zeytinburnu follows Istanbul's general household population trend and in 2000 it had the same average size for households as in Istanbul general: 3.9 persons per household (Ibid.: 31).

⁶ This changed considerably according to the industrial or residential character of neighborhoods: for instance, in industrial and commercial neighborhoods of Maltepe it was 6.3%, in Kazlıçeşme 8.5%, but in residential neighborhoods like Seyitnizam it was 28.3% and in Yeşiltepe 27.9% of the population in 2000 (Murat and Ersöz 2005: 24).



As for the migration background of the population in Zeytinburnu, research shows that 61.2% of the population was born outside Istanbul (Murat and Ersöz 2005: 33). In some of the neighborhoods like Maltepe, the ratio of those born in Istanbul was only 20% (Ibid.). Those born outside Turkey and those born in other Turkish provinces show the following ratios among the population in 2000: The ratio of those born outside Turkey was 6.2% in Zeytinburnu in general but was the highest in the neighborhood of Yenidoğan (9.6%) and lowest in Maltepe (4%).

Table 2: Born in Turkey, outside Istanbul and percentage in total population of Zeytinburnu (2000)

Born in	Percentage in total population of Zeytinburnu	Neighborhood with the highest ratio
Giresun	4.4%	Çırpıcı 7.3%
Diyarbakır	1.8%	Yeşiltepe 5.2%
Kastamonu	2.8%	Merkezefendi 5.1%
Malatya	2.1%	Seyitnizam 3.9%
Mardin	2.2%	Çırpıcı 3.8%
Konya	1.9%	Yeşiltepe 3.1%
Ordu	1.7%	Maltepe 2.9%
Trabzon	1.8%	Veliefendi 2.8%

Source: Murat and Ersöz 2005: 33

Altogether then, the migrants from Giresun, Kastamonu, Mardin, Malatya, Konya followed those born abroad as the largest non-Istanbul born groups in Zeytinburnu. Those born in Istanbul made 38.8% of the population in Zeytinburnu.

Those born outside Istanbul can be also analyzed as regional groupings by place of birth; those born in the provinces of Black Sea Region (i.e. those from Giresun, Kastamonu, Ordu and Trabzon) seem to dominate the population in Zeytinburnu. In some neighborhoods their share of the population reaches as high as 24%, and goes only as low as 13% (Ibid.: 38).

The educational status of Zeytinburnu's residents has been described as follows in 2000: 7.5% of the population was illiterate, three quarters of this population were women; altogether 11.7% of women in Zeytinburnu were illiterate (Murat and Ersöz 2005: 41). Zeytinburnu, when compared to the other 39 city districts of Istanbul, had rank 7 in terms



of the highest rates of illiteracy among Istanbul's districts (Ibid.: 43). Similarly, among Zeytinburnu's neighborhoods, the most industrial ones had the highest rates of illiteracy: Kazlıçeşme (11.2%), Yeşiltepe (9.8%), Nuripaşa (8.8%) and Seyitnizam (8.5%) (Ibid.: 44). These rates of illiteracy are surely relevant when one considers the social capital and knowledge about rules, regulations and support programs needed for becoming an entrepreneur. Murat and Ersöz conclude, however, that Zeytinburnu, when compared to Istanbul and Turkey in general has a better level of education among its population, mainly because the migration to the city district brings in not only uneducated people and that migration to this district has also slowed down, compared to the other districts of Istanbul (Ibid.: 46).

In terms of educational level, Zeytinburnu had more of the population who finished only the primary school (5 years of education) compared to Istanbul and Turkey in general in 2000: 46% of the population had finished the primary school, whereas in Istanbul this was 41.5% and in Turkey general 42.4%. Those who finished high school (11 years of schooling) were 15.7% of the residents of Zeytinburnu, 17.5% of Istanbul's population and 15.3% of Turkey general (Ibid.: 50). In terms of ranking among the districts of Istanbul Zeytinburnu had rank 8 among the highest ratio of those who finished primary school and rank 24 among 39 districts with the highest ratios of those who finished high school (Ibid.: 51). The neighborhoods in Zeytinburnu shows variation in terms of high school graduates: in Maltepe the ratio of high school graduates reached 35% of the literates, whereas in Seyitnizam the ratio fell to 12%. Although Kazlıçeşme had the highest illiteracy (see above), it also had a high rate of high school graduates (21%) (Ibid.: 52, 58). The gender ratio among high school graduates according to neighborhoods was fairly polarized: in Maltepe 84% of those high school graduates were men and 16% women and in Seyitnizam 60% of those high school graduates were men and 40% women; only in the neighborhood of Sümer were the ratios relatively close to one another (52% men, 48% women) (Ibid.: 59).

