

ENTREPRENEURIAL PRACTICES OF TURKISH IMMIGRANTS IN BERLIN

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## ABSTRACT

### ENTREPRENEURIAL PRACTICES OF TURKISH IMMIGRANTS IN BERLIN

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The aim of this thesis is to demonstrate how immigrants from Turkey try to create flexible identities through their entrepreneurial practices in order to achieve social mobility within the regimes of state, market and social networks in Berlin. To put it differently, the aim of the study is to indicate how immigrant entrepreneurs try to develop strategies and maneuvers vis-à-vis the regulatory mechanisms like immigrant and citizenship laws, high degree of labor market rules, class based corporatist policies, social welfare policies and social networks acting as habitus for order and stability through social control and surveillance. These strategies and maneuvers, which are reflected on the flexible identities of immigrant entrepreneurs, are crucial for them to have social mobility and thus to remain competitive in the capitalist market economy and its political and social dynamics. That is to say through flexible identities immigrant entrepreneurs enable themselves to benefit from the economic, political and social conditions in Turkey and Germany, and also adapt themselves to the changing circumstances in these countries. In this manner, immigrant entrepreneurs are not only passive subjects of the regimes of state, market and social networks, which are constituted and conditioned with various norms, laws and values, but also active agents, who are able to create flexible identities in order to be mobile and competitive within these regimes.

Keywords: Immigrants, Ethnic Entrepreneurship, Identity, Citizenship, Social Networks, Germany, Regimes.

## ÖZ

### BERLİN'DEKİ TÜRK GÖÇMENLERİN GİRİŞİMCİLİK PRATİKLERİ

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Bu tezin amacı, Berlin'de bulunan Türkiye'li göçmenlerin girişimcilik pratikleri sayesinde devlet, piyasa ve sosyal ilişki ağları olarak tanımlanan rejimler içinde sosyal hareketlilik sağlamak amacıyla nasıl esnek kimlikler oluşturduklarını göstermektir. Bir başka deyişle, çalışmanın amacı girişimci göçmenlerin, göçmen ve yurttaşlık yasaları, katı işgücü piyasası kuralları, sınıf temelli korparatist politikalar, refah devleti politikaları ve düzen ve istikrar için habitus şeklinde işlev gören sosyal ilişki ağları gibi düzenleyici mekanizmalar karşısında, nasıl stratejiler ve manevralar geliştirdiklerini sergilemektir. Girişimci göçmenlerin esnek kimliklerine yasayan bu strateji ve manevralar, onların sosyal hareketlilik kazanmalarında ve bu nedenle kapitalist piyasa ekonomisinde ve onun politik ve sosyal dinamamikleri içinde rekabet edebilir durumda olmaları açısından önem taşımaktadır. Esnek kimlikleri aracılığıyla girişimci göçmenler hem Türkiye ve Almanya'daki ekonomik, politik ve sosyal şartlardan yararlanabilmektedirler, hem de kendilerini bu ülkelerdeki değişen koşullara adapte edebilmektedirler. Bu anlamda, girişimci göçmenler devlet, piyasa ve sosyal ilişki ağları olarak bilinen rejimler tarafından çeşitli normlar, yasalar ve değerlerle tanımlanıp biçimlendirilen sadece pasif özneler değil, aynı zamanda sosyal hareketlilik kazanmak ve rekabetçi olabilmek için esnek kimlikler yaratan aktif bireylerdir.

Anahtar Kelimeler: Göçmenler, Etnik Girişimcilik, Kimlik, Yurttaşlık, Sosyal İlişki Ağları, Almanya, Rejimler.

To Gökçe, Hatice and Ercan Ülker,

for their love, energy and continuous support

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I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

Date: July 21, 2004

Rıza Barış Ülker

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## INTRODUCTION

Following the World War II, in order to provide the requirements of economic growth in labor markets, industrialized center of Europe imported workers from its southern periphery throughout 1950s and 1960s. Within this framework the Federal Republic of Germany signed labor-receiving contracts with Italy (1955), Spain (1960), Greece (1960), Turkey (1961 and 1964), Morocco (1963), Portugal (1964), Tunisia (1965) and Yugoslavia (1968). These bilateral agreements were designed to solve the labor shortages through *Gastarbeiter* (guest-worker) programs, which were regulated to supply temporarily flow of labor in accordance with capital's requirements (Çağlar, 1994, 2). Although Turkey signed similar bilateral agreements with Austria (1964), the Netherlands (1964), Belgium (1964) and France (1965), the largest migrant labor flow was to the Federal Republic of Germany.

Between 1961 and 1974 more than 600,000 workers migrated to Germany through recruitment offices in Turkey (Abadan-Unat, 2002, 48; Kaya, 2000, 42). In the early years of 1960s labor migration, the proportion of urban migrants was higher than the rural migrants and they were relatively skilled and educated, in comparison to working population in Turkey (Martin, 1991). In the second half of the 1960s the number of unskilled migrant workers from rural areas with minimum level of education started to increase in the general labor migration. Following the economic stagnation and oil crisis in 1973 like other European countries Germany banned the entry of non-EEC workers to Germany and even introduced incentives for foreign workers to return home (Kaya, 2000, 49; Abadan-Unat, 2002, 57-59). Although the number of foreign workers from Turkey decreased in comparison to the previous period, the implementation of family reunification policy during 1970s and 1980s augmented the number of

immigrants from Turkey (Çağlar, 1994, 4). From early 1980s to late 1990s there was also an increase in the number of asylum seekers from Turkey, who were applying for a certified refugee status in Germany (Faist, 2000, 82-83).

Within these four decades migration studies on the immigrants from Turkey and their descendants have focused on different points (Kaya, 2000, 15-16). The studies about the initial years of migration mainly concentrated on the economic results of migration, transfer of savings to Turkey, immigrants' plans of return to Turkey and 'cultural shocks' they face in Germany. Since immigrants were regarded as part of a temporary labor force and they themselves position themselves as such, the myth of return was one of the dominant factors in these studies. After the ban of non-EEC workers' entering into Germany and family reunifications, the visibility of immigrants in Germany as a 'problem' gained momentum (Çağlar, 1994, 17-18). In this manner, studies concerning this period mostly underlined the reorganization of family and parent-child relationships, gender roles in migrant families and educational problems of migrant children. The 'integration', 'assimilation' and 'acculturation' of migrants are also prominent areas of interest in these studies. Today, immigrants from Turkey and their descendants have become a part of legal, political, economic, social structures and institutions in the Federal Republic of Germany and thus they are represented in different strata of the society.<sup>1</sup> This is also reflected in the paradigm shift of contemporary migration studies. Unlike the previous studies on migration, the analytical perspectives of 1990s do not equate the migrant culture and identity with the concepts like 'failed integration' or 'degeneration' (Çağlar and Soysal, 2003, 9). Rather they try to focus beyond the 'successful' or 'failed' categories of integration. Within this perspective, the notion of 'in-betweenness' lost its negative load (degeneration) and has become to signify the source of migrants' hybridity and multiple identities. Furthermore, it enables to analyze immigrants' practices beyond the constraints of national boundaries and to situate them within a global context, in which different political, economic and cultural dynamics intensify their transnational links not only between the country of origin and country of settlement but also with various localities.

Considering these points, in this study, I will focus on the entrepreneurial practices of immigrants from Turkey and their descendants in Berlin in order to illustrate how they create flexible identities in a global context. In this global context, with the increasing flow of capital, goods, people, knowledge, technology and communication, the immigrant entrepreneurs in Berlin do not only develop their economic transactions, but also boost up their transnational links. In this manner they are not obliged to condition their lives depending on the political, economic and socio-cultural circumstances of Turkey or on the experiences of immigrant population in the Federal Republic of Germany. Rather they have the opportunity to benefit from different circumstances both in Turkey and Germany. Such an endeavor inevitably improves their social mobility, which is essential for capital accumulation and to strengthen their competitiveness in the capitalist economy. However, this social mobility is not only relevant for economic means. Although the political, economic and cultural dynamics of globalization allow immigrant entrepreneurs to establish transnational links for social mobility, they do not operate in free-flowing circumstances, but in environments that are controlled by the regimes of nation-state, market and social networks. To put it differently, the entrepreneurial experiences of immigrants are defined and regulated within the legal, political, economic, social structures and institutions in Germany. When we look at from this perspective, the definition of German citizenship, implication of social welfare policies, high degree of labor market regulations, class based corporatist policies and social networks among immigrants can be underlined as some of the examples of influential structures and institutions since they position immigrant entrepreneurs in reference to certain norms, values and attitudes. Therefore, we can assert that immigrant entrepreneurs operate in an interactive process. On the one hand, they are constituted and controlled by the regimes of nation-state, market and social networks, and on the other hand they try to develop strategies and maneuvers in order to increase their social mobility within these regimes. That is to say, they are not only passive subjects but also active political, economic and social agents. This is reflected in the creation of flexible identities within these regimes.

In the development of nation-state the concept of citizenship highlights the rational understanding of social order, in which individuals are defined through rights and obligations. The concept of citizenship does not only condition the relation between state and individuals but also solidifies the sovereignty of the nation-state within particular boundaries. In this sense the Federal Republic of Germany identifies German citizens and simultaneously differentiates them from non-citizens through Basic Law, Aliens Act and Citizenship Law. As underlined by Ong, these state regimes try to condition, normalize and regulate subjects' attitudes and behaviors by calling various forms of 'truths' in culture, science, economy and so forth (1999, 113). And this is clearly reflected in the conditions to acquire German citizenship, which privilege ethnic Germans; or in the conditions, that differentiate immigrant generations as an indicator of uneven distribution of services, care and protection over the territory; or in the conditions that define the categories of Residence Permit for immigrants. With these different ways of government Germany aims to achieve optimum economic benefit and minimum socio-economic and political cost, which can be obtained, for instance, with the economic transactions of immigrant entrepreneurs, creation of different employment opportunities both to immigrant and German populations by immigrant entrepreneurs and representation of immigrant entrepreneurs as the 'successful' models of integration. However, the political, economic and cultural dynamics of globalization have resulted with the decoupling of rights and identity in the conceptualization of citizenship and in turn this enables immigrants to position themselves with hyphenated identities like German-Turkish, Alevi-German, German-Kurdish or with the trajectory of being part of Berlin, whether they are granted German citizenship or not. Such a practice is essential for immigrant entrepreneurs since they can shift between identities within these hyphenated forms in order to adopt themselves to changing circumstances. This increases their social mobility and allows them to develop strategies for capital accumulation through social networks.

Like the regimes of state that define the practices of citizens and non-citizens through different norms and regulations, the regimes of market in Germany also

adjust the entrepreneurial practices of immigrants. To put it differently, highly regulated German economy guarantees that labor is well protected not only with minimum wage ratios but also with high levels of health and unemployment insurances. Since the labor costs and level of competition in the labor market are high, the immigrant policies fluctuate according to the economic demand and in turn welfare state is mostly associated with class-based corporatist policies (Faist, 1995). Moreover, the concentration of firms on quality markets more than price markets is not likely to be seen at the lower end of opportunity structure and in turn this increases the competition on flexibility of supply and price rather than on quality for small and medium scaled enterprises (Engelen, 2001; Kloosterman and Van der Leun, 1999). These market structures, according to the discussions in the literature of ethnic entrepreneurship, mostly force immigrant entrepreneurs to run their businesses depending upon either the demand of cultural products and services or the markets, where industries are not characterized by extensive scale of economies and entry costs. However, immigrant entrepreneurs in Berlin do not only operate in these markets, but in different markets, where they can utilize their social networks or develop strategies and maneuvers vis-à-vis the regimes of market. For instance, social networks on the one hand provide financial capital to establish and develop their companies, on the other hand enable them to achieve co-ethnic or unpaid family labor through which they can lessen the cost of labor to some extent. Moreover, these networks are crucial to benefit from the know-how, information, experience and expertise to establish business contacts in Turkey, Germany and in different countries. Therefore, immigrant entrepreneurs are not only passive subjects within the regimes of market but also active agents, who attempt to be competitive and mobile through various strategies.

In addition to the regimes of state and market, immigrants from Turkey and their descendants run their entrepreneurial practices with the regimes of social networks. These social networks depend on the relations between the members of different immigrant groups. Since there is not a homogeneous group among the immigrants from Turkey, we cannot talk about a particular form of social network, but rather a variety of social networks, which do not have strict

boundaries. That is to say that immigrant entrepreneurs in different social networks can co-operate with each other and hence can create flexible grounds for strategies and maneuvers. In this study we will focus on three social networks among entrepreneurs that are formed by the Alevi-Kurdish background immigrants, Turkish-German Businessmen Association (Türkisch-Deutsche Unternehmervereinigung Berlin-Brandenburg, TDU) and Independent Industrialists and Businessman's Association (Unabhängige Industrieller und Unternehmer e.V., MÜSIAD). In these social networks the relations between immigrant entrepreneurs are derived from mutual trust and collaboration. Such mutuality refers to a complementary process, in which an effect of assumption about common interests will develop through social exchanges and an expectation will be fulfilled within a certain time limit in order to carry on the existing relations (Kelly, 1995, 216). Although these social networks reduce the transaction costs, facilitate cooperation, provide information, knowledge and expertise, simultaneously they generate a source of social control among immigrant entrepreneurs deriving from a migration history, language, beliefs and practices. Therefore, social networks provide both a ground for the accumulation of economic and social resources in order to be competitive in the market structure, and a regime, in which every market player has an access to knowledge about the position of other players and hence can develop managerial strategies.

Considering these points in the first chapter I will concentrate on the political, economic and cultural dynamics of globalization. These dynamics are crucial to indicate the effects of process of globalization on immigrant entrepreneurs in Berlin. However, these dynamics will not be examined in reference to entrepreneurial practices of immigrants in Berlin, but will be analyzed through some discussions in the literature of globalization. In this sense we will be able to present some of the influential factors in the creation of flexible identities within the regimes of state, market and social networks.

In the second chapter, I will argue the regimes of state depending upon the conceptualization of citizenship. Following T.H. Marshall's conceptualization of citizenship and its counter arguments, an analysis of the concept deriving from the

German Basic Law, Aliens Act and Citizenship Law will be discussed to illuminate the regimes of state on immigrants from Turkey and their descendants in Berlin. In order to better interpret these laws and regulations I will try to clarify the position of immigrant entrepreneurs in Berlin depending on the discussions in the literature of citizenship and migration. And lastly I will discuss the regimes of state on immigrant entrepreneurs in reference to these laws and concepts like multiculturalism.

In chapter three we will start with a brief analysis of the literature on ethnic entrepreneurship. This is crucial both to question the explanations of different theoretical approaches on immigrant entrepreneurs, and to provide a ground for discussing the regimes of market and social networks. In this sense in the following sections of this chapter, regimes of market and social networks will be examined to present the mixed embeddedness of immigrant entrepreneurs in reference to welfare state policies and different forms of capital. These regimes will not be examined in separate chapters, since they are related to each other within the framework of this study.

In the last chapter, I will try to illustrate the creation of flexible identities by immigrant entrepreneurs within the regimes of state, market and social networks. In this manner I will depend on my fieldwork in Berlin, which was conducted between July and August 2003. A detailed analysis of the fieldwork will be given in order to better portray their practices deriving from the participant observation technique and interviews with 25 immigrant entrepreneurs.



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**Endnotes:**

<sup>1</sup> I use the term immigrants from Turkey and their descendants, for the sake of brevity, to refer to all immigrant generations in Germany. However, during my fieldwork in Berlin, the interviewees also use the terms like German-Turks, Alevi-Germans, German-Kurds and inhabitants of Berlin. In addition to this, the title of this study, Entrepreneurial Practices of Turkish Immigrant in Berlin, is preferred to clarify immigrants' land of origin and hence it does not seek to homogenize different identities, Kurdish, Alevi and so forth, in reference to Turkishness.

# **CHAPTER 1**

## **ECONOMIC, POLITICAL AND CULTURAL DYNAMICS OF GLOBALIZATION**

### **1.1 Introduction**

The free flow of capital, goods, people, culture, images, knowledge, communication and technology has been challenging the territorial boundaries of nation-states. This challenge is at the same time interconnecting different activities, experiences and decisions of people across the world. To put it differently, events in one part of the world have an immediate influence in another part of the world. In this sense globalization can be considered "...as the widening, deepening and speeding up of worldwide interconnectedness in all aspects of contemporary social life" (Held, McGrew, Goldblatt and Perraton, 1999, 2). As a result of this worldwide interconnectedness, the relations between nation-states and their immigrant populations have become one of the crucial topics in the literature of migration since immigrant generations experience interconnectedness not only with daily flights between home and 'host' countries, advanced communication technologies and capital transfers but also with increasing social networks and celebration of hybrid identities. These border crossing experiences do not present immigrants with the concepts like 'acculturation' and 'degeneration', but rather portray them with notions like mobility, flexibility and transnationality. Therefore, globalization turns out to be a daily practice of immigrants in their economic, political and socio-cultural activities.

Since my study focuses on creation of flexible identities among the immigrant entrepreneurs, a general overview on the economic, political and cultural dynamics of globalization will clarify the challenges posed to the nation-state and

illustrate its impacts on the relation between nation-states and immigrants. The economic, political and cultural dynamics of globalization will also indicate the mixed embeddedness, in which immigrants have to formulate strategies and maneuvers vis-à-vis the regimes of state, market and social networks. By pursuing this, the study does not aim to privilege one of the economic, political and cultural dynamics over the others, but rather tries to figure out the interconnectedness of these dynamics on the creation of flexible identities among immigrant entrepreneurs. However, arguing the worldwide interconnectedness and challenges to the territorial boundaries do not mean the absolute weakness of the nation-state and hence the weakening of states' regulatory mechanisms over immigrant generations. Thus, the relation between globalization and nation-state is not a mutually exclusive one and this has to be kept in mind while we are arguing the dynamics of globalization. In other words, the dynamics of globalization cannot be understood through the binary oppositions like universal versus particular, homogenous versus heterogeneous, centralized versus decentralized, integrated versus fragmented.

## **1.2 Economic Dynamics of Globalization**

The global economy can be seen as one of the most influential forces vis-à-vis the territorial boundaries of nation-states. Not only the free circulation of goods, capital and labor through out the world but also the organization and structure of these markets with the effect of developments in technology, communication and transportation illuminate the challenge of global economy. However, we face the following question in discussing the economic dynamics of globalization: How does globalization affect the existing form of capitalism? This can be noticed in a variety of examples. On the one hand, Transnational Corporations and Multinational Enterprises to some extent have replaced national companies and have built headquarters and production units that are scattered in different parts of the world depending upon the cheap labor markets like Latin America, Africa, Southern Asia and Eastern Europe. On the other hand, Fordism in the economic organization and Taylorism in the differentiation between functions of

management and labor have been challenged with some new organizational paradigms like Toyotism that concentrates on flexible specialization and accumulation (Waters, 1995, 82-84). In addition to these, financial markets are no longer concentrated in one center like London or New York, but rather they are diffused on various locations because of the instantaneous and computerized telecommunications (Ibid, 87-88).

When we examine statistics, all over the world inflows of foreign direct investment increased from \$159.3 billions to \$400.5 billions and outflows of foreign direct investment increased from \$180.5 billions to \$423.7 billions between 1991 and 1997 (Sassen, 2000a, 14). Number of parent Transnational Corporations augmented from 36,600 in 1990 to 53,507 in 1996 (Ibid, 23). The aggregate value of official foreign exchange reserves in the world rose from \$100 billion in 1970 to \$1,579 billion in 1997, whereas the volume of transactions on the world's wholesale foreign exchange markets rose from \$100 billion to \$1,5 trillion per day (Scholte, 2000, 78-79). In addition to these, bank deposits by nonresidents boosted from \$20 billion in 1964 to \$7,900 billion in 1995, and balances on transborder bank loans from \$200 billion in early 1970s to \$10,383 billion in 1997 (Ibid, 80-81). And in order to develop an understanding of these economic dynamics of globalization we need to explore some of the discussions. However, in discussing these arguments this chapter does not aim to find an answer whether globalization is something new or not.<sup>1</sup>

The time-space axis is one of the leading dimensions in arguing the extent, speed and intensity of economic interactions.<sup>2</sup> Zygmunt Bauman mostly considers the dimensions of space and time in explaining the economic dynamics of globalization. As it is underlined in *The Communist Manifesto* the phrase 'all that is solid melts in to air' deals with the transformation from traditional society to modern society. In *Liquid Modernity* Bauman, in order to explain the disintegration of pre-modern solids, emphasizes "...the wish to discover or invent solids of...*lasting* solidity, a solidity which one could trust and reply upon and which would make the world predictable and therefore manageable" (Bauman,

2000, 3). What is at stake in his analysis is that solids of modernity have become once again fluid but this time there is not a new formation that can re-solidify them. The fluids do not fix or stabilize because that particular form changes continuously in time. Thus fluids "...flow', 'spill', 'run out', 'splash', 'pour over', 'leak', 'flood', 'spray', 'drip', 'seep', 'ooze'; unlike solids, they are not easily stopped..." (Ibid, 2). On the other hand, it is one of the main features of solids to lessen the effect of time. In this sense, solids privilege the occupied space that seems to keep their stability. Through this differentiation Bauman tries to achieve a formulation of 'light' or 'liquid' modernity as opposed to 'heavy' or 'solid' modernity. While the former stands for flexible forms of work and organization, rule of 'nomadic and exterritorial elite', disembedding and instantaneity; the latter represents factory, instrumental rationality, embedding and routinized time. 'Light' or 'liquid' modernity also stands for the existing form of capitalism that is dominant for the last two decades. In this manner, the character of work has changed with the disembodiment of capital in the light modernity (Ibid, 10-14). Unlike the conceptualization of work in heavy modernity, which was formed through the 'big', rational and re-embedded factories, its present form depends upon the notion of flexibility (Ibid, 139). The labor and capital are not mutually depended within the factories or fixed addresses. The condition of transaction between buying and selling that unites capital and labor is also no longer valid. With this transaction, capital and labor used to keep each other in good shape. The welfare state as a political agent was trying to regulate the united character of capital and labor and to eliminate the unexpected instabilities. But in this new era, uncertainty rules the working life. There is no more long-term binding mentality between the parties of capital and labor. And since flexibility has become the main feature of working life, short-term contracts are on the agenda of labor market. Free-floating capital and flexible labor market indicate the importance of speed of movement in the social stratification. At the top of pyramid there are those, who care little about the space. In other words, they do not have 'big' factories, but rather portable networks that can provide the means to reach wealth, power and prestige.<sup>3</sup> Thus, Bauman emphasizes the time

dimension as the leading force of globalization between the relation of capital and labor.

Similarly, Saskia Sassen has developed a closer look to the changing forms of relationship between capital and labor within the urban context deriving from a time and space axis. Although, the world economy has been in existence for several centuries, over the last 20 years the increase in the mobility of capital has brought new dynamics (Sassen, 2000a, 2-3). According to her, the mobility of capital has changed the geographic organization of manufacturing production and the network of financial markets. In addition to this, a demand for types of production was needed to ensure the management, control and servicing the new organization of manufacturing and finance. However, geographic dispersal of plants, offices, service outlets and integration of stock markets do not correspond to decentralization in control and central functions (Ibid, 24). In order to clarify this, Sassen concentrates on the indicators of inflows and outflows of foreign direct investments, banks ranked by assets, cities ranked by stock market value and transnational corporations throughout the world. Though the cities of developing countries cannot be neglected when we consider the economic interactions in the world market, figures indicate a concentration of economic activities among the cities of developed countries.<sup>4</sup> What is crucial in her analysis is that these cities have become disconnected from their region and even nation and have created transnational urban systems (Ibid, 33-55; Sassen, 1991, 169-189), where the growth of global markets for finance and specialized services, the need for transnational servicing networks because of the increase in international investments and the reduced role of governments in the regulation of international economic activities seem to be the predominant factors (Sassen, 1998, XXVI).

For Sassen financial and servicing markets are seen as the particular means for the economic dynamics of globalization. In reference to financial markets, she highlights three reasons to explain the trend toward consolidation of the shares of many financial markets in a few financial centers rather than a massive dispersal, which is evident within developed and developing countries (Sassen, 2000a, 106-

112). First of all, the financial centers provide the social connectivity that allows a firm or market to maximize the benefits of technological connectivity. With the creation of social connectivity new telecommunication technologies facilitate geographic dispersal of economic activities and simultaneously they guarantee the strengthening of central coordination and control functions of the firms and markets. This social connectivity is also established with the complex forms of information, in which interpretation, evaluation and judgment are necessary to produce a high-order of datum. Secondly, Sassen underlines the fact that in the financial industry large resources are needed and to meet this requirement various mergers between firms and alliances are formed. As a result of this, hierarchy in an expanding network is also produced as well as the tendency toward concentration of financial centers. Thirdly, it is the denationalization of the corporate elite.

In addition to the financial markets, the growth of producer service industries presents a shift in the organization of work, which is seen as the essence of service economy (Sassen, 1991, 166). According to Sassen, service economy is related with the consumer services that are based on the mass production and consumption. In this sense, manufacturing (except for its location) is one of the crucial factors for the growth of service economy besides the demand for producer services and increase in financial and business transactions (Sassen, 2000a, 69-71). Therefore, Sassen emphasizes the increasing speed of world economic interactions based on the development of finance and services sectors, both of which still cannot be separated from manufacturing industries. These sectors not only represent the mobility of capital all around the world but also the new organization of work. The organization of work is connecting different cities through the networks of transnational corporations. However, these dynamics of global economy inevitably create sharpening of peripheralization at the global, regional and urban levels, which can be obviously seen in segmented labor markets and ghettos (Ibid, 139-144).

Though Bauman and Sassen have different points on the economic dynamics of globalization, they both suggest that what we are experiencing in the present form of world economy is a transformation of time-space axis considering the relation between capital and labor. However, it is also discussed that globalization has brought the increasing polarization and marginalization among the nation-states and societies.<sup>5</sup> According to Paul Hirst, far from being global the world economy is dominated by three major blocs of wealth and power, namely the Triad of Europe, Japan and North America (2000, 108). Depending upon the levels of economic integration, interdependence and openness, globalization is seen as nothing new but just a phase of internationalization of economic activity (Hirst and Thompson, 1996, 44-49). Within this perspective, the nation-state is still the primary economic actor, even if the developments in financial markets, technology and multinational corporations have influenced the speed of capital all over the world. For example, openness to the world trade as measured by the imports and exports combined as a proportion of GDP was not greater in 1993 than in 1913 for all major capitalist countries except for the United States (Arrighi, 1999, 54). Additionally, trade between 1945-73 and foreign direct investments from early 1980 onwards as the dominant economic factors signify a spatial concentration among North America, European Economic Area and Japan, which in turn intensify the marginalization of many third world countries (Hirst and Thompson, 1996, 63-76). This is also reflecting a significant 'regionalization' process in terms of the economic activities. Likewise, Multinational Corporations rely upon their 'home bases' as it is examined in reference to the distribution of MNC sales and assets to home region/country (Ibid, 84-95). According to Hirst and Thompson "MNCs are reluctant to uproot themselves because they get entrenched in specific national markets and with local suppliers and dealers. This makes it both difficult and expensive to leave given national markets unless there are fundamental structural disincentives, rather than conjunctural difficulties or specific policy constraints imposed by national governments" (Ibid, 198). In this sense there are few true Transnational Corporations. Thus, governments are still crucial architects of international economy. However, they will function less as sovereign but more as the components of international polity in order to provide



legitimacy and ensure accountability of supra-national and sub-national governance mechanisms (Ibid, 178-189).

As we have seen from the above discussions, economic dynamics of globalization have been challenging the boundaries of nation-states. The growth of world trade, financial and services markets, Transnational and Multinational Corporations are making capital and labor more mobile and thus creating new forms of production and organization of work. Even if capital and labor are more mobile than they used to be, it won't be wrong to argue that mobility of capital is developing more rapidly than mobility of labor. At this point the emphasis of Altvater and Mahnkopf (1997) has become crucial to understand the mobile character of capital in comparison to labor.

Things are, however, not as simple as in the 'ideal world of the economists'. It is much more the case that a capitalist economy creates a specific hierarchical order of markets: the money market directs the goods market whose development directs the labor market, i.e. the system (and the level) of employment. Marx was quite right when he showed in his form-analysis of value how work as the final creator of all value becomes socialized through the circulation of money. Market economies are...money economies, and money decodes their laws of movement. Thus distantiation between persons through money becomes possible, thus the economy disembeds itself from society, and thus money becomes decoupled from the real economy in order to impose its logic on the economy which in turn forces society to obey it (Altvater and Mahnkopf, 1997, 316).

Although the increasing mobility of capital and labor seems to underline the effect of time on the economic dynamics of globalization, we cannot neglect the influence of space within this process. Regions, countries, cities and even the distinct parts of one city experience the economic dynamics of globalization differently. Polarization and marginalization are inevitable spatial dimensions of the world economy. Considering these one cannot say that nation-state is no longer an active agent in the economic markets. It is still and going to be a significant agent not only by enforcing some regulations for the efficiency of markets but also by implementing social and political decisions for the society. Therefore, looking at the political and cultural dynamics of globalization can give

a clearer picture of the economic dynamics of globalization as a challenge to the nation-state.

### **1.3 Political Dynamics of Globalization**

The political dynamics of globalization, just like the economic ones, have been challenging the absolute territorial sovereignty of the nation-state through different paths. On the one hand, the nation-state has been sharing its territorial jurisdiction with supra-national or sub-national government mechanisms. On the other hand, political influence of non-governmental organizations, multinational and transnational corporations and international documents like human rights can be observed more clearly than in the past few decades. In addition to these, the growth of international migration and developments in telecommunication technologies, media and transportation also augmented the mobility of people and thus created transnational networks, which in turn produced new discussions on the relation between nation-states and people, like citizenship, identity and nationalism.<sup>6</sup> Therefore, complicated governance systems are being formulated with the initiative and effect of various political dynamics. Nigel Thrift (2000) examines the relation between state sovereignty and globalization by focusing on the formation of practices of governmentality through new networks of knowledge and systems of expertise.

