

# CONTEMPORARY TRENDS IN BERLIN'S TURKISH ECONOMY

Antoine Pécoud

COBISS 1.02

## INTRODUCTION

This essay investigates the contemporary situation of German-Turks' business activities in Berlin. It argues that major changes can currently be observed and attempts to present them and to analyse their consequences. It then proposes a connection between some of these changes and the multiculturalist ideology that is emerging in Germany.

## FIVE TRENDS IN TODAY'S TURKISH ECONOMY

In North America and in many Western European countries, ethnic economies are now a central aspect of ethnic minorities' presence. Immigrants' independent economic activities have gone through a huge expansion during the last four decades, changing the landscape of most cities and becoming a landmark of all advanced urban economies. An important literature, both empirical and theoretical, has been dealing with this phenomenon (Barrett *et al.*, 1996; Light and Gold, 2000). Two sets of factors, the 'structure' and 'resources' arguments, have been showed to play a key-role in shaping ethnic economies.

The structure side refers to factors external to the minority group. The existence of a potential market is obviously a crucial factor (Jones *et al.*, 2000). Laws may or may not facilitate immigrants' access to independent business activities. High unemployment and socio-economic discrimination push disadvantaged immigrants into self-employment (Light and Gold, 2000: chap. 8). However, immigrants must not only find themselves in a favourable context, they must also be able to seize the existing opportunities and therefore need 'resources' (Aldrich, Waldinger and Ward, 1990). The resources side is thus composed of factors internal to the minority group. A trade experience helps a group take advantage of business possibilities. Ethnic solidarity can help overcome class disadvantages. In a Weberian fashion, it has also been argued that some groups had cultural values that support business behaviours and help migrants adapt in capitalist societies. There have been huge debates on the respective importance of these two sets of factors, the fundamental issue being the 'structure versus culture' question: do immigrants succeed in business because they have the right mentality and culture or because they find themselves in a structurally favourable position? Scholars from the Marxist tradition have argued that a group's 'cultural predisposition for business' was

to be interpreted as a reaction to structural factors such as high unemployment and discrimination. Immigrants are then seen as forced to develop such a culture if they want to survive economically (see Chan and Ong, 1995).

More recently, research on immigrant economies has been investigating the broader contexts in which immigrants' entrepreneurial activities develop. The fundamental idea is that the 'structure side' goes beyond market conditions and discrimination. Ethnic economies are then seen as embedded in 'economic, politico-institutional and social environments' (Rath, 2000: 1) and the concept of 'mixed embeddedness' (Kloosterman and Rath, 2001) has been coined to stress the influence of such macro-contexts on immigrant entrepreneurship. For example, economic regulations and institutional contexts vary across countries and importantly determine the perspectives and success of immigrants' business activities (Kloosterman, 2000). Similarly, the evolution of post-industrial 'globalised' economies towards less regulation and more informalisation has created new opportunities for immigrant entrepreneurs (Sassen, 1991; Wilpert, 1998). Political *laissez-faire* can cynically tolerate the informal practices of some immigrant businesses because their existence profits to larger firms with whom they deal (Bonacich, 1993). The argument developed in this article follows this way of thinking and suggests that a policy towards immigration and minorities inspired by a multiculturalist ideology can, albeit in a less direct way, contribute to shape the functioning of an immigrant economy.

In Germany, self-employment among immigrants has been growing regularly. In 1970, less than 2% of non-German workers were self-employed but in 1998, this percentage had climbed to 8.8% (Özcan and Seifert, 2000). This is still under the proportion of self-employment among German workers that lies at 10.1%. However, evidence shows that the first rate is growing while the second is declining so that one can expect that non-Germans will soon be proportionally more represented among independent workers than Germans (Buch *et al.*, 1994).

Numerically, this means that there are altogether 279,000 non-German self-employed workers in Germany. Turks who, with a population of over 2.1 million (2.5 if one includes those who have become German), constitute the biggest minority group, are also the most represented in this category. It is estimated that in 1998, there were 51,000 businessmen of Turkish origin, providing jobs to 265,000 persons. This represents 18.3% of the total number of economically independent non-Germans. Italians and Greeks are the second and third groups, with 38,000 (13.6%) and 33,000 (11.8%) self-employed workers respectively (Zentrum für Türkeistudien, 1999a). In Berlin, there are about five to six thousand German-Turkish enterprises employing 20,000 persons (Hillmann, 1999).

This growth contrasts with immigrants' difficulties on the labour market. In 1998, 20.3% of non-German workers were unemployed. This percentage was almost twice higher than the unemployment rate for German workers that lies at 10.5%. The rate for German-Turks was the highest of all at 22.7%. Real figures are probably higher because not all unemployed immigrants are registered. A major problem here is immigrants' lack of education. In Germany's highly regulated economic system, most jobs require workers to have followed a specific professional training (*Ausbildung*).<sup>1</sup>

However, many young non-Germans leave school early and do not follow a professional training: this greatly hinders their insertion on the labour market (Beauftragte der Bundesregierung für Ausländer, 1999).

The first Turkish businesses to appear in Germany in the early sixties were catering to Turkish labour migrants' special needs (restaurants and cafés, translation services, travel agencies, alimentation shops). The family reunification that took place in the seventies enlarged these needs (clothes, transport firms, music shops, grocery stores). Turkish business activities went through a phase of huge expansion in the 1975-1985 decade, due to several factors. Many German-Turks abandoned their return plans and invested the savings initially destined to their life back in Turkey; changes in their legal status enabled easier access to self-employment and unemployment problems pushed them into independent business (Yen and Goldberg, 1996). By the end of the eighties, several tendencies appeared, which now constitute crucial features of the German-Turkish economy. These can be described under five categories: heterogeneity, hybridity, professionalism, internationalisation, and state interest. These five trends challenge the literature on ethnic entrepreneurship and have enabled the emergence of the new context mentioned in the introduction.<sup>2</sup>

### Heterogeneity

If most self-employed German-Turks started with small family businesses, there are now huge differences between them. These correspond to the growing divisions in terms of socio-economic achievements that have superposed themselves on previous religious, ethnic and rural/urban differences. German-Turkish entrepreneurs differ in the size and duration of their business, and in the skills and qualifications they have.