In terms of economically active population, Zeytinburnu has similar figures to those of Istanbul; yet between 1980 and 2000 the ratio of economically active women has been rising and those of men has been decreasing (women in 1980 15%, in 2000 24.6%; men



in 1980 85% and in 2000 75.4%) (Ibid.: 70). This is explained by the authors as more women, especially through getting better education, turning away from being housewives and seeking paid employment. In terms of sectoral distribution of the working population in Zeytinburnu, the figures resemble those of Istanbul in general: in Zeytinburnu the largest group of people were employed in productive sector (industrial, manufacturing etc.), followed by commercial, trade and services sectors and finally social services and state jobs. In Istanbul, the largest group was also in the productive sector, followed by social services and state jobs and then closely followed by commercial and trade sector in 2000 (Ibid.: 91). Productive sector is equally important for men and women; whereas the trade and commercial sector had more men and in social services and state jobs more women were employed, in Zeytinburnu and Istanbul in general in 2000. Zeytinburnu ranks 5 among those Istanbul districts with the highest rate of productive sector, meaning it has a dominant place among Istanbul’s districts, when it comes to industrial and manufacturing production.

3.4 Development of small and medium sized businesses (SMEs)

Murat and Ersöz (2005: 99) give figures for entrepreneurs, managers and company directors, among other occupations, without indicating whether these are small or large enterprises. Here are their figures they have for Turkey, Istanbul and Zeytinburnu in 2000:

Table 3: Number of entrepreneurs, managers and high professionals in 2000

Turkey			Istanbul			Zeytinburnu		
Total	Men	Women	Total	Men	Women	Total	Men	Women
366,346	330,218	36,128	92,038	80,030	12,008	1,611	1,458	153

Source: Murat and Ersöz 2005: 99

The table showing other occupations in the district and in Istanbul and Turkey in general illustrates that **in Zeytinburnu only 2% of the occupied people were entrepreneurs or managers**. Comparative figures were 3% for Istanbul and 1% for Turkey. The gender distribution of the group with entrepreneurs is also very unevenly distributed between Istanbul’s districts: when in Beşiktaş one fourth of the entrepreneurs were women, **only 9% of Zeytinburnu’s entrepreneurs were women** (Ibid.: 104).



3.5 Recent changes

Zeytinburnu was known in former years as the location of ‘bad smells’ caused by the leather factories in Kazlıçeşme and also as a location of shanty town, gecekondu. This has been changing in the last ten years. The Municipal Office of Zeytinburnu and the Metropolitan Municipal Office of Istanbul have prepared significant projects for urban transformation and development. Zeytinburnu was selected for the pilot project applied in the direction of the suggestions of the Earthquake Master Plan, and since 2003, the investments in the district have been accelerated.

The Municipal Office of Zeytinburnu, with the Kazlıçeşme Culture-Town Project, aims at having many historical works restored and creating an environment where the history can be experienced through traditional restaurants, tourist shops and cultural centers. Apart from the Culture Island to include the area from Haliç to the coast of Zeytinburnu, Istanbul Tourist Central Passenger Port, a yacht marina is planned and will be the biggest yacht marina in Europe on the 250 thousand square meters coastline, the property of which belongs to public and the Treasury. Within the Kazlıçeşme Transformation Project there are plans for the construction of a big conference center and around it five-star hotels.

Zeytinburnu Ironsmiths’ Site was established by iron tradesmen from Perşembe Pazarı in the years 1988-89. The site is now nearly 100 % full and there are about 700 big and small business places. It provides employment for almost 2500 persons and is visited by about 10 thousand persons per day, is currently the iron-steel center that dominates the largest market share in Turkey and is an important source for exports. The primary sectors active in the site are SMEs producing steel profile pipes, steel pipes, and industrial pipe types. The construction of insulation materials supply is also an important business branch in the site. The site’s closeness to the International Port Zeyport, to Atatürk Airport and to Zeytinburnu Transporters’ Site gives it a significant advantage.

Topkapı Industrial Region: Maltepe region of Zeytinburnu, with 170 large industrial enterprises, nearly 10 thousand manufacturing houses and about 70 thousand employees,



is one of the greatest industrial regions of Turkey. Many large corporations can also be found at this industrial region. Increasingly, with “Auto Showrooms”, the automotive sector has started showing its dominance.

Olivium Outlet Center was started to be built as a leather trade center in the late 1997. However, as there was a crisis experienced in the leather sector and the deficiency of a shopping center brought along the idea that the construction would be turned into a shopping center. Olivium, as the first Outlet Center of Istanbul, was opened as a place containing many elements about shopping, living and entertainment in 2000. In Olivium many well-known brands of the world and of Turkey are sold for factory outlet prices. The construction allows for a comfortable and easy trade environment with large market area, further hireable area and the parking lot for 1000 vehicles, with its modern architectural design and security measurements. There is a total of 116 companies active in Olivium Outlet Center. It has attracted more than 35 million visitors since the year 2000.⁷