Foucault's account of governmentality stresses that modern nation-states were derived from the state getting to know itself through a series of multiple tactics which connect and concentrate knowledge and power. In other words, the state gradually becomes 'intelligent' becoming-all of a piece- the chief source of intelligence, a means of ordering that intelligence, and the vehicle which reflexively monitors and manages that intelligence. The state becomes its own reason for being, constantly creating and steering an inside which defines and outside. In particular, the state's power of knowledge and knowledge of power comes from the ability of its multifaceted tactics to constitute subjects through which is able to know and shape the world (Thrift, 2000, 72).

In this sense Thrift underlines Foucault's conceptualization of pastoral power as a form of political power that is utilized for the constitution, maintenance and regulation of subjects (Ibid, 72). According to Foucault, Christian notion of

pastoral power was based on the individual salvation in the next world but it was re-organized in the eighteenth century within the framework of state.<sup>7</sup> Its objective within this new organization was no longer a salvation in the next world, but rather guaranteeing it in this world by concentrating upon health, well-being (sufficient wealth and standard of living), security, protection against accidents (Dreyfus and Rabinow, 1982, 215). The increase in the aims and number of agents exercising pastoral power (like, police apparatus, private ventures, welfare societies, benefactors, philanthropists, family and complex structures such as medicine) led the development of knowledge on man around two roles; namely, globalizing and quantitative (concerning the population) and analytical (concerning the individual) (Ibid, 215). In addition to these, following the Second World War with the growth of mass media and 'psy' disciplines like psychology, psychiatry, psychotherapy and psychoanalysis sources of intelligence has multiplied and thus state does not have sovereignty over knowledge (Thrift, 2000, 73). According to Thrift, these new networks of knowledge operating on a global scale have produced new forms of subjectification based on the rise of a body of managerial theory, which may even have resulted with the increase of state sovereignty through the adoption of practices in global managerialism (Ibid, 74).

The rise of intelligence capacity of capitalism was primarily based on efficient 'scientific' management that was producing disciplined workers for measurable outputs in the United States (Ibid, 74-75). However, starting from 1950s and 60s a new softer management discourse was developed with the influence of 'psy' disciplines, in addition to the former 'hard' management tactics. In order to indicate how pastoral power made its way into the business organization, five principles of new softer managerialist discourse are described by Thrift (Ibid, 75-76). First, the business organization's environment is figured as multiple, complex and fast-moving and therefore as 'ambiguous'. Second, business organization is formulating superior adaptability to this fast-moving environment. Third, business organization must be framed as a flexible entity through mobilizing culture that will produce traditions of learning and extensive intra- and inter-firm social networks. Fourth, business organization is seen as a cultural entity to generate

new traditions and representations of itself, which is built on the refusal to accept established knowledge. Fifth, business organization must be made up of willing and willed subjects. According to Thrift, these managerial discourses are not independent of the state and to some extent strengthen its capacity to act through several ways (Ibid, 91-92). Though each location has its cultural specificities, new managerial discourses are part of an American cultural hegemony and therefore emergence of 'global cosmopolitans' with new systems of practical rationality becomes inevitable. Moreover, multiple means of producing intelligence create opportunities to explore new domains to be governed and to establish new set of methods for problematizing what is there to be governed. At this point it will be important to discuss why these discourses were able to get into the apparatuses of states. Thrift argues this question mainly through five reasons (Ibid, 93). First, public servants are more likely to have been taught business through MBAs and the like. Second, management theory can give bureaucrats a competitive advantage by providing career boost. Third, management consultancies have been able to work in public sector using management theory. Fourth, management gurus are more interested in public sector and have started to produce suitable texts. Five, since private sector is regarded better than the public sector, by means of managerialist discourses politicians have been able to define a different political platform. Thus, what is at stake through the injection of global managerial discourses is the rise of 'managerial state' (Ibid, 95). Though the state apparatus may be shrinking in size and might, state is still able to maintain and even increase its power through new regulatory frameworks or flexible management practices that incorporate pastoral modes of subjectification. To put it differently, a new political rationality is spreading out all over the world depending upon more positive forms of power (Ibid, 95). As Thrift clearly presents, on the one hand actors like business organizations have been challenging the sovereignty of the state through different means like soft managerial discourses, and on the other hand these new forms of power increase the sovereignty of state over its territory. Depending upon the relation between transnational institutions or regimes and states, Saskia Sassen also questions the sovereignty of the state in terms of governance.

Sassen points out that global economy is materialized to a large extent in national territories and thus the relation between globalization and nation-state is not a zero sum game (2000b, 50). What Sassen means with the zero sum game is that global economy does not bring the end of nation-state. What we face is not also the increasing regulatory role of state in the global economy, but rather the transformations in the institutional structure of states when they are employing global economic policies. As we have seen in above discussions related to economic dynamics of globalization, geographic dispersal of factories, offices and service outlets have resulted in the growth of central functions of firms. Central functions stand for the top level financial, legal, accounting, managerial, executive and planning operations, which are required to run a corporate organization in more than one country (Ibid, 53). The growth in the central functions of firms has created a practice of global control beyond the regulatory power of nation-state (Ibid, 54). On the one hand, this global control can be observed with the integration of financial markets and services sectors. On the other hand, it is represented with the emergence of new and privatized legal regimes.

Firms operating in the global economy need to ensure that the functions exercised by states in the national realm are attained globally to secure property rights and contracts (Ibid, 56). The state has become the ultimate guarantor of the “rights” of global capital and has incorporated the global project of its own shrinking role in regulating economic transaction (Sassen, 1999, 166). As Sassen puts it, state represents a technical administrative capacity, which cannot be imitated by another institutional arrangement. Furthermore, legal innovations and changes provide the notion of deregulation as an indicator of declining state sovereignty. Deregulation can be analyzed “...not simply as a loss of control by the state but as a crucial mechanism to negotiate the juxtaposition of the interstate consensus to pursue globalization and the fact that national legal systems remain as the major, or crucial instantiation through which guarantees of contract and property rights are enforced” (Ibid, 165). In other words, deregulation both preserves the integrity of national territories as a geographic condition and transforms the exclusive territoriality. In this sense, debt security or bond rating agencies and international

commercial arbitration have been transformed for the resolution of commercial disputes and for the regulation of global economy (Sassen, 2000b, 57).

Philip G. Cerny also makes a similar emphasis to the changing role of the state at two levels (1996, 124). First, the main function of the contemporary state is to provide economic activities at home or abroad that in turn can make firms and sectors positioned within the territory of state more competitive in the international markets. Though the state has always promoted the efficient functioning of market forces, we are experiencing a transformation in the state structures. These state structures are becoming more market oriented and even market-based organizations via altering the ways public and private goods are provided. Second, states have provided a network of transnational regimes and linkages that increase the capacity to function autonomously of those states. Nevertheless, these institutions are unable to establish operationalizable lines of political accountability. As a result of these, state is transformed from a civil association to a limited form of enterprise association, which he calls competition state (Ibid, 124). However, Sassen does not consider nation-state merely as a mechanism that regulates competition and thus differentiates her understanding from Cerny's interpretation. With the transformations in its institutional structure, the nation-state has become a participant actor in the emergence of transnational governance system (Sassen, 2000b, 59). As a concluding remark Sassen points out the difference between developed and developing countries as a lasting problem of the governance system. The management and coordination of global economic systems are mostly concentrated in the highly developed countries and therefore system of governance will be crucial to create viable systems of coordination/order among the powerful economic actors and to focus on equity and distributive questions in the context of a globally integrated economic system (Ibid, 61).<sup>8</sup>

As we have seen in the discussions related to the political dynamics of globalization, the sovereignty of nation-state has been challenged by means of sub-national and supra-national government mechanisms as well as transnational

and multinational corporations and so forth. At the same time these mechanisms are creating new forms of governance strategies with the changes in the institutional structure of nation-states. On the one hand, new forms of governance strategies cannot neglect the role of nation-state and thus they transform its regulatory force. On the other hand, the implication of these strategies, which is related to the world capitalist-system, inevitably led to different kinds of polarization, marginalization or regionalization among the nation-states.

#### **1.4 Cultural Dynamics of Globalization**

The developments in technology, communication, transportation and migration have increased the mobility of people. This mobility affects the cultural identities of people and establishes a transnational space, in which culture cannot be regarded as a constant entity. That is to say culture is not an unchanged, homogenous and unaffected category. In this manner with the amalgamation of universal and particular dynamics, culture has become a more flexible, hybrid, de-centered and interconnected structure. These cultural identities set up new understandings in the discussions of citizenship, ethnicity, nationalism, social networks and transnationality. Thus, cultural dynamics of globalization have inevitable influences on the territorial boundaries of nation-states and on the creation of immigrants' identities.

Stuart Hall underlines the difference between new kind of globalization and its previous form, which was dominated by the economies and cultures of powerful nation-states in the formation of world market, namely the era of imperialism (1991, 20-26). In this perspective, new kind of globalization is not English but it is American and depends on a new form of global mass culture dominated by visual and graphic arts (Ibid, 27). This global mass culture is centered in the West by means of technology, capital and advanced labor and at the same time builds a peculiar form of homogenization, which is never complete. It is located on the concentration of culture and other forms of capital. In other words, it operates through them. This also implies that capitalism does not eliminate the particularity

and translate everything in replica of itself. Hence, globalization cannot be understood by neglecting its relation with difference. Hall puts emphasis on the modern advertising in order to explain how globalization works through difference.

If you look at these what you see is that certain forms of modern advertising are still grounded on the exclusive, powerful, dominant, highly masculinist, old Fordist imagery, of a very exclusive set of identities. But side by side with them are the new exotics, and the most sophisticated thing is to be in the exotica. To be at the leading edge of modern capitalism is to eat fifteen different cuisines in any one week, not to eat one. It is no longer important to have boiled beef and carrots and Yorkshire pudding every Sunday. Who needs that? Because if you are just jetting in from Tokyo, via Harare, you come in loaded, not with “how everything is the same” but how wonderful it is, that everything is different...You take it in as you go by, all in one, living with difference, wondering at pluralism, this concentrated, corporate, over-corporate, over-integrated, over-concentrated, and condensed form of economic power which lives culturally through difference and which is constantly teasing itself with the pleasures of the transgressive Other (Ibid,31).

In a way capital is trying to represent a world in which things are different and what is crucial is the endless pleasure of this difference (Ibid, 33). What matters most is the pleasure of difference but not the difference. Still, this is not evenly and equally spread all over the world. In consequence, just like homogenization and absorption, plurality and diversity have entered the agenda of global cultural dynamics.

In the formulation of this global culture Fredric Jameson states a similar point. For Jameson, we buy the products for their image as well as their immediate use and this incorporates the cultural phenomenon into commodity production (Jameson, 2000, 53). Advertising has become an entire industry to design images and develop strategies to sell different commodities, in which aesthetic production dominates the process. This implies the fact that economics has become a cultural fact. To put it differently, we are talking about the commodification of politics, emotions, private life and so forth. What matters in this process is that these commodities are aesthetically consumed (Ibid, 53). In this respect Jameson defines globalization as the export and import of cultures (Jameson, 1998, 58).



However, there is a fundamental dissymmetry between the United States and other countries, be it third or first world. This is most obvious in the negotiations and agreements of Gatt and Nafta, which seek to open the foreign borders to American films, television, music and so on (Ibid, 59-63). For instance, within the framework of these negotiations free trade and spread of Hollywood films to foreign countries do not only reflect an economic success but also a political one and assert the late-capitalist cultural revolution. This can be related to the “American way of life” and American mass media culture as a result of which consumerism leads through unification and standardization in our daily life (Ibid, 64). Hence, global capitalism works through global and local forms of culture. Capitalism is practiced both by means of the European or American values and also through the particularity of local cultures.

Since Hall and Jameson examine the involvement of capitalism both in global and local dynamics, at this point it can be crucial to look at the relation between global and local. In pursuing this goal, Roland Robertson claims to transcend the debate about global homogenization versus heterogenization and attempts to look how these two tendencies become mutually implicative (1995, 27). Though consumerist global capitalism is embedded in the universalistic supply and local or particularistic demand, the production of culture cannot be only organized by the “logic” of “late” capitalism as Jameson argues (Robertson, 1991, 74). Consumerist global capitalism cannot fully interpret for example, the ‘hybridized national cultures’ and phenomenon of cultural nationalism. To avoid the tension between global versus local Robertson prefers to employ the concept of glocalization (Robertson, 1995, 28). It is also preferable because of the weakness of the employment of the term globalization, which he mostly defines as the process whereby the world increasingly becomes seen as ‘one place’ and the ways in which we are made conscious of this process (Robertson, 1999, 21). To a considerable extent glocalization is associated with advertising of goods and services on a global basis to particular markets targeting differentiated consumers. To put it simply, this is the terrain of microeconomics that involves in the invention of consumer traditions (Ibid, 29). Keeping this in mind, Robertson aims

to question the representation of local assertions of identity and culture as opposition movements or discourses against globalization. According to his perspective, the relation between global and local cannot be interpreted as a tension between 'McWorld' of homogenizing globalization and 'Jihad world' of particularizing 'lebanonization' (Ibid, 33). Neither the global lies beyond the limits of local nor the local is constructed outside the global. Their existence depends upon each other. These simultaneous trends are complementary and interpenetrative, though they seem to conflict with each other (Ibid, 40).

Like Robertson, Arjun Appadurai also observes the cultural dynamics of globalization within the framework of cultural homogenization and heterogenization. Global cultural economy is the terrain to formulate the relation between cultural homogenization and heterogenization. To illustrate the complex structure of global cultural economy Appadurai focuses on the relationship between five dimensions of global flows that builds up fundamental disjunctures among economy, culture and politics. These are ethnoscaples, technoscaples, finanscaples, mediascaples and ideoscaples (Appadurai, 1990, 297-300). The suffix scape in these five dimensions signifies the construction of relations through the historical, linguistic and political position of different actors around the globe. Furthermore, it allows to point out the fluidity among these manifold worlds. While the people or groups in move like tourists, immigrants, refugees, exiles and guest workers constitute the ethnoscape; technoscape is composed of the high speed of technology either mechanical or informational, which can be noticed within the structure of multinational or transnational enterprises. Thirdly, it is the rapid flow of global capital that determines nature of finanscape. Fourthly, it is the production of mediascape, where distribution of electronic capabilities to produce and broadcast information are available and images are formed via newspapers, magazines, television stations, film production studios and so forth. Finally, ideologies of states and counter ideologies oriented to capture state power establish the ideoscape with the spread of ideas, terms and images including freedom, welfare, rights, sovereignty, representation and democracy. Yet there have been disjunctures between these flows, it is within the present context that

the speed, scale and volume of these flows have become central to the politics of global culture (Ibid, 301). The idea of deterritorialization is examined not only in the finance markets, but also in laboring populations and formation of markets for film companies, art impresarios and travel agencies depending upon the need of these deterritorialized population to contact with their homelands. While these invented homelands are substantial for the mediascapes, they also provide the ground for ideoscapes in which ethnic conflicts are running through. Without doubt, ethnic conflicts, separatist and transnational movements in a way seek to capture or co-opt states and state power, whilst states struggle to capture and monopolize ideas about nationhood by exploiting mediascapes to pacify separatists and ideas of difference, by exercising taxonomical control over difference, by creating international spectacle to domesticate difference and so on (Ibid, 304). This battle of imagination between state and nation goes beyond the existing boundaries of state and in turn undermine the hyphen that links them (Ibid, 305). As a consequence of these, the relation between cultural and economic levels of global disjunctures has to be analyzed with Marx's view of fetishism of commodity rather than a simple formulation of international flow of technology, labor and finance (Ibid, 306). However, this fetishism is conceptualized with two mutually supportive descendants, namely production fetishism and fetishism of the consumer. According to Appadurai production fetishism is "...created by contemporary transnational production loci, which masks translocal capital, transnational earning-flows, global management and often faraway workers (engaged in various kinds of high-tech putting out operations) in the idiom and spectacle of local (sometimes even worker) control, national productivity and territorial sovereignty" whereas, in the fetishism of the consumer "...consumer has been transformed, through commodity flows (and the mediascapes, especially of advertising that accompany them) into a sign, both in Baudrillard's sense of a simulacrum which only asymptotically approaches the form of a real social agent, and in the sense of a mask for the real seat of agency, which is not the consumer but the producer and the many forces that constitute production" (Ibid, 306-307). Therefore, we find the politics of the mutual effort of sameness and difference within the global culture of today. They are representing the ideas of universal and

particular simultaneously within different kinds of global flows and landscapes constructed by the disjunctures.

The cultural dynamics of globalization challenge the clear-cut boundaries of nation-state with the continuous flow of people, images, identities, symbols and cultures. These flows manifestly generate interactions between local and global dimensions of culture in such a way that emphasis on universal and particular has become interdependent. To put differently, local and global dimensions of culture do not exclude one another, but rather they enforce and constitute each other. In this manner while particularities of different cultures and identities have turned out to be popular and predominant topics in the relations between immigrant generations and nation-states, they are constantly reproduced in reference to changing circumstances in the economic and political dynamics of globalization. Thus, fluid cultural identities seem to emerge as a consequence of universal and particular norms vis-à-vis the cultural boundaries that are defined in the nation-states. Though the results are not experienced in the same way all over the world, this process is developed with the influence of global capitalism by means of consumer culture, developments in standardization of products and fetishism of difference in consumption.

### **1.5 Conclusion**

The interconnectedness and flow of capital, goods, people, culture, images, knowledge, communication and technology have altered our interpretation of the relation between nation-state and immigrants. On the one hand, these interconnectedness and flows have challenged traditional boundaries of the nation-state by transforming its institutional structure and organization. In other words, since market rules like de-regulation and free competition have become the dominant factors, changes in the regulatory mechanism of the nation-state turn out to be substantial for capital and labor markets. Moreover, regulatory power of the nation-state is shared not only by sub-national or supra-national actors but also by economic enterprises like Transnational or Multinational Corporations. On the

other hand, these changes do not completely deteriorate the power of nation-state. This is evident in the increasing effect of managerial discourses on the institutional structure and organization of nation-state, though they are not practiced in the same way and their implications vary depending upon the social context. In this sense, the nation-state is not resisting to the challenges of globalization but rather trying to develop means to work with it. This can be observed within a wide scale from politics to economics, from culture to technology and from media to ideology. What is at stake is that the relation between nation-state and globalization is not a one-way street. They constitute each other and thus become interdependent. At this point it is also crucial to notice that there isn't any hierarchy among economic, political and cultural dynamics to understand the relation between globalization and nation-state. The embeddedness of three dynamics also enables us to go beyond the oppositions like universal versus particular, homogenous versus heterogeneous, centralized versus decentralized, integrated versus fragmented in illustrating the relations between nation-states and immigrants. Therefore, in order to interpret different links, flows and disjunctures between universal and particular, we have to imagine these dynamics within each other.

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**Endnotes:**

<sup>1</sup> Whether globalization is something new or not is argued to a great extent among the theorists like Immanuel Wallerstein, Fernand Braudel, Marc Bloch, Lucien Febvre, Andre Gunder Frank, Paul Prebisch, Henrique Fernando Cardoso, Janet Abu-Lughod and Walter Rodney depending upon the nature of global capitalism and its development. However, these discussions are not within the scope of this study.

<sup>2</sup> David Harvey conceptualizes globalization as the changing experience of time and space. (Inda and Rosaldo, 2002, 6). The notion of “time-space compression” refers to the speeding up of economic and social processes that lessen distance and time dimensions in the organization of human activity. The pressures of technological and economic changes affect the reorganization of time and space. This reorganization has resulted with the annihilation of space by time. Hence, globalization incorporates the shrinking of space and shortening of time. The process of time-space compression is not linear and can be seen in the periodic crises of overaccumulation. Additionally, Anthony Giddens considers globalization as the reordering of time and space in social and cultural life (Ibid, 8). Unlike Harvey’s emphasis on the speed of economic and social processes, Giddens concentrates on the stretching of social life across time and space. The notion of “time-space distancing” is employed by Giddens in order to underline conditions under which time and space are organized to connect presence and absence. That is to say conditions of modernity are constituted not only by presence or spatial dimensions of social life but also by absence or locationally distant social relations. In this sense, globalization is the intersection of presence and absence, the interconnection of social relations and events at certain distance with local contextualities.

<sup>3</sup> Like Bauman, Harvey also differentiates these periods by exploring the overaccumulation in the Fordist system and post-Fordist regime of flexible accumulation (Inda and Rosaldo, 2002, 6-7). In the former, centralized mass-assembly production (with strict measures to obtain high levels of employment, investment and consumption) has formed overproduction and resulted with the massive dismissal of workers, reduction of demand for products, decline of corporate profits and emergence of fiscal problems because of uncontrollable inflation. All these developments have led to post-Fordist regime of flexible accumulation. In this later period, labor markets have become more flexible with the labor regulations like outsourcing, subcontracting, putting-out and “home work”. Besides, workers are hired temporarily, part-time or seasonally. Moreover, decentralized production and deregulation of global financial markets contributed to the emergence of flexible accumulation. This flexibility has reduced the turnover time of capital and in turn speeded up production and consumption. Hence, it is the reign of flexible accumulation.

<sup>4</sup> For a detailed analysis of core-periphery relations and criticism of ‘development’ see; Inglehart, R., “Globalization and Postmodern Values,” *The Washington Quarterly*, 23:1, Winter 2000, 215–228; Arrighi, G., “The Global Market,” *Journal of World-Systems Research*, Vol. V, 2, 1999, 217-251; Chase-Dunn, C. and P. Grimes, “World-System Analysis,” *Annual Review of Sociology*, 21, 1995, 387-417; Ciccantell, P. S. and Stephen G. Bunker. “International Inequality in the Age of Globalization: Japanese Economic Ascent and the Restructuring of the Capitalist World-Economy.” *Journal of World-Systems Research*, Vol. VIII, Winter 2002, 62-98; Braudel, F., “History and the Social Sciences,” in *On History*, F. Braudel (Chicago: The University of Chicago Press, 1980); Frank, A. G., *Dependent Accumulation and Underdevelopment* (New York: Monthly Review Press, 1979); Goldfrank, W. L. “Paradigm Regained? The Rules of Wallerstein’s World-System Method.” *Journal of World-System Research*, VI, no.2 Summer/Fall 2000; Terlouw, G. P., “The Elusive Semiperiphery: A Critical Examination of the Concept Semiperiphery,” *International Journal of Comparative Sociology*, XXXIV, 1-2, 1993; Beer, L. and Terry Boswell, “The Resilience of Dependency Effects,” *Journal of World-System Research*, VIII, no.1, Winter 2002; Wallerstein, I., *Historical Capitalism*, (London: Verso, 1983); Wallerstein, I., T.K. Hopkins, R. Kasaba, W.G. Martin, P.D. Phillips, “Incorporation into the World-Economy: How the World-System Expands,” *Review*, X, 5/6, Summer/Fall, 1987.

<sup>5</sup> This polarization, marginalization and exclusion dimensions of globalization in the analysis of Bauman are conceptualized with the split of “...world’s population into globalized rich, who overcome space and never have enough time, and the localized poor, who are chained to the spot

and can only 'kill' time" (Beck, 2000, 57). However, speaking of economic polarization in the use of land, organization of labor and housing markets, and consumption structure Sassen does not mean only the disappearing of the middle class but also the dynamic whereby growth contributes to inequality and widening of gaps in the cities (Sassen, 2000a, 135-137). For a further discussion of these dimensions see M. Castells, *End of Millennium*, (Oxford: Blackwell Publishers, 1998), 70-82 and 161-165.

<sup>6</sup> Since we are going to analyze the relation between nation-state and citizenship considering the international migration, ethnic and national identities in the second chapter, we will try to focus on the issue of governance in discussing the political dynamics of globalization and nation-state's sovereignty.

<sup>7</sup> Foucault clarifies the concept of pastoral power in the following way:

"Pastoral power is not merely a form of power which commands; it must also be prepared to sacrifice for the life and salvation of the flock. Therefore, it is different from the royal power, which commands a sacrifice from its subjects to save the throne. It is a form power which does not look after just the whole community, but each individual in particular, during his entire life. Finally, this form of power cannot be exercised without knowing the inside of people's minds, without exploring their souls, without making them reveal their innermost secrets. It implies a knowledge of the conscience and an ability to direct it" (Dreyfus and Rabinow, 1982, 214).

<sup>8</sup> At this point Immanuel Wallerstein's theory of World-System may offer a contribution to the implications of governance and political dynamics of globalization by looking at the polarization of states within the capitalist world-economy. The capitalist world-economy is formed with the integration of geographically vast set of production processes, which is called the single 'division of labor' (Wallerstein, 1990, 35). Within this framework the modern world-system, composed of sovereign states, is vital for the existence of the capitalist world-economy. This is mostly because of two reasons (Hobden and Jones, 1997, 136). First of all, states maintain a background for the protection of property rights, which in turn generate a predictable environment necessary for capital flows. Secondly, states can reduce the contradictions produced within the capitalist world-economy. Additionally, since capitalism is based on the endless accumulation of capital, it requires the maximum appropriation of surplus value (Wallerstein, 1990, 36). This can be achieved via increasing the output with the same amount of inputs and returning less of the value that is produced to the direct producers. What is more, endless accumulation of capital requires an ever-increasing commodification of everything. As a result of this, commodities are linked within commodity chains to minimize costs in terms of output and to minimize political opposition emerging from the distribution of surplus value in a long commodity chain (Wallerstein, 1999, 21). In the same pattern circulation of goods, capital and manpower is needed for the maximal accumulation of capital. All of these developments can be achieved within the framework of an inter-state system. Nonetheless, capitalist system is a polarizing system and states have different functions depending upon their position within the division of modern world-system into three economic zones; namely, core, semi-periphery and periphery states. While core is the main center for production processes that require highest levels of skills and greatest concentration of capital, periphery is the source of raw materials and extensive surplus extraction. On the other hand, semi-periphery with its intermediate role between core and periphery not only provides a source of labor to counteract any upward pressure on wages in the core but also provides a new home for those industries that can no longer function in the core (Hobden and Jones, 1997, 136-139). This polarization is evident when we look at some economic figures. In the developed countries inflows of foreign direct investment increased from \$129.6billions in 1991 to 233.1 in 1997, whilst the outflows of FDI lifted up from \$169.2billions to \$359.2billions in the same period (Sassen, 2000a, 14). In the developing countries inflows of FDI went up from \$29.1billions to \$148.9billions, whereas outflows of FDI boosted up from \$11.3billions to \$61.1billions. Similar figures are also attained from the number of transnational corporations. The number of transnational corporations rose from 33,500 to 43,442 between 1990 and 1996 in the developed countries, and from 2,700 to 9,323 in the developing countries (Ibid, 23). Furthermore, as Thrift analyzed managerial discourses are not independent of the states, but they vary from state to state (Thrift, 2000, 94). Thus, introduction and implication of these discourses are not same in the first world and third world counties.

## CHAPTER 2

### CITIZEN AND NON-CITIZEN IMMIGRANT ENTREPRENEURS IN BERLIN AND THE REGIMES OF STATE

#### 2.1 Introduction

The concept of citizenship is an important component of the idea of Enlightenment and the project of modernity, both of which constituted the development of nation-state. Depending upon the development of nation-state, the idea of citizenship has followed the path from a traditional form of communal membership to a rational understanding of social order. In this understanding of social order, populations are organized in the boundaries of nation-states with the content of social rights and obligations, with the form or type of such obligations and rights, with the social forces that produce such practices and with the various social arrangements whereby such benefits are distributed to different sectors of society (Turner, 1993, 3). In general, citizenship can be defined as a set of political, economic, cultural and symbolic practices and an amalgamation of rights and duties that forms an individual's membership in a polity (Isin and Wood, 1999, 4). In this sense the relation between the state and citizens is not regulated through the domination of one over the other. Although the nation-state as a dominant polity that identifies individuals with some criteria like birth, blood and nationality, or registers them with identity cards, or regulates the process of naturalization and rights of immigrants, citizens are not only the political objects that can be manipulated by the nation-states (Ibid, 4). They are also active participants in the formation of political, economic, cultural and symbolic practices and hence can potentially develop strategies and maneuvers vis-à-vis the nation-state.



As we have already discussed in the previous chapter, economic, political and cultural dynamics of globalization have been challenging the nation-state and thus affecting the concept of citizenship in various ways. Castles and Davidson summarize the effects of globalization on citizenship on three grounds (2000, 6-9). Firstly, globalization questions the relative autonomy of the nation-state upon which a particular national citizenship is based. This can be considered as a result of the relation between economy and bounded national territories. Since the economic activities transcend the national borders and become uncontrollable for national governments, national industrial society cannot be seen as an economic and social system based on rational principles within a bounded territory. In this sense autonomy of the nation-state as the main regulatory unit over the territory becomes questionable, since it cannot ignore the pressures of global markets. Secondly, globalization has destabilized the ideology of distinct and autonomous national cultures. Though homogenization is one of the aims of nationalist project, developments in transportation and communication have paved the way for interchange of cultures. This in turn has increased the interaction between global and local cultures and weakened the so-called homogenous character of national culture. Moreover, this trend paved the way for the emphasis on ethnic groups in each nation-state and inevitably created the re-ethnicization of culture and identity. Thirdly, not only the temporary and permanent movements of highly skilled specialists, manual workers, tourists and young people for education or training but also labor migrations, family flows and refugee exoduses have improved the mobility of people across national boundaries. This mobility of people has also resulted in the emergence new ethnic cultures and minorities, which have forced the policy makers to reorganize the laws and practices concerning integration and citizenship. Additionally, ethnocultural characteristics of immigrants, like solidarity mechanisms, enable them to further develop their social linkages between the country of origin and country of settlement, through which the rapid movement of capital, goods, people, culture, image and symbol become possible and transnational networks are formed. Hence, the notion of citizenship as a rational understanding of social order, which regulates the relation

between nation-state and individuals, has been challenged with the economic, political and cultural dynamics of globalization.