In terms of size, a majority (57.3%) of them have less than three employees while 9.6% of them have more than ten. A very small minority (about one per cent) can be considered as big, which means that they occupy between twenty and fifty people. Duration varies too. 14.5% of Turkish businesses have been existing for more than

<sup>1</sup> About two third of the German workers follow such an *Ausbildung*, which gives them an *occupation* (Maurice, 1993). An *occupation* is different from a *job* in the sense that it is closely linked to a position on the labour market and to a social identity. An unemployed worker may not have a *job* but still has an *occupation*. The German word for *occupation* is *Beruf* and its etymology shows its connection to the verb *rufen* (to call): to a certain extent, *Beruf* thus also has the meaning of *vocation*.

<sup>2</sup> In describing the current situation of Berlin's 'Turkish economy', I rely both on statistical data and on interviews with leading German-Turkish businessmen and policy-makers. Regarding quantitative data on German-Turkish business activities, I use the statistics provided by the Zentrum für Türkeistudien as well as estimations by other authors working on the topic. It must be said that there is a scarcity of empirical investigations on the subject. As for other sources of information, I interviewed several members of German-Turkish business organisations as well as policy-makers from the Berlin government.

fifteen years while almost half of them (48.6%) are younger than five years old. German-Turkish entrepreneurs' skills are also very heterogeneous. 43,2% of them still have no professional qualifications while a minority (15.4%) have completed a German or Turkish university degree. Their sectors of activity also show an important variety. A majority of them are still active in the 'classic' branches such as the food (24.2%) and grocery stores (35.9%) sectors. But 'there is more business than Imbissness'<sup>3</sup>, and the service sector now occupies 19.1% of German-Turkish entrepreneurs (Zentrum für Türkeistudien, 1999a).

### Hybridity

If, in the early stages of their existence, German-Turkish entrepreneurs used to rely on the 'protected market' constituted by Turkish migrants' special needs, they now have more and more contacts with Germans and the mainstream economy. 86.7% of Turkish businessmen have German customers and 72.9% of them collaborate with Germans for their supplies. Moreover, almost a third (30.2%) of their employees are not of Turkish origin, but German or of another nationality (Zentrum für Türkeistudien, 1999a). Turkish entrepreneurs have thus gone 'from the niche to the market' (Duymaz, 1989) and speaking of an 'ethnic' or 'enclave' economy therefore does not make sense for the vast majority of them.

This evolution towards hybridity is due to both socio-economic and cultural factors. The protected market is losing its importance because German shops and German-Turkish customers have mutually adapted their supplies and demands to one another. Very few businesses can therefore survive by relying exclusively on coethnic customers (Yen and Goldberg, 1996). Moreover, an important evolution of German customers' consumption habit also took place, especially in the food sector. 'Ethnic' food is now purchased by nearly everybody and this obviously fuels the growth of restaurants held by immigrants, giving them opportunities to leave the niche and deal extensively with Germans.<sup>4</sup> From a cultural perspective too, the nature of German-Turkish business activities is thus very much hybrid (Pécoud, 2001).

<sup>3</sup> This quote was the name of a meeting organised for young Turkish entrepreneurs by the *Türkisch-Deutsche Unternehmervereinigung* (TDU) in October 1998. *Imbiss* is a German word meaning 'snack' and by extension also designates the numerous snack bars that can be found almost everywhere in Germany. They used to sell mostly German food like sausages, but since the seventies many of these *Imbiss* are held by immigrants and sell Chinese, Italian or Turkish food. It is in such Turkish snack bars that one can buy the famous *Döner Kebab*.

<sup>4</sup> This diversification of tastes is only one aspect of this cultural globalisation. The other one is of course the standardisation (often called 'americanisation') that is taking place. This double trend corresponds to world culture scholars' analysis of globalisation that has underlined the tension between homogenisation and heterogenisation (see for example Appadurai, 1990). Moreover, it must be noted that products themselves are also becoming hybrid. In Germany, this is exemplified by the emblematic *Döner Kebab* story, a 'typically Turkish' product that was actually created in Germany, thus illustrating the mutual adaptation of German customers and Turkish food.

### Professionalism

The tendency towards professionalism manifests itself mainly in the emergence of a business elite. This elite is composed of highly successful German-Turkish entrepreneurs who have become organised. This has resulted in the creation of an association representing their interests. This association is called the TDU (*Türkisch-Deutsche Unternehmervereinigung Berlin-Brandenburg*/Turkish-German entrepreneurs' association) and has become a quite visible and well-known organisation. Its approximately 130 members are mostly successful entrepreneurs and its main goal is to contribute to German-Turks' 'integration' in Germany by facilitating their business activities. It has become a discussion-partner for both German and Turkish politicians as well as for businessmen of both countries. Similar associations also exist in all German big cities and are becoming organised to act on a national level. The impact of this association is larger than the number of its members could suggest. The TDU, with its image of professionalism and respectability along with its frequent appearances in newspapers and public debates, has given a new image of Turkish entrepreneurs and constitutes an important landmark.