Leather Sector: The start-up of the leather sector in Zeytinburnu goes as far back as the years following the conquest of Istanbul in the 15th century. Zeytinburnu finally saved itself from being the place where raw skin was treated as in Kazlıçeşme, and being known as the heart of leather works in Turkey, when the sector moved to Tuzla in 1990, and Zeytinburnu turned into be a center where treated leather is sold. Around Zübeyde Hanım Avenue in the quarter of Kazlıçeşme there are about 650 sales centers and sewing workshops. Zeytinburnu, presently, enjoys the position of being the greatest leather market of the world. There are about 1000 companies in Turkish leather ready-to-wear sector, which is capable of following and applying the global trends. The annual production is 10 million items and 95 % is exported. The leather ready-to-wear manufactures with high added values such as fur-suet, duffle-coat, jacket, coat, skirts and trousers has the biggest share in leather sector exports with 55 %. The leather shoes that form 50 % of the export in the leather sector stand as an important income item. The

⁷ It is likely that the outlets in fact are a threat to SMEs, which is not mentioned in official documents, however.



leather sector enjoyed its golden age at the end of 1980s, when the Iron Curtain collapsed. People coming primarily from Russia, where leather is very popular, ensured Turkey to have significant earnings from the leather sector, until the Russian Crisis of 1998 came. The Turkish leather sector, the export volume of which broadened after the crisis, got in the process of pulling itself together again, and obtained a positive trend as the leather became fashionable again in the early 2000s.

Turkish leather industry, which occupies more than 10 % of aggregate manufacturing industry, stands as the 10th greatest industry among all the industrial sectors, with its share of 1.52 % within the aggregate employment. In the perspective of formal exports, it is the second most foreign exchange bringing sector, with a 3 per cent share within total exports after textile.⁸

Textile Sector: The home textile sector consisting of curtains, fabrics for curtains, towels, bathrobes, bed-sheets, table cloths, brodé, furnishing fabrics products is a market of an estimated amount of 30 million dollars. Two of 6 weaving factories that were established in Istanbul before 1930 were within the borders of Zeytinburnu. Between 1955 and 1973, 325 factories and manufacturing houses were established in Zeytinburnu. The district, although not as much as it is in leather works, is an ambitious region also in weaving industry. Weaving industry forms a major part of economy of Zeytinburnu. In the weaving industry field Zeytinburnu ranks 10 and ranks seven in garments' manufacture. Zeytinburnu is the retail sales center of Istanbul and center for weaving fabrics sector of the neighboring cities.

Zeytinburnu is one of the major centers where fabrics produced in Kahramanmaraş, in Malatya, in Gaziantep, in Çorlu and in miscellaneous places in Istanbul are submitted for sale. The fabrics business zone near the Balıklı Road in the quarters of Telsiz-Bestelsiz has become the biggest wholesales center of Turkey for woven fabrics within the last five years. Fabrics used for the ready-to-wear in Merter and the neighboring districts are taken

⁸ Although the official sources do not mention the ratio of SMEs in the leather sector, it is nevertheless possible that it follows Turkey's general trend, where SMEs are dominant in production and trade.



from Zeytinburnu. The greatest companies of Turkey at home textile products such as drapery are located in the Curtain-Sellers Bazaar on Turan Güneş Avenue, in Sümer Quarter. Soon after the fabrics sector settled in Zeytinburnu starting from the 1980s, the ready-to-wear sector has also improved fast. Currently, many weaving workshops maintain their production both for internal markets and for export.

4. Profiles of ethnic entrepreneurship

4.1 Definition of ethnic entrepreneurship

There is no term for ethnic entrepreneurship in the context of Zeytinburnu district and Municipality. The closest one can get to such a concept is that of a migrant entrepreneur. But even this concept is not much applicable to metropolitan city of Istanbul and the city of migrants Zeytinburnu. This study therefore looks at migrants becoming entrepreneurs, either within the first or following generations of migration and who might use ethnic and regional ties to the place of origin for establishing and developing their SMEs.

4.2 Development of ethnic entrepreneurship

In this section we shall provide one short and one long case study of migrant/ethnic entrepreneurs, in order to deal with the issues and processes of ethnic/migrant entrepreneurship in Zeytinburnu.

The study of entrepreneurship by Tüzin Baycan-Levent in Zeytinburnu and in several other districts of Istanbul focuses on Afghan origin entrepreneurs.⁹ In her on-going study, Baycan-Levent examines how entrepreneurs with Afghan background organize and develop various SMEs and how they change their enterprises between different sectors, which is a common trait in Turkish urban SMEs. The group she works with are Afghan refugees, mostly of Turkmen ethnic background, who came as some 1000 families to Turkey with the special permission of the then President Evren in early 1980s and were settled and given land mostly in Eastern and Southern Anatolia.¹⁰ After having lived there for some years and learned how to weave carpets with state supported programs, some of

⁹ Interview on 18 March, 2010.