However, these transformations are not practiced in the same way among the subject populations of nation-states. That is to say, there are differences in the practice of rights and duties not only between the citizen and non-citizen populations of a nation-state, but also between the citizen and non-citizen immigrants in the same nation-state. These reflect the treatment of different regulatory mechanisms on individuals, which are exercised through laws, regulations, norms and values, in order to preserve the rational understanding of social order. Within this framework immigrants from Turkey and their descendants in Berlin, particularly the entrepreneurial class as the focus of this study, have been practicing a set of rights and duties regarding their citizenship or immigrant status. In this chapter we will focus on how their (citizen and/or non-citizen immigrant entrepreneurs) position is defined via constitution, laws and regulations and how we can interpret these in reference to the discussions in the literature of citizenship as a reflection of the relation between citizen/non-citizen immigrants and Federal Republic of Germany. Since we consider the relation between nation-state and citizens/non-citizens as an interactive process, immigrant entrepreneurs have to be seen as crucial actors in the creation, organization and manipulation of economic, political, cultural and symbolic practices within the territories of nation-states and these remarks will be analyzed in the fourth chapter. Thus, before examining the relation between Federal Republic of Germany and immigrant entrepreneurs in Berlin, an analysis of T. H. Marshall's conceptualization of citizenship may provide a background for our discussions in this chapter.

## **2.2 T. H. Marshall's Conceptualization of Citizenship and Counter Arguments**

The rights and duties of the citizens in Europe have developed mostly in the last three centuries. This development is examined in T. H. Marshall's *Citizenship and*

*Social Class*, which constitutes one of the main documents in the literature of citizenship. In his formulation citizenship “is status bestowed on those who are full members of a community. All who possess the status are equal with respect to the rights and duties with which the status endowed” (Marshall, 1992, 18).<sup>1</sup> As Turner puts it, in Marshall’s conceptualization, citizenship was a problem of democracy and capitalism. To put it more clearly, it is the question of “how to reconcile formal framework of political democracy with the social consequence of capitalism as an economic system, that is how to reconcile formal equality with the continuity of social class divisions” (Turner, 1993, 6). In other words, in his formulation citizenship is utilized by the ruling elites in order to tackle with conflicts developing from the division of social, political and economic resources among different classes and in this respect citizenship is one of the ideological apparatuses like nationalism or racism (Kaya, 2003, 152-153). In this sense citizenship is seen as a political institution that legitimizes inequalities within the structure of capitalist society. This tension between citizenship and capitalism can only be resolved with the arbitration of welfare state (Delanty, 2000, 16). With the institution of citizenship, welfare state will take over the role of class conflict by taking conflict out of social domain.

In analyzing the emergence of modern conceptualization of citizenship Marshall formulates an evolutionary understanding of citizenship depending upon the acquisition of rights. These rights evolved from civic rights to political rights and to social rights respectively in the eighteenth, nineteenth and twentieth centuries. In the medieval period these rights were inseparable and citizenship could be seen in cities where it meant the right to city and its institutions (Isin and Wood, 1999, 26). There weren’t uniform rights and duties, but status was the mark of class and measure of inequality. The type of class in these early modern societies was composed of patricians, plebeians, serfs, slaves and so forth, which would contradict with the understanding of equality implicit in citizenship (Ibid, 28). In the seventeenth century the struggle against the absolutist monarchies resulted in the freedom of individual with respect to freedom of conscience, worship, speech, right to enter contract and ownership of private property. And these rights gave

rise to civil form of citizenship. Moreover, these achievements led to the institutionalization of law courts and individual rights for free trial. Behind these developments the ruling idea was the equality of all citizens in front of the law (Delanty, 2000, 15).

In the eighteenth and nineteenth centuries political rights became the main focus of modern citizenship conceptualization. The emergence of political citizenship was mostly associated with the growth of modern parliamentary democracy. Within this context political rights were composed of the right to vote, right to be selected, right of association and right to participate in organs of government. Though political rights existed in the eighteenth and nineteenth centuries, they were not universal. Franchise remained as a group monopoly until the twentieth century and political rights were exercised by those who, using their civil rights, had made economic gains and purchased property (Isin and Wood, 1999, 27). Both civic and political rights were necessary for capitalism and its class system. Thus, citizenship does not contradict with the existing type of class structure (Ibid, 28). Rather they became unavoidable for the maintenance of particular form of inequality. The form of status related with order, rank and family as in the early modern societies was not removed, but replaced with the institution of citizenship. This was founded upon the equality of opportunity, which provided the legal atmosphere to struggle for the things one would like to possess but did not guarantee their possession (Ibid, 28).

At the end of the nineteenth century social rights were incorporated into the status of citizenship with the introduction of public elementary education, but it was not until twentieth century that the link between social rights and citizenship became more apparent (Delanty, 2000, 16). The social rights refer to rights like education, health, unemployment benefits or pensions, social security and so forth. According to Marshall, the rise of social services, especially housing and education, as indicators of social rights has made citizenship the architect of a new class inequality (Isin and Wood, 1999, 29). The relation between education and occupation is relevant in this sense. The demand for various degrees, certificates

and diplomas has turned out to be substantial qualifications for employment. This classified individuals into certain groups and fostered a system of class differentiation via profession and occupation. Furthermore, as it is examined in Isin and Wood, Marshall underlines three reasons for the incorporation of social rights into conceptualization of citizenship (Ibid, 29). First was the rise of egalitarian principles, in which the notion of equality expressed the principle of justice. Second was the rise of real incomes and the narrowing of the gap between classes. And third was the increase of mass production and incorporation of working class into mass consumption. Yet, social rights had also overwhelming effects on class inequality. Although the aim of social rights was to diminish the class conflict, they did not concentrate on the lowest ranks of society but rather on the whole pattern of social inequality. According to Marshall, social rights created “a universal right to real income which is not proportionate to the market value of the claimant” (1992, 28). Hence, he formulates social citizenship as a model that will bring equality of social opportunity. That is to say, “equalization is not so much between classes as between individuals within a population which is now treated for this purpose as though it were one class. Equality of status is more important than equality of income” (Ibid, 33).

However, Marshall’s theory of citizenship is criticized from different points. Isin and Wood emphasize three points considering Marshall’s conceptualization of modern citizenship (1999, 30). First, it is argued that Marshall privileges the question of how citizenship rearranged class conflicts and neglects how citizenship rights are gained as a result of class struggles. In other words, not only the impact of citizenship on class but also the impact of class on citizenship can be studied to reach an extended understanding of conceptualization. Second, he is criticized for formulating a linear development of rights in the emergence of citizenship, rather than a circuitous pattern, which means that the sequence of rights does not have to be from civic to political and to social. The last point in Isin and Wood is the pattern of inequality. It is discussed that Marshall does not consider the inequalities such as gender and ethnicity, but assumes class as the only form of inequality.

Turner explains the last two points by criticizing the teleological character of Marshall's evolutionary view of citizenship (1993, 7-8). On the one hand, it can be interpreted that universal church in the medieval times provided more universalistic degree of participation than it was within the boundaries of the nation-state. That is to say, national citizenship can be seen as a particularistic type of secular social membership. Within this context the institution of citizenship does not have to evolve from ancient city-states, to church and to absolute monarchies. It can also be experienced in a different chronological order. On the other hand, social rights do not have to come after civil and political rights in every society. For Turner, Marshall does not give a causal explanation of how citizenship expands and this is the main criticism for the teleological character of citizenship. Additionally, civil, political and social rights in Marshall's theory are not equally significant.

For example it can be argued that bourgeois rights of civil and political membership may not contradict or challenge capitalist property rights at all; indeed, they may be necessary for the support of capitalist relations. By contrast, social welfare rights appear to bite into the dominance of capitalist property, because they indicate or require some redistribution of wealth and property in society. Civil and political rights do not require any social hierarchy, whereas welfare rights, because they involve some principle of redistribution may promote an egalitarian transformation of social hierarchies (Turner, 1993, 7).

Furthermore, Turner asserts that Marshall also neglects the idea of economic rights. Economic rights differ from social rights. While the latter concerns the citizens and provides various aids, the former is related to those who are excluded from the society (Kaya, 2003, 154-155). With the increasing effect of global capitalism these people have become to an under-classed position and do not have the means to benefit from education, health, unemployment pensions and social security since they are not permanently employed. The integration of this group to the society has turned out to be more important within the last few years. At this point, according to Turner, Marshall's theory is not clear (1993, 8). Citizenship is not only a means to incorporate social classes to the society working through principles of capitalism but also a practice that contradicts with capitalism since it requires the redistribution of social wealth. Thus, even though these two

principles seem to oppose each other, they simultaneously enforce and constitute each other.

Like Turner, Delanty also stresses other kinds of exclusion that lead towards different forms of inequalities in society (2000, 18). Given that a model of social rights cannot accommodate these inequalities, a conceptualization of citizenship requires the recognition of group rights, like cultural and gender rights. However, there are different practices and interpretations of modernity, which refrain us to assume a single rational way for the development of rights. With the challenges of globalization and effects of multiple modernities relation between the state and nation cannot be taken for granted (Ibid, 19). The sovereignty of nation-state is challenged both with sub-national units and transnational agencies or groups. Inevitably this has influenced the relation between nationality and citizenship and damages the so-called perfect correspondence between them. As a consequence of this, any conceptualization of citizenship has to consider non-citizens, immigrants, dual citizens, denizens and refugees. Finally, Delanty points out the difference between the industrial society and post-industrial society (Ibid, 20-21). In the post-industrial society, it is the dominance of neo-liberal discourse, in which citizen is replaced with consumer. The increased consumption of goods has created new kinds of rights and they have nothing to do with the notion of inequality. In other words, the shift from industrial society to post-industrial society is a transformation from liberties of citizenship to liberties of market forces.

As it is underlined in the above criticisms of Marshall, the historical construction of citizenship cannot be examined only through the evolution from civic rights to political and social rights. Economic, cultural, ecological and gender rights can also be discussed considering the dynamics and challenges of globalization to the sovereignty of nation-state.<sup>2</sup> However, in Marshall's analysis we cannot neglect that citizenship is seen as an ideological institution, exploited by the ruling social classes or groups, in order to integrate the opposing groups into the mainstream (Kaya, 2003, 158). The civil, political and social rights constitute the means of

nation-state to negotiate with these opposing groups. Within this perspective, citizenship can be observed as an instrument in the reconstruction of nation through the re-definition and differentiation of aliens, immigrants, dual citizens, denizens and refugees in reference to the legal norms and principles. Therefore, definition of civil, political and social rights (as constitutive elements of citizenship) of immigrant generations in the legal documents of Federal Republic of Germany becomes more crucial for the concern of this study. In this manner the Basic Law, Aliens Act and Citizenship Law of the Federal Republic of Germany can be helpful to understand the position of immigrant entrepreneurs in Berlin considering their citizenship and/or immigrant status. In addition to this, these documents will indicate how Federal Republic of Germany treat, condition and categorize its immigrant populations with distinct norms, rules and regimes of government.

### **2.3 Citizenship in the Basic Law, Aliens Act and Citizenship Law of Federal Republic of Germany**

The notion of citizenship is related with the idea of status and membership to a city (Turner, 1993, 9-10). In the German language modern citizenship is derived from the idea of civil society, namely *die bürgerliche Gesellschaft*. In this sense, citizen mostly refers to the individual, who entered the public arena by leaving the protective shell of family. The civil society, as a public arena of the individual, requires the control of state to regulate the tensions in it. Therefore, in the German language, citizen means *Bürger* and citizenship is connected to the emergence of *Bürgertum* (bourgeoisie).

When we look at the Basic Law for the Federal Republic of Germany (Grundgesetz), under the category of Basic Rights there are two different practices (Kaya, 2000, 45). On the one hand, there are rights like personal freedoms, equality before law, freedom of faith, conscience and creed and freedom of expression that all the individuals in Germany can practice without any prerequisite (articles 2, 3, 4, 5). On the other hand, some rights like freedom of



assembly, association, movement and occupational freedom can only be practiced by those who acquire German citizenship (articles 8, 9, 11, 12). That is to say, German citizenship is a condition and substantial factor in the practice of some political and social rights. Thus, we need a clear definition of German citizenship in order to locate the position of immigrant entrepreneurs in Berlin. We can reach this definition following the article 116 of the Grundgesetz. According to the article:

(1) Unless otherwise provided by a law, a German within the meaning of this Basic Law is a person who possesses German citizenship or who has been admitted to the territory of the German Reich within the boundaries of December 31, 1937 as a refugee or expellee of German ethnic origin or the spouse or descendant of such person.

(2) Former German citizens who between January 30, 1933 and May 8, 1945 were deprived of their citizenship on political, racial, or religious grounds, and their descendants, shall on application have their citizenship restored. They shall be deemed never to have deprived of their citizenship if they have established their domicile in Germany after May 8, 1945 and have not expressed a contrary intention.

This article is mostly directed to the Germans (*Aussiedler*), who had left Germany during and after the World War II.<sup>3</sup> With this article they are considered as potential German citizens and were encouraged to return to Germany (Ibid, 46). In addition to this, the second paragraph of Aliens Act asserts that everyone who is not German as mentioned in article 116 of Grundgesetz will be considered as a foreigner. Such definitions do not only condition the categories of citizen and foreigner or immigrant, but also indicate the differences in the treatment of immigrant populations by the Federal Republic of Germany and the access of rights by these immigrant generations. Moreover, article 16 and first and second paragraphs of article 33 in Grundgesetz refer to the citizenship issue. According to article 16:

(1) No German may be deprived of his citizenship. Citizenship may be lost only pursuant to a law, and against the will of the person affect only if he does not become stateless as a result.

(2) No German may be extradited to a foreign country.

Whereas, according to the first and second paragraphs of article 33:

- (1) Every German shall have in every Land the same political rights and duties.
- (2) Every German shall be equally eligible for any public office according to his aptitude, qualifications and professional achievements.

What is substantial about article 33 is the definition of citizenship in terms of rights. In other words, when we consider Marshall's definition of citizenship as a reference point, we can underline that immigrants or citizens from non-European Union countries do not have political rights (Ibid, 47). However, norms that regulate citizenship are not restricted to these articles. Aliens Act and Citizenship Law of Germany also condition and categorize the laws on citizenship in detail. According to the Aliens Act (Ausländergesetz) of 1990, which came into force in 1991, there are two groups that can acquire citizenship (Rittstieg, 1994, 114):

The young generation has a right to German nationality on the condition that:

- 1) They apply between the 16<sup>th</sup> and 23<sup>rd</sup> birthday,
- 2) They renounce their former nationality,
- 3) They have eight years of legal residence in the Federal Republic,
- 4) They have been to school in the Federal Republic for at least six years,
- 5) They have not been sentenced of a crime...

Other immigrants have a right to German nationality if they:

- 1) have legally resided for 15 years in the Federal Republic,
- 2) renounce their former nationality,
- 3) have not been convicted of a crime,
- 4) have a sufficient private income

Although the renouncement of former nationality is a condition for both groups, there are some exceptions to the renouncement of former nationality according to the article 87 of Aliens Act. In a way, immigrants can keep their former nationality and get German nationality if,

- 1) the laws or practice of the state of their nationality make it impossible to renounce this nationality, or
- 2) the conditions to renounce former nationality are disproportionate or arbitrary, or
- 3) delays are unreasonable, or
- 4) precondition for the renouncement of nationality is the completion of military service and the young man who wants to naturalize has grown up in Germany (Ibid, 115; Emircan, 1999, 17).

Furthermore, an immigrant applying for German citizenship considering the conditions in article 85 of Aliens Act will not be given this status if he/she doesn't know "enough" German as it is defined in article 86. In this article neither a test score nor a standard is indicated to clarify the level to know "enough" German. Though the knowledge of German is not asked as a condition for keeping the former nationality and acquiring German nationality, it provides a legitimate ground for the discretionary decision power of administrative agencies according to article 86.

As a result of these, in the reunified Germany before the introduction of Citizenship Law five ways seem to be attainable for immigrants to have access to unrestricted rights:

- (1) Ethnic Germans with Eastern European citizenship, according to the article 116 of the German Constitution, are *a priori* entitled to full German citizenship through repatriation.
- (2) The so-called guest-workers from Mediterranean countries, who were officially invited to Germany in the 1960s, and have acquired long-term residency rights may apply for naturalization.
- (3) As of 1993, citizens of the European Community countries are entitled to have the right of free movement and free settlement throughout the EC, including Germany.
- (4) People who need shelter from persecution in their home countries and who fear for their lives may apply for asylum, which is guaranteed both by the article 16 of the German Constitution and the Geneva Convention on Refugees of 1951.
- (5) Representatives of foreign enterprises active in Germany or persons in particular professions, such as artists and scholars, can also be granted with residency rights. Similarly, those who are wealthy enough not to have to work for a living in Germany may reside in the country (Canefe, 1998, 526).

At this point before looking at the Citizenship Law, we have to illustrate the broad heading of Residence Permit (Aufenthaltsgenehmigung) in Aliens Act in order to clarify the definitions of immigrants' legal positions in the Federal Republic of Germany, which are conceptualized in six different categories (IHK, 2002, 4-6). The first category is the Limited Residence Permit (Aufenthalterlaubnis), which is given to a foreigner for a limited period of time without restricting it to a specific purpose. It can restrict residence to a particular city, county or administrative district, can condition the timely extent of employment at a specific company and

can prohibit any self-employed activities or comparable salary-earning employment. Foreigners, who have been in possession of Limited Residence Permit for 5 years besides other regulations of article 24, can get Unlimited Residence Permit (unbefristete Aufenthaltserlaubnis). With this unlimited residence permit foreigners are permitted to take up self-employed activities or salary-earning employment. The second category is the Permanent Residence Permit (Aufenthaltsberechtigung) and it provides more privileges than Limited Residence Permit. In order to acquire it a foreigner must be holding Limited Residence Permit for 8 years without any interruption or for 5 years if he/she is married with a German. In this type of residence permit the foreigner is not subjected to any kind of time or place restriction and hence can settle anywhere in the territory or can look after any kind of employment. In other words, they are de facto equal to German citizens. The third category is the Restricted Residence Permit (Aufenthaltsbewilligung), which is given for a specific purpose (like vocational or educational purposes) and inevitably requires temporary residence. It is issued for a maximum period of 2 years and can be extended for periods not exceeding 2 years. Because of its nature, it forbids any kind of activity except for residence. The fourth category is the Right to Stay Permit (Aufenthaltsbefugnis). It may be issued if a foreigner should be allowed entry and stay depending upon the international law for urgent humanitarian reasons or for maintaining political interests of Germany. Within this framework it is designed for those, who cannot be terminated as in the case of legal refugees with a legal residence status. It is granted for successive periods, which are not exceeding 2 years. At the beginning it restricts any kind of self-employed activity or salary-earning employment, but the local Employment Office can provide an employment status later on. The fifth category is Tolerance (Duldung) and granted to illegally residing foreigners. It is issued as long as deportation of the foreigner is not possible due to legal or material reasons like danger of torture or capital punishment. It also consists of restricted temporary right to stay and restriction of employment. The last category is the Permission to Stay (Aufenthaltsgestattung) and it is related to the act implementing Asylum Procedures. It is a compulsory stay in an allocated accommodation and does not permit employment at the beginning under the

supervision of local Employment Office. All of these categories define and condition the status of immigrants and their descendants differently and in turn construct the basis of Citizenship Law and naturalization process relying on Aliens Act.

In 1999 further reforms were made considering the citizenship status of the immigrants and came into force in January 1, 2000. With the implementation of Citizenship Law, immigrants are granted citizenship if they have legally resided for 8 years in the Federal Republic, acquire permanent residence permit (Aufenthaltsberechtigung) or unlimited residence permit (unbefristete Aufenthaltserlaubnis) for at least 3 years, announce to accept the Basic Law, have not acted contrary to the Constitution, renounce their former nationality, have not been convicted of a crime, know enough German and guarantee the survival of themselves without any social or unemployment aid (Emircan, 1999, 16). For the young generation the law also envisages special conditions. According to the law, those children who are under 10 years old by January 1, 2000. This group can apply for citizenship until December 31, 2000, if they born in Germany. Also their parents should be legally residing for 8 years and should have permanent residence permit or unlimited residence permit for at least 3 years, which has to be valid both in the date of birth and in the alteration of citizenship. When a child becomes mature, he/she has to choose which nationality they want to renounce officially until the age of 23 (Ibid. 2-3).

As we have seen, the Basic Law, Aliens Act and Citizenship Law of Federal Republic of Germany define the status of immigrants and citizens through some regulations. These will be applied to all immigrant generations. However, there are some regulations that are specific to immigrant entrepreneurs in Germany. These regulations differentiate their status in reference to citizenship and identity in comparison to German entrepreneurs. According to the Industrial Code (Gewerbeordnung) of Germany, everyone is free to run a business, subject to the exceptions or restrictions prescribed or permitted by law (IHK, 2002, 3). On the one hand, the German legal system takes residence permit as a constitutive

element in regulating the self-employment of foreigners (Kızılocak, 1996, 38-40). In order to acquire the residence permit having a worker status for 8 years or being a member of working family are seen as the main criteria. This means that immigrants from Turkey and descendants in Berlin, who are running their own businesses, are subjected to *Ausländergesetz*. On the other hand, citizens of all European Union (EU) member states as well as citizens within the European Economic Area (EEA)<sup>4</sup> and their spouses, regardless of their own nationality, are equal to the German citizens in pursuing self-employment and salary-earning employment (IHK, 2002, 3). In this perspective citizens of all EU member states and citizens within the EEA acquire the legal right to receive a residence permit in Germany regardless of being subjected to *Ausländergesetz*, unlike immigrants from Turkey and their descendants in Berlin. Additionally, immigrant artisans, in comparison to their German counterparts, can only be self-employed or be an employer after having one of the qualification certificates in one of the branches that are especially demanded in the market. A craftsman diploma following vocational education and 8 years of work experience in that particular branch is needed to have a qualification certificate. Unless the vocational education outside Germany corresponds to those given in Germany, craftsman has to join to a new education program to achieve the required education level. Once again citizens of all EU member states and citizens within the EEA are exempt from any of these regulations.

Just like the regulations that differentiate immigrant entrepreneurs and their German counterparts in front of law, we have to look at the norms that condition the immigrant workers. This point is crucial to compare the status of different classes of the same immigrant group by means of rights. Immigrants who intend to remain in Germany for more than three months in order to pursue salary-earning employment are required to apply for a residence permit according to *Arbeitsaufenthaltverordnung* (Work Permit Ordinance for Foreign Workers). Though residence permit is also the constitutive element for the entrepreneurial class of immigrants, immigrant workers face with further restrictions and thus they are not as mobile as entrepreneurs in the economic markets. The foreign

workers can acquire work permit (Arbeitserlaubnis) if they have unlimited residence permit (unbefristete Aufenthaltserlaubnis) or permanent residence permit (Aufenthaltsberechtigung) (DIYIH, 2000-2001 Raporu, 49-50). However, German citizens or citizens of all EU member states will be privileged in work applications. To put it differently, if an immigrant worker and a German citizen are applying for the same job, according to the laws, German citizen will be preferred in recruitment. In addition to this, in the case of foreign workers, who immigrate to Germany as a result of family unification, we face with three implications considering the work permit. Initially, immigrant workers, whose spouses acquire German citizenship or dual citizenship, can obtain a right to pursue salary-earning employment (Arbeitsberechtigung). Secondly, immigrant workers, whose spouses were granted unlimited residence permit (unbefristete Aufenthaltserlaubnis) or permanent residence permit (Aufenthaltsberechtigung), immediately acquire work permit (Arbeitserlaubnis) and can obtain Arbeitsberechtigung if they are still married in the following 2 years. But still, German citizens or citizens of all EU member states will be preferred in recruitment. Lastly, immigrant workers, whose spouses were not given unlimited residence permit (unbefristete Aufenthaltserlaubnis) or permanent residence permit (Aufenthaltsberechtigung), will not get work permit (Arbeitserlaubnis) before 1 year. Therefore, immigrant workers are not mobile in the economic markets as much as immigrant entrepreneurs unless they have German or dual citizenship. This relatively advantageous position of immigrant entrepreneurs in front of the laws is inevitably reflected in their identities. However, since we are going to discuss the creation of flexible identities in the fourth chapter within the context of my fieldwork, at this point it will be appropriate to evaluate these laws, regulations and norms in reference to the arguments in the literature of citizenship.

#### **2.4 Interpreting the Status of Citizen or Non-Citizen Immigrant Entrepreneurs in Berlin**

While citizenship is more a concept of status than identity and is expressed in

juridical and legal norms that define the rights of the members of a polity, identity is a concept that presupposes a dialogical recognition of the other (Isin and Wood, 1999, 19). The concept of citizenship allows or disallows rights and obligations, whereas identity is produced and reproduced by individuals in an ongoing process of dialogical recognition. However, as Isin and Wood have underlined both citizenship and identity are group markers (Ibid, 20). In this framework we have to analyze the concepts of citizenship and identity simultaneously, rather than formulating them as mutually exclusive notions, especially in our case. The entrepreneurial experiences of immigrants from Turkey and their descendants generate flexible identities depending upon their citizenship or immigrant status, which will be explored in the fourth chapter. In order to discuss this, we need to observe the relation between Federal Republic of Germany and its citizen or non-citizen immigrant populations in reference to citizenship literature.

W. R. Brubaker emphasizes two citizenship categories deriving from different constructions of nationhood (1992, 1-17). The French (civic) understanding of nationhood has been assimilationist, state-centered and universal. It is the political community that constructs the nationhood rather than the shared culture. In other words inclusion into the political community and cultural integration are seen as the constitutive elements that lead to the formation of an expansionist understanding of citizenship. Citizenship will be granted to all immigrants through cultural assimilation. It has nothing to do with common ancestry, language and cultural background but rather with the residence on territory, namely the principle of *jus soli* (Castles and Miller, 1993, 225-226). On the other hand, the German (ethnic) understanding of nationhood is differentialist, polycentric and ethnocultural. Nationhood is constructed upon genealogical rather than territorial understanding and thus the German citizenship is restrictive. That is to say, common ancestry, language and culture are the basic criteria for belonging to the nation and granting citizenship to children is based on the legal criterion of *jus sanguinis* (Castles, 1994, 21). In this German model, nationhood defines a constant form of culture that gives no possibility of change and it is closed to non-nationals. This creates an unwillingness to grant citizenship to



immigrants and even to their descendants born in the immigrant country. Depending on this framework Brubaker asserts that there is continuity in Wilhelmine 1913 constitutional system of pure *jus sanguinis* in determining citizenship status of immigrants as an argument of ultra-stability of national citizens model. According to him, article 116 of the Grundgesetz distinguishes two groups of “Germans”: German citizens and ethnic German refugees and expellees from Eastern Europe (Brubaker, 1992, 169). In this sense the postwar reconstruction of citizenship insists on the single German citizenship by considering the residents of the German Democratic Republic as German citizens. German refugees have also been treated as citizens if not in name. As a result, German citizenship law pronounces the contrast between its expansiveness toward fellow Germans and restrictiveness towards non-German immigrants (Ibid. 170). Brubaker also rejects arguments, which underestimates the role of the nation-state because of its institutional and normative tradition considering the rights of immigrants from Turkey.

The ethnocultural inflection of German self-understanding and German citizenship law makes it difficult to reconcile the preservation of Turkish cultural identity and autonomy with the acquisition of German citizenship. To take on German citizenship, in the self-understanding of Germans and Turks alike, requires that one become German in some thicker, richer sense than merely acquiring a new passport. Persons drawn to the idea of differentialist integration have therefore tried to work out models that do not require a person to become formal member of the state. It is only against this background that we can understand the otherwise puzzling preoccupation with voting rights for noncitizen immigrants in local-and ultimately in statewide-elections. To a remarkable extent, efforts of ‘inclusionist’ have focused on local voting rights and not on full formal citizenship (Ibid. 178).

Birgit Brandt stresses four points on German conceptualization of citizenship, which can also be given to summarize Brubaker’s perspective (2000, 222-223). Firstly, the attribution of citizenship is exclusively based on descent (*jus sanguinis*) and not combined with the principle of *jus soli*. Secondly, article 116 defines who German is on the basis of ethnic affiliation and offers ethnic Germans the automatic right to become German citizen. Thirdly, in practical terms naturalization of people remains as a rare exception. Finally, as a member of

Council of Europe, Germany still proclaims the principle ratifying an agreement to avoid multiple citizenship.