There are several other signs of this trend towards professionalism. The publication since 1996 by a German-Turkish editor of a yellow pages book - called *Is Rehberi* - that lists about 4,000 of Berlin's 5,000-6,000 Turkish businesses in very different sectors shows how German-Turkish businessmen have become conscious of themselves and of their importance. German banks have started recruiting German-Turkish employees to deal with their German-Turkish customers. Advertisement has also 'discovered' German-Turkish customers and several important firms now promote their products and services in Turkish.

### Internationalisation

The internationalisation trend is not exactly new since Turkish businessmen's import-export activities between Germany and Turkey have been existing since the very beginning of Germany's 'Turkish economy'. Businessmen would bring Turkish products to Turkish customers in Germany. But the international dimension of the Turkish economy is now taking new forms. Products do not only circulate from Turkey to Germany but also in the reverse direction: several German-Turkish firms export their products to Turkey. Other countries are involved as well, especially those with important Turkish minorities such as Belgium and the Netherlands.

Moreover, new forms of transnational business practices are becoming more frequent. Taking advantage of the growing facility of international trade and of the cheap labour available in Turkey, some German-Turkish firms are now established in both countries. Textile is a good example of this 'globalisation from below' (Portes, 1998): clothes are produced in Turkey and sold in Germany. Another sector in which transnational entrepreneurship is flourishing is tourism: German-Turkish businessmen invest in Turkey's tourism industry, using their knowledge of German tastes to

successfully deal with German tourists (Zentrum für Türkeistudien, 2000). Such activities are often embedded in familial and social networks that span the two countries and that make transnational business activities possible.

### State interest

The 'Turkish economy' has long grown in a context characterised by policy-makers' indifference or even adversity. Legal constraints in particular were not supportive of immigrant entrepreneurs. Today however, governments, politicians and policy-makers are increasingly taking German-Turkish businessmen's activities seriously. Self-employment is increasingly viewed as a potential 'solution' to 'immigration problems'.

Economic independence is indeed supposed to help the disadvantaged Turkish minority to improve its socio-professional situation, and thus to 'integrate' better. Entrepreneurship should offer economic opportunities and provide jobs to German-Turks, thus elevating their standard of living. Moreover, business success is thought to give them self-confidence and a more respected place in the German society. Germans are also expected to react positively to German-Turks' economic dynamism, which should improve their mutual relations. The above-mentioned fact that some Turkish businesses now employ Germans is perceived as an indication that German-Turks can even become job-givers and thereby greatly improve their status in the German society. Finally, it is hoped that German-Turkish entrepreneurs will provide apprenticeship places for young German-Turks, thus ameliorating their level of professional qualifications and helping them to integrate on the labour market. This has not been so much the case until now because of German-Turkish entrepreneurs' ignorance of the system (Zentrum für Türkeistudien, 1999b).

More generally, it should also be noted that this concern for self-employment among immigrants takes place within a larger context of political interest in small and medium-sized enterprises in Western Europe. Since the beginnings of the eighties there has indeed been a growing political conviction that economic growth and job creations will not come from large industries but from self-employed workers and the smaller enterprises they create. As a result, political measures have targeted such sectors throughout Europe (Bögenhold, 2000). This process has contributed to draw attention on immigrant entrepreneurs.

One may reasonably argue that this new approach of German-Turkish entrepreneurship has so far largely remained at the discourse level. Little has been done practically to encourage and support potential businessmen and money is not yet readily available for that, even if a few initiatives have been taken to push German-Turkish entrepreneurs to create apprenticeship places. But it should be noted that this change of perspectives is also taking place in several other European countries (Betz and Haberfellner, 1999).<sup>5</sup>

<sup>5</sup> The Zentrum für Türkeistudien has played a key-role in promoting this new vision of Turkish entrepreneurship. This important think-tank based in North Rhine-Westphalia, a large and highly industrialised region with an important foreign and Turkish population, has long been stressing German Turks' contributions to the German society, and one of their most powerful argument has

## CONSEQUENCES AND CONTRADICTIONS

These five trends are deeply changing the face of Turkish entrepreneurship in Germany. This section analyses their different consequences, among which, it is argued, several contradictions can be observed.

The first consequence of these five trends is a matter of definition. The issue is whether or not the 'Turkish economy' is still a meaningful entity. This entity is indeed challenged internally by its heterogeneity and externally by the hybridisation process. The differences between German-Turkish businessmen make it increasingly difficult to consider them as a whole. Putting them into the same category implies over-emphasising their 'Turkish' dimension to the detriment of their socio-economic diversity. From the 'emic' businessmen's point of view too, the relevance of a common label is questioned. Many 'humble' entrepreneurs do not see any common point between them and the elite businessmen represented by the TDU. The trend towards hybridity also challenges the relevance of the 'Turkish economy' entity since it leads to a blurring of boundaries between 'German-Turkish' and 'German' business activities. Hillmann (1999) has observed how self-employed German-Turkish women do not see themselves as part of an 'ethnic' economy but as 'normal' businesswomen. They indeed tend to rely less than men do on 'ethnic resources', having less Turkish staff or customers than average. Similarly, many leading Turkish entrepreneurs claim that relatively big and successful German-Turkish businesses actually deal with the same problems - finding qualified employees or gathering reliable information for example - than any other business of a similar size or in a similar sector. Parts of the Turkish economy may thus 'merge' with the mainstream economy. One can therefore wonder whether common features to German-Turkish entrepreneurs still exist and distinguish them from other businessmen (Pécoud, 2000)

The second major consequence of these recent changes is the new respectability of Turkish entrepreneurship. The emergence of an elite among German-Turkish entrepreneurs as well as policy-makers and leading businessmen's interest in self-employment in the Turkish minority have given an unprecedented importance to German-Turks' business activities.<sup>6</sup> German-Turks' economic dynamism and high rate of self-employment have become important elements of many debates surrounding Germany's Turkish minority. This new interest in the Turkish economy has led to the

---

precisely been the potential of their economic activities. They have pushed local authorities to consider seriously these activities and to take measures to favour them, which is now slowly inspiring Berlin and several other German regions.