¹⁰ For another study of Afghan settlers in Zeytinburnu, see Daniş 2005-2006.



them migrated to Istanbul and came to settle in Zeytinburnu, mostly in the neighborhoods of Yeşiltepe and Nuripaşa (Danış 2005-2006: 71). In Istanbul they are specialized in working with leather, trade in carpets, and as traders and artisans of stones and silver jewelry. Those who worked in Zeytinburnu were first involved in learning and establishing themselves in producing leather products. Didem Danış comments that the work with leather was said to be particularly familiar to and part of their cultural capital of the Afghan Turkmen migrants (2005-2006: 71). They started this business first by collecting the rest pieces of leather and producing patchwork material from them. This production took place then mostly within the unaccounted/informal economy and in unregistered workshops in basements (generally known as ‘*merdiven altı üretim*’, lit. production in spaces which are under stairs). Among the 44 interviews Baycan-Levent has led, she found that 25 of her interview partners had shops in the Covered Bazaar, some of them carpets shops, the others selling jewelry.¹¹ These were the more successful ones and they expanded their enterprises into transnational ones: the shop owners use their ethnic and informal contacts to Uzbekistan and Afghanistan for having carpets and jewelry produced there and then they sell them in their shops in Covered Bazaar to tourists at lucrative prices.¹² All of these contacts, according to Baycan-Levent, are rather recent, i.e. have developed in the last ten-fifteen years and after the fall of the Soviet Union.

The change between various sectors seems to be related to the above mentioned postsocialist changes as well as market openings and glocal conditions. Once the market for leather products became saturated, the entrepreneurs changed to the carpet sector, and then to jewelry sector. The new-comers among them also have the possibility of engaging in trade as street sellers (*işportacı*); they sell touristic souvenirs from their carts and usually have the support of their ethnic group for a start-up.

Baycan-Levent finds that the solidarity network within the group is very significant and this extends to social relations of help for finding housing, buying furniture, supporting

¹¹ Danış thinks that entrepreneurs among the Afghan migrants have also mainly urban backgrounds from Afghanistan (2005-2006: 76).

¹² This is similar to the ethnic entrepreneurship of Iraqi Turkmens in Laleli, who have been settled in Turkey for some time and then start up business with their relatives and co-ethnic Turkmen, but also with Arabs in Iraq (Danış 2005-2006).



the wedding expenses of one another and attending these weddings, helping those members of their ethnic community in need, such as the help they gave to a victim of a traffic accident. Some members of the community have bought a seven-storey house in Zeytinburnu, where some Afghan migrant families live and where they also have their community center (*dernek*).¹³ They gather together every Sunday and celebrate life-cycle rituals like weddings in this space. Daniş summarizes the strength of ethnic and community ties among the Afghans in Zeytinburnu as follows: “Zeytinburnu is not only an embodiment of Afghan identity. It also represents the network of local advice, support and economic or material help the presence of other individuals from the same national background offer” (2005-2006: 72).

As for their links to the Turkish community and Turkish state, Baycan-Levent believes that they are very grateful (*minnet duygusu*) to the Turkish state for allowing them to come and settle in Turkey, and the support they had at the beginning for starting their lives abroad. This feeling of gratitude also leads them to cooperate strongly with the local bodies and they are very cautious that there should not be any problems concerning their community and the host society. One can also expect that many of them have already Turkish citizenship, since they have been residents for a long time and came as invited and ethnically related refugees (see Daniş 2005-2006: 17, 72). Daniş also indicates that at the time when the first Afghan migrants came to Zeytinburnu, the place was still known as a slum district and there was no resistance to them arriving and settling there; furthermore it was easy for them to find work there and be easily integrated due to language advantage of the Turkmen language being very close to Turkey’s Turkish (2005-2006: 74-75).

The second case study is based on interviews carried out by the author of two leading members of a migrants’ association, the one Adıyamanlılar Derneği, the association of migrants from Adıyaman, as well as visits to two further enterprises also owned by their co-regional members.

¹³ See also Daniş (2005-2006: 80-81) on this association.



Şükrü Orak tells his story of migration to Istanbul and his life as an active member of the association as follows:

He came at the age of 17 from Adıyaman following his brother who was already in Istanbul. The first job he had was in learning textile on-the-job and he was sharing a room with 12 other such workers. He joined a political organization early on and this helped him with socializing into urban politics and social environment. After doing his military service and getting married he moved to a separate house and was involved in establishing the *hemşeri* association with others from Adıyaman, for celebrating holidays and helping one another in case of illness. The migrants from Adıyaman are spread into different parts of Istanbul, even if many live also in Zeytinburnu. They organized a large picnic for the first get-together and asked a member of parliament from their province to attend. After establishing the association in 1999 they cooperated with Zeytinburnu Municipality for assisting the poor among those migrants from Adıyaman. They also mobilized the rich migrants to donate to a fund for supporting the university education of young and successful university students, migrants from Adıyaman. Presently their activities include monthly gatherings for cultural discussions, attending one another's life cycle rituals like weddings and mourning ceremonies, being active as a lobby group for their province and representing the interests of Adıyaman, organizing a TV program and the like. Orak estimates some 2000 voters in Zeytinburnu who have origins in Adıyaman and he was himself a candidate in the Municipality's Local Council Elections without success.¹⁴