In contrast to the arguments of Brubaker, considering the amendments about Citizenship Law and position of immigrants in the Aliens Act, Yasemin Soysal tries to clarify the post-war changes in the institution of citizenship (Soysal, 1996, 18). For Soysal, predominant conceptualization of modern citizenship implies that populations are organized within the boundaries of the nation-state via rules claiming national belonging as the basis of membership. As a result of this, national citizenship is defined according to national belonging, as a source of identity, rights, duties, and correspondence between territorial state and national community. However, rights and identity as constitutive elements of citizenship have decoupled as a consequence of the post-war changes in the conceptualization of citizenship. In this process, rights that were associated with belonging in a national community have become international and have been legitimated at the transnational level, while identities are still considered as territorially bounded and particularized. To put it differently, the sphere of rights predominantly highlights the universal rules and individual norms deriving from different organizations, institutions, laws, declarations or codes like United Nations, UNESCO, Council of Europe, Universal Declaration of Human Rights, Conventions of International Labor Office and so forth. On the contrary, the sphere of identities points up locality, particularity, distinctiveness, uniqueness, authenticity or self-determination. However, by pursuing this goal citizen or non-citizen immigrants do not exclusively establish their claims on these group narratives. Rather they refer to universalistic discourses of human rights and individuality. In a way they seek to legitimize the emphasis on particularity in reference to definitions of global norms, institutions, laws, declarations or codes. To define this process Soysal proposes Roland Robertson's conceptualization of "universalization of particularism and particularization of universalism" (Soysal, 1994, 160). On the one hand, particularistic characteristics of collectivities are pronounced as part of universal norms of humanness at the global level, and on the other hand these discourses of human rights and universality are largely

utilized and practiced in the narratives of immigrant groups. Although this leads to re-definition of identities, the idea of nation loses its force since it acquires universalistic discourse of human rights (Ibid, 161-162). Secondly, in similar way, themes, activities and references, which underline the uniqueness of national identities, create a normalizing trend and thus nationhood becomes more discredited. As a result of these two points national citizenship turns into an irrelevant conceptualization.

In order to clarify these developments, Soysal underlines four developments that have affected the expansion of membership beyond the boundaries of national collectivities (Soysal, 1996, 18-19). Initially, internationalization of labor market led to massive migratory flows in Europe and affected the existing ethnic and national composition of the European countries. Also de-colonization at the international level and celebration of rights within the universalistic parameters welcomed the emergence of social movements that focus on the notions of citizenship in European politics, incorporation of identities into social domain and institutions of citizenship. Moreover, the emergence of multi-level polities as in the case of European Union produces different opportunities for social movements and new demands within and beyond the boundaries of the nation-state. Lastly, intensification of the global discourse and instruments on individual rights develops the discourse of human rights independent of the nation-states. According to Soysal, these global changes on the one hand shifted the institutional and normative basis of citizenship from the territorial entity of nation-state to transnational level and extended rights beyond national territories. On the other hand, they also changed the dynamics of membership and belonging in Europe (Ibid, 21). Thus, post-national membership comes into the agenda and three differences have emerged between post-national and national citizenship (Ibid. 22-23). In the post-national model, individuals do not belong to formal national boundaries and membership is more fluid than it used to be. Moreover, membership in this model does not assume a single status. Post-national membership implies multiplicity of membership. Although there is multiplicity of membership, rights are not distributed evenly among immigrants and citizens. In

other words, legal permanent residents, political refugees, dual citizens, nationals of common market countries, temporary residents and illegal residents have different rights. Lastly, in this new model of membership, level of legitimation has shifted from national rights to human rights as a result of the global challenges to the sovereignty of the nation-state.

In addition to the post-war changes in the institution of citizenship Soysal also emphasizes the models of membership as a contributing factor to clarify the conceptualization of post-national membership. The models of membership have been formulated through the institutional documents, relationship between state and individuals, and organizational structures and practices (1994, 36-39). According to her typology of membership models, Germany combines corporatist and statist patterns.<sup>5</sup> In this corporatist and statist pattern, membership is organized around corporate groups, which are formed by occupational, ethnic, religious or gender identities and closely related to administrative structures for their existence. In Germany, ethnic minorities or immigrants are not referred explicitly as collectivities, but institutional structures are organized with this understanding, which can be seen in trade unions and social service organizations. This is mostly relevant in the integration policy that aims to make immigrants take part in society and working life by acknowledging their cultural differences. Since the public interest and welfare of social groups are the main purposes, central state is active in political and decision-making processes. Though it has a federative political system that requires decentralized administrative structure, Germany is highly centralized. Semi-public bureaucracies like trade unions, business organization, and welfare institutions are influential in public policies and thus have strong relations with the state.

Soysal, depending upon her analysis about the rights of postwar immigrants in Europe and United States, claims that noncitizens' rights do not differ significantly from the rights of citizens and thus immigrants are incorporated into legal and organizational structures of the host society (Ibid, 119). Within this framework she considers the concept of denizenship as a model to reflect the

changes in territorial understanding of citizenship. Since denizens are living and working in the host country, they acquire various membership rights.<sup>6</sup> However, she goes one step further and introduces post-national membership as an institutional form that transgresses the national order. In challenging the dominant perception of national citizenship in the case of Germany, Soysal does not aim to get rid of the citizen/non-citizen dichotomy and socio-economic, cultural, legal and political rights differentiated in this dichotomy. Rather she puts heavy emphasis upon the "...emergence of membership that is multiple in the sense of spanning local, regional, and global identities, and which accommodates intersecting complexes of rights, duties, and loyalties" (Ibid, 166). In the same way she tries to illustrate the position of the citizen or non-citizen immigrants in Germany. According to her, immigrants from Turkey have achieved safe membership status without becoming citizens. Neither an imagined attachment to common past, myths, memories and national identity nor a loyalty to the state have an effect on this new status of immigrants.

What makes them rightful members of the host polity?...It is grounded in a shared public, social space; a set of abstract principles and responsibilities (such as human rights, respect for justice, protection of the environment, expectations of a 'better future' and 'productive life'); and the rationalized organization and routine of everyday praxis, independent of specificities of locale in which they live. Perhaps the motto, *Wir sind Berlin*, promoted by Berlin's Foreigner's Office and invoked by migrants themselves, best captures the way the migrants live their lives and interact with the host polity, within which their membership is realized. The trajectory of 'being part of Berlin' precludes national fixities and allows for shifting categories and fluid confines, and thus can traverse multiple borders (Ibid. 166).

What we can observe in Soysal's arguments is that the challenge to national identity and national form of citizenship mostly depends upon the development of human rights and spread of universal norms of individuality. However, there are some problems in this formulation when we look at the immigrants in Germany. Firstly, as Castles puts it, empirically it would be an overestimation to claim that immigrants have acquired most of the citizenship rights without formal membership in the nation-state (1998, 234). Additionally, the acquisition of rights in Germany has to do with Rechtsstaat (civil rights) and welfare state principles

and policies (Faist, 2000). Secondly, Soysal admits that in post-national membership rights are not evenly distributed among immigrants. In this respect post-national membership does not provide something different from national form of citizenship, as we have discussed in reference to Marshall and Brubaker. Thirdly, within the political dynamics of globalization, the relations between individuals and nation-states have not reached a level, where authority is transferred to supranational and transnational spheres all around the world and where it also generates a serious challenge to the nation-state's prerogatives (Koopmans and Statham, 1999, 656). Even the common policies in the European Union are exclusionary towards foreigners and still fail to transcend the model of nation-state citizenship (Castles, 1998, 235; Faist, 2000). Lastly, practical implications of international human rights and civil right conventions are highly questionable since they have various restrictions upon non-nationals and leave the discretionary decision power to local authorities (Koopmans and Statham, 1999, 657).

Christian Joppke, considering Brubaker's emphasis on national form of citizenship and Soysal's post-national membership model, attempts to set up a third model to understand the case of Germany. According to Joppke, national citizenship and post-national membership models coexist and condition each other simultaneously (1999a, 186-187). On the one hand, foreigners are granted equal rights and this preserves the privilege of ethnic Germans in the acquisition of German citizenship. On the other hand, acquisition of citizenship by means of naturalization, *jus soli* or double citizenship paves the way for a re-definition of German model of citizenship from ethno-genealogical basis to a civic-territorial pattern. Against citizenship traditionalists, Joppke argues that Germany is moving from ethnic to civic-territorial model of citizenship. He also claims, against post-nationalists, that citizenship still matters though it might change its form from ethnic to civic model.

The German case thus carries a double message for citizenship theory. First citizenship in liberal states is malleable. States are not slaves of their 'cultural idioms' (Brubaker) of nationhood, but may devise flexible citizenship policies in response to immigrant pressures...Secondly; national citizenship remains indispensable for

immigrant integration. Postnational membership is an asset for first-generation immigrants; it helps them to maintain the illusion of returning home one day. It becomes a liability for second- and third-generation immigrants, whose home is the receiving society, but whose lasting exclusion from national community makes them vulnerable and stigmatized minorities (Joppke, 1999b, 638).

In discussing the shift from ethnic to civic citizenship model, Joppke argues that introduction of as-of-right naturalization can be seen one of the substantial steps in Germany (Joppke, 1999a, 203). This is different to some extent from what we have discussed as a general rule of naturalization in reference to the Aliens Act. The introduction of as-of-right naturalization occurred in the context of Asylum Compromise of December 1992 and changed absolute state discretion and cultural assimilation as preconditions for citizenship. Joppke regards state discretion in the Naturalization Rules of 1977 as a strict regime, which required a public interest for the acquisition of German citizenship without any reference to personal wishes and economic interest of the applicant (1999b, 641). However, state and nation are decoupled with the elimination of state discretion and cultural assimilation as preconditions for citizenship. But more importantly membership into nation is not required as a condition to membership into state (Joppke, 1999a, 203). This in turn brings the definition of German nationhood closer to the civic-territorial basis rather than an ethno-genealogical path. Joppke clearly underlines that although Germany refuses to tolerate double citizenship as a legacy of ethnonational nationhood, informally it is widely accepted, especially among second and third generations (1999a, 204-205). In this commonly known practice, immigrants from Turkey first renounce their Turkish citizenship and apply to German citizenship, but they can re-apply for Turkish citizenship right after they are granted German citizenship. When we look at the statistics, we can see that immigrants from Turkey acquired German citizenship within an accelerating rate in the time period between 1990 and 1999, except for years 1997 and 2000 (DİYİH, 2000-2001 Raporu, 40). In addition to this, between 1972 and 2000, 424462 people acquired German citizenship according to the same statistics. In addition to these developments that pave the way from ethnic citizenship model to civic citizenship model, Joppke discusses the weaknesses of the post-national membership model in the case of Germany.

Though post-national membership reflects certain challenges to nation-state, in the analysis of Joppke it has four fallacies (1998, 25-29). First, the post-national membership mostly considers the immigrants, but for the majority of population national citizenship remains to be relevant choice. In this manner only a small elite of global academics are post-national members of the global world, which can also be enlarged to entrepreneurs for the concern of our study. Even the so-called guestworkers constitute only a small percentage of these post-national members, since they are not as mobile as upper classes of the same immigrant group in terms of work and residence permits. Secondly, in post-national membership model there is a dualism between nation-state and individual rights. These individual rights are inherent features of nation-states. In the case of Germany this is most clearly reflected in the Basic Law and in the residence based inclusion principle of welfare state policy. Thirdly, although post-national membership does not have a spatial marker, it is mainly about Western Europe and this contradicts with their attempt of being global. Lastly, this model also lacks a temporal marker. Though it has a clear beginning, it is conceived of having no end. While guestworkers have challenged the nation-states in post-war Europe, this does not open the doors into a post-national model and there will be no alternative to national citizenship unless there is a supra-national or world polity.

The analysis of Joppke underlines on the one hand the inevitable influence of national citizenship model considering its transformation from *jus sanguinis* to *jus soli*, and on the other hand the pressure of post-national model on the evolution of nation-states. With this moderate way Joppke tries to indicate the weaknesses of Brubaker's and Soysal's arguments and in turn represents compromise of the existing confrontation. However, the regime of state, which seeks to condition, normalize and regulate citizen or non-citizen immigrants through systems of power/knowledge, is highly neglected in these discussions. These state regimes appeal systems of power/knowledge not only with laws, articles and regulations, but also with different norms and values by calling forms of "truths" in culture, economy and so forth. Therefore, we have to focus on these state regimes in order



to better reflect the relation between immigrant entrepreneurs and Federal Republic of Germany.

Though the modern conceptualization of citizenship mostly refers to the relation between individual and state in terms of rights and obligations, we cannot deny the fact that in this formulation citizenship symbolizes a definition of identity in membership to a national community. However, with the challenges to the national citizenship model in the post-war era this relation has come to a new point. As Soysal appropriately underlines, right and identity are decoupled and different forms of citizenship, like diasporic, multicultural, post-national, radical democratic, cosmopolitan, federal and so on, have emerged. Still, these do not mean either the absolute weakness of the state's power in controlling the status of immigrants and citizens or the re-structuring of the nation-state considering the challenges to its territorial sovereignty. What is most striking in these developments is the change of state's relationship to capital mobility and treatment of citizens and noncitizens.

In trying to explore transnational Chinese subjects in relation to nation-state, capitalism and their cultural practices Aihwa Ong introduces the concept of 'flexible citizenship' (1999). According to Ong 'flexible citizenship' refers "...to the cultural logics of capitalist accumulation, travel and displacement that induce subjects to respond fluidly and opportunistically to changing political-economic conditions. In their request to accumulate capital and social prestige in the global arena, subjects emphasize, and are regulated by, practices favoring flexibility, mobility, and repositioning in relations to markets, governments, and cultural regimes" (1999, 6). Ong formulates her conceptualization in reference to international managers, technocrats, professionals and particularly entrepreneurs. However, this flexible and mobile position of entrepreneurs is not unlimited and completely transcending the regulatory power of state, economic market and cultural regimes. In other words, although these subjects are able to escape localization by state authorities, they are never free from the regulations of state, market operations and cultural regimes (Ibid, 19). As a result of this, dynamics of

discipline (like, “the localization of disciplinary subjects” as Ong cited from D.M. Nonini) and escape (like, the emphasis on flexibility and mobility of subjects) reinforce each other and create the terrain of flexible citizenship.<sup>7</sup> In this sense Ong, quoting from Michel Foucault, gives a definition of the term regime, which seeks to normalize power relations through the system of power/knowledge. These power/knowledge systems condition, normalize and regulate subjects’ attitudes and behaviors by calling various forms of “truths” in culture, science, economy and so forth. Moreover, these regimes require “...localization of disciplinary subjects, that is, it requires that persons be locatable and confinable to specific spaces and relations defined by various regimes: the kinship network, the ‘nation’, the marketplace” (Ibid, 113). Depending upon Ong’s formulation we can argue that immigrant entrepreneurs in Berlin are conditioned, normalized and regulated within the regimes of state, economic market and social networks.<sup>8</sup>

State regimes are continuously trying to condition, normalize and regulate citizen or non-citizen immigrants in various ways by appealing systems of power/knowledge. By all means Federal Republic of Germany is not an exception of this. Following Foucault we can underline that Federal Republic of Germany develops new ways to govern its immigrants. This art of government is called ‘governmentality’ and composed of three things according to Foucault.

The ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise of this very specific complex of power, which has as this target population, as its principal form of knowledge political economy and as its essential technical means apparatuses of security.

The tendency which, over a long period and throughout the West, has never ceased to lead towards the pre-eminence over all others (sovereignty, discipline, etc.), of this type of power which may be termed government. Which resulted in the formation of, on the one hand, a whole series of specific state apparatuses pertaining to the government and, on the other, in the development of a whole complex of ‘savoir’.

The process, or rather the result of the process through which the State of Justice of the Middle Ages, which becomes the Administrative State during the 15<sup>th</sup> and 16<sup>th</sup> centuries, gradually comes to be governmentalised (Foucault, 1979, 20).

Within this logic of governmentality Federal Republic of Germany attempts to foster the life, growth and care of its population. However, it does not treat all of its subjects in the same way. In order to explore this art of government Ong introduces the concept of ‘graduated sovereignty’ regarding the Southeast Asian countries. The term ‘graduated sovereignty’ denotes “...a series of zones that are subject to different kinds of governmentality and that vary in terms of the mix of disciplinary and civilizing regimes. These zones, which do not necessarily follow political borders, often contain ethnically marked class grouping which in practice are subjected to regimes of rights and obligations that are different from those in other zones” (Ibid. 7). For her, states make these different biopolitical investments in different subject populations to remain globally competitive, but in pursuing this they also open the way for uneven distribution of services, care and protection over their territory (Ibid, 217). This is also relevant in the case of Germany. As we have observed in the previous part, the constitutive documents like Basic Law, Aliens Act and Citizenship Law define and regulate the relation between state and individuals on different norms, values and conditions. Firstly, the conditions to acquire German citizenship privilege the ethnic Germans under the article 116 of the Basic Law. Secondly, though we have observed a shift from the principle of *jus sanguinis* to *jus soli* in the acquisition of German citizenship, different conditions for immigrant generations underline another pattern of biopolitical investments in different subject populations. Thirdly, the norms defining the categories of Residence Permit (Aufenthaltsgenehmigung) like Limited Residence Permit (Aufenthalterlaubnis), Unlimited Residence Permit (unbefristete Aufenthaltserlaubnis), Permanent Residence Permit (Aufenthaltsberechtigung), Restricted Residence Permit (Aufenthaltsbewilligung), Right to Stay Permit (Aufenthaltsbefugnis), Permission to Stay (Aufenthalts gestattet) describe the regimes of state for constituting and maintaining social relations and practices. In this way not only a hierarchy among immigrants is drawn but also distribution of service, care and protection can be formulated within the mechanism of social welfare according to the status of immigrants. Thus, optimum economic benefit and minimum socio-economic and political cost can be obtained. Without doubt these will refrain the social mobility of unqualified labor force and preserve the

social mobility of high-qualified workers, managers, professionals and entrepreneurial class of immigrants even though they are not granted German citizenship.

However, the regimes of state do not function only with the “truth” claims of articles and regulations illustrated in the Basic Law, Aliens Act and Citizenship Law, but also with the “truth” claims of values, norms and beliefs on culture. In this manner the motto of multiculturalism seems to emerge as an important example for the regimes of state. Multiculturalism denotes a basic demographic description of the population; exotic otherness that is represented with festivals, customs, cuisines, dances; a vision of how society should function with reference to ‘tolerance’ and ‘respect’; public policy focusing on minorities; or distinctive institutional arrangements designed to benefit minority groups through advisory offices and consultation boards (Vertovec, 1996, 50). Still in these conceptualization of multiculturalism, culture is taken as an unchanged and stable entity, or as Vertovec suitably defines,

culture is: a kind of package (often talked of as migrants’ ‘cultural baggage’) of collective behavioral-moral-aesthetic traits and ‘customs’, rather mysteriously transmitted between generations, best suited to particular geographical origins yet largely unaffected by history or a change of context, which instills a discrete quality into the feelings, values, practices, social relations, predilections and intrinsic nature of all who ‘belong to (a particular) it’. Populations and population segments, it follows, are categorized culturally according to cultural essences which are presumed to be imparted at birth (Ibid, 51).

That is to say, minority/immigrant cultures are seen as exotic formations that need to be treated with ‘tolerance’ and ‘respect’.<sup>9</sup> Therefore, their folkloric structures need to be protected. Culture as such is away from interaction and may even lead to ‘enclavization’ (Ibid, 55). In this sense multiculturalism solidifies the boundaries, which are assumed to exist between ‘host’ and minority cultures. In addition to this, Alibhai-Brown, as cited in Vertovec, underlines that model of representation in multiculturalism mostly deals with the elites and hence it can entrench inequalities (2001, 4). The emphasis on the folkloric and exotic character of culture neglects the class-based inequalities and assumes all social equalities

(race, gender, etc.) as an outcome of cultural difference (Kaya, 2003, 177). Though multiculturalism does not seek immigrant ‘incorporation’ through assimilation and acculturation, it contains an attachment to the encompassing nation-state and generates the re-imagination of nation and nationalism (Ibid, 177; Vertovec, 2001, 5). Therefore, multiculturalism functions as a system of power/knowledge, which condition, normalize and regulate immigrants’ attitudes and behaviors by calling their folkloristic structures as a form of “truth”. This creates distinct immigrant categories, where state makes different biopolitical investments in different subject populations. As a result, not only the cultural boundaries between ‘host’ and immigrant societies are demarcated, but also different biopolitical investments in the same immigrant group become more obvious and hence establish to some extent a clientelist relation between the state and a particular class of the immigrant group. Kaya has precisely illuminated this, in reference to the relation between the state and immigrant organizations, with a quotation from Frank-Olaf Radtke.

The clientele of the state are organizations which have clientele of individuals themselves. In both cases the dependency is reciprocal: The institutional or individual client will try to present himself as fitting into the program of the patron; the patron will only continue to exist if he has the lasting support and trust of his clientele...The liberal model of competing interests ends up in patronage, lobbyism and paternalism... The effect of Multi-Culturalism in connection with clientelism is not ethnic mobilization but self-ethnicization of minorities. As long as they do not have any political rights and as long as there is no policy of affirmative action, Multi-Culturalism inevitably ends up in folklorism. Minorities in Germany are kept away from the public sphere and invited by the legal system to form apolitical communities (*Gemeinschaften*) in the private sphere instead of interest groups...Multi-Culturalism translates the concept of plurality of interests into a concept of plurality of descents...Multi-Culturalism is only a reversal of ethnocentrism (1998, 45).

This clientelist relation can also be observed between immigrant entrepreneurs and Federal Republic of Germany. Immigrant entrepreneurs do not only provide employment opportunities for their co-ethnics but also represent the good examples of immigrant ‘integration’ to the ‘host’ society. In terms of state regimes this stands for an optimum economic benefit and minimum socio-

economic and political cost. They are the clientele of state, and at the same time they have their co-ethnics as clientele. As underlined in Radtke's formulation, dependency is reciprocal. Although they do not represent the interests of the whole immigrant group, they have become to some extent the 'leaders' of the immigrant population and hence contribute to the construction of different biopolitical investments of the state over its subjects.

## **2.5 Conclusion**

The political dynamics of globalization have challenged the relation between nation-state and individuals. This can be noticed in the relation between Federal Republic of Germany and its immigrant populations. In this chapter we tried to have a look at the relation between Federal Republic of Germany and immigrant entrepreneurs starting with modern conceptualization of citizenship by T.H. Marshall and arguments that criticize his formulation regarding the challenges of globalization. Secondly, we examined the constitutive documents like Basic Law, Aliens Act and Citizenship Law in order to reach a clear picture about the relation between state and immigrants. Thirdly, we tried to analyze the relation between Federal Republic of Germany and immigrant entrepreneurs depending on these constitutive documents in reference to some discussions. In this context, it becomes obvious that the shift, from the principle of *jus sanguinis* to *jus soli* in the acquisition of German citizenship, does not bring the weakness of nation-state in conditioning, normalizing and regulating its relations with immigrant generations. Rather this transformation has contributed to the decoupling of rights and identity and hence to the decoupling of state and nation, since the acquisition of German citizenship as a right does not prevent immigrant generations to position themselves with the hyphenated identities like German-Turkish, Alevi-German or German-Kurdish. We also argued that the regimes of state tries to condition, normalize and regulate its subjects' attitudes and behaviors by calling various forms of "truth" in economy, culture and so forth. State regimes appeal these systems of power/knowledge not only in reference to the Basic Law, Aliens Act and Citizenship Law, but also in reference to the motto of multiculturalism.

As a result of this, the Federal Republic of Germany makes different biopolitical investments on different subject population in order to remain competitive and in turn this paves the way for the uneven distribution of services, care and protection over its territory. And by pursuing this, it attains optimum economic benefit and minimum socio-economic and political cost as it is reflected in the relation between the Federal Republic of Germany and immigrant entrepreneurs. However, in order to draw a complete picture of this relation we need to examine the regimes of market and social networks and these will formulate the framework of the next chapter.

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**Endnotes:**

<sup>1</sup> However, we have to keep in mind that Marshall's conceptualization was prepared when the Labor Party in Great Britain came into power with the emphasis on social welfare state (Kaya, 2003, 152).

<sup>2</sup> Though various forms citizenship is discussed in the literature, it is not the aim of this chapter to clarify the differences between these theoretical approaches. For a general discussion of these different understandings of citizenship see Isin and Wood (1999), Steenbergen (1994), Delanty (2000) and Turner (1993).

<sup>3</sup> Halfmann underlines that until the unification of Federal Republic and German Democratic Republic two problems regarding the national identity were on the agenda of citizenship issue (1997, 260). The first one was the question of which of two separate states would be considered as the German state. The second one was how to deal with Germans abroad (*Auslandsdeutsche*), expellees from the former German territories (*Vertriebene*), settlers of German origin in the former Soviet Union and Eastern Europe (*Aussiedler*) and those who crossed the border between two German states (*Übersiedler*).

<sup>4</sup> EEA includes the member states of EU and Iceland, Liechtenstein and Norway.

<sup>5</sup> Except for corporatist and statist models there are liberal and fragmental models in the typology of membership in Soysal's formulation. According to her, in the liberal model individual is the source of action and authority and because of this their interests replace other institutions in the society (1994, 38). Since there is a weak central authority and a loosely organized state apparatus, individuals and private associations influence political action and organization and in turn decentralized local authorities implement policies concerning citizens' social welfare. In the absence of an administrative organ to seek the collective interests in the society, labor market has become the main establishment of corporation. In addition to this, private and voluntary associations encourage horizontal incorporation pattern, where immigrants participate as individuals. In the fragmental model state is the sovereign actor. However, because of its organizationally weak structure 'primordial' groups like family, clan and church dominate social and public life (Ibid, 39). As a result of this immigrants participate only in labor markets, but not necessarily in other institutional structures. According to Soysal, Sweden, Britain, France and Gulf oil countries represent corporatist, liberal, statist and fragmental models respectively, while Germany combines corporatist and statist models.

<sup>6</sup> Tomas Hammar argues that industrialized states all over the world regulate and control the size and composition of immigrants (1994, 187-188). For Hammar this attempt to control immigrants is a sort of gate keeping and consists of three gates. The first gate is the transition from a status of illegality to a status of legal resident. Second is the status of denizen. Third is the process of naturalization. Hammar underlines the status of denizen for those who want to stay and work permanently in the country. Beside the rights of residence and settlement in the country, the status of denizen gives an unlimited access to labor market. Thus, they achieve several economic, social and civic rights, but rarely political rights. In this sense denizenship is a status between the first and third gates that represents right to permanent domicile in the country.

<sup>7</sup> The relation between discipline and escape seems to depend upon Foucault's definition of the relation between power and pleasure within the framework of *Repressive Hypothesis*. Just like power and pleasure constitute and need each other to exist, discipline and escape also coexist and work with each other. According to Foucault:

"The medical examination, the psychiatric investigation, the pedagogical report, and family controls may have the over-all and apparent objective of saying no to all wayward or unproductive sexualities, but the fact is that they function as mechanisms with a double impetus: pleasure and power. The pleasure that comes of exercising a power that questions, monitors, watches, spies, searches out, palpates, brings to light; and on the other hand the pleasure that kindles at having to evade this power, flee from it, fool it, or travesty it. The power that lets itself be invaded by the pleasure it is pursuing; opposing it, power asserting itself in the pleasure of showing off, scandalizing, or resisting. Capture and seduction, confrontation and mutual reinforcement: parents and children, adults and adolescents, educator and students, doctors and patients, the psychiatrist with his hysteric and his perverts, all have played this game continually since the nineteenth



century these attractions, these evasions, these circular incitements have traced around bodies and sexes, not boundaries not to be crossed, but *perpetual spirals of power and pleasure*” (Foucault, 1978, 45).

<sup>8</sup> Though it can be studied under the regimes of state, we are going to deal with the welfare state politics together with regimes of economic market and social networks in the next chapter in order to present the interconnectedness among these three spheres.

<sup>9</sup> At this point Yeğenoğlu also reminds us that multiculturalist ‘tolerance’ or ‘respect’ attributed to immigrant culture and identity is constrained within the limits of laws and regulations and hence re-constructs and solidifies the dominance of ‘host’ culture vis-à-vis immigrant culture (2003). Following Derrida’s conceptualization of ‘conditional hospitality’ Yeğenoğlu underlines that “Welcoming the other in the form of codified multiculturalist tolerance implies a conditional welcoming, as the hospitality offered remains limited within law and jurisdiction. But more importantly, this kind of tolerance does not result in a fundamental modification of the host subject’s mode of inhabiting the territory that is deemed to be solely within his/her possession. Far from laying the grounds for an interruption of sovereign identity of the self, multiculturalist respect and tolerance implies the conditional welcoming of the guest within the prescribed limits of the law and hence implies a reassertion of mastery over the national space as it enables the subject to appropriate a place for itself--an empty and universal and therefore sovereign place--from which the other is welcomed. Thus the place from which multiculturalist tolerance welcomes the particularity of the other, fortified by codifications such as affirmative action and other legal measures, is what precisely enables the disavowed and inverted self-referentiality of racist hospitality which by emptying the host’s position from any positive content asserts its superiority and sovereignty” (Ibid, 8).

## **CHAPTER 3**

### **ETHNIC ENTREPRENEURSHIP AND THE REGIMES OF MARKET AND SOCIAL NETWORKS**

#### **3.1 Introduction**

The relation between immigrant entrepreneurs and the Federal Republic of Germany has to be analyzed not only within the scope of citizenship as a consequence of political dynamics of globalization, but also within the framework of ethnic entrepreneurship considering the economic and cultural dynamics of globalization. This emphasis on ethnic entrepreneurship considering the economic and cultural dynamics of globalization is significant in order to understand how these immigrant entrepreneurs create flexible identities and how they utilize these flexible identities in relation to regimes of state, market and social networks. However, in exploring these questions this chapter will not try to discuss whether or not business activities of immigrants improve their lives. By the same token, the chapter will not aim to observe whether or not these immigrant entrepreneurs are successful in their businesses and whether or not they are the best-integrated group among immigrants from Turkey. Rather we will examine to what extent we can consider these immigrant entrepreneurs as a homogenized group in terms of ethnic/national identity and economic activity. This in turn brings the question of whether or not they challenge the literature on ethnic entrepreneurship. In pursuing these first of all we will look at the literature on ethnic entrepreneurship to clarify some theoretical approaches. Secondly, since the relation between immigrant entrepreneurs and Federal Republic of Germany is an interactive process, we also need to observe the regime of market within the content of welfare state policy. Thirdly, we will briefly concentrate on regimes of social networks as a part of ethnic entrepreneurship literature regarding the question of

social capital, which will also help us to understand the construction of identities. Since we are going to deal with the creation of flexible identities among immigrant entrepreneurs concerning the fieldwork in the next chapter, the regimes of market and social networks are crucial both to the extend scope of the ethnic entrepreneurship literature and to reflect the interaction between immigrant entrepreneurs and these regimes in addition to the regime of state that we have examined in the second chapter.