<sup>6</sup> The new respectability and professionalism of these successful ethnic entrepreneurs have even attracted big business newspapers' attention. This is in itself a significant evolution. See notably: 'Secret of Success for Many Turks in Germany Lies in Start-Ups' (by K. Richter, *The Wall Street Journal*, July 13, 1999) and 'Unsung heroes. Europe's immigrant entrepreneurs are creating thriving businesses and thousands of jobs' (*Business Week*, European edition, February 28, 2000, pp. 20-24).

production of an important literature on the topic by policy-makers and leading German-Turkish entrepreneurs themselves.

These two major consequences are partly contradictory. The 'Turkish economy' is increasingly becoming a meaningless entity but is simultaneously gaining a new respectability. The focus on German-Turks' business activities has indeed popularised the idea of a 'Turkish economy'. The 'Turkishness' of German-Turks' economic activities is questioned and challenged but simultaneously reinforced and emphasised. Some elements described above illustrate this contradiction. Why do elite German-Turkish entrepreneurs create a specifically 'Turkish' business association if they themselves claim that they have similar problems than German businessmen? What is the point of publishing a yellow-book of all 'Turkish' businesses if German-Turkish businesses rely mainly on non-Turkish customers?

This contradiction has an epistemological dimension, focusing on the 'Turkish economy' concept. On the one hand, speaking of a 'Turkish economy' does not make much sense any more: using this concept does not do justice to the diversity of German-Turks' self-employment and over-emphasises their 'ethnic' or 'Turkish' specificity.<sup>7</sup> On the other hand however, this concept is widely used by policy-makers and by leading German-Turkish themselves. Despite its loss of relevance, it has indeed become necessary because German-Turkish business activities are now a popular and much-discussed issue. This conceptual confusion is revealing. I would like to interpret it as an outcome of the ideological context in which the changes that are now affecting the so-called 'Turkish economy' are taking place.

## TURKISH ENTREPRENEURSHIP AND MULTICULTURALISM

Foreigners' status in Germany has long been a problematic issue. Much has been written on this topic, often in an especially dramatic way because of recent history. Turks have sometimes been referred to as the 'new Jews' (Mandel, 1989) and Germany's *Volk* ideal, characterised by racial and ethnic purity and based on a conception of Germaness as defined by blood (*jus sanguinis*), has drawn much attention. Rightly or wrongly, this has often been linked to the lack of rights given to immigrants and their descendants, most dramatically illustrated by their limited access to German citizenship. German political leaders used to legitimate this attitude towards foreigners by insisting that Germany was not an immigration country: guestworkers and their descendants were therefore not to remain permanently (Castles, 1985). However, this situation is changing and for the last ten years Germany has often been described as being 'at the crossroads' (Kurthen, 1995). Despite tough opposition and heavy debates, citizenship policies have been

<sup>7</sup> Another reason to be dissatisfied with the concept of a 'Turkish economy' is of course that it neglects Turkey's minorities. Many 'Turkish' businessmen are actually Kurds for example. This is however not recent: the ethnic, religious social and political diversity of 'Turkish' migrants to Germany was present from the very beginning even if it has long been underestimated.

gradually softened, making it easier for foreigners to become German.<sup>8</sup> The reunification that took place in 1990 has also accelerated this rethinking of German identity.

In this process, multiculturalism has become a key-notion. It refers to a new way of managing public culture, that recognises ethnic and cultural diversity and that allows this diversity to coexist. It also constitutes an alternative model for the German society, counter-balancing xenophobic feelings and nationalistic ideals. Important cities like Frankfurt and Berlin have established new institutional frameworks to better take into account ethnic minorities and to promote greater tolerance and respect between Germans and non-Germans. Of course, the very idea of multiculturalism lies on a somewhat essentialist conception of culture (Caglar, 1997) and such initiatives have often been criticised for their 'folkloristic' or 'exotic' approach of ethnic minorities (see Vertovec, 1996).

State interest for Turkish entrepreneurship takes place within this larger ideological framework. Acknowledging German-Turks' economic achievements and encouraging them to further develop their business activities is part of a more general recognition of German-Turks' position in the German society. It constitutes a step towards a more pluralistic form of integration, in sharp contrast to the insistence on assimilation that used to be the official way of considering minorities in the past. Minorities are now allowed and expected to bring their specific contributions to the German society, and one of these contributions is their economic dynamism.

The emergence of an organised elite among German-Turkish entrepreneurs fosters this process. These immigrant businessmen indeed represent perfect examples of a successful 'integration' and of the wealth minorities can bring to the country they live in. Moreover, they also constitute ideal spoke-persons that are supposed to 'represent' their fellow German-Turkish businessmen. The existence of immigrants' organisations and leaders is indeed a necessary element in multicultural politics, even if these acknowledged persons may arguably fail to represent the interests of the whole immigrant population.