He describes the work life in Zeytinburnu as learning the trade on the job; that young men usually start with simple jobs like being a porter, then might move to textile and other professions. He has made a rather fast career; his boss/teacher told him that he should establish his own business within 5 years: 2 years as apprentice, 2 years working with the machines and one

¹⁴ See Erder and İncioğlu (2008: 87-94) on the role of ethnic and *hemşeri* ties for local politics in Istanbul.



year for learning how to start-up one's business. This was the path in textile and this is how he followed it: he bought the textile machines for his business by taking loans from friends. There were no banks then, he explains. His boss was his guarantor for taking the loan, as he had no assets himself. He has, however, given up textile as well, and presently other than his activities in local politics, he has a real estate office.

The textile industry has become over-saturated, he explains, especially within the national market. Hence entrepreneurs change from one sector to another: for instance to leather, bakery, food industry, construction, car sales etc. Nevertheless, such horizontal changes are not easy; since it takes time to learn the business. Those who have qualifications are in an advantageous position for finding further jobs, when one sector starts losing profit. Those without qualification – and this is the majority – have the problem of finding further jobs. However, those without qualification can count more on regional solidarity ties (*memleketli ilişkileri*), more so than those with qualification. The latter do not have to seek protection or support from regional support networks and can find jobs on the basis of their qualification. Orak thinks that the new-comers are more daring and risk-taking in their economic activities, whereas those with longer urban economic experience are more cautious. Their experience with bank credits also seems to have been largely negative; those who took bank credits all went bankrupt.

Local policies are supportive of such associations especially when they have a direct political interest, such as in election times: he says, “*gecelerimize gelip oynarlar, ama ciddi bir yardım yok*” (in English: they – local politicians – come and dance in our cultural events, but when it comes to substantial support, there is hardly any). The association offers some support and help but it is based more on emotional and sentimental ties, rather than being institutionalized. As for the capital which has been accumulated by migrant entrepreneurs, Orak estimates that those who have education were



able to convert them into some sustainable investments; otherwise the first accumulation is spent on buying a housing (80% have bought housing). His estimate for those investing accumulation in further enterprises is only 30%.

A third case study concerns the enterprise (SME) of three brothers from Adiyaman, with one of whom the author held an interview. The brothers own a factory for metal pots and pans in the outskirts of Istanbul and similar to Orak, one of the brothers, Mr. Özger is a migrant from Adiyaman having arrived in the 1970s. Since the 1980s he has been a businessman; he has also tried many trades. He started in making shoes, then moved on to making metal cups and plates; in 1984 he started a business producing steel tea pots, tried later on textile production, but was unsuccessful. His elder brothers were already in Istanbul and were workers in the aluminum industry. Most of his enterprises and new businesses he seems to have developed together with his brothers (with two of them; he has two other brothers with whom he does not do business). In his present firm he employs 120 workers, 60% of them come from the Black Sea region, i.e. ethnic or regional ties are not relevant for his labour-employer relationships. In fact, Mr. Özger thinks that regional ties are not helpful for success in business; he believes he learnt the best skills and his trade from people from different parts of Turkey. The attraction of Istanbul as a location for business is the availability of dynamic markets and possibilities. Support among people with regional networks is meaningful for social occasions and perhaps for access to political sources; but **economic success as entrepreneurs is dependent on the personality and experience of the entrepreneur and hardly on his networks**, he argues.

5. Rules and regulations, policies

5.1 Overall strategy

It could be assumed that ethnic entrepreneurs, - and in this study these are primarily the internal migrants to the District of Zeytinburnu – play a significant role as role models for



the new-comers as well as possible employers for them. As the city has already the character of being a city of migrants, the new-comers see the former migrants as role models for achieving a successful career or for avoiding their ‘bad fate’, their unsuccessful life and economic strategies. Even if migrants’ associations (*hemşeri dernekleri*) are important for being a mediating mechanism for a soft entry to the urban metropolitan social and economic environment, they do not necessarily offer any systematic and concrete suggestions or possibilities for becoming an ethnic entrepreneur. They simply provide information and possible networks for getting to know the economic, administrative and social mechanisms for paving the way for ethnic entrepreneurship; yet not much more than that.

The local and national level policies do not target any specific migrant but simply all residents of the District when they offer credit, advice or training for entrepreneurs.

The local policies, however, do provide some support for integrating the new-comers to the city and see it as a first step that they offer migrants training courses for finding a job in the city.¹⁵

Among those supported for starting up an enterprise are women in general: local policies, especially after the EU access negotiations started, are making a special effort for encouraging women to work and also to become entrepreneurs. But again, it is difficult to say, that these policies are especially for migrant women. The policies are for all women and in those areas where migrant women live, it could be expected that some migrant women also take part in these programs of support.