### **3.2 Ethnic Entrepreneurship**

Neoclassical economic theory, between 1940s and 1970s, underlined the importance of detachment from non-economic relations in the process of modernization in order to achieve a ‘true’ economic development (Granovetter, 1995, 128-130). However, the reinterpretation of economic conditions beginning from 1970s has focused on the possibilities of social ties like ethnic, religious, kinship and friendship groups in terms of their position for allocation, distribution and transformation of economic resources. Although an ethnic economy is not apart from the general dynamics of market conditions, we need to define what is meant with it in order to develop a better understanding. An ethnic economy, as Ivan Light and Steven J. Gold underline, “...exists whenever any immigrant or ethnic group maintains a private economic sector in which it has a controlling ownership stake” (Light and Gold, 2000, 9). Likewise Bonacich and Modell imply that an ethnic economy is an amalgamation of the ethnic or immigrant group’s self-employed, its employers and their co-ethnic employees (Bonacich and Modell, 1980, 45).

However, some further definitions are made to reflect different aspects of the ethnic economy. Light and Gold have underlined three distinctions within an ethnic economy (2000, 11-24). The first concept is the ethnic ownership economy, which consists of business owners and their co-ethnic workers. It gives a comparison of the economic integration of ethnic groups within certain a period of time. The balance between self-employment and wage employment influences the group’s ability to develop economic mobility or to diminish unemployment, in

which ethnic succession is a crucial factor. Secondly, it is the distinction between ethnic ownership economy and ethnic enclave economy. An ethnic enclave economy is clustered around a territorial core and it has a quasi-monopolistic economic advantage (Ibid, 15). In other words, ethnic community obtains a higher proportion of sales for the firms and extra jobs for co-ethnic workers than it would be possible from unclustered ethnic economies, because of the monopoly they have in this particular territorial core (Ibid, 24). The third concept is the ethnic-controlled economy. It refers to industries, occupations and organizations of the general labor market in which co-ethnic employees exercise economic power (Ibid, 25). This power derives from their numerical clustering, numerical preponderance, their organization, government permissions or all of them. In this ethnic-controlled economy participants have de facto control, but not ownership authority. Thus, they can achieve better jobs, reduce unemployment and improve working conditions than they otherwise would.

Though businesses run by minority or ethnic groups have always been present in Europe, in the post-war era ethnic economy is closely associated with three developments (Blaschke, Boissevain, Grotenberg, Joseph, Morokvasic and Ward, 1990, 79). Firstly, the massive immigration from former colonies, southern Europe and North Africa has created sizable ethnic communities particularly within the urban context. This was mostly because of the expansion of labor markets during the economic boom of 1950s and 1960s. Yet, many of the jobs that attracted them have disappeared in the wake of industrial restructuring. Secondly, as a result of industrial restructuring traditional large-scale employers closed down plants. The increasing competition from low-labor-cost countries has also affected this process. This inevitably gave rise to a transformation from labor-intensive to capital-intensive production and has led many immigrants to seek alternative employment opportunities. Thirdly, the resurgence of small and middle-sized enterprises as an outcome of changing industrial structure has become one of the main economic policies similar to that in the United States. However, every country has different internal dynamics that influence the development of ethnic economies. Thus, before looking the practices of

immigrant entrepreneurs in Berlin in next chapter, we have to briefly analyze some theoretical approaches in the literature of ethnic entrepreneurship.

One of the discussions in the ethnic entrepreneurship literature is based on the theory of middleman minorities. Deriving from the concept developed by Blalock, Bonacich argues that in contrast to other ethnic minorities, middleman minorities occupy an intermediate position by performing the delivery of goods and services between producer and consumer, employer and employee, owner and renter, elite and masses (1973, 583). Sojourning is treated as a preliminary stage that leads to middleman status. In pursuit of income maximization in a limited time for their future investments, sojourners mostly concentrate in narrow occupational niches and aim to save money. These objectives enable sojourners not to be tied to a specific territory for long periods and endorse easily liquidated livelihood (Ibid, 585). Without doubt this paves the way to the increase of inter-group solidarity through strong regional associations, mutual assistance and trust retained among the members. Although they have various conflicts based on language, religion, culture, identity and etc., sojourners try to present a superseding national unity against the host society. Because of orientation towards a homeland, they resist out-marriage, reside in self-segregation, establish language and cultural schools for their children, maintain cultural distinctiveness from host society and avoid involvement in local politics except in affairs that directly affect their group (Ibid, 586).

Since middleman community organization is built upon thrift, they can cut the costs and compete with other enterprises. This goes hand in hand with the competition within middleman community. The internal competition is sometimes controlled by guild-like structures, which in a way might explain their economic inefficiency in the market. Within this formation they maintain a monopoly over a particular economic activity and stress kinship or ethnic bases of recruitment rather than universal principles (Ibid, 589). These augment the conflict between host society and middleman minorities because of economic matters and solidarity (Ibid, 589-590). In the middleman family firm, employees are willing to work

long hours at low prices. This generates a variation of 'split or dual labor market' in which we face with a conflict between cheap and higher priced labor.<sup>1</sup> Split labor market is not only a pattern of conflict between employers and employees, but also a pressure on other competing business groups in the host society since all of them try to lower the cost of labor. Moreover, middleman minorities are accused of having dual loyalties even if they become citizens of the country they reside (Ibid, 591). Occasional visits and sending money to their homeland are seen by the host society as important indicators of this dual loyalty. Thus, host reaction solidifies middleman community and in turn love of homeland is kept alive. They can be defined as 'strangers' in reference to Simmel and hence can be described as potential wanderers (Ibid 593). In this manner although middleman minorities are bound to the host society because of their economic activities, they keep themselves apart from host culture through liquidable occupations and economic organization.

Nonetheless, middleman minority theory contains some conceptual limitations. As Bonacich admits we cannot claim that all middleman minorities are in a constant mode of movement between homeland and receiving countries or aim to return to the homeland (Ibid, 592). They may abandon the dream of return to their homeland and hence become socially integrated to the country they reside. Furthermore, economic dynamics of globalization require stronger players in the market and in a way force these middleman minorities to remain in local markets, which underlines the importance of integration and residence. Similarly, younger generations may seek higher-paying non-ethnic firms or citizenship rights and status. From a different perspective Light and Gold also reminds us three blind spots of middleman minority theory (2000, 7). First, the theory stresses the Third World context<sup>2</sup>, in which a sharp distinction between traditional and modern capitalism is made. Within this distinction ethnic capitalism seems to represent the model of economic interaction in the periphery unlike capitalist development in core countries. Therefore it describes an oversimplified analysis of core-periphery relations. Inevitably, this leads us to another point. In the advanced industrial countries we also face with the prosperity of middleman minorities. That is to say

ethnic economies are not marginal within the development of capitalism and we cannot neglect the development of ethnic economies in the industrialized economies. Finally, middleman minority theory treats only trading groups with a history of traditional capitalism. In other words, it could not be used to discuss the wage-earner groups, who have recently become entrepreneurs.

In contrast to the middleman minority theory, disadvantage theory concentrates on discriminations and barriers in the host society. It considers entrepreneurship as a survival strategy for immigrant or minority groups because of the barriers they face in the formal labor market. This is partly related with the dual labor market theory, in which disadvantaged groups are working in the inferior sectors and they do not have the means to seek desirable jobs in the primary sector of the labor market. The obstacles like poverty, unemployment, poor language skills, limited educational attainments, employment opportunities and discrimination (gender, racial and etc.) push these groups to earn more in entrepreneurship than they might receive as wage earners. These disadvantages are not important on their own, but problem becomes decisive when these disadvantages affect one's position in the labor market (Pécoud, 2000, 450). However, Light and Gold emphasize that we have to distinguish between resource and labor market disadvantages in order to better interpret the theory (2000, 197-207). In resource disadvantages, the immigrant or minority groups have little human, social or cultural capital and as a result of this they lack the resources to develop their own businesses. On the other hand, in labor market disadvantages, the immigrant or minority groups have human, social or cultural capital and are also able to develop their business depending upon these resources, but their professional situation is below what they could expect (Pécoud, 2000, 449). In this sense they are in a better position than resource disadvantage groups in order to develop their businesses. Though these two forms of disadvantage are interrelated, such a distinction is useful to clarify why discriminated workers react in different ways (Ibid, 449). Still, some scholars argue that disadvantaged theory cannot explain entrepreneurial experiences of different immigrant groups. For example, Fairlie and Meyer emphasize that this theory alone cannot illustrate why African-

Americans have a lower self-employment rate than Chinese-Americans even though they are relatively more disadvantaged as a group (1996, 775). Similarly, studying Portuguese and Black entrepreneurs in Toronto, Teixeira finds this theory inadequate to address why Blacks involve less in self-employment though they are the most disadvantaged minority group (2001, 2057). In this context, we need to go beyond a distinction between resource and labor market disadvantages.

Ethnic enclave economy is also one the most frequently mentioned explanations in the literature of ethnic entrepreneurship. However, unlike the concept of ethnic economy, which is derived from the literature of middleman minorities, the conceptual background of ethnic enclave economy is based on dual labor market theory (Light and Gold, 2000, 11). As we have seen dual labor market theory is also a crucial component of middleman minority and disadvantage theories. But the stress on spatial clustering introduced with dual labor market theory differentiates the conceptualization of ethnic enclave economy from middleman minority and disadvantage theories. In addition to this spatial clustering, the concept of ethnic enclave economy requires vertical and horizontal integration of firms and co-ethnic employees. Wilson and Portes (1980) introduce the concept of immigrant enclave as a forerunner of ethnic enclave economy. They built their analysis upon dual labor market theory's distinction between the competitive and monopoly sectors (Light and Gold, 12). According to them, ethnic enclave economy obtains some of the advantages from monopoly sector even if they are in the competitive sector. In other words, enclave economy offers immigrant workers a protected niche of opportunities for career mobility and self-employment that are not available to them in secondary labor market (Nee, Sanders and Sernau, 1994, 850). In this sense one of the main assumptions is the mobilization of ethnic solidarity to create opportunities for immigrant workers. Similarly, according to the proponents of ethnic enclave economy, "...immigrant entrepreneurs mobilize ethnic solidarity to establish a unified system of vertical and horizontal integration enabling enclave firms to replicate some of the economies of scale associated with core monopolistic firms" (Sanders and Nee, 1987, 746). Ethnic solidarity provides these entrepreneurs privileged access to



immigrant labor and legitimated paternalistic work arrangements that give their firms favorable work discipline (Ibid, 747). These ethnic networks can also generate informal sources of capital formation and captive markets. These make enclave firms more self-sufficient and flexible. Though ethnic enclaves concentrate in a distinct spatial location and serve their own ethnic market and/or general population, two groups of entrepreneurs seem to emerge in it (Wilson and Martin, 1982, 138). On the one hand there is a group of relatively independent firms, which compete with each other for supplies and minority consumers. In this case enclave can be considered as part of the periphery in the majority economy, since the entrepreneurs compete in a market, where there is demand for cultural goods and services and this demand is limited only with the population of immigrant or minority group. On the other hand, minority firms may possibly be arranged in a fairly unified system of vertical and horizontal integration and hence they resemble the center economy and utilize the advantages deriving from this.

However, ethnic enclave economy cannot give a complete picture of the entrepreneurial experiences of immigrants. Competitive advantage of an enclave economy cannot meet the challenges of a global economy even in a particular location. The demand in this ethnic enclave economy is restricted with the size of the immigrant population and inevitably there is limit for the supply of goods and services in the market. This influences the number of firms in the market and their possibility to remain in an advantaged position in the long run, since all of them are challenged with the free flow of goods, services and capital in the global economy. In addition to the structural changes in the global market deriving from capital-intensive production, new chains of immigration also diminish the possibility of these enclave firms to compete with cheap labor and/or informal economy. Moreover, with the cultural dynamics of globalization cultural industries do not only take the attention of these entrepreneurs but also different multinational or transnational corporations. Within this context it is extremely difficult to talk about unified and stable ethnic enclave economies.

In order to examine these critiques we have to look at the discussions on what consumers want and what entrepreneurs provide in the literature of ethnic entrepreneurship, namely demand and supply sides in the market. Such an analysis is mostly associated with the interactive model of Waldinger, Aldrich and Ward. They question how supply and demand co-determine entrepreneurship (Light and Gold, 2000, 16). According to them ethnic business development is built upon opportunity structures and characteristics of the ethnic groups (Waldinger, Aldrich and Ward, 1990, 21). Opportunity structures consist of market conditions, which may favor goods and services oriented toward co-ethnic market or situations in which goods and services oriented toward general (non-ethnic) market. It also includes the routes through which access to business is achieved. On the other hand, group characteristics consist of pre-migration circumstances, group's reaction to conditions in the host society and resource mobilization through different features of ethnic community. However, these are inadequate to present the whole picture of ethnic business development. With the interaction of opportunity structures and group characteristics different ethnic strategies emerge since these ethnic entrepreneurs try to adapt themselves to changing circumstances in their environments.

Considering the market conditions within opportunity structures Waldinger, Aldrich and Ward develop their theory on ethnic consumer products and interactions of business in the open market. Immigrant entrepreneurs that provide cultural products and services have a direct connection with the immigrants' homeland and knowledge of tastes and buying preferences of this immigrant group (Ibid, 23). However, this ethnic market can only support limited number of businesses since it is quantitatively small and ethnic population has a limited buying power. Moreover, overcompetition among ethnic entrepreneurs within this limited ethnic economy unavoidably generates low profits and high failure rates. On the other hand, immigrant business can develop in the open markets, where industries are not characterized by extensive scale of economies and entry costs (Ibid, 25). In this sense Waldinger, Aldrich and Ward emphasize four market types (Ibid, 26-28). First, there are underserved or abandoned markets, where ill-

suited technological and organizational conditions favor small enterprises of immigrants, unlike large marketing organizations. Second, immigrant entrepreneurs can obtain high levels of efficiency with self-exploitation in markets where there are low economies of scale. Third, unstable and uncertain markets create non-competing branches for large firms handling with staple products and for small-scaled firms supplying goods and services for unpredictable or fluctuating portion of demand. Fourth, the demand for exotic goods and services among the native population allows immigrant to adapt the content and symbols of ethnicity into profit-making commodities (Ibid, 27). In these “exotic markets” immigrants lack competitors since only they can supply conditions that are seemingly authentic at relatively low prices. Besides market conditions, the access to ownership is also an important part of opportunity structures. This is largely conditioned by the number of vacant business-ownership positions, which is also related to the competition between immigrant and native populations. Furthermore, government policies regulate different norms about immigrants’ working and residence conditions, which cannot be neglected in access to ownership.

Unlike opportunity structures, which provide the niches and routes of access for potential entrepreneurs, group characteristics underline why particular ethnic groups disproportionately concentrate in ethnic enterprises (Aldrich and Waldinger, 1990, 122). Predisposing factors like the emphasis on human capital enable immigrants to utilize their experiences and education in pursuing employment opportunities. In this framework settlement characteristics like residential clustering, pseudo-middleman minority situation or ethnic enclave also affect the development of immigrant business activity since these factors provide low-wage labor market, flexible working hours and social networks. In addition to this, resource mobilization becomes more crucial since it is related with the definition of identity and experienced within close ties between co-ethnics, ethnic social networks and government policies (Waldinger, Aldrich and Ward, 1990, 34-40). Within these social networks ethnic entrepreneurs have the opportunity to obtain financial capital through rotating credits associations, cheap immigrant

labor, business contacts and reliable information about permits, laws, available business sites, management practices, low transaction costs, trusted partners and reliable suppliers. Embeddedness within these networks and ties inevitably re-defines and solidifies the ethnic identity of immigrant group and provide confidentiality and social control.

Ethnic strategies emerge from adaptations of ethnic entrepreneurs, in which they make to the resources available to them building on the characteristics of their groups (Ibid, 46-47). These ethnic strategies mostly develop from the need to confront with problems like acquiring the information needed for the establishment and survival of their firms, obtaining the capital needed to establish or to expand their businesses, acquiring the training and skills needed to run a small business, recruiting and managing efficient, honest and cheap workers, managing relations with customers and suppliers, surviving strenuous business competition, and protecting themselves from political attacks. In explaining how to deal with these problems Waldinger, Aldrich and Ward depend heavily on family and ethnic networks as ethnic strategies.

However, these create some drawbacks in their interactive model. First of all, in terms of methodology, interactive model requires simultaneous variation in supplier groups and in demand environments in order to present supply and demand factors (Light and Gold, 2000, 17). And this methodological problem can only be solved with a multigroup or multilocality research design, which is hardly seen in the literature. Moreover, as Leung appropriately asserts ethnic entrepreneurship does not have to be limited within labor-intensive light industries like garment manufacturing, restaurants, petty retailing, taxis and etc (2001, 279). Also Leung, referring to the Chinese business in Hamburg, underlines the fact that Waldinger *et al.* equate the term ethnic enterprise and immigrant business. However, in the German context immigrants are *de facto* recognized and in turn this creates some problems. The immigrant entrepreneurs cannot be clearly analyzed since the data on foreign entrepreneurship does not distinguish between foreign investors and *de facto* immigrant entrepreneurs and also it does not

include those immigrant entrepreneurs, who have acquired German citizenship but still benefit from ethnic networks. In addition to these, Waldinger *et al.* in explaining the group characteristics and ethnic strategies depend on the family and co-ethnic networks, but barely concentrate on intra-group differences. This is mostly because of the fact that immigrants from the same homeland are considered as homogenous ethnic groups, in which culture is defined as an unchanged, uniform and particular entity and hence identity does not have any place for hybrid forms. However, as we will see in the next chapter, there are crucial differences within the same immigrant population in terms of ethnicity, religion, identity, culture and so forth. Furthermore, Waldinger *et al.* equate the economic transactions of immigrant entrepreneurs within markets, where low economies of scale, exotic goods, instability and uncertainty are the common factors. But they do not depend on the determining role of welfare systems, economic models and immigrant policies. Within this context, Waldinger *et al.* consider immigrant entrepreneurs as political and economic objects who can react to the restructuring of Western industrial economies, but not active political and economic subjects, who create economic functions and positions in the global and local markets (Leung, 2001, 279). Such a formulation also cannot explain immigrants' transnational business experiences like the overseas Chinese, who utilize their ethnic and socio-economic networks to facilitate their business operations and to promote their profits in the global economy. Lastly, Engelen criticizes Waldinger *et al.* because of the map that defines the growth strategies of immigrants (2001). According to these growth strategies of immigrants, there are four levels in the development immigrant businesses (Waldinger, Aldrich and Ward, 1990, 125-126). In the replacement labor stage, there is a highly concentrated residential population, but a small specialized business population with narrow range of goods. In the ethnic niche stage, residentially concentrated population has a wide range of business types. In the middleman minority stage, there is a residentially dispersed ethnic population and business owners provide a wide range of goods and services to other groups. In the economic assimilation stage, ethnic population is widely dispersed and entrepreneurs supply goods and services that are typical of majority business population. For Engelen such a

scheme is problematic in two ways (2001, 211-212). Firstly, the emphasis on assimilation as an indicator of success reveals an assimilationist ideology and a lack of insight into process of innovation since innovation is considered as the attempt to make your business as dissimilar as possible from your competitors. Secondly, the main decisive factor to distinguish business strategies is the degree of ethnic concentration, which is the sign for development from protected markets to mainstream market. However, spatially oriented strategies are not relevant for all immigrant entrepreneurs.

Depending upon these theoretical approaches and critiques we can have a closer look at the entrepreneurial experiences of immigrants from Turkey in Berlin in order to better evaluate the theories and construction of flexible identities. Nevertheless, such an attempt will be incomplete unless we examine the regimes of market considering the welfare policies in Federal Republic of Germany and regimes of social networks. This will enable us to elaborate sufficiently on socio-economic and politico-institutional processes in Berlin, which condition the position of immigrant entrepreneurs. Since we have covered politico-institutional dimension to a great extent under the heading of state regimes and citizenship conceptualization in the second chapter, we will first try to base our analysis on economic dimensions and particularly on welfare state policies and market conditions. Following this we can look at the regimes of social networks among immigrant entrepreneurs briefly.

### **3.3 Regimes of Market and Welfare State Policies in the Federal Republic of Germany**

In analyzing the entrepreneurial experiences of immigrants in Berlin we need to understand the dynamics of market and their reflections on state policies. On the one hand, this is relevant to interpret the socio-economic and politico-institutional conditions, in which immigrant entrepreneurs try to run their businesses under particular market conditions. On the other hand, as a background for the arguments in the next chapter, such an approach is crucial to clarify why we

cannot only define these immigrant entrepreneurs as passive economic and political actors in the regimes of state and market conditions. In pursuing these, we will be able to question the middleman minority, disadvantaged and ethnic enclave economy theories and further develop the opportunity structures explained in the model of interaction.

Following Foucault, Ong considers "...liberalism to be not merely an ethos but a regime of normalizing whereby *homo economicus* is standard against which all other citizens are measured and ranked" (1999, 129). In this sense liberalism is not a perfect realization of a doctrine called liberalism but rather a collection of "...rationalities whereby a liberal government attempts to resolve problems of how to govern society as a whole" (Ibid, 195). As cited in Ong, Burchell gives a clear definition of this kind of government:

Liberal government is pre-eminently economic government in the dual sense of cheap government and government geared to securing the conditions for optimum economic performance. There is a sense in which the liberal rationality of government is necessarily pegged to the optimum performance of the economy at the minimum economic *and socio-political cost* (Ibid, 195).

As a rule of rationality, liberalism is extremely concerned about the problems of governmentality between immigrant populations and market mechanisms. In other words, it tries to regulate immigrants within the context of particular market conditions through different strategies, programs and techniques. Thus, market opportunities in Federal Republic of Germany are necessary on the one hand to present the match and mismatch between structural demands and individual or collective attributes, on the other hand to portray that markets are social and historical constructs unlike the arguments of neoclassical economics (Engelen, 2001, 206).

Although the economic landscape in the advanced economies is dominated by giant global firms and multinational or transnational corporations, the structural viability and long-term economic importance of small firms cannot be neglected mainly because of the structural developments (Kloosterman and Rath, 2001, 193). These developments are deriving from technology, consumer demand,

business strategies and shift to services sector, which have decreased the minimum efficient scale of doing business in the markets and hence encourage immigrant entrepreneurs. However, this does not mean that immigrant entrepreneurs only run small enterprises. Rather these developments have to be seen as crucial factors that affect the accessibility and growth potential of markets for immigrant entrepreneurs (Ibid, 194). Regarding these developments Engelen tries to illuminate the market structure in Germany at a theoretical level through Esping-Andersen's criterion of 'decommodification'. Within this framework a decommodified economy is an economy, where smaller number of goods and services is allocated according to purchasing power than in commodified ones (Engelen, 2001, 205). Therefore, in terms of the entrepreneurial experiences of immigrants a commodified economy provides more chances than a decommodified economy.

Decommodification matters not only because the number of marketable goods and services and thus the number of markets will be higher in commodified economies, but also because it determines the type of tradeables and thus the type of markets available. The arrangements that are to shield employees from the vagaries of markets entail costs which are either financed from general taxation or from contributory premiums. In both cases, labor costs will be higher if protective arrangements were absent. High labor costs in turn favor some economic activities and punish others. In high cost environments competitiveness is secured either by entering high-grade markets (quality competition), by shifting to activities with a high capital intensity or by a combination of both...To conclude, the higher the degree of decommodification in an economy, the smaller the number of markets available and the more the available markets will be of the high grade, high-rewarding and high threshold-type. Thus, in general, chances for 'breaking in' will be highest in commodified economies and lowest in decommodified ones (Ibid, 205).

In order to interpret this theoretical explanation in the case of Germany, we can utilize Kloosterman's conceptualization of Rhineland model, which characterizes continental Europe (Pécoud, 2000, 452). According to him, in this model there is a highly regulated economy in which state intervention guarantees that labor is well protected. Without doubt, employers have to ensure not only a minimum wage but also high levels of health and unemployment insurances. As a consequence of this, providing a job is more expensive than in North America,



where the jobs are poorly paid and unprotected. In the long-term this can lead toward a scarcity in job creation and in turn can result in significant unemployment rates. In this sense there is a cleavage in the labor market. Those workers who suffer from unemployment and blocked opportunities may tend to open businesses. In addition to high labor costs that make markets for personal viable, deindustrialization in Germany has been slower than elsewhere since most of the firms are active on quality markets rather than price markets (Engelen, 2001, 205). At the end these led social-democratic parties and labor unions to withstand the pressure to adopt neo-liberal labor market policies and hence to create low-rewarding markets for personal services. However, when we consider the firms at the lower end of the opportunity structure in this market, the competition is primarily on flexibility of supply and on price rather than on quality (Kloosterman and Van der Leun, 1999). And the main strategy within this regulatory framework is to cut labor costs since the production at the lower end of the opportunity structure is labor intensive. Indeed, the room to maneuver will increase by evading payment of taxes or social contributions or by lowering minimum wage and working-hour regulations (Ibid, 5). Within this context social networks also privilege immigrant entrepreneurs to achieve information, capital and labor more rapidly. Still, it can be observed that opening a business in highly regulated economic structure of Germany is a difficult process, which requires various formal qualifications. This is also evident when we look at the welfare policies in Germany.

The welfare state policies are crucial to elucidate the socio-economic and politico-institutional conditions in Germany, especially when we try to go beyond the discussions in the literature of ethnic entrepreneurship. The welfare state policies are not only seen as restrictions for transnational mobility of labor, but also as 'closed systems' for the access to benefits provided within these modes of regulation (Faist and Häußermann, 1996, 83). Following Ong (1999, 127) we can say that welfare state policies indicate different biopolitical investments of Germany in different subject populations to remain globally competitive. In this sense they present the uneven distribution of services, care and protection over

their territory between citizens and non-citizens; between non-citizen immigrants and citizen immigrants; and among different classes of citizen or non-citizen immigrants. These are reflected to some extent in the arguments of Thomas Faist. Faist argues that while welfare state regimes are specific institutional arrangements in pursuit of work and welfare, immigration regimes are institutional arrangements of national welfare states to regulate admission and integration of newcomers (1995, 221-222). Depending upon Esping-Andersen's classification of welfare capitalism<sup>3</sup> and Baldwin-Edwards' classification of immigration regimes<sup>4</sup>, Faist underlines that there is a connection between welfare-state regimes and immigration regimes and according to this connection German welfare state is associated with class-based corporatist policies (1995, 222-225). This implies that Germany has high levels of redistribution on social affairs and high degree of labor market regulation. As a result of these, immigration policies fluctuate according to the economic demand. In other words, economy in the German welfare state is structured around an exclusive view of economic citizenship (Rath, 2002, 16). For example, the increase in the recruitment of guestworkers was suddenly stopped in early 1970s because of the oil crisis. This fluctuation in immigration policies can also be seen in the demand for qualified foreign workers. Unlike the first two decades of immigration policy, Germany does not seek unskilled or semi-skilled foreign workers, but rather highly-qualified foreign workers; like managers, computer specialists, engineers, mathematicians and so forth.<sup>5</sup> This is mostly called 'brain-drain' and reflected in the example of IT (information technology) professionals. Their position was regulated within the 'Green-Card' program, through which they were given permanent residence permit and five years of work permit. Interior Minister Schily defines this regulation as "...modern, flexible, business friendly, and socially balanced instrument for demand-oriented control and limitation of immigration" (Martin, 2001).

In addition to this, Faist asserts that indirect integration policies in Germany do not distinguish between citizens and non-citizens and majority and minority groups, but rather exclude non-citizen members of minority group (1995, 226). It

is mostly observed in social services and housing rather than employment based social benefits. For example, non-citizens with secure residency status are not disadvantaged vis-à-vis citizens in access to social rights, but remain disadvantaged in housing provision (Faist and Häußermann, 1996, 87). Moreover, there are differences in access to social rights like unemployment insurance, social assistance, education of children and social housing among various classes of immigrants like ethnic Germans (Aussiedler), recognized refugees (Asylberechtigte), settled guestworkers, temporary workers, asylum seekers (Asylbewerber) and unauthorized immigrants (Ibid, 88-90). Furthermore, since apprenticeship is the only necessary requirement for a school-leaver to get a skilled job in the labor market of Germany, class-based corporatist policies in Germany enable state, employers and unions to play a crucial role in directing and regulating a coherent system of job training through apprenticeship (Faist, 1994). In this structure while public policies determine the rate of job training, and employer selection mechanisms formulate processes of unequal access to training and jobs, the unions and employer associations intermediate between these actors (Ibid, 442). Though these policies favor a high rate of formal job training among school-leavers, immigrants do not participate in the formation of these training policies since they are excluded from formal political arena and disenfranchised except for the work councils in the workplace (Ibid, 449).