### **The economic dimension of multiculturalism**

Economic considerations thus play a key-role in this emergence of multiculturalism. Both leading German-Turkish entrepreneurs and policy-makers now perceive German-Turks' business activities as an indication of their importance for the German society. Economic usefulness becomes a central aspect of their presence in Germany. German-Turkish entrepreneurs are not an isolate case: this economic approach to multiculturalism

<sup>8</sup> The most recent step in this process was the introduction by the newly elected left-wing government of a new naturalisation law (voted in May 1999 by the Parliament). The main innovation of this law was to recognise the *jus solis* principle, allowing foreign children born in Germany to become automatically German. Initially, the right to double citizenship was included in this new law, but an extremely violent campaign by the opposition, supported by an important part of the population, forced the government to retire this plan and to elaborate a more modest project.

and immigrant minorities also influences immigration policies. 'Brain-drain' immigration policies are of course a well-known example of how countries like the United-States or Canada recruit 'business-friendly' and economically interesting immigrants.<sup>9</sup>

Not surprisingly, such policies are becoming increasingly popular in Germany too. This was very clearly illustrated by the German government's recent decision to recruit computer experts from abroad (notably Eastern Europe and India) to stimulate its economy. This initiative was motivated by the fear that Germany might not benefit from the economic growth linked to the information technology because of the lack of German specialists in this field. Unions, fearing for unemployed German workers, strongly opposed the project but the government replied that foreign experts were going to stimulate the whole economy and thus to create jobs, which would profit to all German workers. Many but not all conservative politicians, still believing that 'Germany is not an immigration country', also rejected the project. However, everybody agreed that this initiative was a radical innovation in Germany's attitude towards immigration: it indeed constituted a very first indication that Germany might one day explicitly decide to regularly welcome new immigrants and become a country of immigration, thus getting closer to the North American model.<sup>10</sup>

Leading German-Turkish businessmen were very much interested in this debate. It indeed raised larger questions regarding foreigners' place and role in Germany. A particularly unconventional and therefore disturbing idea was that such foreign computer experts, unlike former guestworkers, were to have better jobs than many Germans. Socio-economically successful immigrants are still quite uncommon and are thus viewed as a rarity, which obviously affects leading German-Turkish entrepreneurs. They indeed often complain that regardless of their socio-economic success, they lack proper recognition from Germans who are used to think of German-Turks as guestworkers' descendants doing guestworkers' jobs. They invariably see the United States as a society in which their business achievements would be much better accepted, recognised and even encouraged.

Comparative studies of the European and North American institutional frameworks and welfare systems actually corroborate this complain. It has indeed been showed that Germany's highly developed social welfare system protects to a certain extent low-skilled migrants from poverty and low earnings. But this regulated system is not very

<sup>9</sup> For a recent review, see 'People who need people. With skilled workers in high demand, employers are hunting them down - no matter where they live' (by G. Pascal Zachary) *The Wall Street Journal*, September 25, 2000.

<sup>10</sup> The huge debate provoked by this plan (that took place mainly between February and April 2000) was known as the 'Green-Card issue', which clearly indicates its American inspiration even if important differences exist between this project and its US homonym. At the time of writing (November 2001), about 8,000 foreign IT professionals have been admitted, mainly from India, Russia and Romania. Moreover, following the debate, an Immigration Commission was appointed with the purpose of making suggestions for a more comprehensive immigration law. In its final report, issued in July 2001, the Commission called for the admission of about 50,000 newcomers a year and for greater efforts to incite immigrants to learn German. The next step is the elaboration of an immigration law, which will not be a straightforward process given the conservative opposition.

flexible and therefore hinders migrants' upward mobility. This is the exact opposite of the North American situation, in which migrants (like everybody else) benefit from almost no protection but where those who succeed find less obstacles on their way (Reitz *et al.*, 1999). In his comparison of the American and the Rhineland socio-economic systems, Kloosterman (2000) similarly points out that Continental Europe's regulated system makes mobility through self-employment more difficult for immigrants: the 'normal' way of achieving socio-economic success in Europe is finding a well-paid and well-protected job in the mainstream economy. In other words, the 'American dream' is difficult to implement in Germany, and this explains why elite members of the Turkish minority were so much interested in this debate.

What emerges here is what could be called the economic dimension of multiculturalism. On the one hand, German-Turks' - and more generally, immigrants and foreigners' - position in Germany is less and less contested. The multi-ethnic dimension of the country is increasingly acknowledged and one realises that, whether this is a good thing or not, Germany is a multicultural society. On the other hand, an important motivation in this change of perspectives is of economic nature. A crucial argument in favour of minorities and immigrants is their economic dynamism and importance. A multicultural society is thus thought to be the corollary of an open and powerful economy. In an era of globalisation, Germany's self-centred economy and ethnically homogeneous nation must become more open to the outside, to foreigners and the wealth, economic dynamism and knowledge they bring.

This has very concrete implications. Big multinational companies, for example, are expected to react negatively to a country in which they perceive closeness to foreigners or even racism: they may fear for their staff and will prefer establishing themselves elsewhere. Cultural openness is then supposed to attract investments and to create jobs whereas racism and closeness are bad for the economy. Finally, it must be added that this approach of immigration is of course a powerful argument in a political context characterised by strong conservative and anti-immigration political formations as well as sceptical public opinions. Indian computer experts, multinationals companies and German-Turkish entrepreneurs are all, in a way or another, important factors in the emergence of this new context, in which multiculturalism is seen as going along with a successful and globalised economy.

### **The contradictions of multiculturalism**

This context helps us understand the contradictions that have been highlighted above. The popularity of the 'Turkish economy' concept fits very well into the economic dimension of multiculturalism. Despite its loss of relevance, it conveniently stresses German-Turks' 'Turkishness' while simultaneously emphasising their business activities.

As Radtke (1994) has firmly argued, multiculturalism in Germany has inherited the disproportionate emphasis on 'ethnic', 'cultural' or 'linguistic' factors that has

characterised earlier approaches of immigrant workers (see also Caglar, 1990). According to his analysis, this emphasis transforms social problems into ethnic ones, and this specific treatment of migrants' situation thus 'creates' minorities. Another characteristic of German multicultural policies is that German-Turks and other immigrants, not being citizens, are politically speechless. Instead of participating in such policies, they remain 'clients' in what becomes a folkloristic multiculturalism.