5.2 Main actors, targets and institutions

Main state actors for research and policies concerning the SMEs are KOSGEB (*Küçük ve Orta Ölçekli Sanayi İşletmelerini Geliştirme ve Destekleme İdaresi Başkanlığı*; in English, Small and Medium Sized Industry Development and Support Organization) founded some 20 years ago and situated within the Turkish Ministry for Industry and

¹⁵ The mayor of the municipality sees social support policies as an integral part and responsibility of the local administrative bodies. He distinguishes, however, between the policies concerning SMEs and economic development in general and migrants’ needs. The former one should be applicable for and be claimed by all, whereas the migrants to the city should be socially supported and helped to integrate into the urban life. See his book: Murat Aydın, *Sosyal Politika ve Yerel Yönetimler*, İstanbul, 2008.



Commerce, State Planning Organization, and Turkish Statistical Institute. Furthermore there are other formal institutions such as TESK (Turkish Confederation of Craftsmen and Tradesmen), TOBB (The Union of Chambers and Commodity Exchanges in Turkey) of which Istanbul Chamber of Commerce (ITO) a member, ISO (Istanbul Chamber of Industry). Again all of these organizations are involved in supporting and guiding SMEs without paying any specific attention to the ethnic identity or ethnic organization of the entrepreneur or the enterprise.

KOSGEB which has regional offices has primarily the goals of supporting, promoting SMEs with information and training.¹⁶ They also help with assisting SMEs when these apply to banks for credits. All the support and assistance is given to member SMEs.

Zeytinburnu Municipality is involved in the support programs for SMEs usually in cooperation with other organizations like KOSGEB, ITO and İSMEK (*Istanbul Büyükşehir Belediyesi Sanat ve Meslek Eğitim Kursları*, arts and crafts training courses adults, organized by Istanbul Metropolitan Municipality) for teaching men and women of mostly adult ages. **The Municipality with the support of various social project programs also of EU offers various courses for teaching different skills to migrants, to improve their economic livelihood chances and mostly to find a job in the new urban environment.** Some of those who attend the courses obviously use these new skills for starting a small enterprise.

Zeytinburnu Municipality reports that under the general policies of helping the integration of new-comers and migrants to the city, they have been offering support programs for families, and training programs for women, together with KOSGEB. 70 women have taken part in these training programs for starting an enterprise.

The Municipality also supports such job training courses by providing the logistics for the courses. They cooperate with İŞKUR (*Türkiye İş Kurumu*, Turkish Labour Office) in supporting various courses for learning different professions, for improving the qualifications of workers and managers.

¹⁶ See also Sarısoy 2008: 146.



Even if there is foreign (international) and internal migration to the city, the municipality does not have any special program for supporting ethnic entrepreneurship. The programs for supporting women entrepreneurs take place in cooperation with ITO, ISO, İSTESOB, (*İstanbul Esnaf ve Sanatkarlar Odaları Birliği*) and KOSGEB; as a result women learn basic skills for starting up an enterprise and learn about how to convert their talents into some capital (*yeteneklerin sermayeye dönüştürülmesi için*). As indicated before, this program is open to all, and migrant women could be expected to take part in them, especially if they have some level of education and social capital through longer residence in the city already. Pendik Municipality on the Anatolian side of Istanbul has also been cited as being active in engaging in programs for women entrepreneurs, cooperating with EU funded organizations and having started a center for spreading out their women entrepreneurs support programs.

Similar programs are mentioned by KAGİDER (*Türkiye Kadın Girişimciler Derneği*, Women Entrepreneurs Association of Turkey), an NGO which was found in 2002 and aims to support women in entrepreneurship. In 2010 KAGİDER has started a widespread campaign with many billboards in Istanbul, showing female portraits with the simple message of: “We want work” (*çalışmak istiyoruz*). Hence they engage not only in coaching and mentoring women for leadership and entrepreneurship, but support women in employment in general as well. They also cooperate with banks like Garanti Bank which gives credit to SMEs as well as having a special program for supporting women entrepreneurs (see www.garantikadingirisimci.com). In their package of support for women entrepreneurs, introduced in 2006, they offer credit at a low interest rate of 1.55%, with a grace period of six months and to be repaid up to 60 months. The Bank evaluates women entrepreneurs’ projects for their feasibility and sustainability together with KAGİDER. To regular SMEs they give special credits with fixed interest rates, six months grace period and credits amounting up to 30,000 US\$.