Without doubt these fluctuating policies and indirect integration policies represent different biopolitical investments on different immigrant groups and classes and hence help us to portray the regimes of market and welfare state policies that condition the position of immigrant entrepreneurs. This is also evident in three political perspectives on the impact of immigration in a period of welfare state retrenchment (Faist, 1995, 234-244). Firstly, social democratic perspective favors restrictive immigration and inclusive immigrant policies, which results in a massive influx of cheaper-priced labor. Since there are lower wages and poor working conditions unattractive to native workers, higher unemployment rates among native workers become inevitable in these competitive labor markets and this situation increases the fiscal constraints of welfare state. The recruitment of

guestworkers in 1960s and massive inflow of asylum seekers and ethnic Germans in 1980s and early 1990s can be considered the results of these developments. In this sense they favored employers to attain cheap labor force in the German labor markets. Secondly, the cosmopolitan-liberal perspective supports moderate immigration restrictions. Unlike restrictive immigration and inclusive immigrant policies, the moderate immigration restrictions are preferred since immigrants provide economic-demographic benefits to the host country. This is also relevant in Germany because immigrants pay more taxes than they get in turn in the form of services and social insurance and because they stimulate the economy in terms of consumer goods (Ibid, 239). Thirdly, nationalist-populist perspective underlines that the duty of welfare state is to guarantee decent livelihood of its own citizens before rights are granted to non-members or to those who seek to become members (Ibid, 240). Such a perspective is crucial because it provides an answer to challenges when distributive and regulatory models of welfare state become under attack and long-term consequences of cosmopolitan-liberal perspective creates diminishing of social rights and provisions for host society because of the competition in the labor market (Ibid, 241). In addition to this, nationalist-populist perspective views immigrants as cultural actors that are accused of an unwillingness to assimilate (Ibid, 243). Yet, conservative elites and employers in this nationalist-populist perspective welcomed ethnic Germans according to the definitions in the constitution, starting from late 1980s and early 1990s (Ibid, 244). As a result of welfare state policies, Germany is experiencing a transition from dominant class cleavages to class-race cleavages with the deregulation of labor markets, changing levels and patterns of re-distributive social policies and maturing of immigrant populations (Ibid, 244).

In terms of the general market structure in Germany, the entrepreneurial experiences of non-citizen or citizen immigrants in Berlin are conditioned mainly with the creative/destructive processes shaped by the forces of technological change and globalization (McManus, 2000, 866). In this manner creative side corresponds to the post-industrial shift from capital intensive manufacturing industries to labor-intensive service industries, which have increased the number

of small firms concerning viable economic units. Following this, information technologies have promoted decentralization and hence have challenged the rules that establish the traditional boundaries of the firms. This in turn enables immigrant entrepreneurs to run their economic activities across the boundaries of firms. In addition to the effects of creative side, on the destructive side economic restructuring has generated labor-market turbulence in the form of organizational downsizing and job displacement even in the strong occupational German labor market. Organizational downsizing and job displacement lead immigrant workers to seek self-employment opportunities. However, the strong occupational German labor market produces small but stable core of skilled self-employed workers and this implies that job stability seems to be the most important feature of high-quality self-employment jobs in Germany (Ibid, 869-870).

### **3.4 Regimes of Social Network among Immigrant Entrepreneurs**

Before illustrating the formation of flexible identities among immigrant entrepreneurs in the next chapter, we also need to clarify the regimes of social network. Though the conceptualization of social and cultural capital are not confined to the literature on ethnic entrepreneurship, we have to look at these regimes of social network in order to give a complete picture of the literature. Such an emphasis will also help us to develop another theoretical sphere in addition to regimes of state and market.

As Isin and Wood underline, Bourdieu argues that in the formation of social groups appropriation of different forms of capital as resources is decisive (1999, 40). In his formulation, capital does not stand only for an economic unit, but also an array of symbolic, cultural and social indicators. Though symbolic, cultural and social capitals can be converted to economic capital under certain conditions that define one's life chances and social trajectory (Ong, 1999, 90), a distinction has to be made between them in order to better interpret the position of immigrant entrepreneurs. According to Bourdieu, cultural capital is institutionalized in educational qualifications whereas social capital is mostly institutionalized in the

form of status symbols (1986, 242-244). On the other hand symbolic capital “as an ideological system of taste and prestige...reproduces the established social order and conceals relations of domination” (Ong, 1999, 89). Thus, capital is embodied power and exists in relation to a field, where social agents are not only passive recipients pushed and pulled by external forces, but also active users of different forms of capital depending upon their trajectory and on the position they occupy in relation to contribution in capital (Isin and Wood, 1999, 41). Though social, cultural, symbolic and economic forms of capital are interrelated, some scholars, like James Coleman<sup>6</sup>, make special emphasis on social capital especially in explaining the social networks of immigrant groups. According to him, social capital represents benefits derived from relations of mutual trust and collaboration and hence depends upon the relations between members of a group (Kelly, 1995, 216). Mutuality refers to a complementary process, in which an effect of assumption about common interests will develop through social exchanges and an expectation will be fulfilled within a certain time limit in order to carry on the existing relations (Ibid, 216). In this sense, social capital, as Portes defines, is a source of family-mediated benefits, a source of resources mediated by non-family networks and also a source of social control (2000, 2). In other words, social capital “...are those resources that help people or groups to achieve their goals in ties and the assets inherent in patterned social and symbolic ties that allow actors to cooperate in networks and organizations, serving as a mechanism to integrate groups and symbolic communities” (Faist, 2000, 102). When we consider the immigrant entrepreneurs the most important functions of social capital are to reduce transaction costs, to facilitate cooperation and to maintain social control.

In the literature of ethnic entrepreneurship one of the mostly discussed issues is the construction of social networks deriving from a specific migration history, language, certain religious beliefs and practices, particular ethno-cultural features and so forth (Rath, 2002, 10). Although immigrant entrepreneurs are conditioned within different regimes of social networks, simultaneously they are able to mobilize these networks in pursuit of economic benefit. The social networks are decisive in acquiring knowledge, distributing information, recruiting capital and

labor and establishing strong relations with clients and suppliers (Ibid, 10). These unavoidably lower transactions and facilitate cooperation through different mechanisms; namely, obligations as a pattern of social exchange, reciprocity as a social norm and solidarity based on collective representations (Faist, 2000, 104-111). In the first mechanism, degree of trust to other actors, actual number of obligations and kind of services rendered in the past are seen as substantial elements and can be best represented in the market transactions like allocation of scarce resources and distribution of outputs among the immigrant entrepreneurs. Secondly, the norm of reciprocity refers to exchange of roughly equivalent values, which depends on the prior actions of the other. In this sense good is returned for good and bad for bad (Ibid, 105). Thus, there is a control of malfeasance or trust among the members of immigrant groups. Thirdly, solidarity among the members of a group, who share similar social and symbolic ties, develops a collective identity. Though solidarity is institutionalized within the concept of citizenship, decoupling of rights and identity or state and nation allows immigrants to define themselves with hybrid identities and to acquire dual citizenship. Thus, solidarity as an indicator of collective identity does not have to be defined within the boundaries of nation-state. In addition to these, social capital as a sum of resources provides an access to various resources and information. At this point Light and Gold distinguish between ethnic and class resources (2000, 83-129). Following Bourdieu they underline that class resources are composed of financial (wealth, money), human (education, work experience), cultural (tastes, behavior, knowledge) and social (network) capitals, but some immigrant groups have almost no class resources at all and still can manage to enter entrepreneurship and hence experience upward mobility. According to them, such an upward mobility can only be achieved with ethnic resources, though it is hard to separate them from social capital. In this sense ethnic resources are created and re-produced as part of the collective lives of group members and rules that are taught within this communal life (Ibid, 108). And unlike class resources, ethnic resources like rotating savings and credit associations provide benefits for the whole immigrant group, not only its bourgeoisie (Pécoud, 2000, 446).

Considering the Chinese family and *guanxi* networks Ong tries to illuminate the regimes of truth and power, which aim to define and regulate the behavior and attitudes of Chinese diaspora (1999, 114-119). Within these networks, "...familistic regimes dominated by men and the elderly not only regulate and exploit the labor power (whether compensated by wages or not) and reproductive power of family women, younger men, and children. These regimes also constitute subjects such as the ideal Chinese daughter through the discourse of *xiao*, "filial pity", and discipline them through forms of violence" (Nonini, 1997, 204). These regimes are also continuously re-inscribed on the members of diaspora through factories and schools, since regimes of social networks require localization of disciplinable subjects (Ibid, 205). Thus, they represent the practices that underline pragmatism, interpersonal dependence, bodily discipline, gender and age hierarchies, and other ethnic-specific modes of social production and reproduction in diaspora (Ong, 1999, 116). To put it differently, the regimes of social network, just like the biopolitical power of the modern state as Foucault calls it, develop rules, norms, regulations and rituals, which increase the surveillance and control of the population in order to ensure its health, productivity and security and to achieve optimum economic benefit and minimum socio-economic and political cost (Ong, 1997, 172). In this framework the higher the extent of social network, the more possibility for surveillance and control exists (Faist, 2000, 113). The extent of social network is crucial since any person within this regime is a link in the indirect ties to others in controlling the flow of information, resources, authority and power.

The conceptualization of regimes of social network underlined by Ong is also related to a discourse of trust. The mechanisms of control and surveillance generate a discourse of trust within the immigrant population, which tries to ensure immigrants' health, productivity and security. In other words, trust can be treated as "...habitus in which 'everyday routines, stable reputations and tacit memories' contribute to a sense of social order and stability" (Westwood, 2000, 87). In reference to Bourdieu's definition of habitus, Isin and Wood argue that,

Since habitus is a system of durable dispositions it can be seen as a presence of the past that tends to perpetuate itself with continuity



and regularity. It is this regularity that objectivism records without being able to account for it. It is also this regularity that leads advocates of groups to essentialize and naturalize habitus. The fact that habitus is a capacity for generating thoughts, perceptions, expressions and actions whose limits are set by the historically and socially situated conditions of its production would require historicizing and contextualizing rather than essentializing it. While habitus excludes and regulates incompatible behavior with its objective conditions, it is also an embodied history, internalized as a second nature, an active presence of the past of which it is the product (1999, 39).

Thus, social networks create secure and stable environments for immigrant entrepreneurs, where they can run their economic activities in a host society and its market mechanisms. In addition to this, because of the high competition among themselves an immigrant entrepreneur needs to make necessary managerial decisions considering the position of other firms in the local and global markets. In this sense social networks also enable immigrant entrepreneurs to have continuous flow of knowledge about other players in the market or to establish complex set of alliances, since every player entering into the market inevitably influences the distribution of profit among immigrant entrepreneurs. To put it differently, as a managerial strategy immigrant entrepreneurs try to utilize these networks to calculate and diminish the risks in the market deriving from the harsh competition not only between the members of host society and immigrant group but also among the members of their own immigrant group. As a result, members of immigrant entrepreneurs within these social networks are tried, tested and known and thus experience, reputations, knowledge and various other narratives about culture, tradition and identity are continuously produced from generation to generation. However, these created identities are not stable, homogenous and unchanged, but rather flexible, hybrid and mobile.

### **3.5 Conclusion**

In this chapter we briefly tried to rely on the discussions in the literature of ethnic entrepreneurship and deriving from this we have focused on the regimes of markets and social networks. The middleman minority, disadvantaged, ethnic

enclave economy and interaction models both demonstrate different dynamics of immigrant entrepreneurship and clarify the distinctions among these theoretical approaches. However, we have also observed that these theoretical approaches cannot separately explain the socio-economic and politico-institutional processes between the Federal Republic of Germany and citizen or non-citizen immigrant entrepreneurs in Berlin. Thus, we concentrate on regimes of market, welfare state policies and social networks not only to reflect the interconnectedness among these approaches in ethnic entrepreneurship literature, but also to indicate the mixed embeddedness in which immigrant entrepreneurs run their businesses. In addition to the regimes of state that we examined in terms of citizenship in the second chapter, regimes of market and welfare state policies also condition practices of immigrant entrepreneurs by privileging different norms like high degree of labor market regulations, class-based corporatist policies, organizational downsizing, job displacement and post-industrial shift from capital intensive manufacturing industries to labor-intensive service industries. Moreover, social networks acting through the mechanism of thrust, which can be treated as habitus, maintain the flow of knowledge, financial capital, reputation, memories and thus formulate a sense of order and stability through social control and surveillance. Still, it is these regimes of market and social networks that immigrant entrepreneurs make use of and in turn create flexible identities in order to be mobile under the harsh competition of global economy and its political and social dynamics.

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**Endnotes:**

<sup>1</sup> For a detailed discussion on split labor market see; Edna Bonacich, "Class Approaches to Ethnicity and Race," *Race and Ethnicity in Twentieth Century Capitalist Development, Special Issue*, Vol. X, No. 2, Fall 1980 and "A Theory of Ethnic Antagonism: The Split Labor Market," *American Sociological Review*, 37, October 1972, 547-559.

<sup>2</sup> Although the middleman minority theory is developed in reference to Weber's concept of "pariah capitalism," which draws attention to the ethnic minorities specialized in market trading in precapitalist societies, it is not within the scope of this chapter to make a distinction between pariah capitalism and modern capitalism. For a comparison of these see; Walter Zenner, *Minorities in the Middle*, (Albany: State University of New York, 1991), F. Bechofer and B. Elliott, "The Petite Bourgeoisie in Late Capitalism," *Annual Review of Sociology*, 1985, Russell Stone, "Religious Ethic and the Spirit of Capitalism," *International Journal of Middle Eastern Studies*, 5, 1974, 260-273, Gershon Hundert, "An Advantage to Pecularity? The Case of the Polish Commonwealth," *Association for Jewish Studies Review*, 6, 1981, 21-38.

<sup>3</sup> As cited in Faist (1995, 222), Esping-Andersen distinguishes 'three worlds of welfare capitalism'. These are liberal (Anglo-Saxon countries), conservative (Continental Europe) and social democratic (Scandinavian countries) regimes.

<sup>4</sup> Referring to Baldwin-Edwards' study on European Community integration policy, Faist stresses four immigration regimes (1995, 222). These are semi-peripheral regimes with developing economies, poor immigration infrastructure and little provisions for immigrants; mainland continental regimes with strict immigration controls; Scandinavian regimes with liberal immigration policies; and United Kingdom model which has shifted from a liberal policy to a strict control and new definition of citizenship.

<sup>5</sup> For a further discussion on high-qualified immigrants and immigrant policies see Bafekr and Leman (1999) and Rohr-Zanker (2001).

<sup>6</sup> In order to clarify the conceptualization of social capital in Coleman see Coleman, J.S. "Social Capital in the creation of human capital," *American Journal of Sociology*, 94 Supplement, 1988, 95-121 and "The Rational Construction of Society," *American Sociological Review*, 58, February 1993, 1-15.

## CHAPTER 4

### ENTREPRENEURIAL PRACTICES OF IMMIGRANTS IN BERLIN

#### 4.1 Introduction

In the last two chapters I examined the relation between immigrant entrepreneurs and Federal Republic of Germany depending upon the concepts like citizenship, ethnic entrepreneurship and social networks. While the concepts of citizenship and ethnic entrepreneurship have enabled us to indicate how different kinds of biopolitical investments in different subject populations are exercised by the Federal Republic of Germany and market regimes, the emphasis on social networks has represented the control and surveillance mechanisms among these immigrant entrepreneurs. Such an analysis not only reflect the regimes, in which immigrant entrepreneurs are defined, conditioned and regulated in their relations to Federal Republic of Germany through laws, market structures and welfare policies, but also draws a picture of political, economic and cultural dynamics of globalization on the relations between immigrant entrepreneurs and Federal Republic of Germany.

However, such an analysis will present only half of the whole picture since we consider this relation between immigrant entrepreneurs and Federal Republic of Germany as an interactive process. In other words, immigrant entrepreneurs cannot be treated only as passive political actors, who are constituted within the regimes of citizenship, market structure, welfare policies and social networks. They can also be seen as active political subjects, who try to develop strategies and maneuvers in order to survive within these regimes. In pursuing these goals they generate flexible identities, which provide means of mobility for capital accumulation and competition in the market structures. In this sense, we need to

examine how immigrant entrepreneurs create and make use of these flexible identities. Moreover, this can be an opportunity to illustrate the differences among immigrant entrepreneurs in terms of identity, social networks, economic activities and etc., since we do not consider them as a homogenous group. Therefore, in this chapter a detailed analysis of the fieldwork, which is conducted between July and August 2003 in Berlin, will be given in order to provide a clear picture of the immigrant entrepreneurs. But before we examine this, we need to explain the methodological formulation of the fieldwork.

#### **4.2 Methodological Formulation of the Fieldwork**

In the Federal Republic of Germany self-employment rate of immigrant population has been increasing with an accelerating rate since the last decade and even slowly converging self-employment rate of the German population (Hillmann, 1999, 271). Without doubt immigrants from Turkey constitute an important part of this development. According to statistics, the number of self-employment among immigrants from Turkey augmented from 6000 in 1974 to 47000 in 1997.<sup>1</sup> In addition to this, the number of self-employment among immigrants from Turkey increased to 59500 in 2000 and estimated to reach 106000 in 2010 (ATIAD/KPMG, 1999; DİYİH, 2002, 43). In comparison to this general framework, according to the lists in *Yellow Pages (İş Rehberi)* there are around 5000 enterprises in Berlin, which are owned by immigrants from Turkey. However, we do not have an exact number of the enterprises in Berlin since all of the immigrant entrepreneurs are not registered in 2003 edition of Yellow Pages, where we can find different sectors like textile, food, travel agencies, health services, car services, cleaning services, construction and so forth. According to Stiftung Zentrum für Türkeistudien this number is around 5500 and approximately 27.000 people are employed in these immigrant enterprises throughout Berlin.<sup>2</sup>

In this fieldwork following a pilot-study with 5 entrepreneurs in the first week of July 2003, I conducted in-depth interviews with 25 entrepreneurs in Berlin between the 13<sup>th</sup> of July and 15<sup>th</sup> of August 2003. All of the interviews were done in the districts of Kreuzberg, Tiergarten and Wedding. In this study I preferred to

use the snowball technique as a research method, which needs to be clarified in order to explain the development of contacts and conduct of in-depth interviews with the sample group. Since I did not have any contact information about the immigrant entrepreneurs before I arrive to Berlin, I tried to explore different parts of the city especially Kreuzberg, which can be considered as one of the most immigrant populated districts in Berlin. During these two months, as Aktar (1990, 133) emphasizes in reference to Gans, I also tried to be a 'familiar face' mostly in Kreuzberg. This was important both for the formulation of research method and for the utilization of participant observation technique. Participant observation technique enabled me to carry out informal meetings with immigrant entrepreneurs in different social activities like dinners, charity campaigns, weddings and etc. The participant observation in these social activities was useful to examine social networks among different immigrant entrepreneurs concerning the mechanisms of solidarity, trust and control, construction of identity and mobilization of class and ethnic resources. It also helped me to solidify and go beyond the picture that was presented in the interviews. However, I believe that participant observation was developed depending upon the snowball technique as a research method.

The snowball technique seems to emerge from two initial contacts. My first contact was with the owner of a café/restaurant in Kreuzberg, who came to Germany in 1985 through the family unification process and identifies himself as a German-Alevi-Kurd. Coming from an Alevi-Kurdish background Şahin does not have only contacts with Alevi-Kurds, but also has a respectful position within this group since his father was *Dede*<sup>3</sup> in their village in Turkey. In this respect he helped me to get in touch with Alevi-Kurdish background entrepreneurs not only in Kreuzberg but also in Wedding and Tiergarten. In addition to this, his café/restaurant is like a meeting place both for Germans and immigrant groups, but predominantly Alevi-Kurds. Thus, as a 'familiar face' among this immigrant group I had the opportunity to meet different immigrant generations and was able to take part in various social activities of Alevi-Kurds. Secondly, in my visits to Turkish-German Businessmen Association (Türkisch-Deutsche

Unternehmervereinigung Berlin-Brandenburg, TDU) I was introduced to some members of the board and in turn was put in touch with some entrepreneurs, who are active members of TDU both in terms of economic transactions and social networks. TDU also has relations with different associations in Berlin like Turkish Union in Berlin-Brandenburg (Türkischer Bund in Berlin-Brandenburg, TBB), Association of Turkish Businessmen and Industrialists in Europe (Verband Türkischer Unternehmer und Industrieller in Europa, ATIAD) and so forth. Inevitably these relations facilitate some contacts and meetings with managers in different associations like Turkish Döner Manufacturers' Association in Europe (Verein Türkischer Dönerhersteller in Europa). Though I did not have the opportunity to participate in the social activities of TDU within these two months, I examined some of its publications like *Türk Ekonomi Dergisi* (Zeitschrift für Türkische Wirtschaft), in which there are news about TDU members, meetings between political parties and TDU members, investments both in Berlin and Turkey, charity campaigns, consulting services, information on laws, regulations, reforms, incitements in business, different conferences on total quality management, European Union, vocational education and etc. These publications not only reflect social networks of TDU members, but also present entrepreneurs as the successful models of integration for immigrants by underlining their contribution to Berlin economy, culture and political life. In this sense these publications were crucial to understand how they identify themselves.

However, TDU is not the only active businessmen association in Berlin, which I discovered during my interview with the owner of a big supermarket in Kreuzberg, who is also the member of Independent Industrialists and Businessman's Association (MÜSİAD, Unabhängige Industrieller und Unternehmer e.V.). Following this initial contact with one of the members of MÜSİAD in the third week of July, I was also introduced to the members of the board and some other active members. And eventually the members of MÜSİAD became another immigrant group in my fieldwork. This was important in order to compare the differences between the members of TDU and MÜSİAD since both of them are official institutions unlike the social networks among Alevi-Kurdish

entrepreneurs. Furthermore, I participated in some of the meetings and dinners of MÜSIAD members, during which I conducted one of the most important interviews in this study. Although it is not the aim of this study to examine the similarities and differences of these three groups, namely Alevi-Kurds, members of TDU and MÜSIAD, at the end of this chapter I will briefly examine some main points in their identity narratives. In addition to these three entrepreneur groups, I conducted interviews with some local authorities and bureaucrats like Chamber of Commerce and Industry in Berlin (Industrie und Handelskammer zu Berlin), Authority for Foreign Affairs (Ausländerbehörde), Official for Foreign Nationals of the Senate of Berlin (Auslandbeauftragte/r des Senats von Berlin) and Labor and Social Welfare Attaché of Turkey, all of which helped me to better understand the entrepreneurial practices of immigrants in Berlin.

Before exploring the practices of immigrant entrepreneurs in Kreuzberg, Wedding and Tiergarten we have to clarify that within the framework of this study we neither aim to portray a single pattern of development in the experiences of these 25 immigrant entrepreneurs, nor seek to explain these practices in reference to a certain theory. Also we do not try to achieve a generalization on immigrant entrepreneurs in Berlin depending upon the experiences of our sample group. In addition to these, our analysis does not aim to find out an example of “successful” or “integrated” immigrant entrepreneur. Rather we try to describe the entrepreneurial practices of citizen/non-citizen immigrants from Turkey. These practices enable them to develop strategies and create flexible identities in order to be competitive and survive within the regimes of citizenship, market structure, welfare policies and social networks in Germany.

### **4.3 Age, Family and Educational Characteristics of Immigrant Entrepreneurs**

It is commonly argued that the number of self-employment among non-German workers has been increasing and immigrants from Turkey constitute an important part of this category.<sup>4</sup> In this framework it is also underlined that the proportion of self-employment among German workers (10.1%) is decreasing whereas the



proportion of non-German immigrant workers (8.8%) is increasing (Pécoud, 2002, 496). Moreover, this growth contrasts with immigrants' unemployment rate. In other words, unemployment rate of non-German workers (20.7%) is higher than unemployment rate of German workers (10.5%), which even increases to 22.5% among immigrants from Turkey (Ibid, 496; DİYİH, 2002, 43). As a result, self-employment among immigrants is mostly seen one of the best solutions for the increasing unemployment rates in the Federal Republic of Germany. In order to better interpret these findings in terms of our fieldwork, we need to start with some general characteristics of immigrant entrepreneurs in our sample group.

The growth of self-employment among immigrants from Turkey in the last decade brings some questions about immigrant generations' concentration on self-employment. It is evident that the proportion of self-employment among second-generation immigrants is higher than first-generation immigrants (Zentrum für Türkeistudien, 2001, 6). However, in this study we do not predominantly focus on one generation, but rather try to indicate different generations, which is a result of snowball technique as a research method. This can be clearly seen in the age distribution of immigrant entrepreneurs.

**Table: 1** *Age Distribution of Immigrant Entrepreneurs*

<b>Age</b>	<b>Female</b>	<b>Male</b>	<b>Number of Entrepreneurs</b>
31-35	-	7	7
36-40	1	4	5
41-45	1	5	6
46-50	1	4	5
51-55	-	2	2
<b>Total</b>	3	22	25

As it is reflected in Table 1 most of the interviewed entrepreneurs are between 31 and 45 years old and the average age of the sample group is 40.76. When differentiated by age-cohort, the youngest group is between 31 and 35, whereas

the oldest entrepreneurs are between 51 and 55. In this sense our sample group is mostly composed of second-generation immigrant entrepreneurs and this is relevant not only because of increasing unemployment rates in the labor market but also because of capital accumulation through social networks that will be examined in the following pages of this chapter. Such an age distribution also reflects different phases of German migration system and its immigration policies. That is to say, except for one, who was born in Berlin, all of the entrepreneurs came from Turkey at different ages. 13 immigrants came to Berlin between the ages of 2 and 15 through family unification process. On the other hand, 11 immigrants came to Berlin between the ages of 16 and 25 not only as a part of family unification process but also as political refugees or students that seek university or graduate education. To put it differently, all of the entrepreneurs have been living in Berlin at least for 8 and at most for 35 years. However, while the number of entrepreneurs who have been residing in Berlin less than 20 years is only 6, there are 19 entrepreneurs that have been living in Berlin for almost 21 to 35 years. Thus, the majority of entrepreneurs in our sample group are composed of second-generation immigrants, who came to Berlin through family unification process during 1970s.

When we look at the family background of entrepreneurs, 14 of them are from rural areas in different small villages of Anatolia, whereas 11 came from urban areas. Within the rural background families 9 of them had small lands in their villages and among these farmers, 6 families did not immigrate to Germany. Although 6 families did not immigrate to Germany, 5 of these families had relatives in Berlin and hence the interviewed entrepreneurs immigrated to Berlin with the help of these relatives. Only one of the entrepreneurs, who had a rural background, came to Berlin as a part of his university education without any family or kinship support in Berlin. In other rural background families, only the fathers of entrepreneurs worked as the breadwinner in the household while their mothers were housewives. In this sense, fathers of 2 entrepreneurs were civil servants and 3 of them were artisans as it is reflected in Table 2.

**Table: 2** *Occupational Distribution of Entrepreneurs' Fathers in Rural and Urban Areas\**

<b>Origins of families according to place of birth**</b>	<b>Occupation of entrepreneurs' fathers in Turkey*</b>					
	<b>Workers</b>	<b>Artisans</b>	<b>Farmers</b>	<b>Civil Servants</b>	<b>Constructor</b>	<b>Total</b>
<b>Rural</b>	-	3	9	2	-	14
<b>Urban</b>	8	2	-	-	1	11
<b>Total</b>	8	5	9	2	1	25

\*Among the mothers of entrepreneurs only 9 were working in the farms together with their husbands, whereas the rest of them were housewives and thus we have taken the occupation of fathers as the main category in this table.

\*\* During the interviews all of the entrepreneurs stated their fathers' place of birth as the origin of their families.

Except for 6 families, who did not immigrate to Germany, the rest of rural background families did not return to their villages in Turkey. Nevertheless, they make temporary visits at most twice a year. These visits mostly occur in summer and sometimes parents of entrepreneurs stay in their villages more than three months, where they have relatives and friends. All of the families have their own houses and even some parents of entrepreneurs own small lands in these villages. On the other hand, among the urban background families the fathers' of 8 entrepreneurs were employees, 2 of them were artisans and only one of them was a constructor. Among these urban background families 3 of them did not immigrate to Germany. In addition to this, only the parents of one entrepreneur returned to Turkey after they got retired in Berlin.

At this point it is also crucial to look at the occupational distribution of these families in Berlin. However, since the parents of 9 entrepreneurs did not immigrate to Germany, we have to illustrate the occupational distribution of 16 families. Being part of first-generation immigrants all of these families worked as

employees in different sectors and became retired in Berlin. Only the father of one entrepreneur became self-employed in late 1970s. Even though 9 families did not immigrate to Germany, 5 of them have relatives in Berlin, who provided social and financial support to entrepreneurs in our sample group. The relatives of these 5 entrepreneurs immigrated to Germany through labor recruitments. Thus, 21 entrepreneurs have parents or relatives, who had immigrated to Germany as 'guest workers' in the late 1960s and early 1970s; whereas 3 entrepreneurs came to Berlin since they got married in Turkey with German citizens and only one entrepreneur came to Berlin because of his university education.