Such an 'over-ethnicisation' of immigrants' activities can be observed in the 'Turkish economy' context. As mentioned above, the distinction between 'Turkish' and 'non-Turkish' is increasingly unclear. Moreover, the heterogeneity among German-Turks' business activities is so important that defining what is a 'Turkish' economy is problematic. Some German-Turkish entrepreneurs may be 'very' Turkish in the sense that they rely on specifically Turkish networks or customers but they are a minority. All entrepreneurs of Turkish origin are nevertheless labelled 'Turkish' regardless of their actual business activities.

However, this is only one side of the process. Radtke also observes that immigrants react to such multicultural policies through a process of 'self-ethnicisation', presenting their own problems as specifically 'ethnic' in order to draw government or media's attention. This has also been highlighted by Baumann (1996) who has showed that members of minority groups may use such processes of self-ethnicisation and reification of their own culture for some purposes while simultaneously challenging and 'contesting' such ethnic and cultural categories in other contexts. Minority members' behaviours may constantly challenge cultural boundaries but bounded notions remain because they are useful and strategically used by these same members.

Again, this phenomenon can be observed in Germany's 'Turkish economy' and to a large extent, it explains the contradictions mentioned above. Highly successful German-Turkish entrepreneurs indeed organise themselves and create associations that they specifically label 'Turkish'. In the mean time however, they themselves claim that the business problems they encounter are not linked to their being 'Turkish' but are similar to those of other German businesses of the same size in the same sectors.

For such elite businessmen, claiming their 'Turkishness' is undoubtedly useful. Their proclaimed will to contribute to German-Turks' 'integration' through business success and the fact that they themselves illustrate this very success have attracted considerable attention. Their regular contacts with politicians, policy-makers and private sector leaders are disproportionate with the relatively modest importance of their own business activities. These elite businessmen thus smartly react to the ideological and political context and, since they fit very well into the economic dimension of multiculturalism, find it useful to stress their 'Turkishness' and to take advantage of it.

### **A critical perspective**

It may seem unquestionably right to support German-Turkish entrepreneurs and

to help potential businessmen to open their enterprises. However, such initiatives as well as the general ideological context in which they take place deserve critical attention. I shall not mention the very problems that support to ethnic minority firms has encountered elsewhere<sup>11</sup> but concentrate on the underlying assumptions.

One of these assumptions is that German-Turkish business activities present an important growth potential. Both policy-makers and leading German-Turkish entrepreneurs seem to believe that German-Turks are increasingly successful in their business activities but this optimism is debatable. The data presented by Hillmann (2000) shows for example that in Berlin, the number of businesses owned by German-Turks has been declining in the last two years. Moreover, even in recent years, most enterprises were opened in sectors in which skill qualifications are low (restaurant, service, retailing). The future perspectives of the 'Turkish economy' are thus not as bright as one might wish to think.

Another debatable assumption is the connection made between German-Turks' business activities and their 'integration' that lies at the core of the interest in German-Turkish entrepreneurs. This connection is not straightforward. Self-employment can indeed be a trap (Hillmann and Rudolph, 1997). The growing percentage of self-employment among German-Turks certainly shows their dynamism but also the gap that separates them from German workers who behave very differently. It highlights the fact that in a high number of cases self-employment is an answer to employment and qualification problems. 'Integration' can also be hindered by the often-observed consequences of immigrant self-employment, namely extremely hard working conditions, precariousness and economic vulnerability.

In some cases, self-employment may allow German-Turks to find ways to upward social and economic mobility and to express their particularities in accordance with the idea of a multicultural society. But it may also lead to a situation in which German-Turks are encouraged to rely even more than they already do on their own networks, having thus less opportunities to reach the main labour market. Turks would employ Turks, Germans would employ Germans, and so on. Multiculturalism may then become separation.

In a recent article based on data from 1995, Özcan and Seifert (2000) have discussed the potential of immigrants' self-employment in Germany in terms of social mobility, reaching a very balanced conclusion. They show that self-employed immigrant workers are comparatively better off than employed immigrants: their earnings are higher and they have better skills. However, immigrant entrepreneurs are disproportionately concentrated in unpromising sectors of the economy and work considerably

---

<sup>11</sup> Support to ethnic minority firms is indeed not new. It has long been done in Britain for example. The problems that such initiatives encounter are numerous. Immigrant entrepreneurs may be unwilling to seek or receive advice, finding it uselessly time-consuming or even insulting; they may not even know that the possibility exists or be discouraged by the bureaucracy it implies; or they may look for advice only when they are in a desperate situation, in which case support does not contribute to growth and job creations (Oc and Tiesdell, 1999). One should also note that it can be done with purposes that are not strictly economic: Ram (1998) writes that a frequent goal of such programmes was to avoid civil disturbances and maintain social harmony.

more than employed immigrants, without even mentioning family members' undeclared work.

This debate is not new. Whether self-employment is a positive phenomenon or not has long been discussed: 'We ... have two contrasting images of ethnic entrepreneurship: one of human emancipation and possibility, the other of social entrapment and impossibility' (Chan and Ong, 1995: 527). Many scholars have drawn attention to the negative consequences of immigrants' self-employment. As Bonacich has sharply put it, 'being an ethnic entrepreneur is a joyless existence' (Light and Bonacich, 1988: 431). She has emphasised the dark side of ethnic entrepreneurship, characterised by in-group exploitation, high rate of failure, extreme vulnerability, low profits and tough competition. And Aldrich, Jones and McEvoy (1984) also invite us to a 'deglamorisation' of ethnic economies, which they view as being essentially 'a negative adaptation to racial disadvantage, a hardy weed clinging precariously in the wall' (1984: 192).