İŞKUR (Turkish Labour Office) itself offers training courses to those who want to become an entrepreneur and they offer these courses in different municipalities of Istanbul and announce them on their website. Similarly, Istanbul Union of Chambers of



Artisans and Traders (İSTESOB, *İstanbul Esnaf ve Sanatkarlar Odaları Birliği*) cooperates with Women's City Assemblies (*Kent Konseyi Kadın Meclisi*) in Istanbul's districts and encourages women to take part in entrepreneurship training courses. In this way İSTESOB and KOSGEB together were able to offer some of those women and men who finished these courses, if their projects were approved, to benefit start-up credits with 0% interest rate and up to 40,000 YTL amount.¹⁷

As part of the background to such concerns with the better integration of women in the economy, there was a meeting in February 2006, titled "Women's Employment Summit" organized by the Turkish Confederation of Employer Unions (TİSK) and *Hürriyet* Daily, where the encouragement of women entrepreneurs was taken up as a goal. This led some women's organizations to mobilize and critically assess the views and solutions offered at the meeting.

Hence, even if efforts and public campaigns for increasing women's participation in employment and entrepreneurship could be seen as being very positive, critical voices are not absent: Another NGO, KEİG (*Kadın Emeği ve İstihdamı Girişimi Platformu*, Platform for the Initiative for Women's Labour and Employment, see, www.keig.org), established in 2006 by many Turkey-wide women's NGOs, in a recent publication supported by Friedrich Ebert Foundation and Women's Solidarity Foundation (*Kadınlarla Dayanışma Vakfı*) gives some striking figures concerning women's employment in general in Turkey: In cities only 20% of women above the age of 15 is employed. In 2008 58% of women were working in the unaccounted/informal economy, whereas the figure for men in the same economy was 38%. Moreover these women were often working in less secure and worse paid jobs.¹⁸ Even if the number of professional women was relatively high (29%), those at top managerial and professional positions were only 3%, whereas 11% of men had such positions in 2006.¹⁹ The authors of this publication also criticize the slogan of wanting to improve women's employment situation in Turkey simply by improving women's education, introducing flexibility to the labour market and supporting women entrepreneurship (*Ibid.*, p.19). They criticize

¹⁷ See *İstanbul Esnaf*, Mart 2010, Nr. 07, pp. 18-19 and 40-41.

¹⁸ *Türkiye'de Kadın Emeği ve İstihdamı*, 2009, p.12-13.

¹⁹ *Ibid.*, p.14.



these programs for not going far enough, for not changing the internal gender discriminatory structures of most of the organizations and encouraging these so-called gender support programs as social programs instead of thoroughly thought-out and effective gender transformative attempts (Ibid. 21-22).

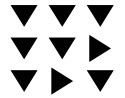
5.3 Access and involvement in policymaking

Migrant entrepreneurs of SMEs, like all other entrepreneurs with enterprises based in the district of Zeytinburnu have the possibility and obligation of registering with the Istanbul Chamber of Commerce (ITO), with Istanbul Chamber of Industry (ISO) or with the Istanbul Chamber of Artisans and Traders (İSTESOB, *İstanbul Esnaf ve Sanatkarlar Odaları Birliği*). As long as they are members of these organizations, they have all the rights and duties of engaging in local and national policies and to represent the concerns of enterprises.

6. Other

6.1 Summary and conclusions

The aim in this module has been in general to assess the desire of municipal, national and European governments and third sector institutions to create an environment conducive to setting up and developing small and medium sized enterprises in general. This study within this module illustrated how existing local policies lack awareness of or are not geared to reckon with ethnic differences among entrepreneurs. The institutions mentioned above do not have any specific policies concerning the ethnic belonging of the entrepreneurs or of enterprises. Hence we examined the consequences of this 'lack' or 'unawareness' on the part of policies, for entrepreneurs' own strategies of establishing and developing SMEs. Ethnic entrepreneurs are invisible, even if they exist, as one interview partner has commented. This report explored and illustrated the effects of the invisibility of ethnic entrepreneurs, especially from the perspective of local governmental and non-governmental policies, even if these institutions do acknowledge the need for integrating migrant populations into the urban society and structures of the District of Zeytinburnu (Aydın 2008).



Zeytinburnu is a city of migrants and has a long history of incorporating migrants from other parts of Turkey as well as international migrants into the city. The policies of integrating migrant populations into the district are primarily for social support, for assisting disadvantaged groups of the poor, the marginalized (e.g. street children) and the less qualified or uneducated (e.g. educating and training migrant women and children). Even if these policies indirectly influence the education and qualification of the potential migrant labor force to work in SMEs, they are not directly related to assisting the establishment of migrant and/or ethnic enterprises.

Some NGOs, such as the *hemşeri dernekleri* (associations for regional solidarity groups) usually offer support ties within the community of migrants and function as intermediary mechanisms for internal migrants from various parts of Turkey and for Turkic migrants from abroad. Such organizations usually offer information, social support and contact networks for individuals and families and are often the meeting place of such immigrants. They, then, could be seen as having a latent role for migrant entrepreneurs to be informed about and socialized into the urban economic life, but are hardly enough for starting up an enterprise.