The number of people in the household and marital status of entrepreneurs also seem to be important in order to understand the family structure of the sample group. Out of 25 entrepreneurs 80% are married, 12% are divorced and 8% are unmarried. None of the women are married in our sample group. A woman entrepreneur is unmarried and living with her parents, who came to Berlin in 1967 through labor recruitment, while two self-employed women are divorced and have 2 children living with them. Out of 22 male entrepreneurs, 20 of them are married. Within this group 30% have one, 30% have two and 30% have three children, while one entrepreneur has four children and one does have none. The age distribution of children is between 2 and 25. All of the children are born in Berlin and hence have German citizenship. The wives of 7 entrepreneurs are working in family business, but the rest of them are not working. Furthermore, all of the married entrepreneurs, except for one, live in different houses from their parents, but without any exception all of them provide financial support to their parents whether they live in Berlin or not. In our sample group, the number of people in the household is between 2 and 7. On the over all 44% of the families are composed of 3, 20% are composed of 4 and 20% are composed of 5 people. However, an important indicator has emerged when the entrepreneurs were asked the number of people that they are financially supporting. This question is relevant not only to reflect extended family or kinship ties but also to highlight the influence of social networks, which serve as a mechanism of capital accumulation needed for economic survival. In this framework some entrepreneurs mainly

emphasize their financial support for their siblings, while some others assert their support for relatives in Turkey, co-ethnics and co-villagers (*hemşehri*) in Berlin. For example, an entrepreneur, who came to Germany in 1971 through family unification process, underlines that there are 40 families in Berlin from his village in Erzurum and they are like a big family in providing financial and social support to each other. Thus, these second-generation families are not only composed of children and parents but also composed of larger family or kinship ties, which are important in interpreting the family structures.

Just like their social and family characteristics, we need to look at the educational backgrounds of immigrant entrepreneurs in our sample group in order to clarify their human capital. As a form of capital, education does not only provide the means of economic mobility for immigrants, but it also reflects the nature of the immigrant policies in Germany. Since it is difficult to portray a homogenous group in terms of educational background, it can be useful to examine them in three separate groups. The first group of entrepreneurs is composed of 7 immigrants, who have completed their education in Berlin. There are 9 entrepreneurs in the second group, who have completed their education in Turkey. Lastly, 9 entrepreneurs started their education in Turkey but were able to complete it in Berlin. Still, we cannot describe a single pattern within these groups.

The first group of entrepreneurs either came to Berlin until the age of 12 or was born in Berlin. Two of the entrepreneurs in this group attended *Hauptschule* (lower secondary school) and achieved apprenticeship through vocational education, whereas two of them attended *Realschule* (intermediate secondary school) and achieved apprenticeship. On the other hand, two entrepreneurs achieved university degrees in the departments of business administration and psychology. Moreover, one entrepreneur left his university education after the second semester in visual arts and graphic design. In comparison to the first group, entrepreneurs in the second group came to Berlin between the ages of 12 and 25 with university, high school, vocational or secondary school degrees. But we also face with those, who had left primary or high school before they

immigrated to Berlin. In addition to this, like the entrepreneurs in the first group, some of those in the second group have received apprenticeship because of German public policies, which seek a transition from school to work (Faist, 1994). Although the rate of job training among immigrants from Turkey was much lower than the rate of German youth during 1980s (Ibid, 443), job trainings and apprenticeship produced employment opportunities for these two groups of entrepreneurs in different sectors. It becomes even more relevant since the German corporatist training market excludes those, who did not go through apprenticeship and obtain training license. This can also be seen one of the reasons for the low rates of self-employment among first-generation immigrants (Ibid, 453). Just like the second group, entrepreneurs in the third group came to Berlin between the ages of 12 and 25, but they completed part of their education in Turkey and part of it in Berlin. Nevertheless, all of them are university graduates in Berlin, except for one who had left his university education because of financial problems in the family.

Moreover, the immigrant entrepreneurs attended different courses in Berlin. While the second group attended only some German courses after they arrived to Berlin, entrepreneurs in the third group also participated to different courses like banking, management, insurance, computer and so forth. According to them, these courses are crucial to follow the developments in their sectors and to up-date their knowledge and skills in the related fields and hence to be competitive in the market. Inevitably, these higher education degrees and different courses also provide opportunities for capital accumulation, especially when we consider the high rates of exclusion from job training and unemployment among immigrants from Turkey during late 1970s and throughout 1980s (Ibid, 443). In order to better interpret this background information about immigrant entrepreneurs, it will be appropriate to focus on the strategies and maneuvers that allow them to create flexible identities.

#### **4.4 Hyphenated Identities and the Trajectory of Being Part of Berlin in Different Citizenships**

With the decoupling of rights and identity, which are the constitutive elements in national understanding of citizenship, we have faced with challenges to the sovereignty of nation-state, especially on the relation between immigrants and receiving countries. Although these challenges do not bring the end of nation-state, they have introduced different regimes of state. In other words, in order to achieve optimum economic benefit and minimum socio-economic and political cost, states develop various rules, laws and regulations in their relation with citizen or non-citizen immigrants. In this sense, as we have seen in chapter two and three, the Federal Republic of Germany tries to condition both the political status and economic transactions of immigrant entrepreneurs through Basic Law, Aliens Act, Citizenship Law, regulations in the market structure and social-welfare policies. However, this does not mean that the relation between the state and immigrants is a one-way street. To put it differently, immigrants from Turkey and their descendants are not passive subjects of the Federal Republic of Germany, but rather they are active political agents in their relations with her that can also be observed in the practices of immigrant entrepreneurs in Berlin. As being active political agents immigrant entrepreneurs do not only take part in decision making processes of different political institutions, organizations and parties in Berlin, but they also acquire German citizenship, exploit unpaid family labor, make use of social networks for economic transactions and capital accumulation and so forth. These practices inevitably enable them to create flexible identities, which is seen one of the indicators of mobility and thus competitiveness within the regimes of state, market and social networks. In this part of the chapter we will examine the practices of immigrant entrepreneurs concerning the concepts of citizenship, rights, political mobility and identity.

Decoupling of rights and identity can be underlined as one of the important practices of our sample group. This is not only a common practice among those who acquire German or dual citizenship, but also among those who have only Turkish citizenship. In other words, immigrant entrepreneurs in our sample group

identify themselves in reference to different identities although they have single or dual citizenship. By pursuing this, they do not define culture as a self-contained, bounded and unified construct, but rather they highlight hybridity in cultural constructions and to some extent become the bearers of hyphenated identities (Çağlar, 1997, 169). Thus, when we look at our sample group within this framework, we can observe that immigrant entrepreneurs do not identify themselves only with Turkishness, Kurdishness, Aleviness or Germanness, but rather they underline hyphenated identities like German-Turk, Alevi-German and German-Kurd. In addition to this, some of them prefer to stress the city names like Berlin, Erzurum, Çankırı and so forth to indicate their identities. Since both of these emphases are crucial for our arguments in this chapter we need to clarify how these entrepreneurs identify themselves depending upon some cases.

For example, Niyazi came to Berlin at the age of 14 and studied engineering in two different branches. His parents came to Berlin as contract workers and they worked in different factories for several years. He employs 103 people in a vocational school, in which there are 30 different education programs. He is also an active member of Turkish-German Businessmen Association (Türkisch-Deutsche Unternehmervereinigung Berlin-Brandenburg, TDU). When he was asked where he is from, he said:

I am a Turkish originated German. This is a fact. If we think in the long-run, we cannot talk about Turks in Germany anymore. From now on we have to be seen as German-Turks, because our future is in Germany, our children have grown up in Germany and they are going to work in Germany. We have to leave aside the wrong emotions and accept the facts.

Just like Niyazi, Ahmet is also an active member of TDU, but currently he is going to be a member of the board in the Association of Turkish Businessmen and Industrialists in Europe (Verband Türkischer Unternehmer und Industrieller in Europa, ATIAD). He came to Berlin for his university education in 1969. After he received his Ph.D. on chemistry, he founded his first construction company in 1985. Ahmet also emphasizes the hybrid character of immigrant entrepreneurs' identity in Berlin.



Because of my business life I go to Turkey very often. For example, each month I stay at least one week in Turkey. For this reason I live both in Turkey and in Germany and thus I am Turkish and at the same time German. When I go to Turkey I feel more like a German and when I am in Berlin I also remember that I am Turkish. If we want it or not, we combined these two cultures. When we are working on a project, sometimes we say that we are Turkish and we will do it in Turkish way and sometimes we say that we are German and do it in German way. We always feel and remember that we are Turkish and German.

In addition to these examples, some of the entrepreneurs also try to underline their hyphenated identities in reference to the urban life in Berlin. They identify themselves as the inhabitants of Berlin and in this way they refuse to be identified within the clear-cut cultural categories of Turkishness, Aleviness, Kurdishness or Germanness. This can be clearly noticed in the case of Teoman, who is 34 years old and was born in Sivas. His father came to Berlin in 1970 and Teoman has been living in Berlin since 1971. He got a degree from Hauptschule and owns a transportation company since 1994.

I am from here, Berlin. I feel like someone living in here. I am neither German nor Turkish. To speak a language does not mean that you are German, Turkish or Kurdish. What you feel inside is important. I do not feel like a German, Turkish or Kurdish. Germany has taken all of our personality and in turn has given little from this and little from that. You do not know who you are. I have a Turkish passport, but I cannot say that I am Turkish. I am not treated as a citizen of Turkey when I go there. Or when I go to a Kurdish village, I am not treated as Kurdish, since I am living here in Germany. This is also the same in Germany.

As we can see, Teoman does not identify himself as Turkish, Kurdish or German. But rather he underlines the trajectory of 'being part of Berlin'. 'Being part of Berlin' allows him to preclude national fixities and in turn provides a ground for the expression of different hybrid forms, which are mostly associated with hyphenated identities like German-Turks, German-Alevis or German-Kurds. Moreover, some of the entrepreneurs also consider their place of birth in Turkey as part of their identity. This is relevant especially for those, who have large family networks in Berlin. For example, Hüseyin immigrated to Berlin in 1971 as part of the family unification process. His father came to Berlin in 1969 with official recruitment of the German Employment Service (Bundesanstalt für

Arbeit, BA), which had transmitted employers' request list to the Turkish Employment Service. However, his father became a gatekeeper for their relatives in Erzurum when German government abolished the rotation principle and allowed nomination of workers by German employers, who could name and nominate a particular worker to fill a vacant slot (Faist, 2000, 177). As a result of this within six months time 40 male contract workers immigrated to Berlin from Erzurum and their families followed them in the early 1970s. Within this framework, being from Erzurum has become one of the reference points, like the trajectory of being part of Berlin, in expressing their identities. According to Hüseyin:

It is hard to define who I am. Though I try to answer this question several times I could not find a clear answer. If I consider my ancestors, I am from Tiflis. But I was born in Erzurum. This creates a contradiction for me since my children were born in Berlin, which means that they are not from Erzurum. Although I consider myself from Erzurum, my job and my family are in Berlin and probably our future is in Berlin. I don't think we will return to Erzurum. But we have still contacts with people in Erzurum. In this sense we are from Berlin. I also have a German passport. We are not temporarily in Germany.

In our sample group although 6 entrepreneurs identify themselves as being part of Berlin, only three of them put some emphasis on these local identities and large family networks that immigrated from Erzurum, Iğdır and Çankırı. Whereas the other three entrepreneurs position themselves as being part of Berlin and in turn they choose to stress the hyphenated identity of German-Turkish. In addition to them, 11 entrepreneurs underline the hyphenated identity of German-Turkish without any reference to Berlin or any local identity. Moreover, 7 entrepreneurs stress the hyphenated identity of Alevi-German. But they also highlight the identity of German-Kurdish during the interviews. Within our sample group only one entrepreneur does not state any of these categories. Hasan was born in Elbistan in 1966 and came to Berlin at the age of 9 with the family unification process. His father came to Germany in 1967 as a contract worker. Hasan is a member of board in TDU and owns a consultaning company in Berlin for 10 years. When asked where he is from, he said

It is hard to make such a description. I cannot tell that I am from Berlin. Also I do not consider myself from Hamburg even I finished my graduate degree there. Actually I cannot state any preference. Though I was born in Elbistan and still have relatives, I cannot spend the rest of my life there. But I can easily live in London. In fact I worked in Paris for a period of time. But still these do not make me from Paris or London.

As it is portrayed in above examples, these immigrant entrepreneurs identify themselves differently. In general 'being part of Berlin' and hyphenated identities like German-Turkish, Alevi-German and German-Kurdish seem to emerge as the main reference points. Although we point out these identities as the dominant categories within our sample group, some points were commonly pronounced and thus need to be examined in order to understand the creation of flexible identities. However, before we focus on these points let's have a look at the citizenship status of these immigrant entrepreneurs and its relevance in terms of flexible identities.

In our sample group 13 entrepreneurs (52%) were granted dual citizenship. Except for one, who was born in Berlin, all of the entrepreneurs in this group immigrated to Germany with family unification process between 1969 and 1978. Among them 2 entrepreneurs left their university education, while 8 of them graduated from different universities in Germany. Moreover, two entrepreneurs started their education in Turkey but had to leave high school before they came to Germany. The educational background of this group is relatively high in comparison to immigrant entrepreneurs, who have Turkish or German citizenship. Furthermore, the family members of these entrepreneurs were also granted dual citizenship, except for the parents of one entrepreneur, who came to Berlin in 1969 as contract workers. In order to acquire dual citizenship immigrants exploit the loopholes of the existing legal regulations (Brandt, 2000, 229). As we have discussed in chapter two, immigrant entrepreneurs first renounce their Turkish citizenship to apply for German citizenship because of the regulations in the law. But immediately after they are granted German citizenship they can re-apply for Turkish citizenship. Without doubt the policies of German and Turkish states are also decisive in this practice. Even though German authorities are trying to change this practice, Turkish authorities encourage re-acquisition of Turkish citizenship

and hence it increases the percentage of dual citizens (Hailbronner, 2001, 105). These different policies are mostly related with the concept of loyalty, which is still regarded as an important factor of the relation between the state and its citizens. However, these policies are also crucial when we consider the decoupling of rights and identity. At this point it can be helpful to examine how the entrepreneurs in this group identify themselves in order to analyze the concept of loyalty and decoupling of rights and identity. Out of 13 entrepreneurs, who have dual citizenship, 6 of them identify themselves as German-Turk and 3 of them identify themselves as Alevi-German. On the other hand, three entrepreneurs position themselves as being part of Berlin with particular emphasis on the local identities of Erzurum and Çankırı. And only one entrepreneur does not mention any of these categories. In this framework, immigrant entrepreneurs with dual citizenship rights predominantly stress the hyphenation of ethnic identities or transcending subjectivities that exclude one form of loyalty and identity. In other words, they do not privilege an ethnic identity over another but rather they choose to differentiate between rights and identity. By pursuing this, they try to benefit from the rights that are provided within Germany and Turkey. For example, Cemal was born, in 1960, in Trabzon, where he spent his childhood and studied primary school. He finished high school in Hatay, where his grandfather was working as a constructor. His father started to work as a construction worker in Berlin in 1968 and Cemal came to Berlin to start his university education in 1978. He is a landscape architect and opened his firm in 1983. He positions himself with the hyphenated identity of German-Turkish. He obtains German citizenship in 1998, but his wife and children got German citizenship 10 years ago. According to him,

Turkish passport creates problems all the time, even when I go to Turkey. Custom officers usually examine my passport for hours. I don't know what they investigate so long every time. I got my German passport after doing my military service in 1998. It (German passport) is an opportunity. I have political rights here in Germany and have a freedom of movement in Europe. Except for these it does not provide any advantage to my life. I just have an additional document that is all. When I applied for German citizenship they asked me to renounce my Turkish citizenship. But I didn't renounce my Turkish citizenship. They asked me three times, but I didn't give up. Right now I have both German and Turkish

citizenship. However, this regulation has changed. German authorities announce that they will cancel German citizenship if they recognize that you have dual citizenship. But the important thing is your contribution as a citizen and in the long run they cannot prevent this. I am living here, investing here and paying taxes here. In that sense voting in the elections is also my right. I have the right to say yes or no in the elections, and I am proud of using my right. A citizen has to utilize his/her citizenship rights everywhere in the world. I don't know if this can change something, but we have to act as a lobby group and have to seek our interests.

The arguments of Cemal can be seen as an example of strategies and maneuvers that immigrant entrepreneurs seek to benefit by using dual citizenship both in Turkey and Germany. In this sense, dual citizenship enables them to select different sites for investment, work and family relocation since they travel between Germany and Turkey quite often. This is not only a kind of guarantee but also an instrument of bargaining against the regimes of state within different conditions. To some extent Niyazi illustrates this bargaining power of immigrant entrepreneurs when he was asked about the advantages of dual citizenship.

I always feel more secure. In front of the authorities I have a bargaining power. When I declare that I am a German citizen I have the right to make use of it. In fact, I can use it as a political tool. I try to figure out which party can fulfill my interests and I work on this. This can be Social Democrats, Greens or Christian Democrats. It always changes. In my youth we were all supporting the leftist parties. This is something normal. But after a while we became more liberal. And inevitably you start to think more pragmatic, when you become an entrepreneur. In Berlin we (entrepreneurs) are around 6000 and employ 25000 people and this means billions of Euro. 5 years ago they were not considering these as important factors. But today we have the power to act as a lobby. For example, as a member of TDU we have good contacts with politicians. They all come and explain their programs to us. They do this because we are entrepreneurs and German citizens. This is an important potential. That is why there is no place for national sentiments. We have to be realist and obtain German citizenship to make use of these rights.

However, in our sample group all of the entrepreneurs do not have dual citizenship. In this sense we have to examine their citizenship status in order to compare them with the entrepreneurs who have dual citizenship and to illuminate some common points about the sample group as a whole. While there are 11

entrepreneurs who have Turkish citizenship and there is only one entrepreneur, who has German citizenship. In the case of latter, the immigrant entrepreneur came to Berlin with family unification, where his wife was working in a German cleaning company. Until 1990 Şahin was an illegal employee since he did not have a work permit (Arbeitserlaubnis) and hence could not obtain unlimited residence permit (unbefristete Aufenthaltserlaubnis). Unlike those who have dual citizenship, he did not re-apply for Turkish citizenship after he obtained German citizenship. According to him, German citizenship guarantees free movement all over the world and this is only what they need. Though he has relatives in Turkey, he underlines that he cannot stay more than one week in Turkey and in this manner he identifies himself as an Alevi-German. Still, when we look at the immigrant entrepreneurs who have only Turkish citizenship, the picture is a bit different.

There are 11 entrepreneurs who have Turkish citizenship and permanent residence permit (Aufenthaltserlaubnis), through which they can be considered as de facto equal to German citizens as we have discussed in chapter two. These entrepreneurs immigrated to Germany between the ages of 2 and 24, either as political refugees or as a part of family unification process. Among them only 3 entrepreneurs have university degrees, while 5 of them graduated from primary and secondary schools in Turkey, and 2 of them graduated from Hauptschule and Realschule in Germany. Although these immigrant entrepreneurs have Turkish citizenship, this is not completely similar with the citizenship status of their family members. First of all, the children of all entrepreneurs were born in Berlin and thus they were granted German citizenship, but they have to decide until the age of 23 to renounce either German or Turkish citizenship. Secondly, except for their parents, the wives, sisters and brothers of these entrepreneurs mostly have German citizenship. In addition to these, 3 entrepreneurs had already applied for German citizenship with their wives before the conduct of the interviews.

Although these entrepreneurs do not have German citizenship, they do not identify themselves as Turkish, Kurdish or Alevi. Out of these 11 entrepreneurs, 5

of them position themselves with the hyphenated identity of German-Turkish and 3 of them with the hyphenated identity of Alevi-German, whereas 3 entrepreneurs underline the identity of being part of Berlin. For example, Kemal is 46 years old and came to Berlin in 1979. After he finished high school in Turkey because of the political conjuncture he could not finish his university education and immigrated to Berlin to live with his aunt. He is an information technology (IT) specialist and owner of a company since 1994. Although he identifies himself as a German-Turk, the way he considers German citizenship is an illuminative narrative among the entrepreneurs, who do not have dual citizenship.

Until now I didn't need to apply for German citizenship because except for freedom of movement it does not provide any advantage. I have many friends, who have German citizenship, but they are not treated differently in front of the authorities. I witnessed this several times, especially when they were asked their names. I think that they don't like those immigrants who apply for German citizenship. For the Germans, these people are granted German citizenship but they are still immigrants. In this manner to have a Turkish passport is more prestigious. It is not important what is written in these documents. They use a word that is called 'Kanak' and concerning citizenship issue that means you are Turkish and will remain so. So they don't treat you like a German even though you have German citizenship. At that point I will keep my Turkish passport since it doesn't change anything.

As it is underlined in this case, immigrant entrepreneurs, who have only Turkish citizenship, regard German citizenship as a means for freedom of movement. In this respect they even privilege freedom of movement over the political and social rights in their narratives, since acquisition of German citizenship do not reflect a social transformation of their status in German society. According to them, the rights that are derived from their immigrant status, as it is defined and regulated in *Aufenthaltsberechtigung*, do not create substantial differences from the position of German citizens in theory. But this is completely different in their daily practices and such a narrative is not peculiar with this group of entrepreneurs. This is also a common reference point among those, who have dual citizenship. For instance Dilek came to Berlin at the age of 4 through family unification process and has been living there since 1971. She is a lawyer and was granted German citizenship

10 years ago. When she was asked about the advantages of German citizenship among the immigrant generations, she stressed a similar point like Kemal.

It is assumed that when you receive German citizenship your identity will change. But this is not true for the people in Germany. For example, this is different in United States. In the United States when you receive American citizenship, you can say that I am a citizen of United States. It is not like this in Germany. I have been German citizen for the last 10 years. But when they ask me if I am a German or not, I just say no. At the end you can receive German citizenship, but they don't accept us. We are foreigners. Things may change in 30 years, but for the time being the society doesn't accept us. Therefore, you can have 10 German passports, but still you are a foreigner.

Until this point we try to illustrate decoupling of rights and identity in the relation between immigrant entrepreneurs and Federal Republic of Germany depending upon different cases. This clarifies the fact that we cannot talk about a homogenous group of immigrant entrepreneurs. In other words, immigrant entrepreneurs can acquire German, Turkish or dual citizenship and simultaneously they can position themselves according to the identities such as German-Turkish, Alevi-German or the trajectory of being part of Berlin. Although immigrant entrepreneurs identify themselves differently and have different citizenship statuses, some general points need to be highlighted in order to reflect the creation of flexible identities.

The immigrant entrepreneurs in our sample group do not directly identify themselves within the boundaries of one particular culture. Most of the time they refer to a cultural form that is neither Turkish/Alevi/Kurdish nor German. Rather they refer to a cultural form that is both Turkish and German, both Alevi and German, both Kurdish and German. In this framework they do not privilege one cultural form over the other. Hence, culture does not envisage a stable and unchanged category, but rather an interactive and flexible entity. Such an emphasis enables them to shift from one cultural narrative to another much more easily. In other words, depending upon the social, political and economic context, they can prefer to underline one cultural form to another whether they have German citizenship or not.<sup>5</sup> In this framework acquisition of German citizenship



is important but not the decisive factor since the immigrant entrepreneurs are able to adapt themselves to changing circumstances through flexible identities. For instance, they can refer to German culture and identity in order to develop their relation with political parties like Christian Democrat Party (CDU) and Social Democrat Party (SPD) as well as various local authorities in Berlin; or they can choose to identify themselves in reference to Turkish, Kurdish or Alevi culture in order to mobilize immigrant generations as an interest group in the civil society. By pursuing this, they try to benefit from the economic, political and social resources of Federal Republic of Germany and immigrant generations, which is mostly relevant for capital accumulation in such a competitive global market. Although immigrant entrepreneurs do not operate in free-flowing circumstances as we have discussed in previous two chapters, the flexibility of shift from one cultural form to another depending upon different circumstances enables them to develop strategies and maneuvers against the regimes of state, market and social networks and in turn makes them mobile subjects through the utilization of material and symbolic resources. To put it differently, within the hyphenated identities like German-Turkish, Alevi-German and within the trajectory of being part of Berlin, immigrant entrepreneurs are able to position themselves in reference to different cultures and identities depending upon different circumstances. This inevitably generates flexible identities. At this point, to better interpret the creation of flexible identities, we have to look at the economic transactions and social networks of immigrant entrepreneurs.

#### **4.5 Economic Transactions and Social Networks of Immigrant Entrepreneurs**

As we have discussed in chapter three, immigrant entrepreneurs are also a part of regimes of market and social networks. On the one hand their economic transactions are regulated by the high degree of labor market regulations, class-based corporatist policies, organizational downsizing, job displacement and post-industrial shift from capital intensive manufacturing industries to labor-intensive service industries. On the other hand, their social networks constitute a sense of

order and stability in their daily practices through social control and surveillance. However, these regimes of market and social networks do not adequately illuminate the whole picture. Therefore, in this part of the chapter we will focus on the economic transactions and social networks of the immigrant entrepreneurs first to reflect that they have to be considered as active agents, who can develop different survival strategies and maneuvers within these regimes of state, market and social networks, and second to illustrate how they try to create flexible identities through economic transactions and social networks.

Before we concentrate on these points, one has to bear in mind that immigrant entrepreneurs are also not homogenous both in terms of their economic transactions and social networks. Although we are going to look at our case study in detail, as a general remark we can underscore that some entrepreneurs run part of their economic activities in China, Russia, Turkey and various European countries while some others are only active in Berlin and Germany. Yet, this does not mean that those who run their economic activities in Berlin are predominantly part of ethnic economy and give priority to the demands of their co-ethnics. Similarly, those entrepreneurs, who are active in different countries, are not predominantly global players. In other words, within the economic dynamics of globalization various companies produce and sell their products in different local and global markets, which are most clearly seen in the case of multinational and transnational corporations. The vice versa is also relevant within the economic dynamics of globalization. That is to say there is always some demand for cultural products and services both in local and global markets. Thus, for the concerns of this study it will be misleading to consider the economic transactions of all immigrant entrepreneurs within the literature of ethnic entrepreneurship. This is also the same when we examine their social networks. Although we have underlined three social networks within our sample group (official TDU and MÜSİAD networks and unofficial Alevi networks), these are not mutually exclusive entities. To put it differently, an Alevi-German entrepreneur can cooperate with an entrepreneur from TDU in the project of MÜSİAD, or they can benefit from the economic resources of each other. In this sense immigrant

entrepreneurs make use of different social networks for capital accumulation, unpaid or cheap labor, establishment of business contacts, free flow of information, expertise or knowledge and development of relations with local authorities and political parties as a part of the competition among themselves and in order to develop survival strategies in the general market conditions. Without doubt these economic transactions and social networks, which immigrant entrepreneurs experience in daily practices enable them to be mobile and create flexible identities no matter if they were granted German citizenship or not. Hence these flexible identities enable them to make references to different cultures and identities depending upon the political, economic and social circumstances as we have argued in the previous part of this chapter. At this point in order to better interpret these arguments let's have a look at our sample group and their practices in terms of economic transactions and social networks.

Although the immigrant entrepreneurs were interviewed in three districts of Berlin, namely Kreuzberg, Wedding and Tiergarten, the economic transactions of all of them are not concentrated only in these locations. In terms of economic transactions 13 immigrant entrepreneurs are active only in Berlin, 12 of them also run their businesses out of Berlin. Among these 12 entrepreneurs, 5 of them run their businesses in different European countries like France, Holland, Belgium, Spain, Austria, Czech Republic and so forth. In addition to this, 2 entrepreneurs develop their economic activities between Berlin and Turkey and 3 entrepreneurs are active in all over Germany and Turkey. Moreover, one of the entrepreneurs' activities were concentrated only in Germany, while another has also economic activities in Eastern European countries, Russia and Turkey. When we look at the distribution of these enterprises within the general economy, they are as follows: there are 4 companies in the food sector, 9 companies in the service sector, 10 companies in trade and 1 company in the construction sector. While 5 companies were founded in the period between 1982 and 1989, 20 companies were established between 1990 and 2003. These numbers are similar to the general statistics in Germany. According to the statistics of self-employment among immigrants from Turkey, %85 of the enterprises were founded within the last 15

years (Zentrum für Türkeistudien, 2001, 4; DİYİH, 2002, 44; Şen, Ulusoy and Öz, 1999, 86; Kızılocak, 1996, 44). Such a distribution to a great extent corresponds to the post-industrial shift from capital intensive manufacturing industries to labor-intensive service industries, which have increased the number of small firms concerning viable economic units as we have discussed in chapter three concerning the market structure in Germany.

However, these immigrant entrepreneurs did not have similar employment opportunities and backgrounds before they established their existing companies. In our sample group 22 of the entrepreneurs worked in different sectors before they established their own companies, while the rest of the immigrant entrepreneurs established their companies with the savings of their parents and other family members. The parents and other family members of these entrepreneurs worked in different German firms as the first generation immigrants and had never established their own companies. In this manner these three entrepreneurs did not have any other working experience either as an employee or as an employer. On the other hand, out of 22 immigrant entrepreneurs, 17 of them found jobs in various factories, restaurants, hotels, shops, construction and cleaning companies by using their social networks. In other words, they were either employed in the restaurants and shops of their co-ethnics or were recruited in a factory, hotel, hospital, construction and cleaning company with the advise of their co-ethnics who were working in these firms. Among these 22 entrepreneurs, 5 of them found employment opportunities in different German firms without the help of their social networks. Unlike others, who were employed in factories, restaurants, hotels, shops, construction and cleaning companies, these 5 entrepreneurs were employed in high quality jobs and had managerial experiences in these firms. To put it differently, social networks provided employment opportunities to most of the entrepreneurs before they established their own companies. This is crucial not only for their capital accumulation, but also for the development of co-ethnic solidarity, which can be converted to financial capital in different circumstances. In addition to these, in our sample group 9 entrepreneurs had the opportunity to set up different enterprises before they established their

existing companies. When we focus on this group it becomes clear that they established the current companies depending upon these initial firms. That is to say the initial companies can be considered as a means of financial capital and managerial experience for some immigrant entrepreneurs. Only one entrepreneur had experienced bankruptcy in his first company, while the others were able to develop the initial economic transactions and managerial organization of the companies. For instance Ahmet started working in a construction company as a consultant in 1985 after he finished his Ph.D. in Berlin. Until he established his own company in the same sector in 1987, he worked as a consultant not only for this German company but also for some construction companies in Turkey. After he established his construction company he mostly focused on various construction materials that could be imported from Turkey. But with the unification of Germany, Berlin had practiced a boom in the construction sector and simultaneously Ahmet developed his contacts with the construction firms in Turkey that were planning to enter the German market. In this framework Ahmet decided to close his company and became one of the partners of a construction company that is based in Turkey. In 1993 he became the biggest partner of the company and established a second company with Turkish partners in 1996. As it is reflected in this case previous entrepreneurial practices enable them to have an advantages position in terms of capital accumulation, know-how and social networks, which are seen as important conditions to survive in such a competitive market.