A definite conclusion on this point is likely not be reached soon. But this debate is worth being kept in mind when approaching the current interest in immigrant economies. German-Turks' business activities are indeed not an isolate case. Although there is a lack of empirical studies on this topic, there is evidence that, throughout Europe, initiatives are being taken to promote entrepreneurship as a possible pattern of integration and as a solution to the persistent difficulties immigrants encounter on the labour market (Betz and Haberfellner, 1999). While it would be absurd to dismiss all these efforts as cynical and counter-productive, one should nevertheless carefully examine all the implications of such policies and not forget their dangers.

## CONCLUSION

In 1939, J. S. Furnivall published an extensive study of what he called the 'plural society' of Netherlands India. He portrays a society composed of different groups that have nothing in common and nothing to do with one another except trading. 'There is only one place in which the various sections of a plural society meet on common ground - the market place' (1939: 449). This is because, he argues, 'individuals of all sections have in common ... the economic motive, the desire for profit' (ibid.). In other words, the economic logic becomes the only value that transcends the differences between groups. This leads to a society in which 'the economic side of life is emphasised', to the detriment of its social, cultural or political aspects. Eventually, he concludes, such a society has 'the structure of a factory ... rather than of a State' (1939: 450).

It seems clearly exaggerated to describe Germany and its minorities as a modern case of a 'plural society'. However, Furnivall's description highlights the problems of this economic approach of multiculturalism. The basic danger of the version of multiculturalism described in this essay is indeed to promote a society in which relations between groups are determined and dominated by economic concerns. It is natural to

consider non-Germans' economic contributions to the German society as arguments in favour of a better recognition of their place and specificity. It is of course urgent to create jobs for unemployed German-Turks and to improve their qualifications. However, a really multicultural society should go beyond these concerns. Non-Germans' participation on the German society should not only be economic, but also political of course, and social and cultural.

## BIBLIOGRAPHY

- Aldrich, H. E., T. P. Jones and D. McEvoy (1984) Ethnic Advantage and Minority Business Development. In R. Jenkins and R. Ward (eds.), *Ethnic Communities in Business. Strategies for Economic Survival*, Cambridge University Press, Cambridge.
- Aldrich, H. E., R. Waldinger and R. Ward (1990) *Ethnic Entrepreneurs. Immigrant Business in Industrial Societies*. Sage Publications, London.
- Appadurai, A. (1990) Disjuncture and Difference in the Global Cultural Economy. In M. Featherstone (ed.), *Global Culture. Nationalism, Globalisation and Modernity*, Sage Publications, London.
- Barrett, G. A., T. P. Jones and D. McEvoy (1996) Ethnic Minority Business: Theoretical Discourse in Britain and North America. *Urban Studies* 33, 783-809.
- Baumann, G. (1996) *Contesting Culture. Discourses of Identity in Multi-ethnic London*. Cambridge University Press, Cambridge.
- Beauftragte der Bundesregierung für Ausländer (1999) *Daten und Fakten zur Ausländersituation*. 18. Auflage, Bonn/Berlin.
- Betz, F. and R. Haberfellner (eds) (1999) *Geöffnet! Migrantinnen und Migranten als Unternehmer*. Zentrum für Soziale Innovation, Vienna.
- Bonacich, E. (1993) The Other Side of Ethnic Entrepreneurship: A Dialogue with Waldinger, Aldrich, Ward and Associates. *International Migration Review* 27, 685-702.
- Bögenhold, D. (2000) Entrepreneurship, Markets, Self-employment: Introduction. *International Review of Sociology* 10, 25-40.
- Buch, H., A. Gieseck and H. D. von Loeffelholz (1994) *Ausländische Selbständige in der Bundesrepublik. Unter Besonderer Berücksichtigung von Entwicklungsperspektiven in den Neuen Bundesländern*. Duncker & Humblot, Berlin.
- Caglar, A. S. (1990) *The Prison House of Culture in the Studies of Turks in Germany*. Freie Universität Sozialanthropologie Arbeitspapiere nr. 31, Berlin.
- Caglar, A. S. (1997) Hyphenated Identities and the limits of 'Culture'. In T. Modood and P. Werbner (eds.), *The Politics of Multiculturalism in the New Europe*, Zed Books, London.
- Castles, S. (1985) The Guests Who Stayed - The Debate on 'Foreigners Policy' in the German Federal Republic. *International Migration Review* 19, 517-534.
- Chan, K. B. and J. H. Ong (1995) The Many Faces of Immigrant Entrepreneurship. In