The migrant entrepreneurs might use the knowledge and experience of other migrants for accumulating social and even economic capital. But otherwise they have to follow the path of almost every other SME in learning the trade on the job, being flexible in changing sectors and taking high risks of going bankrupt as sectors get affected by global market and economic waves.

We examined two types of entrepreneurs of SMEs; there were entrepreneurs with ethnic and internal migration background. These are mostly early migrants to the city and have gone through the various stages of first being an unqualified worker in textile, leather or some other industry, and then learning on the job and relying on social and economic capital (trust and start-up loans) they have accumulated for starting their own business. Even if they might employ workers and qualified specialists from everywhere and anywhere, depending on the qualifications and need, they seem to rely on family relations for close leading positions or partnership in the firms. The second type of entrepreneur comes closer to the Module's and European definition, as these are migrants with an



international background, e.g. Afghan migrants who arrived in early 1980s. These seem to have gone through similar work careers of learning on the job, yet they seem to have benefitted from an urban conjuncture when they arrived in Zeytinburnu in the 1980s; that was the time when the city was notorious for being a poor quality district, there was leather and carpet industry they were partly familiar with from their cultural and local backgrounds, they had state support to start their lives in Turkey, acquired citizenship early on and finally they benefitted from their linguistic and religious closeness to the local community. These seem to have helped some Afghan migrants to start up successful businesses and after the fall of the Soviet Union, some have become transnational entrepreneurs, benefitting from opened links to Afghanistan, Pakistan and Central Asia. Both types of ethnic/migrant entrepreneurs primarily follow the careers of other SMEs in developing their enterprises, and do not necessarily accept or get any local support from local municipalities or other institutions. In fact, bank credits have a rather negative reputation for being the cause of bankruptcy in times of liquidity shortage.

State and non-state rules and regulations governing the SME sector are on the whole for encouraging the establishment of SMEs in all sectors, but have been pursuing policies for concentrating them in certain organized zones instead of having them arbitrarily distributed across the municipality. SMEs are seen as job creators and flexible in reacting to crises; yet those who are organized into Chambers of Commerce and Traders often complain that big industry and shopping malls are preferred to the small enterprises. Migrant entrepreneurs seem to be equally encouraged or discouraged by local and non-state policies concerning the SMEs. Ethnic and migrant background is not seen as a hindrance or an advantage for becoming an entrepreneur. Istanbul and Zeytinburnu are still seen as ‘land of opportunity’ with links to world wide trade and growth, hence migrants emphasize that they prefer less governmental intervention (as they fear this would lead to stricter taxes) and wish for better infrastructural services for developing their enterprises.

6.2 Interview partners

Ulaş Akın, İstanbul Metropolitan Planlama, Uluslararası İlişkiler Şehir Planlama, 17.03.2010

Deniz Başaran Çayır, İTO, Istanbul Chamber of Commerce, 17.03.2010

Tüzin Baycan-Levent, İTÜ, 18.03.2010

Murad Daoudov, Marmara Belediyeler Birliği, AB ve Uluslararası İlişkiler Merkezi Direktörü, 22.03.2010

Alan Duben, İstanbul Bilgi Üniversitesi, 25.03.2010

Murat Güvenç, İstanbul Bilgi Üniversitesi, 20.03.2010

İlker Gürbüz, Esnaf ve Sanatkarlar Odaları Birliği, 23.03.2010

Mustafa Kemal İşler, İstanbul Büyükşehir Belediyesi, Stratejik Planlama Müdürü, 16.03.2010

Selahattin Kaya, KOSGEB İstanbul Avrupa Yakası, İşletme Geliştirme Merkez Müdürü, İkitelli, 22.03.2010

Şükrü Orak, Adıyaman ve İlçeleri Sosyal Yardımlaşma ve Dayanışma Derneği, 19.03.2010

Şemsa Özar, Boğaziçi Üniversitesi, Ekonomi Bölümü, 23.03.2010

Ferhunde Özbay, Boğaziçi Üniversitesi, Emeritus, 18.03.2010

Hüseyin Özger, O-M-S Tencere Firması, 19.03.2010

Fabio Salomoni, Koç Üniversitesi, 25.03.2010

Dr. Lütfü Şahin, İstanbul Büyükşehir Belediyesi, 16.03.2010

Hacı Tamer, Adıyamanlılar Derneği, Beylikdüzü, 19.03.2010

Zehra Taşkesenlioğlu, Zeytinburnu Belediyesi, Yerel Kalkınma ve AB İlişkileri Koordinasyon Merkezi, 16.03.2010

Dilek Tosun, İstanbul Büyükşehir Belediyesi, 16.03.2010

Nafiz Yalkın, Meslek Eğitim ve Küçük Sanayii Destekleme Vakfı, İstanbul Projeleri Başkanı, 23.03.2010

Cevat Yaman, İstanbul Büyükşehir Belediyesi, 16.03.2010

Dr. Nail Yılmaz, Marmara Üniversitesi Yerel Yönetimler Programı, 22.03.2010

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