In order to illustrate different employment backgrounds and entrepreneurial practices of our sample group, first we need to look at the conditions under which they decide to set up their enterprises. In chapter three in reference to the literature of ethnic entrepreneurship we have discussed that entrepreneurship can emerge as a survival strategy for immigrant group because of the barriers they face in the formal labor markets. According to this perspective immigrant workers are directed to the inferior sectors mostly because of poor language skills, limited educational attainments, discrimination and etc. However, such an understanding seems to emerge as a weak argument in order to explain all the entrepreneurial

practices of our sample group since they are coming from different education, family and employment backgrounds. In our sample group only 4 entrepreneurs underline that they set up their own companies because of increasing unemployment problem in the labor market. Yet, these entrepreneurs did not complain about the conditions of labor market that force them to work in the inferior sectors. They did not experience any problem in the labor market because of poor language skills, limited education attainments, discrimination or etc. On the contrary, 2 of them are university graduates, while 2 others have degrees from vocational schools in Berlin. They underlined the narrative that they did not have any other option except for self-employment because of the harsh competition among the high-skilled people in the labor market. Moreover, they put too much emphasis on their experiences in related sectors. In other words, they were qualified in these sectors and hence did not want to be employed in another sector that they do not have any idea at all. According to them, in order to be successful in a particular sector as an employer you have to love your job. On the other had, the rest of immigrant entrepreneurs tend to highlight the importance of their previous experience and know-how in these sectors. Additionally, the intention to be self-employed and the willingness to take risk are common factors in their decision to set up enterprises, rather than their disadvantaged position in the labor market. To be self-employed is mostly associated with a living style, which enforce them to forecast the developments in the market and hence to be ready for sudden changes. According to them, this requires the capacity to adapt themselves to different circumstances and to be open for any kind of possibility in solving the problems. However, within this group 2 entrepreneurs also assert the influence of their families (mostly fathers and brothers) on their decision to set up the enterprises. These families do not only provide the start-up capital but also take part in the decision-making processes and work in different branches of the companies. That is to say that family support through the mobilization of resources and division of labor can also be a decisive factor for the establishment of enterprises.

Actually, the family support is not only substantial for two immigrant entrepreneurs and in this respect it can be another crucial point to understand how they generate different strategies and maneuvers within the regimes of market. In our sample group 18 entrepreneurs utilized from the economic resources of their families, relatives or other co-ethnics to set up their companies. They argue that state incitements, leasing and other credits are not easily obtained like the financial support of their families, relatives and friends, since they do not have to return the money within a certain period of time and obliged to accomplish other bureaucratic requirements. This creates a flexible financial environment for most of the entrepreneurs. They also add that such solidarity mechanisms cannot be found in German society, but they are able to combine these solidarity mechanisms with the German mentality of doing business, which is mostly associated with discipline, reliability and hardworking. Moreover, these 18 entrepreneurs also used the financial resources of their families, relatives and co-ethnics in order to develop their companies. This development stands for different kinds of investments on the company like new equipment, office, recruitment of high-qualified workers and so forth. Although all of the entrepreneurs are in different sectors, these investments are inevitable for most of them and hence it creates an ongoing process. The financial support of the families, relatives and co-ethnics are crucial to handle these ongoing investments and sometimes this is reflected in the shares of companies. For example, in our sample group 9 entrepreneurs have business partners, who have equal shares in the company. While the partners of 6 entrepreneurs are family members, the rest of them are close friends who are living either in Turkey or in Berlin. For them to have a partner in the company is essential for the accumulation of capital, to increase the competitiveness in the market, credibility of the company in front of the legal authorities and development of social networks, which are essential for new business contacts.

However, the financial support of the family, relatives and co-ethnics is not the only economic resource of these companies. Out of these 18 entrepreneurs 6 of them announced that they also applied for investment credits from German banks

or state incitements to be more competitive in the market. Moreover, 7 entrepreneurs did not utilize the financial support of their families, relatives or co-ethnics either as a start-up capital or as an investment to develop their companies. They often depend on their personal savings and investment credits of German banks to set up and develop their companies. When we look at our sample group, we can underscore that since the start-up capital for a limited company is 25.000 Euros, some of the immigrant entrepreneurs, who have high education degrees and experienced to work in high-qualified jobs, prefer to utilize their own savings and different investment credits in order to establish their companies.<sup>6</sup> On the other hand, those immigrant entrepreneurs, who started to work as an employee in one of these sectors, depend mostly upon the financial resources of their families, relatives and co-ethnics to set up their companies. Thus, the financial resources of the family, relatives and co-ethnics can play an important role in different phases of capital accumulation.

Just like the accumulation of capital through the financial support of families, relatives or co-ethnics, the economic scale of companies is also crucial to reflect the entrepreneurial practices of immigrants within the market conditions. In this sense, the number of workers in these companies provides a general outlook about the scale of companies and use of citizen/non-citizen immigrant labor force. There are small, medium and large scaled enterprises in our sample group. In 7 companies, which have concentrated on trade and service sector in Berlin, Germany or Turkey, immigrant entrepreneurs employ less than 10 people. These are mostly semi-skilled or high-qualified workers, but most of them do not have dual citizenship. In other words, these companies do not employ only citizen/non-citizen immigrant workers, but also German workers. But, they prefer to employ their co-ethnics in some managerial positions. These 7 companies do not provide any vocational education for the labor market in Germany. On the other hand, in 15 companies, which have concentrated on trade, service and food sectors in Berlin, Germany and Turkey, immigrant entrepreneurs employ 10 to 50 workers. Though they prefer to employ immigrant workers, who have dual citizenship, some of these companies also employ German workers. 9 of these companies are



also providing vocational education both to citizen/non-citizen immigrant generations and to German youth. Furthermore, in our sample group only 3 companies, which have focused on construction, food and services sectors in Berlin, Germany, European countries and Turkey, employ more than 100 people. While the percentage of immigrant workers, who were granted dual citizenship, is higher than the percentage of German workers in the construction and food sectors, it is just the opposite in services sector. These 3 companies also provide vocational education to citizen/non-citizen immigrant generations and to the German youth.

During our interviews it became evident that some immigrant entrepreneurs make use of unpaid family labor, which can also be underlined as another survival strategy. The wives, brothers, daughters, sons and nephews of immigrant entrepreneurs are the most preferred members of this unpaid family labor. While such a survival strategy can be predominantly seen among the small and medium scaled enterprises, a large scaled enterprise that is focused on *döner* production also exploits this unpaid family labor. Although all of the family members are not high-qualified in terms of their education backgrounds and work experiences, they are mostly employed in the managerial positions of the companies. This is relevant for small and medium scaled enterprises not only to diminish the cost of labor, but also to solidify the hierarchy in the division of labor. In other words, by using unpaid family labor immigrant entrepreneurs are able to increase the profit of the company and to control more directly the higher positions in the companies and hence to increase their dominance in various decision-making processes. In addition to this unpaid family labor, some of the immigrant entrepreneurs acknowledge that they employ immigrants from Turkey, who do not yet achieve work permit (Arbeitslaubnis) in Germany. According to them, the recruitment of these illegal workers does not exceed 1,5 or 2 months and they do not dismiss anyone to replace with these illegal workers. This temporal employment aims to help these immigrants until they are granted work permits. These unskilled immigrants are coming from the same villages of entrepreneurs mostly as political refugees and are planning to work in Berlin. In this respect they marry German

citizens in order to get work permit. But until they achieve it, they work temporarily in different cafés, restaurants, cleaning and construction companies. For some immigrant entrepreneurs this is a solidarity mechanism, through which they provide social and financial support to various immigrants. Only two entrepreneurs admit that they employed immigrants, who came from their villages in Turkey, after they were granted work permits.

As it is reflected in these evaluations, immigrant entrepreneurs employ immigrant workers as well as German workers in different small, medium and large scaled enterprises. When we consider all of the companies together, it is obvious that the percentage of citizen/non-citizen immigrant workers is higher than the percentage of German workers. However, this does not mean that immigrant entrepreneurs predominantly employ their co-ethnics and have to be considered within the framework ethnic entrepreneurship literature. As we have discussed in the previous chapter, in reference to Waldinger, Aldrich and Ward, immigrant entrepreneurs are mostly assumed to run their businesses depending upon either the demand of cultural products and services or the markets, where industries are not characterized by extensive scale of economies and entry costs. Such a formulation can explain part of the practices of immigrant entrepreneurs in our sample group, but cannot propose a transcending approach. At this point we can analyze the practices of immigrant entrepreneurs by concentrating on examples from different sectors.

Although food industry is discussed in the literature of ethnic entrepreneurship as one of main sectors, in which most of the immigrant entrepreneurs rely on the demand for cultural products like *helâl* meat, this can be questionable if we consider the economic transactions and consumer portfolio of these enterprises.<sup>7</sup> For instance, Hakan is one of the active members of TDU and Turkish Döner Manufacturers' Association in Europe (Verein Türkischer Dönerhersteller in Europa). He owns a *döner* production company and several restaurants. He started business with a restaurant in 1990 in East Berlin. In 1994 he opened a *döner* production factory in Holland. In two years time he opened the second factory in

Hamburg and in 1998 he opened the third one in Berlin. In these factories 70% of *döner* is produced for the enterprises, which are owned by different immigrant generations, whereas 30% of production is for the general market. However, he adds that in his restaurants the ratios are completely the opposite. That is to say 70% of the customers are German and only 30% of them are different immigrant generations. Like Hakan, Mehmet is also a second-generation immigrant entrepreneur, who has concentrated in the food sector. He owns a café/restaurant, in which different jazz bands perform every night. In summer the place is an attraction center for the tourists, who are mostly staying in five stars hotels, whereas in winter it is one of the popular clubs for local people. However, he highlights that these local people are primarily from upper classes or elites, like the mayor of Berlin, ambassadors, entrepreneurs, artists and so forth. According to him, only 2% of the customers are composed of different immigrant generations. As it is illustrated in these examples the food industry does not develop relying only on the cultural demands of the immigrant generations. Rather immigrant entrepreneurs are able to position their companies according to the demands coming from different classes and groups of the society. This is almost the same when we look at the service sector.

In our sample group there are 9 companies in the service sector, among which 2 of them are predominantly focused on the demands of immigrant generations and 7 of them have concentrated on the demands of both immigrant generations and inhabitants of Berlin. For instance, Yeşim worked in the psychiatry department of a hospital as a therapist for 9 years and graduated from the faculty of education in 1997. With the financial support of her brother and father she founded a health service that is specialized on the care of different immigrant generations on their homes. The expenses of all patients are financed from the budget of social security service. Even though the health service has focused on the immigrant generations, Yeşim underlines that there are different immigrant generations, who are coming from different social backgrounds, and they have to be treated differently. As she puts it, such a health service has to specialize on the cultural practices of different immigrant generations. According to her, in order to provide

a health service to an Alevi or Sunni immigrant, you have to know the cultural differences and religious practices since people want to be treated in respect to their cultures and identities. This inevitably obliges her to make different cultural references depending upon the identity of immigrant generations. In this framework entrepreneurial practices of Yeşim are also conditioned within the demands of different immigrant generations.

Unlike her, Hande has focused on a market, in which there is a demand for the exotic goods and services among the German society in Berlin. She started working in a woman's project in 1989, in which she was responsible for the management of a *hamam* in Kreuzberg. Until 1998 she worked as a coordinator and tried to deal with the problems of immigrant women, who had difficulties in language, integration and so forth. In 1998 she decided to open her own business since she had the experience and financial support of her brother-in-law. Although, 98% of the customers are Germans and only 2% are immigrant generations, Hande emphasizes that they are willing to serve to people from different cultures. According to her, *hamam* is symbolizing an oriental Turkish culture and the customers have to inhale this with different cultural products like music, special teas, shampoos, towels and etc. As she puts it, the customers have to feel like the sultans in the Ottoman Empire and in this respect she tries to decorate the *hamam* just like the original ones in Turkey. As indicated in these cases immigrant entrepreneurs do not run their economic transactions primarily within the limits of an ethnic economy as it is argued in the literature of ethnic entrepreneurship. In this sense they do not only rely upon the demand of the immigrant groups and do not only run their businesses in the markets, which are characterized by low scale of economies and entry costs. Thus, they have to be considered not only as local but also as global subjects, who can adopt themselves to various economic, social and political circumstances.

Before we conclude this chapter it will be appropriate to have a look at the narratives of the immigrant entrepreneurs within the networks of TDU, MÜSİAD and Alevis in order to illustrate the diversity of practices in the formulation of

strategies and maneuvers. In our sample group 13 entrepreneurs are the members of TDU, while 5 entrepreneurs are the members of MÜSIAD. In addition to these official associations, 7 entrepreneurs can be considered within the social networks of Alevi community in Berlin. In our sample group the immigrant entrepreneurs form different business contacts through these networks. By pursuing these, they also benefit from the resources of each other and make alliances to invest in different sectors in Berlin, Germany, European countries and Turkey. Such alliance and cooperation policies on the one hand increase their competitiveness in the market and on the other hand provide the ground to generate political, economic and social pressure on the regimes of state and market. In this framework, immigrant entrepreneurs are also able to create various transnational spaces (Faist, 2000, 214-218, Rieple, 2003). For instance, Murat was born in Iğdır and came to Germany at the age of 4 in 1977 with the family unification process. After he finished Realschule (intermediate secondary school) and achieved apprenticeship, he started working in the restaurants of his friends until 1992. In 1992 he opened one of the first call shops in Kreuzberg with the financial support of his family. Until 1997 he opened 6 call shops in Berlin. At the beginning of 1997 he left the management of all call shops to his brother and founded a company that is producing free-paid phone cards. Right now his company is selling these free-paid phone cards to more than 9000 customers in Belgium, Portugal, Spain, Italy, United Kingdom, Austria, Switzerland, Czech Republic, Slovakia, Poland, Russia, Greece and Turkey. Per month 7 million free-paid phone cards are sent to all over Europe via UPS in Berlin. He is not only a member of TDU but also various associations in the communication sector in Europe. Through his contacts, Murat founded two companies in Turkey, Poland and Russia in the same sector and in turn these firms enable him to make alliances with other companies in these countries.

Although we do not present them as distinct groups in this chapter, there are crucial differences that need to be underlined in the narratives of these entrepreneurs. When they were asked about the influence of immigrant entrepreneurs on the decision-making processes in Germany, the members of

TDU rely heavily on the increasing economic power of German-Turks within the last few years. According to them, German-Turks are employing 25000 people only in Berlin and providing apprenticeship opportunities and these are crucial indicators of their economic power, since Germany as a social-welfare state has unemployment and social security problems. They also believe that such an economic contribution augmented the policies of German authorities towards the problems of entrepreneurs. In this respect, political parties, local authorities and non-governmental organizations are trying to co-operate in different fields with the members of TDU. Without doubt this makes them influential representatives of the immigrant generations in Berlin. However, in order to solidify their influence on decision-making processes, they also address the necessity to create a strong image of the entrepreneurs in Germany. According to them, German-Turks have to highlight the principles like professionalism, hardworking, reliability and quality in their entrepreneurial practices and in turn has to produce a trademark in the European countries. This is crucial not only for their economic, political and social power in Germany but also for the development of relations between Turkey and European Union. For them, such an image can only be developed through the guidance of TDU not only because of its experienced and successful members, but also because of cooperation among its members in terms of know-how and financial resources. That is to say a strong image and cooperation among the entrepreneurs are considered as some of the main instruments to transform their economic power into political and social domains and to clarify their pressure on the German authorities.

Similar to TDU, members of MÜSİAD accentuate the increasing economic contribution of immigrant entrepreneurs in Germany, and development of cooperation with different political parties, local authorities, and non-governmental organizations. The members of MÜSİAD also underline their contribution for the development of business contacts among entrepreneurs not only in Berlin and Germany but also in European countries and Turkey. However, there are important differences in the narratives of TDU and MÜSİAD. According to the members of MÜSİAD, although both of them are located in Berlin, the

members of TDU try to develop policies depending upon the authorities in Turkey. In other words, the policies of TDU are determined in relation to the economic and political dynamics in Turkey and thus neglect the 'real' problems that immigrant entrepreneurs have to deal with in Berlin or Germany. The members of MÜSİAD emphasize the importance of unity that has to be formed among the entrepreneurs in Berlin, in which TDU was unsuccessful to establish. According to them, entrepreneurs are one of the leading forces among immigrant generations since they combine the German principles in business life with Islamic norms and Turkish culture. These are not clashing principles. On the contrary, these principles are integrated to each other and hence can contribute to enrich the 'multicultural' environment in Berlin. These will also improve the trust mechanism among them and in turn provide the secure grounds for the development of business contacts not only in Germany but also in Turkey. For them, MÜSİAD has to be seen as an organization that establish better communication opportunities for immigrant entrepreneurs, in which they can share various economic and political means to develop unity and collaboration.

Unlike TDU and MÜSİAD, there is not an official association for Alevi-German entrepreneurs. However, they mostly depend upon the Alevi networks to develop their business contacts and to provide financial and social support to various Alevi associations in Berlin like Anatolian Alevis' Cultural Center, Berlin Alevi Community, Kurdish Alevis Associations and so forth. Although they have contacts with the members of TDU and MÜSİAD, according to them these associations are depended upon the political authorities in Turkey and hence unable to produce independent policies in Berlin and Germany. Unlike these associations they do not have an organizational and hierarchical structure. This keeps them away from the influence of state policies and enables them to run their businesses through informal networks in Turkey or Germany. Since they form their business contacts through these informal networks, trust among the entrepreneurs seems to emerge as one of dominant narratives. According to them, such an understanding in the long run is more decisive for the unity of immigrant entrepreneurs because it does not only depend upon the solidarity of entrepreneurs

but also on the interaction of different members of the Alevi community. And this differentiates them from the interests of TDU and MÜSİAD. In other words, they stress the social and political interests of the immigrant generations more than the economic ones, unlike TDU and MÜSİAD. Although they do not have an official association like TDU and MÜSİAD, they also highlight their influence on various local authorities, political parties, especially Greens, and non-governmental organizations. Still, such policies are developed through their personal contacts and authorities in Turkey are not interested about their activities as much as TDU and MÜSİAD.

As a concluding remark about the narratives of immigrant entrepreneurs in these three networks, we have to acknowledge that they do not formulate fixed and unchanged categories. Although the immigrant entrepreneurs in these networks depend on different narratives, they cooperate with each other in different political, economic and social circumstances. Therefore, they form interactive networks, which provide the free flow of information, knowledge and financial and social support.

#### **4.6 Conclusion**

In this chapter we have focused on our sample group in order to indicate their entrepreneurial experiences within the regimes of state, market and social networks. Such an endeavor is crucial to highlight that immigrant entrepreneurs are not only passive objects but also active political, economic and social subjects. Although they are coming from different socio-economic backgrounds and practicing economic transactions in different sectors, they are able to adapt themselves to changing economic, political and social circumstances. In other words, they can adapt themselves to changing local and global dynamics through strategies and maneuvers in their economic transactions, social networks and identities. They do not run their businesses only in ethnic markets, where there is demand for cultural products and services, or in open markets, where industries are not characterized by extensive scale of economies and entry costs. In this



manner they cannot be positioned only within the literature of ethnic entrepreneurship, even though they benefit to a great extent from the financial and social resources of their families, relatives or co-ethnics. Besides these resources, they utilize different social networks to build up business contacts, to increase capital accumulation and to be more competitive in the market. In this framework, immigrant entrepreneurs are able to develop various social, economic and political relations not only in Berlin but also in different countries. In pursuing these goals they do not identify themselves within the clear-cut boundaries of Turkish, Kurdish or Alevi cultures, rather they prefer to use hyphenated identities like German-Turk, Alevi-German or German-Kurd and to underline the trajectory of being part of Berlin. What is crucial for the concern of this study is the shift within these identities. To put it differently, depending upon the social, economic and political circumstances immigrant entrepreneurs can choose to underline Turkishness, Aleviness, Kurdishness or Germanness and in turn this provides a flexible ground to position themselves. This is not only a result of decoupling of rights and identity but also a result of their economic transactions and social networks, through which immigrant entrepreneurs are able to present and condition themselves transnationally.

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**Endnotes:**

<sup>1</sup> For some statistics concerning the self-employment among immigrants from Turkey in Germany and other European countries see, Şen, F., Y. Ulusoy and G. Öz, *Avrupa Türkleri*, (İstanbul: Cumhuriyet Kitapları, 1999); Kızılocak, G., *Dünden Bugüne Almanya'da Türk Serbest Girişimcileri*, (Köln: Önel-Verlag, 1996); Çalışma ve Sosyal Güvenlik Bakanlığı Dış İlişkiler ve Yurtdışı İşçi Hizmetleri Genel Müdürlüğü, *2000-2001 Raporu*, (Ankara: Kariyer Matbaacılık, 2002); ATİAD/KPMG, *Türkischstämmige Unternehmer in Deutschland und Europa, 1961-2010, Die Treibende Kraft*, (Düsseldorf: WAZ-Druck, 1999); Ersun, C., S. T. Ok, A. İ. İlyas and M. Mustafaoğlu, *Fransa, Belçika, Hollanda'daki Türk Girişimcileri*, (İstanbul: İstanbul Ticaret Odası, 1997).

<sup>2</sup> The position of immigrant entrepreneurs in Berlin had been discussed in a meeting that was organized by Türkischer Bund in Berlin-Brandenburg, TBB; see, *Türk Ekonomi Dergisi (Zeitschrift für Türkische Wirtschaft)*, May 2003, 13.

<sup>3</sup> The *Dedes* are the religious leaders in the Anatolian Alevi villages and considered to descend from holy lineage. They lead the religious ceremonies and try to solve the social problems within the Alevi community and thus have a prestigious position within the society.

<sup>4</sup> Beside some statistics indicating this increase in the number of self-employment among immigrants from Turkey that we address in the first endnote of this chapter, also see Özcan and Seifert (2000), Özcan (2004), Pécoud (2001 and 2002) and Zentrum für Türkeistudien (2001).

<sup>5</sup> For some discussions on immigrants' hyphenated identities and citizenship statuses also see Ayhan Kaya and Ferhat Kentel, "Euro-Türkler: Türkiye- Avrupa Birliği İlişkilerinde Köprü mü, Engel mi?" Paper Presented at the Meeting in İstanbul Bilgi University, April 13, 2004.

<sup>6</sup> According to the German laws, only one person can also establish a limited company with a minimum start-up capital of 25.000 Euros. For some other requirements to establish a limited company see, Deutsche-Türkische Industrie und Handelskammer (German-Turkish Trade and Industry Association), *Federal Almanya'da Limited Şirket Kuruluşu*, (İstanbul, 2003).

<sup>7</sup> For a detailed analysis of the food industry in Berlin see, Çağlar (1995), Hillmann and Rudolph (1997), Rudolph and Hillmann (1998) and Hillmann (1999).

## CONCLUSION

In this study I focused on the entrepreneurial practices of immigrant generations from Turkey depending upon my fieldwork in Berlin. In this framework I discussed how these immigrant entrepreneurs attempt to create flexible identities within the regimes of state, market and social networks. To put it differently, the aim of the study is to indicate how immigrant entrepreneurs try to develop strategies and maneuvers vis-à-vis the regulatory mechanisms like immigrant and citizenship laws, high degree of labor market rules, class based corporatist policies, social welfare policies and social networks acting as habitus for order and stability through social control and surveillance. These strategies and maneuvers, which are reflected on the flexible identities of immigrant entrepreneurs, are crucial for them to have social mobility and thus to remain competitive in the capitalist market economy and its political and social dynamics. That is to say through flexible identities immigrant entrepreneurs enable themselves to benefit from the economic, political and social conditions in Turkey and Germany, and also adapt themselves to the changing circumstances in these countries. In this manner, immigrant entrepreneurs are not only passive subjects of the regimes of state, market and social networks, which are constituted and conditioned with various norms, laws and values, but also active agents, who are able to create flexible identities in order to be mobile and competitive within these regimes.

Within the regimes of state, conceptualization of citizenship seemed to emerge one of the constitutive categories in order to clarify the relations between the Federal Republic of Germany and its immigrant populations. The relations between Federal Republic of Germany and immigrant entrepreneurs in Berlin are defined and regulated through various laws, norms and values. As we have

discussed in chapter two, the Federal Republic of Germany seeks to control and manage its immigrant population through its Basic Law, Aliens Act and Citizenship Law in order to achieve optimum economic benefit and minimum socio-economic and political cost. Within this perspective immigrant entrepreneurs provide optimum economic benefit not only with their economic transactions in the local and global markets, but also with their employment opportunities for immigrant and 'host' societies in the general labor market. In addition to these, immigrant entrepreneurs represent the 'successful' model of 'integration' for all of the immigrant generations. Moreover, norms defining different categories of Residence Permit (Aufenthaltsgenehmigung), conditions for different immigrant populations in the acquisition of German citizenship or privileging of ethnic Germans in the acquisition of German citizenship, as we have indicated in reference to Ong (1999, 217), identify different kinds of governmentality and open the way for the uneven distribution of services, care and protection over the territory. Therefore, immigrant entrepreneurs are subjected to different norms, laws and values of the regimes of state as a result of which optimum economic benefit and minimum socio-economic and political cost can be obtained. However, this relation between the Federal Republic of Germany and immigrant entrepreneurs is not predominantly defined by the former. In other words, immigrant entrepreneurs try to develop strategies and maneuvers to achieve social mobility within the regimes of state and this is clearly reflected in the creation of flexible identities. Such formulations enable immigrant entrepreneurs to define themselves with the hyphenated identities like German-Turkish, Alevi-German, German-Kurdish or with the trajectory of being part of Berlin even if they have Turkish, German or dual citizenship. In this manner they have the flexibility to shift from the cultural boundaries of one particular form to another depending upon the changes in the political, economic and cultural circumstances. The flexibility to shift within the cultural references of Turkishness and Germanness, or Aleviness and Germanness, or Kurdishness and Germanness, provide a means of social mobility for immigrant entrepreneurs, who need to adapt themselves to different conditions in order to be competitive in the capitalist market economy and its political and social dynamics.

Just like the regimes of state, regimes of market and social networks try to control and manage immigrant entrepreneurs through different norms, values and conditions. To put it differently, entrepreneurial practices of immigrant generations in Berlin are influenced and hence determined by the regimes of market and social networks. As we have argued in chapter three in reference to the literature of ethnic entrepreneurship, mainly the theories of middleman minority, disadvantage, ethnic enclave economy and interactionism, opportunity structures and group characteristics are decisive factors in the entrepreneurial experiences of immigrants in Berlin. In this manner we have underlined that high degree of labor market regulations, class-based corporatist policies, organizational downsizing, job displacement and post-industrial shift from capital intensive manufacturing industries to labor intensive service industries in the Federal Republic of Germany have to be seen as the regulatory mechanisms of market structures, in which immigrant entrepreneurs are subjected to run their businesses. In addition to this, social networks acting through mechanism of thrust, which can be treated as habitus, maintain the flow of information, expertise, financial capital, reputation and memories and in turn formulate a sense of order and stability among immigrant entrepreneurs through social control and surveillance. Such a control mechanism is crucial for immigrant entrepreneurs since every additional player in the market influences the distribution of profit and services. Therefore, social control within these immigrant networks to some extent is derived from the harsh competition in the market among immigrant entrepreneurs and also between members of 'host' society and immigrant groups. However, within the framework of this study we have emphasized that immigrant entrepreneurs are not only passive subjects and can be regulated and controlled within the regimes of market and social networks. In other words, we have clarified that immigrant entrepreneurs do not run their business activities only depending on the demand of cultural products and services or the markets, where industries are not characterized by extensive scale of economies and entry costs, as it is argued in the literature of ethnic entrepreneurship. Rather, the economic transactions of immigrant entrepreneurs can be concentrated on different sectors like food, construction, services and trade in Berlin, Germany, Turkey and various European

countries. In this process immigrant entrepreneurs benefit from financial capital of their social networks not only to establish their companies but also to develop them with different investments. Moreover, these social networks play an important role in the recruitment of workers, creation of business alliances, development of business contacts and exchange of information, knowledge and expertise in different phases of economic transactions. Therefore, immigrant entrepreneurs are able to build up strategies and maneuvers in the regimes of market and social networks and hence they adjust themselves to different political, economic and social circumstances. Inevitably, these increase their social mobility and in turn enable immigrant entrepreneurs to create flexible identities through which they can position themselves transnationally rather than the clear-cut boundaries of particular identities and cultures.

In this study, I did not attempt to portray the ‘success’ or ‘failure’ stories of immigrant entrepreneurs in Berlin or the importance of immigrant entrepreneurs for Turkey and Germany. Rather I tried to illustrate their position within the regimes of state, market and social networks in order to underline the circumstances in which they are constituted and conditioned by various norms, laws and values. I also emphasized that immigrant generations are able to create flexible identities through their entrepreneurial practices in these regimes of state, market and social networks. With these flexible identities immigrant entrepreneurs can solidify their social mobility and become active agents in the economic, political and cultural dynamics of globalization.

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