- R. Cohen (ed.), *The Cambridge Survey of World Migration*, Cambridge University Press, Cambridge.
- Duymaz, I. (1989) *Türkische Unternehmensgründungen. Von der Nische zum Markt?* Zentrum für Türkeistudien, Leske+Budrich, Opladen.
- Furnivall, J. S. (1939) *Netherlands India. A Study of Plural Economy*. Cambridge University Press, Cambridge.
- Hillmann, F. (1999) A Look at the 'Hidden Side': Turkish Women in Berlin's Ethnic Labour Market. *International Journal of Urban and Regional Research* 23, 267-282.
- Hillmann, F. (2000) Are Ethnic Economies the Revolving Doors of Urban Labour Markets in Transition? Paper presented at the conference on 'The Economic Embeddedness of Immigrant Enterprises', Jerusalem (Israel), June 18-20.
- Hillmann, F. and H. Rudolph (1997) *Redistributing the Cake? Ethnicisation Processes in the Berlin Food Sector*. Discussion Paper FS I 97-101, Wissenschaftszentrum Berlin für Sozialforschung.
- Jones, T. P., G. Barrett and D. McEvoy (2000) Market Potential as a Decisive Influence on the Performance of Ethnic Minority Business. In J. Rath (ed.), *Immigrant Businesses. The Economic, Political and Social Environment*, Macmillan, London.
- Kloosterman, R. (2000) Immigrant Entrepreneurship and the Institutional Context: A Theoretical Exploration. In J. Rath (ed.), *Immigrant Businesses. The Economic, Political and Social Environment*, Macmillan, London.
- Kloosterman, R. and J. Rath (2001) Immigrant entrepreneurs in advanced economies: mixed embeddedness further explored. *Journal of Ethnic and Migration Studies* 27, 189-201.
- Kurthen, H. (1995) Germany at the Crossroads: National Identity and the Challenges of Immigration. *International Migration Review* 27, 914-938.
- Light, I. and E. Bonacich (1988) *Immigrant Entrepreneurs. Koreans in Los Angeles, 1965-1982*. University of California Press, Berkeley.
- Light, I. and S. J. Gold (2000) *Ethnic Economies*. Academic Press, San Diego.
- Mandel, R. (1989) Turkish Headscarves and the 'Foreigner Problem': Constructing Difference Through Emblems of Identity. *New German Critique* 46, 27-46.
- Maurice, M. (1993) La formation professionnelle en France, en Allemagne et au Japon. *Entreprises et Histoire* 3, 47-59.
- Oc, T. and S. Tiesdell (1999) Supporting ethnic minority business: a review of business support for ethnic minorities in city challenge areas. *Urban Studies* 36, 1723-1746.
- Özcan, V. and W. Seifert (2000) Selbständigkeit von Immigranten in Deutschland - Ausgrenzung oder Weg der Integration? *Soziale Welt* 51, 289-302.
- Pécoud, A. (2000) Thinking and rethinking ethnic economies. *Diaspora* 9, 439-462.
- Pécoud, A. (2001) The cultural dimension of entrepreneurship in Berlin's Turkish economy. *Revue Européenne des Migrations Internationales* 17, 153-168.
- Portes, A. (1998) *Globalisation from Below: The Rise of Transnational Communities*.

- ESRC Transnational Communities Research Programme Working Paper WPTC-98-01, University of Oxford.
- Radtke, F.-O. (1994) The Formation of Ethnic Minorities and the Transformation of Social into Ethnic Conflicts in a so-called Multi-Cultural Society - The Case of Germany. In J. Rex and B. Drury (eds.), *Ethnic Mobilisation in a Multi-Cultural Europe*, Avebury, Aldershot.
- Ram, M. (1998) Enterprise support and ethnic minority firms. *Journal of Ethnic and Migration Studies* 24, 143-158.
- Rath, J. (2000) Introduction: Immigrant Businesses and their Economic, Politico-Institutional and Social Environment. In J. Rath (ed.), *Immigrant Businesses. The Economic, Political and Social Environment*, Macmillan, London.
- Reitz, J. G., J. R. Frick, T. Calabrese and G. C. Wagner (1999) The institutional framework of ethnic employment disadvantage: a comparison of Germany and Canada. *Journal of Ethnic and Migration Studies* 25, 397-443.
- Sassen, S. (1991) *The Global City: New-York, London, Tokyo*. Princeton University Press, Princeton.
- Sen, F. and A. Goldberg (1996) *Türken als Unternehmer. Eine Gesamtdarstellung und Ergebnisse neuerer Untersuchungen*. Leske + Budrich, Opladen.
- Vertovec, S. (1996) Berlin Multikulti: Germany, 'foreigners' and 'world-openness'. *New Community* 22, 381-399.
- Wilpert, C. (1998) Migration and Informal Work in the New Berlin: New Forms of Work or New Forms of Labour? *Journal of Ethnic and Migration Studies* 24, 269-294.
- Zentrum für Türkeistudien (1999a) *Die Regionalen Transferstellen für ausländische Existenzgründer und Unternehmer in Nordrhein Westfalen. Ökonomische Daten der türkischen und ausländischen Selbständigen in NRW und Deutschland*. Zentrum für Türkeistudien, Essen.
- Zentrum für Türkeistudien (1999b) *Türkische Unternehmer und das duale Ausbildungssystem. Empirische Untersuchung von Möglichkeiten der beruflichen Ausbildung in türkischen Betriebsstätten in Deutschland*. LIT Verlag, Münster.
- Zentrum für Türkeistudien (2000) *Die Entwicklung und Bedeutung des Tourismus in der Türkei and die besondere Rolle der deutschen Touristen*. ZfT-aktuell nr. 80, Zentrum für Türkeistudien, Essen.

## POVZETEK

## SODOBNI TRENDI V TURŠKI EKONOMIJI BERLINA

Antoine Pécoud

*V tekstu so analizirane povezave med multikulturalnostjo, brezposelnostjo in samozaposlenostjo na primeru Berlina in njegove turške etnične ekonomije. Pet značilnosti karakterizira turško delovno sfero: heterogenost, hibridnost, profesionalnost, internacionalizacija in interes države. Posledice teh značilnosti so delno nasprotujoče. Na eni strani poudarjajo pomen koncepta ekonomije turške skupnosti. Na drugi strani pa se odkriva doslej nepoznano spoštovanje, cenjenost in popularnost turške etnične ekonomije. Omenjeno nasprotje je razumljeno kot nov dokaz pomena multikulturalnosti v Nemčiji in odnosa Nemcev do priseljencev. Priznanje njihove prisotnosti v družbi je vodilo k visoki rasti samozaposlovanja, kar je ena od rešitev iz brezposelnosti in pot v integracijo. Posledica je ekonomska dimenzija multikulturalizma, torej ideologija, ki vsebuje etnični pluralizem kot pozitiven element. V zaključku je podana kritična analiza te ideologije.*

*Antoine Pécoud izdeluje svojo doktorsko disertacijo na Univerzi Oxford, Velika Britanija, na Inštitutu za socialno in kulturno antropologijo. Je avtor več člankov in se udeležuje mednarodnih konferenc na področju migracij.*